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WHO REALLY RULES THE U.S.?

Never has capital in the United States been so concentrated. Today the hands of an extremely small number of financiers hold the threads of the entire imperialist economy. From the corner gas station to a copper mine in Chile extends an empire controlled by a handful of closely allied financial groups that directly control the bulk of basic domestic industry, the bulk of domestic finance and all the overseas empire of American capital. Indirectly the rest of the economy is under their sway. These are the real rulers; they share their power with no one.

In 1965 there were some 340,000 industrial corporations in the United States. The biggest 500 of these, amounting to .15% of the total, had 60.2% of the industrial sales and 71% of the industrial profits. In 1969 the biggest 200 controlled well over 60% of the industrial assets. The biggest 100 industrials, only .03% of the total number, had nearly 40% of the industrial sales. More than 68% of the workers in the 340,000 industrial corporations worked for the biggest 500 in 1968.

A similar state of affairs existed in other branches of the economy. The 50 biggest merchandising chains had a net income of over a billion dollars in 1966; 62.5% of that net income went to the ten largest chains. The three biggest commercial banks owned one-eighth of the assets of the some 13,000 banks in the country. There were 1,718 life insurance companies in the country with total assets of \$167-billion. The ten biggest of these held \$94-billion, or 56-1/2% of the life insurance assets. Even more striking, the two biggest, Prudential and Metropolitan Life, owned 36% of the life insurance assets. American Tel & Tel owned 84% of the telephones in the country, while General Telephone, its "competition," owned 50% of the remainder.

While the telephone industry—like auto, steel, oil and some others—has for some time been highly monopolized, the recent period has seen a sharp increase in mergers in other sectors of the economy. The food, textiles, retail trade, aircraft and electronic industries are increasingly being controlled by two or three corporations. Just since 1965 we have seen: (1) Consolidation Coal, itself the biggest amalgamation of coal mines, taken over by Continental Oil; (2) Douglas Aircraft, maker of the DC-8, merged with McDonnell Aviation; (3) Atlantic Refining combined with Richfield Oil and then merging with Sinclair Oil; (4) Sunshine Biscuits acquired by American To-

bacco; (5) North American Aviation merged with Rockwell Standard; (6) Signal Oil & Gas taking over Mack Trucks; (7) Gulf & Western Industries digesting Consolidated Cigar, then E.W. Bliss & Co., and finally Universal-American; (8) Container Corporation of America bought by Montgomery Ward; (9) Kern County Land merged with Tenneco Oil Co.; (10) Sunray DX Oil taken in by Sun Oil; (11) Peabody Coal by Kennecott Copper; (12) Hooker Chemical by Occidental Petroleum; (13) Crucible Steel by Colt Industries; (14) General Precision by Singer; (15) Westinghouse Air Brake by American Standard.

These are just some recent highlights of a general trend. When billion dollar outfits like Douglas Aircraft are being gobbled up, thousands of smaller fish are also going under. In fact, while from 1948-1957 there were 4,303 mergers, in 1967 alone there were 1,496 mergers; 607 of those companies taken over were worth \$50-million or more. Twelve companies worth over \$250-million each were gobbled up in 1968. In the first three months of 1969, 43 large manufacturing firms worth \$45.5-billion were taken over.

WHILE MONOPOLIZATION IN EACH INDUSTRY has increased, most of the large corporations, unable and unwilling to take on the giants in their own industry, use their surplus capital to move into other industries where monopolization is not yet complete. This forces an increased rate of monopolization in those few sectors of the economy where some competition still prevails. Almost all of the big industrial corporations now have interests in a wide variety of industries. Some, like Litton Industries or Gulf & Western, are called conglomerates because of their extreme diversification.

An example of the latter is the Dallas-based Ling-Temco-Vought. Organized only in 1953, it has, with the backing of big money (Rockefeller) from the East, become one of the 100 largest industrials. It started as Ling Electronics; when in the late nineteen-fifties it fell under the sway of Eastern money, it began a campaign of rapidly gobbling up other electronics companies; more than 10 were taken over from 1957-1960. In 1960 it entered the aircraft industry by merging first Temco Aircraft, then Chance-Vought. Then in rapid succession, refrigeration, chemical, pharmaceutical, mobil communications and missile companies were bought up. In 1967 Wilson & Co.,

itself a conglomerate of meat, pharmaceutical and sporting goods equipment, was taken over. Then Goldschmidt Chemicals was taken. In 1968 the company bought out Greatamerica, giving Ling-Temco-Vought control of Braniff International Airways, National Car Rentals, a big California bank and three insurance companies. It sold the bank and with that money bought control of Jones & Laughlin Steel, the sixth largest manufacturer of basic steel. Thus by the company's 16th birthday, it occupied an important monopoly position in the meat, aerospace, electronics, wire and cable, sporting goods, airline, pharmaceutical, car rentals and steel industries.

The Penn-Central Railroad, the largest in the nation, is another example. Formed by a merger of the biggest and the fourth biggest railroads, it operates directly 27,000 miles of track. But that's not all; it also operates under lease 39 other railroads, including such major ones as the New Haven Railroad, the Pittsburg Lake Erie Railroad, the Lehigh Valley Line, the Wabash Line, etc. But even that's not the end of it. The Penn-Central owns securities (effective control) in 90 other railroads. Outside the railroad field, the company owns Buckeye Pipe Line Co., the Biltmore, Barclay, Roosevelt, Commodore and Waldorf-Astoria Hotels in New York City, 20 acres of Park Avenue real estate in downtown New York and is acquiring Kayser-Roth Co., the garment monopoly that owns 119 garment sweatshops in the U.S., Canada, Puerto Rico and Italy. The 1970 "bankruptcy" changes nothing here.

General Telephone, the "independent phone company," has 30 subsidiary companies in the U.S.; it also controls the phone companies in Quebec, British Columbia and the Dominican Republic. It also owns Sylvania Electronics with its 57 plants, and Automatic Electric Co. General Telephone operates plants in Canada, Italy, Belgium, Brazil, Argentina, Mexico and Germany.

Ford, the seventh largest industrial, makes 23% of the cars and 30% of the trucks in North America; its Philco division makes everything from missiles to home appliances. It has divisions that make all kinds of parts for motor vehicles, all kinds of tractors and farm equipment. Overseas its subsidiary in Germany, Ford-Werke A.G., is the third largest. With assembly and manufacturing plants in Canada, Great Britain, Germany, Brazil, Argentina, Mexico, Australia, South Africa, New Zealand, Malaysia, Finland, the Netherlands and elsewhere, more than 400,000 of the world's workers work for Ford.

Chase-Manhattan Bank, the second largest, has 142 branches in the New York area. It owns Banco del Commerce with 120 branches in Columbia and Panama, Banco Continental with 42 branches in Peru, Banco Atlantida with 24 branches in Honduras, Nederlandsche Crediet with 66 branches in the Netherlands, and major banks in Brazil, Venezuela, Belgium, Austria, West Indies and Ireland. Chase-Manhattan controls the Standard Bank Group, which with 1,100 branches dominates finance in Kenya, Malawi, Tanzania, Uganda, Zambia, South Africa, Rhodesia, Nigeria,

Ghana and eight other African countries. But this is just the tip of the iceberg of Chase-Manhattan's power. Its huge financial resources allow it to control and influence many of the other biggest monopolies and imperialist concerns in the U.S. and abroad.

New York Banks Take Power

The tremendous wave of mergers and concentration of capital that has taken place in the last 20 years has been financed by the big banks, and particularly the big New York wholesale banks. The power of the main New York banks has grown tremendously in this period, and their domination of the U.S. economy has become complete. Just since 1955 the following changes have taken place among the six big New York banks that strengthened their monopoly position:

(1) In 1955 the Chase National Bank was worth \$5.4 billion; it took over the Bank of Manhattan and by 1967 the Chase Manhattan was worth over \$15 billion. (2) City National in 1955 was worth \$5.6 billion; it took over the First National Bank, and by 1967 the First National City Bank was worth \$15.1 billion. (3) In 1955 Manufacturers Trust was worth \$2.8 billion; it combined with the Hanover Bank and by 1967 the Manufacturers Hanover Trust was worth \$8 billion. (4) In 1955 the Guaranty Trust was worth \$2.6 billion; it merged with the J.P. Morgan & Co., and by 1967 the Morgan Guaranty was worth \$7.3 billion. (5) In 1955 the Chemical Corn Exchange Bank was worth \$2.6 billion; it gobbled up New York Trust, and by 1967 the Chemical Bank was worth \$7.1 billion; (6) Bankers Trust Co. merged with some smaller banks and grew in assets from \$2 billion to \$6 billion.

In general the New York wholesale banks tripled their size in the 12-year period 1955-1967; while by contrast even the big retail banks, such as Bank of America and the two major Chicago banks, only doubled their size. This reflected the increasing dominance of the New York banks over all fields of industry, which we shall detail. Moreover these six banks represent only three separate interest groups. The Chase-Manhattan, First National City and Chemical banks are controlled by a group of families and financiers in which the Rockefellers predominate. The Morgan Guaranty Trust and Bankers Trust are controlled by a group of financiers and families that J.P. Morgan put together. Manufacturers Hanover Trust is closely connected with the two groups. Together, the Morgan and Rockefeller banks control the majority of the biggest corporations in the country.

The power of the New York banks is far greater than their nominal assets would indicate. As primarily wholesale banks, their money carries much more weight. For example, Bank of America's Salinas branch money is undoubtedly tied up in loans to farmers, small and medium businessmen, and retail loans and mortgages. Chase-Manhattan's loans, on the other hand, are predominantly to big corporations. The New York banks have no branches outside the New York

City area, and a very much smaller percentage is tied up in retail loans. Although Bank of America has loans with big industrial corporations, a much smaller per cent of its assets is in such loans than the New York banks. With these loans, of course, comes control.

Secondly, the New York banks control most of the trust funds and dominate the trust functions in the country. In addition to its own assets, Chase-Manhattan invests billions of dollars (at least \$15 billion) of various millionaires' money that it holds in trust. This means a tremendous amount of power in the corporations in which the banks invest. The vast majority of trust funds in the U.S. are held by the six big New York banks. Although the exact figures are secret, a safe bet would be that each of these banks manages at least the same amount as its public assets in secret trust funds. In addition, these six banks act as bond trustees, stock transfer agents and stock registrars for almost all of the biggest industrial corporations.

THE BANKS USE SEMI-SECRET "FRONT" groups to buy into the industrial corporations. For example 25 of the 30 biggest stock holders of the Burlington Northern Railroad are "companies" unknown otherwise, such as Lerche & Co., Hemfar & Co., Pitt & Co., Lynn & Co., Way & Co., Pendiv Co., Ince & Co., Douglass &

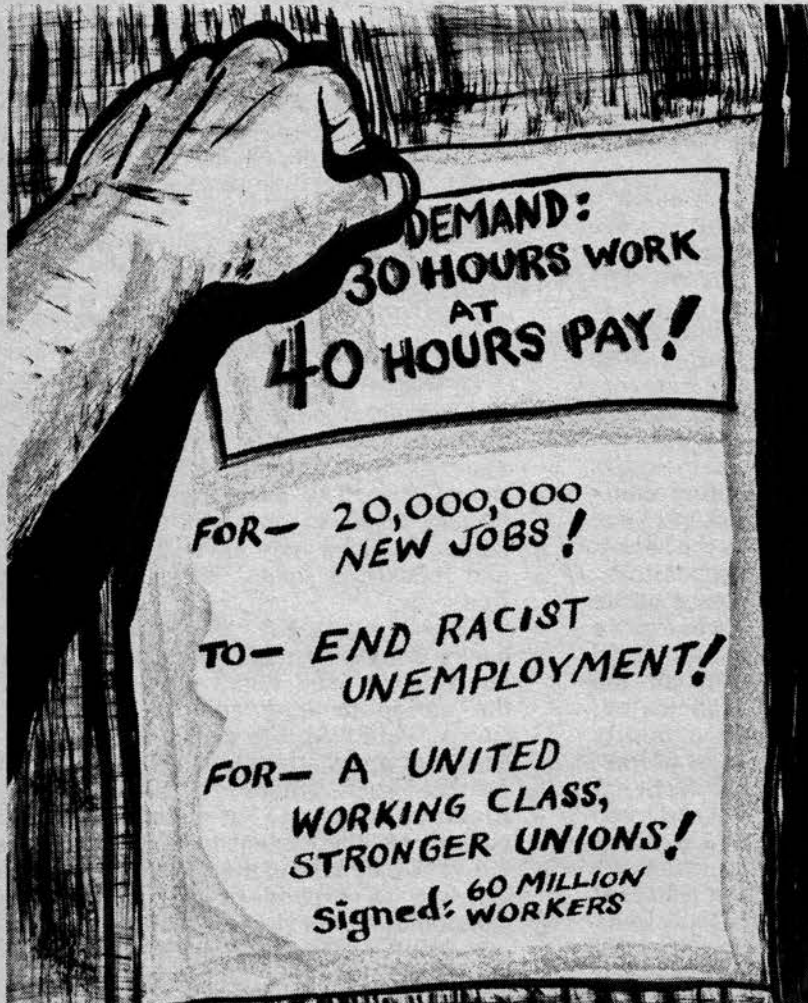
Co., Lehcors and Co.—not a bank in the bunch. BUT—Hemfar, Lehcors, Pendiv and Pitt are all "front" names for Bankers Trust; Lerche and Way are really Bank of New York; Ince, Douglass and Lynn are really Morgan Guaranty Trust. These three banks are the kingpins of the Morgan group that controls the Burlington Northern.

Post-War Centralization

The period since World War II has been one of tremendous concentration and expansion of capital. Money has been increasingly dear and the industrial corporations have had to pay dearly for it. Thus the power of the big banks who have the money has grown faster. Thus fewer and fewer corporations have been able to remain independent of the big banks. (Raising the prime interest rates to 8-1/2% accelerates this process.) We will see this concretely below, but first we should establish the crucial role of the banks.

Over 50 years ago Lenin penetratingly analyzed the new role that banks play under monopoly capitalism.

The principal and original function of banks is to serve as middlemen in the making of payments. In doing so they transform inactive money capital into active, that is, into capital yielding a profit; they collect all kinds of money revenues and place them at the disposal of the capitalist



Workers' fight for 30 for 40 will crimp bosses' profits. Socialist revolution will eliminate them.

class.

As banking develops and becomes concentrated in a small number of establishments, the banks grow from humble middlemen into powerful monopolies having at their command almost the whole of the money capital of all the capitalists and small businessmen and also the larger part of the means of production and of the sources of raw materials of the given country and in a number of countries. This transformation of numerous humble middlemen into a handful of monopolists represents one of the fundamental processes in the growth of capitalism into capitalist imperialism.

Scattered capitalists are transformed into a single collective capitalist. When carrying the current accounts of a few capitalists, a bank, as it were, transacts a purely technical and exclusively auxiliary operation. When, however, this operation grows to enormous dimensions, we find that a handful of monopolists subordinate to their will all the operations, both commercial and industrial, of the whole of capitalist society; for they obtain the opportunity—by means of their banking connections, their current accounts and other financial operations—first, to *ascertain exactly* the financial position of the various capitalists, then to *control* them, to influence them by restricting or enlarging, facilitating or hindering credits, and finally *entirely determine* their fate, determine their income, deprive them of capital, or permit them to increase their capital rapidly and to enormous dimensions, etc.—

Imperialism, the Highest Stage of Capitalism

This process that Lenin observed in 1916 was less advanced in the U.S. than in Europe, owing to the peculiar history of banking here. Banking went through three phases here. At first they were very important because of their relationship with the mercantile capitalists that declared independence from England. These first banks were broken up during the rise of the manufacturing capitalists in the early 19th century. They were heavily restricted and state laws kept them artificially small until the advent of monopoly capital at the end of the 19th century gave the banks a rebirth. The original trusts and monopolies were backed by investment brokers and speculators, not by banks as was the case in Europe. The founding robber barons, however, began a process of nurturing selected infant banks to maturity in order to consolidate their monopolies. The banks soon became the center of the interest groups that these speculators and robber barons formed.

Thus arose the big wholesale banks in the early part of this century. The various holding companies and investment houses could not perform the functions Lenin described as well as the banks, since only the banks could use their depositors' money as well as the "personal" money of the "founder." Thus the investment houses were more or less abandoned and the favored banks assumed the role of controlling the monopolies in the interest group formed by this or that speculator. For each interest group controlled by a family or financier, a bank arose as the focus of power. Thus the Mellons formed their Mellon National Bank to control their aluminum monopoly (Alcoa) and their Gulf Oil; J.P. Morgan formed J.P. Morgan & Co. to control his U.S. Steel and General Electric; and Rockefeller had the Chase National Bank for his Standard Oil. Having his bank control his company rather than owning it directly allowed the "founder" to spread his money out

more and gain control of other people's money in the bargain.

THE NEXT STEP FOR THESE BIG WHOLESALE banks was to increase their capital enormously by gaining control of various forms of retail finance. In states such as California where unlimited banking was legal, branches were opened all over the state and the small country banks were put out of business. Bank of America has over 1,000 branches now. In states where this was not allowed, the law was circumvented by forming bank holding companies. Thus the Morgan banks are able to dominate upstate New York banking through the Marine Midland Corporation, which owned 11 upstate banks with 224 branches and controlled \$4.3-billion in 1967; the big Boston banks controlled small-town Massachusetts retail banking through the Baystate Corporation and the Shawmut Association, which together owned 24 banks with 216 offices and nearly \$2-billion in 1967; and the Rockefeller banks controlled retail banking in Minnesota, Iowa and the Dakotas through the Northwest Bancorporation and First Bank Stock Corporation, which together owned 165 banks with 212 offices and nearly \$6-billion in 1967. Those banks not directly owned by holding companies were indirectly controlled through various correspondent relationships and the like.

The big banks fostered the formation and growth of big insurance companies with their tremendous resources. Unlike the fire and casualty insurance companies, which bring in comparatively smaller amounts of capital, life insurance companies amass tremendous amounts. Since World War II under the sponsorship of the big banks, the life insurance companies have made large increases in their resources. The assets of life insurance companies nearly tripled from 1950 to 1967. Since all of the 15 largest life insurance companies are closely connected with one of the major banks or group of banks this has vastly increased the power of the banks.

Of little importance in controlling industrial and financial power are the savings & loan associations and mutual savings banks; their resources are almost entirely tied up in home mortgages. The assets of the savings banks are almost equal to one-half that of the commercial banks, but they only have .02% of the commercial and industrial loans, which is where the power lies.

Thus the original robber barons fostered the big banks to control their original monopolies. Their successors used these banks to gain control of the entire banking and all important financial fields. This gave the banks command of an entire financial apparatus that was not only sufficient to control such giants as Standard Oil, General Electric or Alcoa, but also could be used to gain control of independent industrial companies. With the vast increase of mergers, every major monopoly had to expand or die. The degree of expansion that was required in almost every instance just to stay afloat was such that even such giants as General Motors and Ford had to go into hock

to the big banks.

Giant Companies Gobbled Up

As late as the early nineteen-fifties General Motors and Ford were relatively independent of the big banks. But the pressures to expand and modernize their plants forced these giants to go begging to the big New York banks. On December 9, 1953, G.M. got a \$300-million loan in the form of bonds offered by Morgan, Stanley & Co., a Morgan investment house; the trustee was Rockefeller's First National City Bank. Since then the G.M. Acceptance Corporation has floated some 13 bond issues, backed by First National City Bank and the Morgan Guaranty Trust. And as we shall see below, the biggest corporation fell into the hands of the big banks.

Ford was forced to follow the same road. Up until 1956 the company was the private property of the Ford family, but the same pressures that G.M. felt forced the Ford family to start selling shares in 1956; by 1963, 29 million shares were sold. This big sale was underwritten by a group of New York investment houses, among which the Morgan-allied Lehman Corporation predominated; and they were backed by four big banks of which the Bankers Trust and First National City Bank are most prominent. With money comes power, and real control of Ford slid away from the Ford family. True, Henry Ford is still president and does the day-to-day running of the company. But Henry Ford is now answerable to the bankers that sit on the board of directors. Two directors of Ford are from the Morgan Guaranty Trust; three directors are from the Lehman Corporation or its tightly-controlled One William Street Fund. The Lehman Corporation is interlocked with the two big Morgan banks so that essentially five Ford directors represent the interests of these banks. That is enough to have the decisive say on all important matters including whether or not Henry Ford remains president of Ford Motors. In this day when the New York banks dominate the entire economy, the Ford family, rich as it is, is not rich enough to control Ford Motor Company.

What happened to Ford and G.M. was repeated with most of the other major independents. IBM, National Cash Register, Goodyear Rubber, Ralston-Purina, TWA, Texaco, Union Carbide, all originally controlled by a family or an independent group of financiers, fell under sway of the big New York banks. IBM has eight directors from these banks—four Morgan directors and four Rockefeller. National Cash Register has three First National City Bank directors; Texaco has two from Rockefeller's Chemical Bank; Union Carbide, three from Manufacturer's Hanover Trust, and so on for over 100 of the formerly biggest independents. The degree of control varies and some corporations remain tied to Midwestern or California banks and a very few retained a kind of independence, but the rapidly increasing dominance of all sections of the economy by the six big New York banks has been the basic economic fact since 1950.

Mr. Hughes Learns a Lesson

What happened to Howard Hughes in the TWA affair is a striking case in point. Howard Hughes, who is called the world's richest man but is actually very low on the totem pole of power, acquired control of TWA when it was a small struggling airline. With the tremendous growth of the airline industry in the post-war period TWA grew to be a strategic property. But the money required to purchase the jet aircraft that TWA needed was more than even Howard Hughes could raise.

In 1960 Hughes went hat in hand to the New York bankers. A consortium of banks and insurance companies headed by Rockefeller and Morgan investment companies advanced TWA \$340-million. But in return they demanded control of the board of directors of TWA. Hughes was ousted from the management even though he owned 78.23% of the stock. Although Hughes wasn't allowed under the agreement to vote his stock, he had some control of the equipment purchases, and the agreement with the banks provided that Hughes would regain control of TWA once the debt could be refunded. He then could conceivably vote out the bankers' management.

To rid themselves of this threat, the new managers of TWA in 1961 went to court to force Hughes to sell his TWA stock and to end forever his interest in TWA. The courts, ever mindful of who holds real power in this country, carried out the bankers' wishes. Hughes was forced to sell his stock. Private property of those who opposed the wishes of the New York banks is not sacred in federal court.

Hughes sold his stock and TWA was no longer his, but that was not the end of the story. Hughes realized \$436-million after taxes from his sale, but the new management turned around and sued Hughes for mis-management back when he controlled the airline. The ever-pliant courts gave TWA \$160-million of Hughes' money. The bankers could have broken Hughes altogether had they wished; they certainly demonstrated the power to do so. Perhaps they were merciful in anticipation that Hughes will learn his place in the future. Since falling under the control of the New York banks TWA's prospects brightened. The Government awarded it new routes; it took over the Hilton Hotel's international operations; it took over management of Ethiopian, Saudi-Arabian and British West Indian Airlines; it found credit easier to get. Today TWA is another growing billion-dollar corporation controlled by the Morgan banks.

Two Banking Groups Control America

Even a cursory look at the corporate connections of the directors of the major corporations shows that most corporations are connected with at least several others in a common interest grouping. An interest grouping is a group of corporations that have some common directors (interlocks) or where there are other clear strings of

control. When a director sits on more than one corporate board he must have the interests of one of the corporations uppermost in his mind—that would be the controlling corporation. Since in most cases these interlocking directors came from financial institutions, especially banks, we can conclude that these latter control the industrial corporations.

There may be anywhere from 11 to 29 directors of a corporation. In theory all are equal—one man, one vote—but in practice each is there for different reasons. Some are being honored for past services; others may represent a customer or a supplier; some may represent a local oligarchy of a city where the corporation does business or has a plant; some—the officers of the corporation—come to the board to report on current operations and find out how to carry out the line of the board. All these are unimportant from the point of view of control. Often only a minority of the board represents the controllers. They can make their weight felt without a numerical majority on the board. If Mr. X represents the bank that controls the financial future of the corporation, his ideas are bound to carry more weight than the other members of the board. If unchallenged by another group the controlling financial group needs no more than two or three representatives on a board to exercise effective control.

The various interest groupings or circles revolve around two main suns. These are the Rockefeller circle, centered on the three big Rockefeller banks—Chase Manhattan, First National City and the Chemical Bank; and the Morgan circle, centered on the two Morgan banks—Bankers Trust and Morgan Guaranty Trust.

There are four other major circles that play a somewhat but not totally independent role: the Mellon group in Pittsburgh; a group of Cleveland industrialists; the Bank of America group in California; and a group centered on the big Boston banks. There are also much smaller regional subordinate grouplets.

Together these groups **directly** control (mainly through control of the boards of directors) 85 of the 100 biggest industrial corporations, 38 of the 40 biggest banks, 19 of the 20 biggest insurance companies, 18 of the 20 biggest transportation companies, 18 of the 20 biggest public utility corporations, 7 of the 10 biggest merchandizing chains, 12 of the 15 biggest mutual savings banks. These are the ruling circles; they also, of course, control the state apparatus. But within these ruling circles, there are definite subordinate relationships. At the pinnacle of power are the Rockefeller and Morgan groups.

THE ROCKEFELLER GROUP IS CENTERED on the holdings of the Rockefeller family, but includes the holdings of allied families and financiers and the much larger group of corporations that have fallen under the control of the Rockefeller banks and insurance companies. The Rockefeller family undoubtedly has the most important voice within this circle, but other families and various financiers, such as C. Douglas Dillon,

also must have an important say on the direction of the group.

Three of the six big New York banks: Chase Manhattan, the Rockefeller "family" bank; First National City Bank, Rockefeller-cousins and Stillman-family owned; and the Chemical Bank—plus three of the four biggest insurance companies in the country: Metropolitan Life, Equitable Life Insurance and New York Life—make up the financial core of the Rockefeller circle. The known assets **alone** of these six financial giants were over \$160 billion in 1972 and as a group they form the most powerful financial unit in the country.

- Equitable Life has four directors in common with Chemical Bank and four directors from Chase Manhattan.

- New York Life has two directors in common with Chemical Bank, one with Chase Manhattan and two with First National City.

- Metropolitan Life has two directors from Chase Manhattan and two from First National City.

- The Rockefeller family-owned Istel Fund owns 4% of Chase Manhattan and interlocks with First National City.

- Consolidated Edison, Rockefeller's utility monopoly, brings the six together in one board; it shares three directors with New York Life, two with Chemical Bank, two with First National City and one each with the other three financial institutions.

All this makes for an extremely close-knit bloc of financial power. For comparison, the entire Federal Reserve System (12 Federal Reserve Banks) had in 1967 assets of only \$72 billion. Counting their secret trust funds, and mutual funds and investment companies under their control, these six have at least four times the financial assets of the entire Federal Reserve System.

But this is only the core of the Rockefeller circle. Through a system of interlocking directorships these six giants control, besides Con Edison:

- All the biggest banks, insurance companies and utilities in Chicago, Dallas, St. Louis, Minnesota, Iowa and many other places.

- Three of the four biggest Connecticut Insurance companies.

- **Railroads**—Missouri-Pacific, St. Louis-San Francisco, Norfolk and Western, Santa Fe, Chicago, Milwaukee and other major companies.

- **Airlines**—Pan American, Northwest Airlines, Eastern Airlines, American Airlines and New York Airways, and the Civil Aeronautics Board that "regulates" the airlines.

- **Chemicals** Monsanto Chemical and others.

- U.S. Steel, which has over 40% of the country's steel capacity, and Bethlehem Steel, the number two company.

- **Rubber**—Goodyear Rubber and Uniroyal Rubber.

- **Oil**—Standard Oil of New Jersey, Standard Oil of Indiana, Standard of California, Texaco, Mobil Socony Oil and Amerada Petroleum.

- **Foods**—Hunt Foods, Ralston-Purina, Swift, Pet, General Foods, Borden's, Pillsbury, General



Chilean workers and students demonstrate against fascism; socialist revolution will destroy U.S. imperialism there.

Mills and others.

- **Copper**—the “big two,” Kennecott Copper and Anaconda.

- **Merchandizing chains**—Macy’s, J.C. Penney, Sears, Marshall Field, Montgomery Ward.

- And scores of other huge monopoly corporations in a variety of industries, such as Ling-Temco-Vought, General Dynamics, Colgate-Palmolive, International Paper, CBS, Annheuser-Busch, Emerson Electric, National Cash Register, and International Tel and Tel, the imperialist utility monopoly.

- In addition, the Rockefeller circle has the most seats on the board in American Tel & Tel, which owns 85% of the nation’s telephones, and it shares control with other financial groups of over a dozen other corporations, including IBM, General Motors and the Southern Railway.

The major portion of this tremendous empire has been added since World War II. Such companies as Ralston-Purina, formerly the private property of the Danforth family, were added. When the Danforths wanted Ralston-Purina to expand beyond the cereal and dog food business, they beat a familiar path to New York and to the Rockefeller banks. Ralston-Purina did expand in many new fields; they even started a big chain of drive-in restaurants—the Jack-In-The-Box. But the price of expansion money was loss of control. While there are still Danforths on the Ralston-Purina board, control is exercised by

those like Harold Helm, who serves Equitable Life and the Chemical Bank; the director from Metropolitan Life; the director from the First National Bank of Chicago; and the three directors from St. Louis banks under Rockefeller control.

THE CHICAGO GROUP OF BANKERS AND millionaire families was formed at the turn of the century in opposition to the rapid outside takeover of the key industries in the area, especially railroad and steel. It tended to be concentrated in secondary industries, especially those related to agriculture, meat-packing and farm implements. The biggest Chicago banks interlocked as the center of the group and financially gained great power in the West and Midwest.

Since the nineteen-thirties, the group has been declining and disintegrating. With the decline of agriculture as keystone of the economy, the relative power of the Chicago banks dropped. With the loss of correspondent relationships with rural banks because of the formation of New York-controlled bank holding companies came a further erosion of power. Finally, the rise of important banking centers in California took away West Coast and Mountain State business from Chicago banks. The Chicago group has suffered the most precipitous decline of all the interest groups since the thirties.

With the erosion of relative financial power, the group as a whole is falling more and more

under the influence of the Rockefeller group. In the last decade, power shifted in the First National Bank of Chicago, the second biggest, bringing it closer to the Rockefeller banks than to its former partners, the other three big Chicago banks. The shift of the First National from the Chicago group to the Rockefeller group brought over the Prince family and its Armour Co., the second biggest meat-packing company in the country. In Sears Roebuck, the biggest retail chain in the country, the Rockefeller interest steadily grew; the shift of First National, which has two Sears directorships, gave the Rockefeller group a bigger number of seats than the other Chicago banks, thus shifting a \$7 billion corporation to the Rockefeller camp. Even in Marshall Field, Chicago's main department store, Rockefeller banks have control, through First National. And the rest of the group is also rapidly merging into the Rockefeller circle.

The three other Chicago banks, Continental Illinois Bank and Trust, Harris Trust and Savings and Northern Trust are important wholesale banks, with better than \$15 billion in open assets and plenty of hidden trust funds. Outside of Sears, the most important properties of the Chicago section of the Rockefeller group are Swift & Co., the biggest meat-packing company, and International Harvester, which monopolizes the tractor and farm implement industry. These banks also control Commonwealth Edison, Montgomery Ward, U.S. Gypsum, the Santa Fe railroad, two other big railroads and several other key companies. The Chicago section has seven direct financial interlocks with the New York section of the Rockefeller group.

The Chicago group has no interlocks with the Morgan group and recently even attempted to raid one of Morgan's biggest corporations. Northwest Industries, a holding company controlled by the Chicago banks, tried to grab B.F. Goodrich, the tire and rubber monopoly. Aided by Rockefeller's First National Bank of Chicago in early 1968, Northwest made a tender offer to buy up controlling interest in B.F. Goodrich. The two Morgan banks that control Goodrich and their allied Lehman Brothers successfully fought off the attempted raid with financial and Government pressure.

The Rockefeller group has remained a close-knit and rapidly-expanding empire in the post war period. The Morgan group, on the other hand, lost some of the key properties around which it was originally built—U.S. Steel, American Tel & Tel and the United Corporation utility monopoly. In the Rockefeller group, the holdings of the Rockefeller family are at the center. The Morgan group has no such family to rival the Rockefellers or to play the role their wealth does. J.P. Morgan was primarily an operator, not an owner. He welded together an alliance of speculators, financiers, bankers and wealthy families that was unrivaled in its day. But the Depression was more favorable to Rockefeller than Morgan, and Morgan lost his dominant position. Since its founder's death, the Morgan group has gone through many changes. Some of his former asso-

ciates drifted over to Rockefeller, but new financial houses grouped themselves around the Morgan banks, making the Morgan group, despite its losses, bigger than ever.

AT THE CORE OF THE MORGAN CIRCLE ARE the two Morgan banks: Morgan Guaranty Trust and Bankers Trust. Through a system of interlocks similar but looser than in the Rockefeller case, these two banks are allied with several other powerful financial institutions:

- The Lehman Corporation and the First Boston Corporation, the two most powerful investment companies in the country.

- Marine Midland Corporation, owner of most of the biggest upstate New York banks.

- U.S. Trust Company and Brown Brothers, Harriman—two New York banks that control huge amounts of trust funds.

- Mutual Life of New York, Home Life, Guardian Life, Teachers Insurance, Aetna Life, Mutual Benefit.

- Bank of New York and eight big mutual savings banks in New York State.

- American Express Company and General Reinsurance, two very powerful financial corporations.

- Prudential Insurance, the largest New Jersey insurance company; and the two biggest N.J. banks.

- A Philadelphia section headed by the four biggest banks and four biggest insurance companies in that city.

It is impossible to estimate in money terms the strength of this alliance because the bulk of their power must lie in the secret trust funds or stock managed for clients under their control. We know that together Morgan Guaranty Trust, Bankers Trust and U.S. Trust control at least \$45 billion in trust funds alone. A good guess would say it is at least as strong as the Rockefeller group. Naturally this financial circle maintains a large and growing empire of industrial corporations, including such companies as Ford Motor Co., B.F. Goodrich Tire, Boeing Co., Continental Oil, General Electric, Atlantic-Richfield, Singer, American Can and Campbell Soup. (See Appendix for complete list.)

Conflict and Unity Among The Rulers

The sharpening class struggle, the growing scramble for overseas investments and the shakier position of all monopolies is reflected at the top by a growing struggle between and even inside the main monopoly circles. The two most powerful circles, the Rockefeller and Morgan groups, have shoved and jockeyed one another for better position even as individual monopolies sought better positions within the groups. While these groups have struggled with one another, they have united with each other against the workers they exploited, the oppressed nations they jointly plundered, the revolutionaries who opposed nations they jointly plundered, the revolutionaries who opposed them, and smaller capitalists and rival imperialists and financial groups. This unity of the Rockefeller and Morgan banks against

the workers and others who threaten them is primary today. Thus the struggle is often quiet and behind-the-scenes, but fierce nevertheless.

Since World War II, the struggle between the Rockefeller and Morgan groups may be characterized as follows: The Rockefeller group managed to seize or break up three key Morgan monopolies, but the Morgan banks managed to hold their position by bringing together the financial resources of some diverse but powerful anti-Rockefeller banks with the two Morgan banks in the center.

In the nineteen-thirties the Morgan circle directly controlled over one-third of all the electric power in the country through their control of two public utility holding companies: the United Corporation and Electric Bond and Share. Almost all the main gas and electric companies in New York, New Jersey, Pennsylvania, Ohio, Michigan, Texas and the South were held by these two holding companies. The reverses "Morgan" suffered in the Depression made them fair game for Rockefeller and his other rivals who had greater influence in the "New Deal."

Rockefeller and his allies cynically whipped up public opinion against monopolies and then pushed through legislation like the Tennessee Valley Authority and the Public Utilities Holding Company Act to break up the Morgan empire. Taking care to see that Rockefeller's own utility monopoly, Con Edison, was unaffected, the "New Deal" broke up the United Corporation and Electric Bond and Share into smaller companies, which then were redivided between Rockefeller, Morgan and other groups. Electric Bond and Share was taken over by Rockefeller in alliance with Manufacturer's Hanover Trust. In some of its constituent companies, such as Middle South Utilities, the Morgan group retained an influence; in others, such as the Texas Utilities, the Rockefeller group took over entirely.

The Morgan banks kept all the successor companies to the United Corporation still controlling power in Alabama, Georgia, Ohio, West Virginia, Pennsylvania, New Jersey and upstate New York. The state-capitalist Tennessee Valley Authority (TVA) became indebted to the Rockefeller banks. Thus the Rockefeller group used the government to force a redivision of the Morgan utility empire.

THE U.S. STEEL CORPORATION, WHICH PRODUCES 40% of the nation's output, was personally founded by J.P. Morgan at the turn of the century. For years it was the jewel in the Morgan empire. During the nineteen-fifties, the shift that occurred in the Morgan circle, especially the merger of the former Morgan First National Bank into the Rockefeller City National, shifted predominant influence in U.S. Steel from the Morgan to the Rockefeller group. This behind-the-scenes shift amounted to a seizure of the major steel monopoly by the Rockefeller banks from the Morgan banks.

Today there are 18 directors of U.S. Steel. Thirteen represent controlling financial institutions; of these, eight directly represent the three Rockefeller banks—three from Chase Manhattan, three from First National City and two from the

Chemical Bank. The other five represent a minority, Morgan and Mellon interests—two from Morgan Guaranty Trust, one from Mellon National Bank and two from the General Reinsurance Co. (a Morgan company with Mellon influence).

A similar situation occurred with American Telephone & Telegraph, "the phone company." This, the biggest corporation in the country, with over \$54 billion in assets, has always been a prize for which the leading financial groups contended. By 1907 the Morgan group, with the Boston group in a secondary position, was in full control of the corporation. But the Rockefeller group began to buy in and ease the Morgans out. In 1939 there were four Morgan directors and one Chase Manhattan man. But by 1955 Chase Manhattan's stock holdings equalled those of the Morgan banks and the six-man executive committee had three representatives from Chase Manhattan and only one Morgan man. Today the Morgans are almost out altogether. There are six Rockefeller directors: two from Chase Manhattan and one each from First National City, Chemical Bank, Equitable Life and Metropolitan Life. The Boston group has three representatives and the Morgan group has only one representative.

These losses weakened the Morgan group, but their new alliances—with the Lehman Corporation, U.S. Trust Co., and Brown Brothers, Harriman—expanded their circle, indirectly at least, at the expense of the Rockefeller group. Moreover, their control over most of the trust funds in the country and the experienced and most entrenched Wall Street firms, gives the group a financial power that allows it still to control even more industrial corporations than the Rockefeller group.

The other side of this behind-the-scenes struggle is a growing unity between the Morgan and Rockefeller circles. This is evidenced in the growing number of common directors serving both groups.

- The Chemical Bank and the First National City Bank—each has a common director with the Morgan controlled Mutual of New York.

- Morgan Guaranty Trust and Banker's Trust—each has a director in common with Rockefeller's Metropolitan Life.

- Morgan Guaranty Trust and its ally, Brown Brothers, Harriman—each has a director in common with Rockefeller's New York Life.

- Rockefeller's Equitable Life has a director in common with the Morgan allied Bank of New York and another with U.S. Trust.

- First National City Bank also interlocks with Morgan's Home Life and Prudential Insurance.

- Two Morgan Insurance Companies: Aetna, and Insurance Co. of North America, interlock with two Chicago banks under Rockefeller influence; Continental Illinois Bank and Trust, and Harris Trust, respectively.

These twelve common directorships in the financial centers of these two groups represent a growing unity at the top. Thus there is both contention and collusion. This unity-struggle is further evidenced in a number of large corporations jointly controlled by the two groups. Such

big monopolies as IBM, which controls 85% of the data processing industry; Southern Railway, which owns most of the major railroads in the South; and St. Joseph Lead, which monopolizes the lead industry, all have an equal number of Morgan and Rockefeller directors. These corporations are really battlefields for control in which each side has equal number of forces and is temporarily unable to overcome the other; and the two controlling financial groups have to work together to advance the interests of their jointly-held monopoly. Thus, in some of the key monopolies in the country, the two groups both cooperate and contend with one another, in an ever-changing situation.

The two groups cooperate in the constant grinding down of the conditions of the working class. The two groups jointly plunder and oppress nations around the world. While they jockey with each other to secure an advantage in this or that nation, their unity solidifies when faced with the resistance of the people. They will also unite against foreign imperialist groups, small capitalists both at home and abroad, lesser monopolists like Howard Hughes, and other financial groups with whom they may jointly contend.

Junior Partners in the East

The major New York financial institution not clearly in either the Morgan or Rockefeller camps is the Manufacturer's Hanover Trust, the third biggest New York wholesale bank. This giant has a small group of corporations under its control. Manufacturer's Hanover Trust controls Union Carbide (the biggest chemical corporation), Chrysler Corporation and the Continental Insurance Companies. This group is very closely related to both the Morgan and Rockefeller camps, and is kind of a junior partner to both groups. Manufacturer's Hanover Trust interlocks with Rockefeller's Metropolitan Life, Travelers and Connecticut General, and with Morgan's Mutual Benefit and Atlantic Mutual. Altogether the group has five directors in common with the Rockefeller group and five in common with the Morgan group.

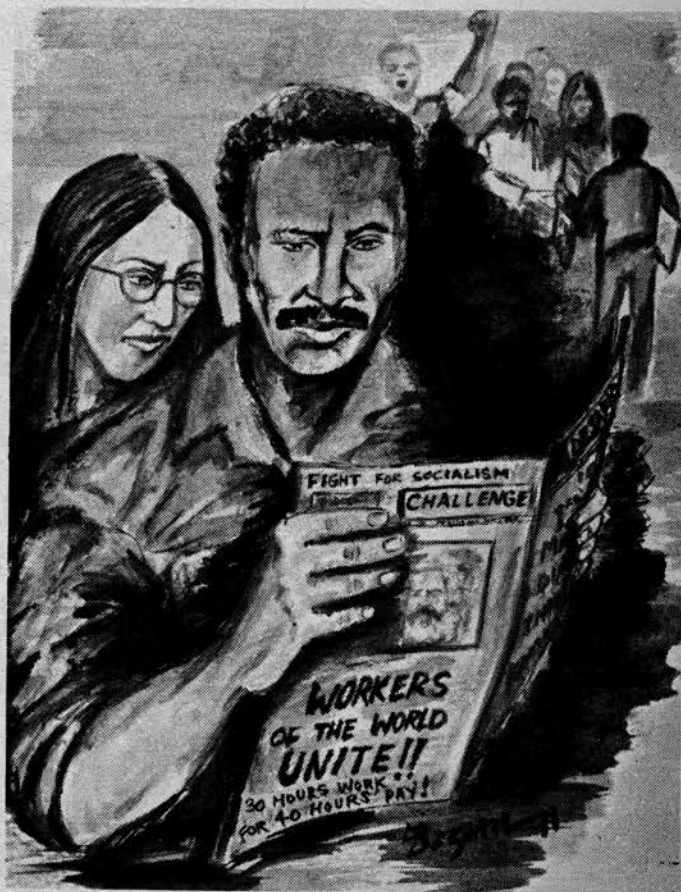
The roots of the Boston group go back to mercantile capitalism and the slave trade, where some of the families got their start. From slavery to mercantile capitalism to manufacturing to monopoly capitalism and modern imperialism, some of the same Boston families travelled the road together; each generation varied the form of piracy. To protect themselves from rapacious newcomers like Rockefeller or J.P. Morgan, a group of Boston families, headed by the Cabots, banded together around the key Boston banks. They built a powerful financial empire that drew from a big reservoir of financial capital and gained control of a large number of corporations all over the country, and even such big imperialist concerns as the notorious United Fruit Co.

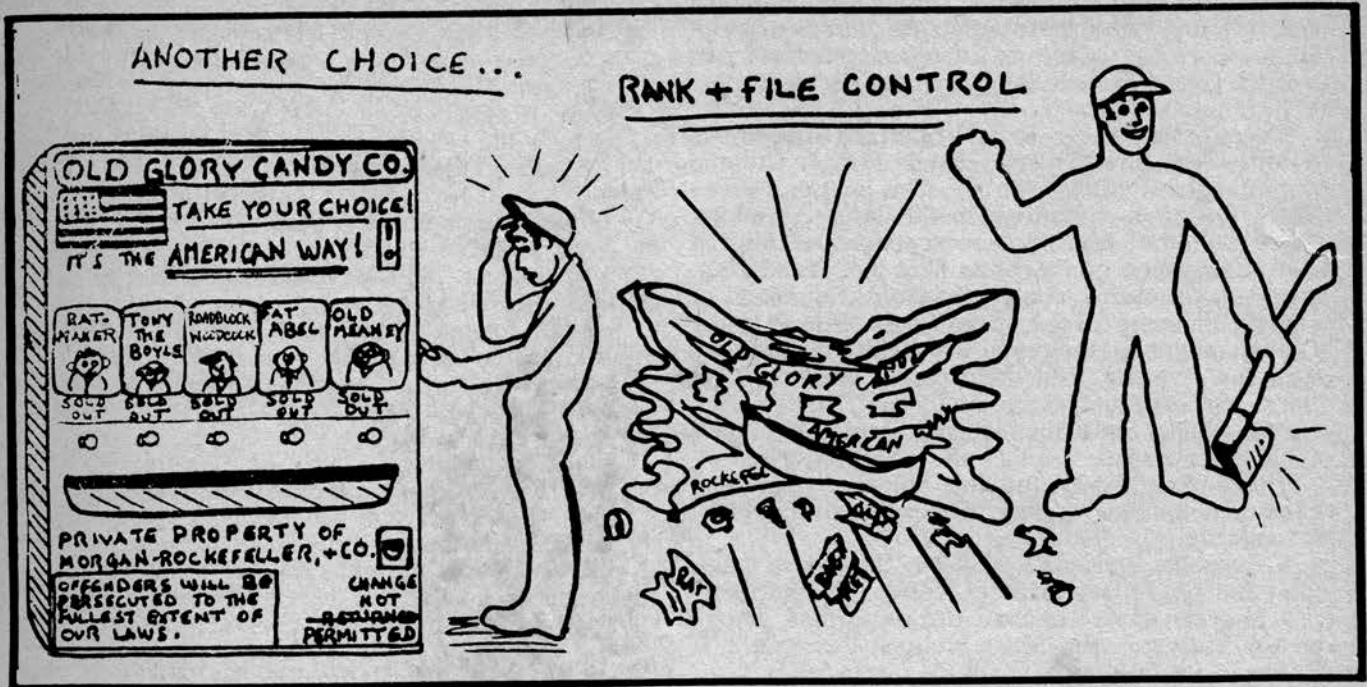
The core of this group are four big Boston banks and four big Massachusetts insurance companies. The major bank is the First National Bank of Boston with public assets of over \$5 billion. The other three banks are the State Street Bank, the

New England Merchants Bank and the National Shawmut Bank. The biggest insurance company is the \$11 billion John Hancock Mutual; the other three insurance companies are the Liberty Mutual, Massachusetts Mutual Life and New England Mutual Life. These eight financial institutions and the allied Irving Trust of New York have open assets alone of about \$41 billion. All eight are very tightly interlocked with each other, banks with insurance companies. In some cases these interlocking companies have as many as four and five common directors.

The \$41 billion isn't the limit of their financial power. These Boston banks and insurance companies control various other financial, manufacturing and imperialist corporations. (See Appendix.)

THE BOSTON GROUP ALSO SHARES CONTROL of some key corporations with other groups in unity-struggle situations. With the Rockefeller group, the Boston group shares control of American Electric Power, one of the successors to the Morgan Utility empire. The Boston group benefited second only to Rockefeller from the break-up of the Morgan utility holding companies. Besides safe-guarding their own New England utility monopoly and getting half-interest in American Electric Power, the Boston group shares control with the Morgan circle of Middle South Utilities, which own the utilities in most of Mississippi and Louisiana. The Boston group operates with both the Morgan and Rockefeller groups in Seaboard





Coast Railroad. (We already discussed their continued interest in American Tel & Tel.) Besides these unity-struggle connections there are some direct interlocks with the key financial institutions in the Rockefeller and Morgan groups (two with the Rockefeller group and five with the Morgan group).

Ruling Circles in the Midwest

It was said in the twenties that if a capitalist wanted approval for a big financial deal from Wall Street or their subordinates in Washington there were three men to see: J.P. Morgan, John D. Rockefeller and Andrew Mellon, in that order. Today all three of these empire builders are dead, but their empires are very much alive. The Morgan group has given up first place to the Rockefeller group and the Mellon empire is still the third most powerful group.

The Mellon circle was built around the main family properties: Alcoa, the aluminum monopoly; Gulf Oil, the fourth biggest oil company; the family bank, Mellon National Bank and Trust of Pittsburgh; and the family investment company, T. Mellon and Sons. The Mellon family invested heavily in other Pittsburgh corporations and brought together various lesser millionaire families, such as Heinz of H.J. Heinz Foods, Hillman of Pittsburgh Steel and Pitcairn of Pittsburgh Plate Glass. The other Pittsburgh banks, Pittsburgh National Bank and Union National, also Westinghouse Electric, were brought under Mellon control, and they expanded their circle as they tightened control. Besides the companies, including Allegheny Ludlum Steel, Sharon Steel, Lock-

hart Iron and Steel and National Steel.

The Mellon group is the most independent of any group of the Rockefeller-Morgan axis. Even so, Mellon National Bank shares a common director with Equitable Life, and the Mellon group operates with the Morgan group in General Reinsurance and as a minority interest in U.S. Steel.

The Mellon circle is too strong to be ignored by the two leaders; this was shown when they were dealt in at the time General Motors was taken over by the New York Banks. For a long time the Mellon group shared control of the Pennsylvania Railroad with the Philadelphia banks. When the Pennsylvania merged with the New York Central, the Mellons retained their interest in the Penn-Central. The Mellon circle shared control, with the Cleveland group, of Jones & Laughlin Steel for some years. After the Rockefeller-controlled Ling-Temco-Vought bought control of Jones & Laughlin, the Government tried to block this acquisition. This may be the result of a behind-the-scenes struggle between Mellon-Cleveland and Rockefeller over this steel corporation.

THE CLEVELAND CIRCLE WAS FOUNDED BY the notorious exploiter Mark Hanna in the eight-nineties. Today the descendents of Hanna still play a part, but the key figures are the Mather family, the Wade family, former secretary of the Treasury George Humphrey and Cyrus Eaton. Eaton is notorious for his friendship with former Soviet Premier Khrushchev; he was the first big financier to correctly gauge the trend of Soviet revisionism and to foresee the possibilities for profit in U.S.-Soviet collaboration. Eaton's Pugwash Conferences and other antics, in which he inveigled naive

scientists and other pacifists, were but the prelude to the Tower Corporation, a joint Cleveland-Rockefeller venture to penetrate into the Soviet Union and other Eastern European countries and exploit the workers there, virgin territory for U.S. imperialism.

The Cleveland circle is organized around two holding companies: the Pickands Mather Co. and the Cleveland Cliffs Iron Co. The former represents the Mather family; in the latter, Mather, Wade and other families are represented, but the controlling bloc of shares is held by Cyrus Eaton. These two holding companies hold key blocs of shares in some of the major corporations in the Cleveland group; they also are tightly interlocked with the five big Cleveland banks: National City Bank of Cleveland, Cleveland Trust, Society National Bank, Central National Bank and Union Commerce Bank.

These five banks and two holding companies control a number of key industrial corporations through tight interlocks:

- Republic Steel, Youngstown Sheet and Tube, Interlake Steel, Detroit Steel, Vance Iron and Steel.

- Midland-Ross, Anchor-Hocking Glass, Sherwin-Williams Paint, White Motors, Eaton Yale & Towne.

- Chesapeake and Ohio Railroad, "Automatic" Sprinkler, Ohio Oil and others.

Between them, Mellon, Rockefeller and Cleveland control over 90% of all basic steel in the country. Ohio Oil was originally part of Standard Oil and the Rockefeller family probably still holds a big bloc of shares, but today with or without Rockefeller connivance Ohio Oil is under the control of the Cleveland banks, who together hold six seats on the board, while the Rockefeller banks have no representation.

The Cleveland group operates in a unity-struggle situation with the Mellon group in such companies as Armco Steel, Hanna Mining Co., Diamond Shamrock, Consolidated Natural Gas; also formerly in J. & L. Steel. Through the National City Bank of Cleveland, the Cleveland group has links with New York. The bank links with the Morgan group through an interlock with Bankers Trust; it links with the Rockefeller group through interlocks with Equitable Life and New York Life.

The Cleveland circle has for three decades been involved in a fight with the Morgan circle over control of key railroads. Through the Allegheny Corporation, a holding company they captured in 1937, they got the Chesapeake and Ohio and then the Missouri-Pacific. To complete a coast-to-coast line in 1954, Eaton and his front man Young launched an attack on the long-time Morgan property, the New York Central. The Morgan group was at its weakest point then, but it fought back and in a rare moment the public glimpsed the dog-eat-dog world of big finance in a celebrated stockholders fight. The Eaton forces won a close victory in 1954, but were unable to consolidate it. They lost in their bid to take over Morgan's Marine Midland banks, which held large blocs of New York Central stock. The Morgan forces retained a minority position in the railroad.

The Rockefeller forces, who gave the Cleveland group some behind-the-scenes support in 1954, dropped their support later and the Morgan group gradually regained its position in the New York Central. Meanwhile the Rockefellers took the Missouri-Pacific from Cleveland. To complete the defeat the Cleveland group lost control of the Allegheny Corporation in 1961-1963 to Allan Kirby, the Woolworth heir, with heavy backing from Manufacturers Hanover Trust. The New York Central was back in the hands of the New York banks. This paved the way for the merger with the Penn Railroad. The merger was a project of the Morgan banks and they have a leading position in the new Penn Central. The Philadelphia group, the Mellon group and Manufacturers Hanover Trust through the Allegheny Corporation share control of this, the biggest railroad, with the Morgan group. The Cleveland group is out; they had fought the merger tooth and nail but in vain. However, they have still not given up. With the Baltimore and Ohio Railroad now taken over by their Chesapeake and Ohio, the Cleveland group is now trying to rig up a new giant railroad merger in the East to rival the Penn Central.

The California Bankers

The oldest circle on the West Coast is the San Francisco group of old Bay Area families, financiers, industrialists and other assorted riff-raff. The Bechtel family is one of the kingpins here. The group is centered on three of the biggest San Francisco banks: Crocker-Citizens Bank, Wells Fargo Bank and Bank of California. These three banks have combined assets of about \$17 billion, but a much greater proportion is tied up in small retail loans than some of the Eastern banks. Consequently, the San Francisco group controls only a few companies of national stature. These include the Western Pacific Railroad, Del Monte Foods, Crown Zellerbach, Pacific Gas and Electric and some others.

The San Francisco group has an important link with the Morgan group through the person of Stephen Bechtel, who is a director of both Wells Fargo Bank and Morgan Guaranty Trust, and probably the most powerful man on the West Coast. The San Francisco group and the Morgan group jointly control the Greyhound Corporation, the major national bus line. Altogether the Bay Area banks appear to be closer to the Morgan group than any other Eastern group. They have even closer ties with the Bank of America group.

Although the \$34 billion Bank of America is the largest bank, in terms of wholesale financial power it is not even in the same league as the six big New York wholesale banks. Nevertheless, the bank has built up an empire and a system of alliances that put it in a strategic, if not threatening, position. The group headed by the Bank of America controls the financial structure and a big chunk of the rest of the economy of rapidly-growing Southern California. This circle has been locked in a series of struggles with the New York banks for over four decades. Despite some reverses in

those struggles, its strategic position in Southern California seemingly assures it a future.

In the complex interlock of the key financial institutions of the Bank of America circle, an important position is held by Western Bancorporation, the nation's biggest bank holding company. Western Bancorporation owns 24 banks, including: United California Bank, the fifth largest in that state; First National Bank of Arizona; First National Bank of Oregon (each the second largest in those two states); the biggest bank in Nevada; and 19 other banks in the West with 593 offices.

WESTERN BANCORPORATION SHARES SIX directors with Pacific Mutual Insurance, and has a large bloc of its stock owned by Investment Co. of America and its American Mutual Fund, the two of which also share three directors with Pacific Mutual. Pacific Mutual and Investment Co. of America are closely interlocked with Bank of America, Security First National (the number two California bank) and Union Bank. Bank of America also is interlocked with Transamerica Corporation, which owns a series of insurance, finance and other companies, including United Artists Movie Studios.

Transamerica set up Western Bancorporation to own its banks in the first place and was set up itself in the thirties by the owners of Bank of America. What emerges is a closed circle of key financial corporations: Bank of America, West Bancorporation, Security First National, Union Bank, Pacific Mutual, Transamerica Corporation and Investment Company of America. The Bank of America circle controls a number of industrial corporations, including Lockheed Aircraft, Litton Industries, Getty Oil, Union Oil, Southern California Edison, Western Airlines, the Kaiser companies, Times-Mirror Corp. and others. (See Appendix.) The Bank of America group has at least seven financial interlocks with the San Francisco banks in addition to some jointly-held property like Safeway and the Southern Pacific Railroad. This fact makes it realistic to speak of essentially one California group, led by Bank of America.

THE BANK OF AMERICA SHARES CONTROL of North American-Rockwell with the Morgan group. Through Western Bancorporation the group has further ties with key Morgan institutions. These links indicate a friendly relationship with the Morgan group, but until 1961 the predominant aspect of the Bank of America group's relationship with the New York banks has been struggle. In the nineteen-twenties, as the first big bank to go into the retail market fully. Bank of America grew rapidly. In 1928 the owners of Bank of America began buying a series of banks in New York with the consent of J.P. Morgan. The Transamerica Corporation was formed as a holding company to own Bank of America and its Eastern properties. J.P. Morgan moved in and took control of Transamerica, now a ripe apple ready for plucking, but a bitter fight was waged by the former owners in 1929-1932, resulting in their regaining Bank of America but losing the New

York banks to Morgan.

Forced out of Wall Street, Bank of America started again, this time buying up many small Western banks. The New York banks now rallied their Federal Government to stop Bank of America and Transamerica. From 1937 to 1950 there were a series of lawsuits initiated by the Government to stop Bank of America. The New York banks formed anti Bank of America holding companies to prevent absorption of small Western banks into the Transamerica chain. Other economic pressures were brought to bear on Bank of America. In this second stage of struggle, while the Government forced the separation between Transamerica and Bank of America, this was just a formality; and although Transamerica was stopped from acquiring any banks east of the Rockies, it still had a big empire.

Stage three began with another attack on Bank of America from New York when in 1956 the New York banks had the Government pass the anti-Transamerica law, which prevented Transamerica from owning banks at the same time as it owned other financial companies. Bank of America then formed another holding company, Western Bancorporation, to own the banks. The courts were once again a stage of contention between Bank of America and its New York opponents, while behind the scenes the real economic struggle went on.

By 1961 an agreement was reached: Western Bancorporation had to give up some of its California banks to form First Western Bank and Trust, which was sold to a new holding company in 1962. This new holding company, Greatamerica, represented Rockefeller's Dallas banks and was later absorbed into Ling-Temco-Vought, a Rockefeller company. Thus the price for peace with New York was for Bank of America to sell part of its California banking chain to Rockefeller interests. However, Ling-Temco-Vought didn't stay long in the already monopolized California banking field, and in 1968 it sold First Western Bank and Trust to an Oakland entrepreneur and used the money to grab Jones & Laughlin Steel Co. Since 1961 Bank of America has seemingly found a modus vivendi with New York. The new friendship was capped with a 1967 marriage between Bank of America's North American Aviation and the Morgan group's Rockwell-Standard. The merged North American Rockwell is the first corporation jointly controlled by Bank of America and Eastern interests.

DuPonts and other Vassals of the Rulers

The DuPont family-owned chemical and munitions monopoly, the E.I. DuPont Co., provided the basis for the family's power. Like Morgan and the others, they formed an investment company, Christiana Securities, to own or control their properties. Christiana Securities became the largest investment company in the country, and with it the DuPonts were able to get control of General Motors from the collection of industrialists that put together the biggest auto monopoly.

The DuPonts came to be regarded as the owners of one of the most powerful interest groups in the country, on a par with the Rockefeller and Morgan groups.

But the DuPonts had a fatal weakness: With no major banks under their control their financial power was limited to three Delaware banks and Christiana Securities. The DuPonts were unable to find the financial resources within their own circle to service General Motors. To maintain General Motors' dominant position in auto the DuPont managers went to the New York bankers (as described earlier). The price was at first a minority of Morgan directors on the board. But in the late fifties, as the financial future of General Motors came more and more under the control of the big banks, a consortium of bankers took over the board of General Motors. They then moved in the courts to oust the DuPonts altogether. The bankers ordered the Government "anti-trust" division to charge the DuPonts with monopoly practices. The federal courts dutifully found the DuPonts guilty and ordered them and Christiana Securities to sell all their stock in General Motors. The \$14-billion company was then safely in the hands of a consortium of groups. The new rulers of the General Motors empire are headed by the Morgan group, which has four seats on the board; the Rockefeller group, which has three; the Mellon group, the Boston group and the National Bank of Detroit have two each. The DuPonts are out in the cold.

The rulers of this country began their bloody career by stealing human beings from Africa and selling them as chattel. They robbed a continent from the Indians; they raped its natural resources and nearly exterminated its original inhabitants. The labor and blood of its settlers, both those forced to come and those lured with false promises, built their empire. They stole land from Mexico, robbed farm land from millions of small farmers, sent their navy to loot Asia, Africa and South America. They expropriated hundreds of thousands of small capitalists, gobbled up tens of thousands of medium-size banks, stores and manufacturing plants. They stole the oil and minerals of four continents; they forced the men and women of four continents to produce for them; and as they got richer they turned on their own kind. An empire the size of General Motors is seized.

Thus the major part of the DuPont empire was expropriated from them. What they are left with is substantial, but small in comparison with the other groups. Besides DuPont, Christiana Securities and the three main Delaware banks, they control a group of Florida banks, Remington Arms and a few smaller corporations. The DuPont circle today is a vassal of the Rockefeller-Morgan axis. The DuPonts have a link with both groups. Christiana Securities interlocks with Morgan Guaranty Trust, and Rockefeller's Chemical bank has a man on the board of one of the DuPont's Florida banks.

There are five other substantial vassal groups that are linked with the big Eastern groups:

- The Detroit group of four banks, which control a number of industrials and utilities, includ-

ing Bendix, Parke-Davis, Burroughs, Kresge Co.

- The Milwaukee group centered on Northwest Mutual Life and three Wisconsin bank holding companies, which control a few industrials, including Allis-Chalmers and Kimberly-Clark.

- The North Carolina group centered on Wachovia Bank and Trust and North Carolina National Bank, which controls of such local corporations as Burlington Industries, R.J. Reynolds Tobacco and Piedmont Airlines.

- A group around Lincoln-Rochester Trust, which controls Eastman-Kodak and some others and is connected with Xerox Corp.

- A Houston group of two banks and an insurance company, which controls Brown and Root (LBJ's Vietnam construction company), some oil and gas companies, and local banks.

These five groups all have at least one common director with the bigger Eastern groups. The Detroit, Milwaukee and North Carolina groups are linked together and to the Cleveland group through Northwest Mutual. The Detroit group also has a link with each of the Morgan, Rockefeller and Cleveland groups. Wisconsin connects with Chicago, North Carolina with Boston. The Rochester group is connected with the Rockefeller circle, and the Houston group shares a director with Philadelphia.

A diminishing number of the biggest corporations (15% of the top 225) are still not tightly held in any one of the above groups. These are most often family-held corporations that did not yet have to relinquish their boards to the complete control of the big banks. For the most part they are in consumer goods industries; for example, the Woodruff family's Coca-Cola Co. or American Home Products. Some of the secondary oil companies, like Sun Oil (Pew family), Phillips Petroleum (Phillips family) and Signal Oil & Gas (S.B. Mosher); two of the five big rubber companies, Firestone and General Tire, and some retail-oriented banks, fall in this category. (See Appendix.)

These corporations, however, are only relatively independent. In some cases—for example, Firestone—the New York banks do have representation on the boards although the ruling family is still dominant. In almost all the cases the big banks perform enough fiduciary and other financial services for the corporations to give them a say. More important, these "independents" have to operate in a framework provided by the ruling circles. Their possible decisions are limited by the rules and guidelines that the ruling circles agree on. And the many common directorships between the various ruling circles indicate a certain unity on this score.

These "independents" alone cannot hope to challenge even the smallest of the ruling groups. They must co-exist with them, come to them for financing and in the end fall under one or the other circle's wing. They keep their relative independence by balancing between one or the other groups, but as the ruling groups interlock tighter and tighter, they become vassals of the ruling circles as a whole.

The 100 biggest industrials earn about 50% of all industrial profits in the country. Altogether 79 of these are held by the ruling circles directly; the other 21 are "vassals."

What of the other 300,000 industrial companies that earn the other 50%? These are even less independent than the 21. Most of these could have been swallowed up by the rulers long ago had they found it profitable. They are kept on as cheap sweatshop appendages of the big ones.

These, the medium and small capitalists, are hemmed in by the rulers on all sides. Their means of production come from a ruling-circle monopoly; their product is sold to a ruling-circle monopoly; their financing comes from a ruling-circle bank; their insurance from a ruling-circle insurance company; their goods are transported on ruling-circle transportation companies; even their power comes from the ruling-circle power company. They are surely in hock to one of these giants; the small capitalist is certainly not "his own boss." The control of the economy by the handful of ruling circles, with the New York banks in command, is complete.

Unity of the Rulers—Imperialism

The unity of the ruling circles is represented by the extensive interlocking directorships among them. Although increasing now, it is temporary, conditional, transitory. In the long run the struggle among them, the contention, the jockeying for property at the other's expense and the constant seeking of advantage over the other circle, is absolute and permanent. At this point in history, when the rulers are engaged in big expansion abroad, the unity is comparatively strong, but a constant redivision of their empires still occurs behind the scenes. When their expansion is stopped, their present collusion will be more subordinated to their increasing contention.

In the past 20 years an increasingly huge amount of capital has been invested overseas. All the ruling circles are involved and there is contention and collusion between the groups, as each group seeks a special advantage in this or that oppressed nation. But they all depend on the organized violence of the U.S. Government to protect their growing interests abroad, and are united in seeing that the Government continues to suppress the victims of this economic aggression in any way necessary and to provide an arena for expansion. The surplus capital that the groups amass finds its outlets increasingly in Asia, Africa and Latin America. There is fierce competition among the groups to grab the juiciest positions, but they are united in insisting that the U.S. Government provide the protection to allow this competition.

There has been much written already about the mechanism of U.S. imperialism and much available material about the actual holdings of the various monopolies. Below is a brief sketch of only a very small amount of the holdings of the various circles in Asia, Africa and Latin America. It is presented to show that each and every circle has vital interests in those areas and to refute the wide-

spread notion that some groups do not have important investments in these continents.

ROCKEFELLER GROUP—Chase Manhattan controls the banking and finance in most of the African and several key Latin American countries; Pan-American Airways controls much of the air traffic in these three continents; International Tel & Tel controls communications in several Latin American countries with manufacturing plants in every continent; the six big Rockefeller oil companies control 100% of Saudi Arabian oil production, 30% of Iranian oil production, 50% of Libyan oil production, 23% of Iraqi oil production, most of Venezuelan oil production, and more; Anaconda and Kennecott Copper control copper production in Chile, Mexico and other countries in Africa and Latin America.

MORGAN GROUP—Morgan Guaranty Trust's British affiliate has a big interest in Royal-Dutch Shell with its oil interests in Indonesia, Nigeria, Venezuela and the Middle East; Newmount Mining owns African mining companies and has interests in Peru; Phelps-Dodge has copper interests in Peru; Trans-World Airlines shares control with Pan-Am of much of the world's air traffic; Continental Oil owns 15% of Libyan oil and has interests in Indonesia; Ford has plants in Brazil, Argentina, Mexico, Malaysia, South Africa; General Electric has plants in Japan, India, Hong Kong, Argentina, Columbia, Venezuela, Brazil, Philippines, Uruguay, Mexico, Turkey, South Africa, Puerto Rico and Chile; International Nickel monopolizes nickel production in Guatemala and Indonesia.

MANUFACTURERS HANOVER TRUST—Engelhardt Industries controls the major mines in several African countries; Union Carbide has world-wide mining and manufacturing properties from Indonesia to Guyana.

BOSTON GROUP—United Fruit is the notorious exploiter of Central America and the Caribbean and is moving into Africa; Sperry-Rand has plants in Argentina, Brazil, Chile, Columbia, India and Mexico; Holiday Inns has hotels in the West Indies, South Africa, East Asia, Morocco and the Middle East.

CHICAGO GROUP—Continental Illinois Bank and Trust owns the biggest banking network in Lebanon, a bank in Argentina, has affiliates throughout Asia and South America and owns one-third of a Moroccan bank; U.S. Gypsum has a plant in Mexico and operates quarries in Mexico and Jamaica; International Harvester has farm implement plants in Mexico, Brazil, Argentina and South Africa.

BANK OF AMERICA GROUP—Cyprus Mines has extensive ownership of mines in Cyprus and Peru; Getty Oil owns 6% of Iranian oil and elsewhere; Litton Industries is "developing" Greece; Kaiser Aluminum is involved in Ghana, India and elsewhere; Del Monte Co. has canneries in Mexico, Puerto Rico, Venezuela, and South Africa, operates plantations in the Philippines and tuna fleets in Ecuador, Tenneco has oil interests in Nigeria.

MELLON GROUP—Gulf Oil owns 50% of Kuwaiti

oil, 7% of Iranian oil, has oil in Mozambique and is the second biggest producer in Nigeria and Biafra; Alcoa has mines in Indonesia, Surinam, Guyana, Jamaica, Dominican Republic, and Brazil and fabricating plants in Columbia, Morocco, Venezuela, Mexico, Japan, El Salvador and Tunisia; Pittsburgh Plate Glass has interests in the Dominican Republic.

CLEVELAND GROUP—Republic Steel dominates the iron mines of Liberia in West Africa; Hanna Mining is involved in Guatemala.

To re-emphasize, this is just a very small sample of the imperialist interests of the various ruling circles in Asia, Africa and Latin America. (They also have vast holdings in Europe, Canada and Oceania.) From it we can at least see that all groups have a vital stake in maintaining and expanding the U.S. imperialist control in this region and all groups have a stake in the policies of aggression and war necessary to accomplish this.

The false notion that only some of the ruling circles benefit from imperialism was spread around by the revisionist "Communist" Party to justify their policy of relying on the "good imperialists" or the "peaceful aspect" of the state. They likewise claim that only the "bad imperialists" are involved in war production. This is another lie as a quick look at the top 25 "defense" contractors shows.

In 1968 almost one-half of the \$42-billion spent by the Pentagon went to these 25 companies, which represent a cross-section of the various ruling circles. The number one defense contractor, with a \$2-1/4-billion-of-our-taxes grant, was General Dynamics, a Rockefeller company. The second biggest was Lockheed from

the Bank of America group. In third and fourth place were General Electric (Morgan group) and United Aircraft (Connecticut group). The fifth biggest grantee was the Rockefeller group's McDonnell-Douglas, and the sixth was none other than AT&T, "your" telephone company—contractor for the Safeguard Missile and various anti-submarine projects—controlled by the Rockefeller, Manufacturers Hanover Trust-Prudential Insurance and Boston groups.

The Rockefeller group was involved in the control of four other of the top 25 war profiteers (Ling-Temco-Vought, General Motors, Honeywell, Standard Oil of N.J.). The Morgan group controlled or shared control of five others on the list (Boeing, North American-Rockwell, General Motors, Avco, Ford). The Bank of America group had, besides its interest in Lockheed and North American, control of Litton, Kaiser and Northrup, all in the top 25; and the Boston group was further represented by Textron, Raytheon and Sperry-Rand. All the other groups got a share of the loot, the Mellon group through Westinghouse and others, the Manufacturers Hanover Trust group through Chrysler, the Detroit group through Bendix.

Unity of the Rulers—Their Government

The U.S. Government is, of course, the chief instrument of the rulers' policies of aggression and war in defense of their imperialist interests. It is also the means of suppressing the domestic workers and others who are exploited by the rich ruling circles. The Government is a joint dictatorship of all the ruling circles, with the leading



Detroit auto workers, including members of the Workers Action Movement, wildcat against hazardous working conditions and the wage freeze.

position held by the New York banks. Even when the more powerful circles use the Government to force a redivision of the empires of the weaker ones, as in some of the examples above, the Government operates first and foremost to enforce their joint dictatorship over the working people. That is why the weaker circles are never completely annihilated, and the weaker circles in turn keep the fight-back "within the system." This is because all the groups need the Government to protect their interests, to suppress the workers and to advance their interests abroad at the expense of the working people around the world.

The strategy of all the ruling circles for the state is exactly the same. It is the traditional line of the carrot and the stick, to co-opt and to repress. They primarily rely on the violence of the Government to repress their enemies. However, the threat of repression often induces a willingness among weaker elements to sell out, and the ruling circles will not spare the money to buy them off.

ALL THE RULING CIRCLES FACE THE SAME threats. Since all of them are involved up to their necks in imperialist interests in Asia, Africa and Latin America, they fear greatly the revolutionary storm that is brewing in this area. People's war against imperialism is a deadly threat to them wherever it appears. Thus there could be no **strategic** differences with regard to Vietnam between the ruling circles. All feel the necessity of preventing the South Vietnamese people from driving out imperialism; none are indifferent to this threat. They are willing to use negotiations to win at the conference table what they are unable to win militarily, but they are firm that the U.S. must remain in Southeast Asia to protect their investments there.

Thus, speaking for the Bank of America group, the Los Angeles Times stated July 20, 1969: "The United States has no intention of withdrawing or diminishing its interests in Asia once the Vietnam war is settled." This same point has been emphasized by all the organs of the Eastern ruling circles. Both CBS, controlled by the Rockefeller group, and NBC, controlled by other Eastern interests, have repeatedly propagated the line that the United States must "stay in Asia."

This does not mean that the ruling circles oppose negotiations in Vietnam. On the contrary, they see these negotiations as an important tool to that end. Averell Harriman, whose family is high up in the Morgan circle, is a vigorous proponent of using the negotiations ruse. The Los Angeles Times, which is tightly interlocked with three of Bank of America's satellite banks in Los Angeles, recently asserted that any coalition government that emerges in South Vietnam would be good for U.S. investors. Henry Cabot Lodge, whose family is at the head of the Boston group, led the team of U.S. negotiators first trying to produce this desired coalition government.

And Time, which speaks for the Rockefeller group, looked forward to "the participation of the NLF in Saigon's political processes." More-

over, it should be noted that most of those who directly formulated the Vietnam policy came from a number of the key ruling circles. Rusk was from the Rockefeller Foundation; McNamara from Ford (Morgan); C. Douglas Dillon is a director of Chase Manhattan Bank; Ellsworth Bunker, key "ambassador" to South Vietnam, is a director of Atlantic Mutual (Morgan group); ex-CIA chief John McCone is high up in the Bank of America group; McNamara's predecessor was Thomas Gates, now head of Morgan Guaranty Trust, and so on.

At home, too, the various ruling circles use their tactics to repress and co-opt the growing unrest among the American people, black and white. The ruling circles have all been feverishly lining up stooges who will divert the masses from the street into senseless electoral maneuvers. The Stokes campaign in Cleveland was heavily financed by the Cleveland group and supported by their newspaper, the Cleveland Plain Dealer. The Bradley campaign in Los Angeles was also pushed strongly by the Bank of America group through their newspaper, the Los Angeles Times. In New York, Lindsay, whose family is connected with Morgan Guaranty Trust, played a similar role. During the 1968 campaign Sen. McCarthy tried to divert the student movement into the same electoral path; Cyrus Eaton, boss of the Cleveland group, was his behind-the-scenes financier.

In situation after situation, we see men like Nelson Rockefeller, Lindsay, Harriman, Lodge, McCone, who serve as owners or directors of corporations of different ruling circles, all pushing the same line. We see the communications media NBC, CBS, Time, Los Angeles Times, Boston Herald, Cleveland Plain Dealer—which are clearly interlocked with the banks that command different ruling circles, also all taking the same line. The conclusion is inescapable: No political differences of any substance exist among the ruling circles, despite occasional shifts of tactics.

Revisionist Critics of Ruling Class

During the Depression, the "New Deal" commissioned a study of the ownership of the biggest corporations by the TNEC commission. With access to information no one else had, they were able to publish the names of the biggest stockholders of over 250 major monopolies. The huge amount of holdings of the Mellon family in Gulf and Alcoa or of the Rockefellers in the Standard Oil companies were exposed for the first time. At first sight, it might seem strange that the instrument for the dictatorship of the ruling class (the U.S. Government) would expose some of its bosses' inner secrets.

Actually the aim of this commission was to disguise the actual extent of control and especially to repudiate the fact that the banks were in command. Not a single bank, insurance company or investment house was subject to the investigation, nor were their holdings in industrials under various aliases and front groups tabulated, nor was the banks' hold over the corporate finances looked into or their interlocking directors exposed. The

“study” purported to show less than half the 250 corporations under the control of a family or group of families with the rest having no apparent center of control.

This later became the basis of Adolf Berle’s spurious theory of “Managerial Revolution”—that is, that the real controllers of the corporations were the managers. In this connection, note that Republic Steel was supposed to be one of the corporations controlled by the managers, since no big blocs of stock were held, according to TNEC. In the thirties, the president of Republic Steel was Tom Girdler, infamous for the Republic Steel Massacre, where striking workers were brutally murdered on his orders. But were the managers like Girdler really in charge or was there a behind-the-scenes boss? There was; and it was none other than the noted liberal Cyrus Eaton, who candidly admitted this in a recent interview (Los Angeles Times, July 27, 1969).

Why did liberal Eaton appoint “anti-union, conservative” Girdler? “Girdler was an excellent, practical steel man...” but “we removed Girdler from influence in the labor world and other sections after he had strikes and riots.” So much for the “Managerial Revolution.”

The picture painted—showing the biggest companies as autonomous—suited the banks fine. The crucial role of the banks that Lenin had pointed to was covered up by the New Deal Commission.

TWO REVISIONIST “SCHOLARS” WHO HAD been employed by the New Deal used this study as a basis for their own studies. Paul Sweezy (in *The Present As History*) and Victor Perlo (*Empire of High Finance*) pointed to the existence of interest groups with mention made of some of the key banks. Yet neither man repudiated the TNEC “study,” but used it and to varying degrees was influenced by it. By refusing to repudiate the New Deal’s false theories, they in fact were repudiating Lenin. They found investment companies as important as banks when in fact the former had already outlived their usefulness. The revisionist critics started from their illusions about the New Deal. (In fact Perlo’s book is full of references to the New Deal as some kind of people’s government.) They end, in fact, by covering up the crucial role the big banks play in controlling the economy.

Perlo’s book was written before the full effects of the 20th Congress of the CPSU were felt. After that the “Communist” Party developed the theory of “two centers in Washington.” There was the White House, especially under JFK, which was the progressive, peace-loving center, and then the Pentagon, which rallied the dark forces of reaction and war. Thus the aggressive actions of U.S. imperialism, invasion of Cuba, etc., were blamed on pressure from the Pentagon or the “ultra-rightists.”

When imperialism used the carrot, as Kennedy was often inclined to do, this was the work of the good center. Perlo immediately slavishly prostituted himself to this ridiculous “theory.” He came out with a new book, *Militarism in Industry*,

which threw overboard his previous book—it at least had pointed to the existence of several contending ruling class groups with the same class interest. In his new book, he divided the major corporations into “hawks” and “doves” (See review in PL Vol. 6, No. 1); ignoring completely that the same banks control both “hawks” and “doves.” Consolidated Edison, a “dove” by Perlo’s definition, is controlled, as we saw, by the same group (Rockefeller) that controls such imperialist concerns as the Standard Oil companies, etc., and such war contractors as General Dynamics and Ling-Temco-Vought. The Morgan group controls “dovish” Ford and “hawkish” Boeing, and so on. A cursory look at the list of corporations in each interest group shows how this revisionist theory has absolutely no basis in fact.

This theory was resurrected later, however, in a slightly veiled form by Carl Oglesby, a “theoretician of the New Left,” new left-wing revisionists grouped around the Guardian and the former SDS leadership. With great fanfare at an SDS national council meeting in 1968 Oglesby unearthed his “Cowboy-Yankee” theory as his own creation, although in fact it was practically a carbon copy of Perlo’s old hawk-dove garbage. At that meeting and in the pages of the Guardian, calling the assassination of Kennedy a “political revolution” (the “cowboys” took over from the “yankees”), claiming the “yankees” had no interest in the war in Vietnam, and other such bunk. Oglesby tried to foist the discredited revisionist “two-center” theory onto the student movement.

The “Communist” Party had Perlo develop his “hawk-dove” theory in order to provide the “theoretical basis” for its fantastic program of electing an “anti-monopoly government.” Oglesby’s later variation had as its purpose the aim of “demonstrating” that a large section of monopoly capital, the “yankees,” was not interested in imperialism or war. This became a justification for those who supported the Paris negotiations and tried to turn the student movement away from anti-imperialist demands. Oglesby himself went so far as to meet with representatives of the “yankees”—high executives of the biggest international corporations—according to his own admission in *New Left Notes*. While Oglesby gave them information about the student movement, the “yankees” told the gullible Oglesby what he wanted to hear—they had no longer any interest in foreign investments, etc., etc.

This two-center fallacy, under whatever name, was long ago repudiated by Lenin, who pointed out that imperialism and wars are the necessary by-product of monopoly capitalism. To intimate that the Eastern groups with their vast imperialist investments have a lesser stake in retaining Vietnam than the relatively miniscule Houston group (which LBJ had the closest ties to) or the California groups, with their much smaller empires, is to completely turn the facts upside down. There is absolutely no group or circle of major monopolies that does not have a vital stake in imperial-

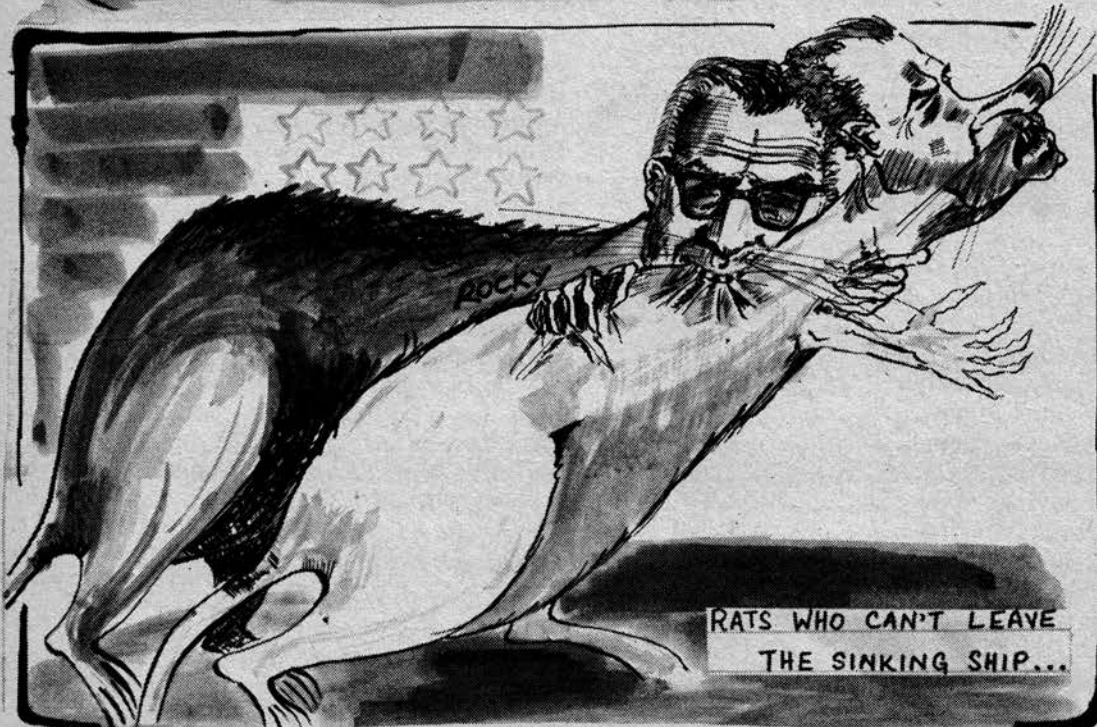
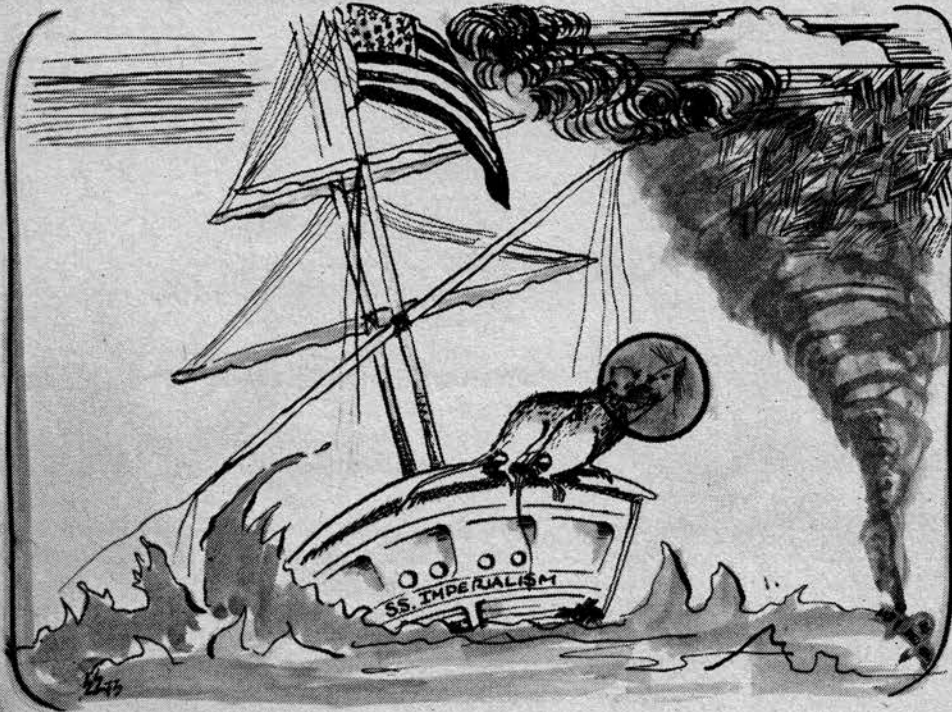
ism, or that is not now engaged in aggressive economic expansion in Asia, Africa and Latin America, or that does not profit from a share of war production.

Of course the effect of the "two-center" theory is to spread illusions that the good center of the ruling class will put in a progressive government that will abandon the imperialist policies of aggression and war, such as the New Deal is falsely assumed to have been.

THE REVISIONIST CRITICS START FROM their nostalgic illusions about the New Deal. They proceed to downgrade the crucial role of the banks in controlling the economy; they next forget the existence of interest groups headed by the banks

and instead substitute a "two-center" theory. They end up hoping for another New Deal. Thus they try to divert people's struggles away from the goal of smashing the rulers' state.

Revolutionaries, while recognizing that there are fierce struggles among rulers, must be clear on the unity of these wolves against the workers. We must not pin our hopes on this or that group or person, but must unite the workers and all those who can be united under working-class leadership to smash the bosses' state and to build a workers' dictatorship that will once and for all shatter and destroy each and every one of these interest groups and put their stolen property back in the hands of the people.



RATS WHO CAN'T LEAVE
THE SINKING SHIP...

Workers must eliminate these battling rats.

APPENDIX
MAJOR FINANCIAL GROUPS AND ASSETS

1971 Assets (in millions of dollars)			
I: MORGAN GROUP			
Banks			
Morgan Guaranty Trust*	32,616	Western Savings, Philadelphia	895
Bankers Trust*	26,081	Central Savings (N.Y.)	676
U.S. Trust Co.*	9,387	Franklin Savings (N.Y.)	1,008
Marine Midland Banks	9,190	Utilities	
First Pennsylvania Bank & Trust	4,095	Southern Co.	3,709
Bank of New York	3,304	Public Service Gas & Electric	3,013
Philadelphia National Bank	2,924	Philadelphia Electric	2,402
Girard Trust	2,803	Columbia Gas System	2,313
Fidelity Bank	1,921	Niagara Mowhawk Power	1,774
Manufacturers & Traders Trust,		Panhandle Eastern Pipe Line	1,116
Buffalo	954	Transportation Co's.	
First National State Bank, N.J.	929	Penn-Central	4,617
Fidelity Union Trust	685	Burlington Northern	2,925
First Jersey National Bank	470	Union Pacific	2,765
Brown Bros., Harriman	410	TWA	1,413
Central Pennsylvania National Bank	505	Reading	316
Insurance & Diversified Financial		Retailers	
Prudential Insurance	31,159	Federated Dept. Stores	1,279
Aetna Life & Casualty	10,865	Allied Stores	951
American Express	5,213	May Dept. Stores	951
Mutual of New York	3,946	Associated Dry Goods	539
Insurance Co. of North America	2,997	Gimbel Bros.	497
Mutual Benefit	2,697	Industrial (listed by sales)	
Teachers Insurance & Annuity	2,596	Ford	16,433
Penn Mutual	2,512	General Electric	9,425
Lincoln National Life	2,363	Atlantic-Richfield	3,134
First Boston Corp.	1,419	Continental Oil	3,051
Crum & Forster	1,197	Boeing	3,039
Provident Mutual	1,190	Singer	2,099
Guardian of America	993	Continental Can	2,081
Home Life	884	W.R. Grace	2,048
Liberty National	864	American Can	1,896
General Reinsurance	706	Cities Service	1,809
Fidelity Mutual	595	CPC International	1,500
Lehman Corp.	538	Allied Chemical	1,325
Niagara Shares	110	Genesco	1,306
One William St. Fund	289	B.F. Goodrich	1,300
Atlantic Mutual	180	American Cyanamid	1,283
Hudson Ins.		Pepsico	1,225
Tri-Continental Corp.	712	Philip Morris	1,209
Savings Banks		Nabisco	1,070
Bowery Savings Bank	3,015	Bristol Myers	1,066
Dime Savings Bank, Brooklyn	2,527	Standard Brands	1,057
Philadelphia Savings Fund	2,488	Campbell Soup	1,031
New York Bank for Savings	2,205	Babcock & Wilcox	959
Dollar Savings (N.Y.)	1,565	Martin Marietta	958
Williamsburgh Savings Bank	1,313	St. Regis Paper	908
Greenwich Savings Bank	1,378	SCM	875
Seamen's Bank for Savings	1,143	J.P. Stevens	861
Dry Dock Savings	1,161	Merck	828
Buffalo Savings	1,111	Ingersoll-Rand	802
Howard Savings (N.J.)	1,086	Grumman	799
Erie Co. Savings	820	American Metals Climax	756
		ABC	756
		AMF	740
		Scott Paper	746
		Phelps-Dodge	703

*Includes trust funds

Avco.....	687
Carrier.....	635
Liggett & Myers.....	586
Budd.....	552
Owens-Corning.....	536
Libbey-Owens Ford.....	530
Union Camp.....	518
Rohm & Haas.....	507
National Gypsum.....	457
Pennwalt.....	405
Smith, Kline & French.....	357
Cheseborgh-Ponds.....	302
New York Times.....	290
Texas Gulf Sulphur.....	217
Newmont Mining.....	197
Washington Post.....	192

II: ROCKEFELLER GROUP **1971 Assets**
(in millions of dollars)

Banks

First National City Bank*.....	41,302
Chase Manhattan*.....	39,509
Chemical Bank.....	12,624
Continental Illinois Bank & Trust.....	10,080
First National Bank, Chicago.....	9,196
First Bank System (Minneapolis).....	5,073
Northwest Bancorporation.....	5,056
Republic National Bank of Dallas.....	2,893
First National Bank, Dallas.....	2,611
Harris Trust & Savings.....	2,579
Northern Trust.....	2,394
Hartford National Bank.....	1,103
Connecticut Bank & Trust.....	1,079
Mercantile Trust, St. Louis.....	1,039
Bank of the Commonwealth, Detroit.....	1,027
First National Bank, St. Louis.....	878
Iowa-Des Moines National Bank.....	331
St. Louis Union Trust.....	29

Insurance & Diversified Financial

Metropolitan Life.....	29,163
Equitable Life.....	15,395
New York Life.....	11,268
Travelers.....	7,829
Connecticut General.....	6,452
Connecticut Mutual.....	2,922
Bankers Life (Des Moines).....	2,250
Continental Assurance.....	1,769
Southwestern Life.....	1,122
Northwestern National.....	690
General American.....	607
Southland Life.....	553

Savings Banks

Emigrant Industrial Savings (N.Y.).....	1,856
Society for Savings (Hartford).....	764
Farmers & Mechanics Savings (Minn.).....	673
Harlem Savings.....	630

Utilities

Consolidated Edison.....	4,888
Commonwealth Edison.....	3,915
Texas Utilities.....	1,884
Union Electric (St. Louis).....	1,505

Peoples Gas (Chicago).....	1,407
Transportation	
Norfolk & Western.....	2,789
Sante Fe.....	2,281
Pan Am.....	1,828
American Air Lines.....	1,662
Missouri-Pacific.....	1,417
Eastern Air Lines.....	1,072
Northwest Air Lines.....	944
Chicago, Milwaukee Railroad.....	675
St. Louis-San Francisco Railroad.....	508
Chicago, Northwestern.....	405
Chicago, Rock Island.....	446
Kansas City Southern.....	282

Retailers

Sears.....	8,312
Marcor.....	2,370
J.C. Penney.....	1,923
R.H. Macy.....	675
Marshall Fields.....	291

Industrials (listed by sales)

Standard Oil (N.J.).....	18,700
Mobil Oil.....	8,243
Texaco.....	7,529
IT&T.....	7,345
Standard Oil (Calif.).....	5,143
U.S. Steel.....	4,928
Standard Oil (Ind.).....	4,054
Goodyear Tire & Rubber.....	3,601
Ling-Temco-Vought.....	3,358
Proctor & Gamble.....	3,178
International Harvester.....	3,016
Swift.....	2,996
Bethlehem Steel.....	2,963
Firestone Tire & Rubber.....	2,483
General Foods.....	2,281
Monsanto.....	2,087
Borden.....	2,069
McDonnell-Douglas.....	2,069
United Aircraft.....	2,028
International Paper.....	1,969
Honeywell.....	1,946
General Dynamics.....	1,868
3 M Corp.....	1,829
Ralston-Purina.....	1,746
Uniroyal.....	1,677
National Cash Register.....	1,465
Amerada Hess.....	1,349
Colgate-Palmolive.....	1,309
Whirlpool.....	1,274
Inland Steel.....	1,253
Deere.....	1,188
Borg-Warner.....	1,148
General Mills.....	1,120
Kennecott Copper.....	1,053
Anaconda.....	946
Kimberly-Clark.....	938
Annheuser-Busch.....	902
Otis Elevator.....	789
Illinois Central.....	776
Pet.....	712

*Includes trust funds

National Distillers & Chemical	709
Pillsbury	696
Geo. A. Hormel	686
Quaker Oats	678
Emerson Electric.....	656
Time.....	606
Corning Glass Works	603
Armstrong Cork.....	563
U.S. Gypsum.....	554
Container Corp. of America	526
Abbott Labs.....	458
McGraw-Hill	404
Hewlett-Packard	375
General Cable.....	348
Bell & Howell	329
Amsted.....	276
G.D. Searle	226

III: INTERLOCKED BETWEEN MORGAN & ROCKEFELLER GROUPS

	1971 Assets
Banks (in millions of dollars)	
Manufacturers Hanover Trust.....	14,277
Insurance & Diversified Financial	
Continental Insurance.....	3,935
Great American Insurance	503
Savings Banks	
East River Savings Bank.....	918
Utilities	
Brooklyn-Union Gas.....	341
Transportation	
Southern Railroad.....	1,642
Industrials (listed by sales)	
IBM	8,273
Chrysler.....	7,999
RCA.....	3,711
Union Carbide.....	3,037
CBS	1,247
American Smelting & Refining	656
Great Northern	355
St. Joe Minerals.....	194
Johns Manville.....	685
Dow-Jones	119

IV: MELLON GROUP 1971 Assets

	(in millions of dollars)
Banks	
Mellon National Bank & Trust.....	6,433
Pittsburgh National Bank	2,135
Union National Bank, Pittsburgh.....	753
Savings Bank	
Dollar Savings Bank, Pittsburgh.....	496
Utilities	
Duquesne Light	914
Industrials (listed by sales)	
Gulf Oil	5,940
Westinghouse.....	4,630
National Steel	1,522
Alcoa	1,441
American Standard	1,409
PPG.....	1,238
H.J. Heinz.....	986

White Consolidated Industries.....	694
Colt Industries.....	635
Koppers.....	598
Wheeling-Pittsburgh Steel.....	528
Allegheny Ludlum Steel	484
Carborundum.....	311
H.K. Porter.....	253
H.H. Robertson	250

V. CLEVELAND GROUP

Banks	
Cleveland Trust	2,679
National City Bank, Cleveland.....	1,719
Central National Bank, Cleveland	1,165
Society National Bank.....	780
Union Commerce Bank	841
Transportation	
Chesapeake & Ohio	2,614
Industrials (listed by sales)	
Ohio Oil.....	1,393
Republic Steel.....	1,384
Eaton	1,035
White Motor	837
Sherwin-Williams.....	554
Addressograph-Multilith.....	412
Interlake Steel	352
Harris-Intertype	352
Reliance Electric	315
Anchor-Hocking	312
Midland Ross.....	243
Diamond Shamrock	573
Cleveland Cliffs	63

VI: BANK OF AMERICA GROUP

Banks	
Bank of America	33,985
Western Bancorporation	13,280
Security Pacific National Bank.....	9,765
Wells Fargo	6,496
Crocker National.....	6,496
Union America.....	3,482
Bank of California	2,282
U.S. Bancorp	2,047
Insurance & Diversified Financial	
Transamerica.....	3,935
Occidental Life	1,796
Investment Co. of America.....	1,307
Pacific Mutual	992
American Mutual Fund	355
Standard Insurance (Portland).....	193
Utilities	
Pacific Gas & Electric	4,633
Southern California Edison.....	3,498
Pacific Lighting	1,279
Pacific Power & Light.....	1,035
Transportation	
Southern Pacific.....	3,175
Western Air Lines.....	340
Retail	
Safeway	964
Broadway-Hale	485

Lucky Stores	364
Industrials (listed by sales)	
Lockheed	2,852
Tenneco	2,840
Litton	2,466
Caterpillar Tractor	2,175
Union Oil	1,981
TRW	1,543
Georgia-Pacific	1,447
FMC	1,353
Getty Oil	1,343
American Motors	1,232
Crown Zellerbach	986
Kaiser Aluminum & Chemical	904
Del Monte	751
Northrup	605
Times-Mirror	518
Kaiser Steel	469
Di Giorgio	426
Levi Strauss	405
Potlach Forests	354
Ampex	290
Fiberboard	185
Bechtel Corp.	

VII: BOSTON GROUP

Banks

Charter New York	6,070
First National Boston	5,099
Shawmut Assoc.	1,880
Bay State Corp.	1,237
State St. Bank & Trust	968
Industrial National Bank (R.I.)	953
New England Merchants Bank	907
Rhode Island Hospital Trust	549
Worcester Co. National Bank	336
Fiduciary Trust of Boston	16

Insurance & Diversified Financial

John Hancock	10,603
Massachusetts Mutual	4,566
New England Mutual	3,751
Liberty Mutual	1,661
Mass. Investors Growth Stock	1,403
Boston Manufacturers-Arkwright	309
American Mutual Liability	259
Federal St. Fund	170
Boston Fund	159
Century Shares Trust	105
Diversification Fund	93

Savings Banks

Provident Savings	742
Boston 5¢ Savings	672
Suffolk Franklin Savings	457
Charlestown Savings	487

Utilities

General Telephone	8,619
General Public Utilities	2,395
New England Electric	1,210

Transportation

National Air Lines	409
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Industrials (listed by sales)

Sperry Rand	1,728
Textron	1,603
Warner-Lambert	1,346
Raytheon	1,307
Gillette	729
USM	447
Cabot Corp.	267
Fieldcrest Mills	227

VIII: "SHARED" CORPORATIONS*

Utilities & Transportation

American Tel & Tel (R-M-B)	54,547
United Air Lines (BOA-R)	2,232
Seaboard Coast Lines (R-B)	2,195

Industrial

General Motors (R-M-Mel-B)	28,263
Greyhound (BOA-M)	2,616
North American-Rockwell (BOA-M)	2,210
Armco Steel (C-Mel)	1,696
Hanna Mining (C-Mel)	197

Utilities

American Electric Power (R-B)	3,808
Middle South Utilities (M-B)	2,006
Consolidated National Gas (C-Mel)	1,337

IX: SMALL REGIONAL GROUPS

Detroit Group

National Bank of Detroit	5,666
Detroit Bank & Trust	2,440
Detroit Edison	2,394
Manufacturers National Bank of Detroit	2,382
Consumers Power	2,215
Bendix	1,612
Kresge	1,095
Burroughs	932
Freuhauf	482
McLouth Steel	259
Federal Mogul	269

Wisconsin Group

Northwest Mutual	6,453
First Wisconsin Bankshares	2,592
Allis Chalmers	853
Marsh & Isley Bank Stock Corp.	674
Marine Corp.	658
Schlitz Brewing	522

North Carolina Group

Wachovia Bank & Trust	2,574
North Caroline National Bank	2,114
Burlington Mills	1,727
R.J. Reynolds Tobacco	1,816
Jefferson Standard Life	1,056

*Controlled by two or more groups, none of which is completely dominant.

(R - Rockefeller, M - Morgan, B - Boston, BOA - Bank of America, Mel - Mellon C - Cleveland)

Hanes Corp.	176
Rochester-Long Island	
CIT Financial	3,381
Eastman Kodak	2,975
National Bank of North America.....	2,541
Lincoln First Banks.....	2,216
Xerox.....	1,961
DuPonts (Delaware)	
DuPont	3,848
Christiana Securities	1,872
Hercules	811
Wilmington Trust.....	464

Houston	
American General Insurance	2,178
First City Bancorporation.....	1,882
Texas Eastern Transmission.....	1,881
El Paso Natural Gas	1,975
Texas National Bank of Commerce	1,252
Seattle	
Seattle First National Bank	2,817
Weyerhaeuser	1,299
Paccar	514
SAFECO	411



"So you see, my dear Coningsby, that the world is governed by very different personages from what is imagined by those who are not behind the scenes." (Those lines were written by Benjamin Disraeli, the 19th Century prime minister of Britain, who was in a clear position to know.) "Suppose you go to Washington and try to get at your government. You will always find that while

In an election year such as 1972, millions of Americans, the majority of eligible voters, go to the polls to elect a president. Of those that don't go, most are "for" one candidate or the other; some wish there was someone else running. But almost everyone would agree that the elections determine who runs the country for the next four years. Yet most people also sense that Disraeli's statement is true—that there are some "insiders" who will continue to run the country no matter who is elected.

This article will attempt to prove that the President of the United States is not the "most powerful office in the land," that there are certain other offices, none of which are chosen by elections, that are more powerful, i.e. Chairman of the Board at Chase Manhattan. Moreover, we want to show that the whole slew of elective offices have no real power to change the class relations in the U.S. We are not necessarily saying there's not a dime's worth of difference between the Democrats and Republicans although that may be true, but that there is not a dime's worth of real power at stake in any election.

This is not to say we should boycott or ignore all elections. Elections can often be an important method of struggle; like a demonstration, an election can be a powerful manifestation of popular dissatisfaction. Elections can be used to raise in a broad way certain working-class demands. And elections can be used to put pressure on the rulers for certain reforms in much the same way as a demonstration. But elections can never get rid of the rulers themselves.

In this article we will try to avoid getting into personalities. We will not name the rulers. In the first place the personalities change. In the second place, it is not particularly important which individuals wield power, since they act as a group. But most important, we want to emphasize that it is not a conspiracy of evil men, but a class—that has objective interests exactly opposite to those of the working people of this country. These men are all individuals and undoubtedly have individual

you are politely listened to, the men who are really consulted are the men who have the big stake—the big bankers, the big manufacturers, and the big masters of commerce... The masters of the Government of the United States are the combined capitalists and manufacturers of the United States." (Woodrow Wilson, who during his administration also only consulted the big bankers, etc.)

views and motives, but we are interested in what unites them and those who will succeed them. For it is their class which runs this country.

The capitalist class runs the country. But there are capitalists and capitalists—of the 202,710 industrial corporations (in 1970), more than 75% of the industrial assets are owned by the top 619. These 3/10 of one per cent of the corporations (those worth more than \$100,000,000) collect 82% of all corporate profits. Generally speaking the remaining 202,091 companies are either sub-contractors to, or cheap job shops for, the big 619 or in some way service the needs of the big 619. (See *Fortune Directory* for a listing of these.) In a previous article (*Who Really Rules America*, PL Vol., 7 #4) we further showed that almost all of these top 619 corporations were controlled by

11 major financial cliques. Moreover, the bulk of the financial and industrial clout was centered in the interlocking Morgan and Rockefeller groups. These two groups control five of the six key wholesale banks in the U.S.: Morgan Guaranty Trust, Bankers Trust (Morgan); Chase Manhattan, First National City Bank, Chemical Bank (Rockefeller) and are interlocked with the sixth, Manufacturer's Hanover Trust. It is mainly through wholesale banking (corporate loans) that control of the top 619 corporations is exercised. Thus, it is at

the top of the key financial institutions of the Morgan and Rockefeller groups that we will find most of the behind-the-scenes rulers. The rest will be provided from the upper crust of the other major financial groups: the Boston group (the Cabots, First National Bank of Boston, etc.), the Mellon group, the Cleveland group (Cyrus Eaton, Cleveland Trust, etc.) and the Bank of America group. (See PL, Vol. 7, #4 for details of these financial groups.)

In the previous article we showed how these few bankers and financiers weaved a web of control of all finance, industry and commerce in the U.S. In this article we will try to get a small picture of how they control the political apparatus,

Who Rules the U.S.?—II

How the Bosses Run the Government

as well, and use it as a tool to further their class interests.

In this article we will first discuss how this financial oligarchy controls the mass media, since the ability to mould public opinion is a key in controlling the political process. Secondly, we will look at how they intervene directly in the electoral process or get their men appointed no matter who is elected. Thirdly, we will glance at the methods they use to control foreign policy and the key regulatory agencies, no matter who is the elected or the appointed official ostensibly "in charge." And finally, we will try, as best as outsiders looking in can, to get an idea how they formulate policy, where they meet—in short, what are the real ruling bodies.

WHO IS IN THE RULING GROUP

Before we start, it will be useful to get a picture of just who these insiders are. All of them are capitalists, but are all capitalists rulers? Hardly! For example, there is a company in Los Angeles called Brilles Manufacturing. Owned by the Brilles family, it employs around 500 and makes fasteners for the big aircraft companies—Boeing, McDonald-Douglas and North American. Although the Brilles are capitalists and anti-union, low-wage paying bastards who made several million dollars running an unsafe, racist sweatshop, they are not in the ruling group or even close. Obviously Boeing or North-American could close them down. Even the presidents and officers of Boeing and North-American are not necessarily in the ruling group, although they are big-time capitalists, since their companies depend, in turn, on the big New York banks for financial survival. It is to the top ruling financial institutions that we look for the ruling group.

Table I in the Appendix lists the top financial institutions in the country that control almost all of the big industrial, commercial and transportation giants and heavily influence the rest. Like any list, it is somewhat arbitrary—maybe this company should have been left out, or that one not included—but, by and large, it is among the boards of directors and partners of these firms that we will find the financial elite that runs the country.

One more matter: not every member of the Board of Chase Manhattan is equal. Even before David Rockefeller became chairman, for example, he was more influential than the others—after all it was "his family's bank." More generally, some members come to the boards to make decisions; others come to carry them out. To decide who are the decision-makers and who are the top-level flunkies, Domhoff's definition of "upper class" is useful. (See *The Higher Circles* by G. William Domhoff, New York, 1970, pp 21-27.)

He lists five criteria, any one of which qualifies one as a member of the "upper class." These boil down to being listed on the *Social Register*, having attended certain prep schools, or belonging to certain upper class clubs which he names. For our purposes, let us define the ruling group as those

members or past members of the boards or partners in the financial institutions listed in Table I who also come from a family that is "upper class" by Domhoff's definition.

I. THE LORDS OF THE PRESS AND THE AIR-WAVES

The mass media is a form of communication unique to the imperialist phase of capitalism. In the imperialist phase, it is necessary to enlist the support of the workers and the broad masses of farmers and petit-bourgeoisie for imperialist adventures on behalf of the small financial oligarchy. Thus, the mass media is invented to "inform" the masses; under an earlier stage of capitalism it was preferable to keep them "ignorant of public affairs." In the U.S., among the first forms of mass media were the penny Western novels, used to justify the genocide against the Indians and the journals used to create an atmosphere that "justified" the Spanish-American imperialist war and U.S. intervention in World War I. Then came radio and the movies. Today TV and the big city dailies are the main means of "informing" the mass of workers about the necessity of supporting imperialism, promoting racism, anti-communism and other methods of dulling the workers' class consciousness. The newsmagazines, "scholarly" journals and books—along with TV and newspapers—are used to brainwash the students and intellectuals along lines favorable to imperialism. Also certain specialized journals, **Business Week**, **Fortune**, **Wall Street Journal**, as well as the above, are used to explain and push the policies of the ruling group to the mass of executives, managers, small, medium and semi-large capitalists to gain support for the interests of the small financial ruling class. Not that these methods are 100% successful. They have some strong effect, but class struggle continually comes to the fore. The ruling class puts such store in the effort to control public opinion that it has taken over directly the running of the mass media.

TELEVISION

Table II lists the three TV networks, their holdings and their control. There are two main points these tables prove: (1) The three networks are all very tightly controlled by the Morgan and Rockefeller financial groups. The presence of powerful directors and officers of First National City Bank, Bankers Trust, Manufacturers Hanover Trust, etc. on the boards of the three networks indicates the high priority given by the bankers to controlling the networks. The fact that no network directors represent even indirectly the interests of the other ruling class groups attests to the monopoly position of the Morgan and Rockefeller groups. Finally, the fact that all fiduciary and debt financing functions of the three networks is in the hands of Bankers Trust, Chemical Bank, Chase Manhattan and Manufacturers Hanover Trust indicates that the financial future and important cash-

flow present is entirely in the hands of the big Morgan-Rockefeller wholesale banks. Moreover, that the boards of the networks include many directors of some of the biggest industrial corporations further attests to the expected lack of "objectivity" of the networks. They serve the big New York banks and the corporations the latter control.

The second fact that emerges from a glance at Table II shows that the networks are big corporate holding companies, themselves, specializing in, but not restricted to, all forms of propaganda and ideas. Several of the biggest publishing houses are owned by the networks; movie theater chains, film companies, record companies, the "progressive toy company" Creative Playthings, amusement parks; even the New York Yankees are among the various other forms of media that the networks use to put forth the ideas that the Morgan and Rockefeller banks want to sell to the people.

But their control of TV air time is their main stock in trade and their monopoly position in this commodity insures the bankers that any anti-ruling class ideas, particularly communist ideas, will be blacked out or distorted. Moreover, facts and news will be filtered and managed to fit a picture of the world that the bankers want to foist on the public. Even "entertainment" programs from "comedies" like "All in the Family" to "mysteries" like "Mod Squad" are carefully framed to fit into the ruling-class picture of the world class struggle that is being painted by the news and documentaries. (Reviews that give a fuller analysis of particular "entertainment" TV shows and that show the conscious use of these shows to foist ruling class ideas—racism,

anti-communism, anti-working class myths—have been printed in **Challenge**: "Name of the Game" in V. 6 #4; "Mod Squad" in V. 6 #11; "Sesame Street" in V. 7 #2; "Honeymooners" in V. 7 #6; TV shows made about lawyers in V. 7 #12; movies made for TV in V. 7 #13; "All in the Family" in V. 7 #16; "Smith Family" in V. 8 #1. Soap operas in V. 8 #4; "Green Acres" and "First Tuesday" in V. 8 #5; "Arnie" in V. 8 #8; children's TV cartoons V. 8 #9; "Medical Center" in V. 8 #13—see box.

The news and documentaries are the arena where the networks give a political context to the subtle and not-so-subtle ideas pushed in their "entertainment" shows. They do this in three ways:

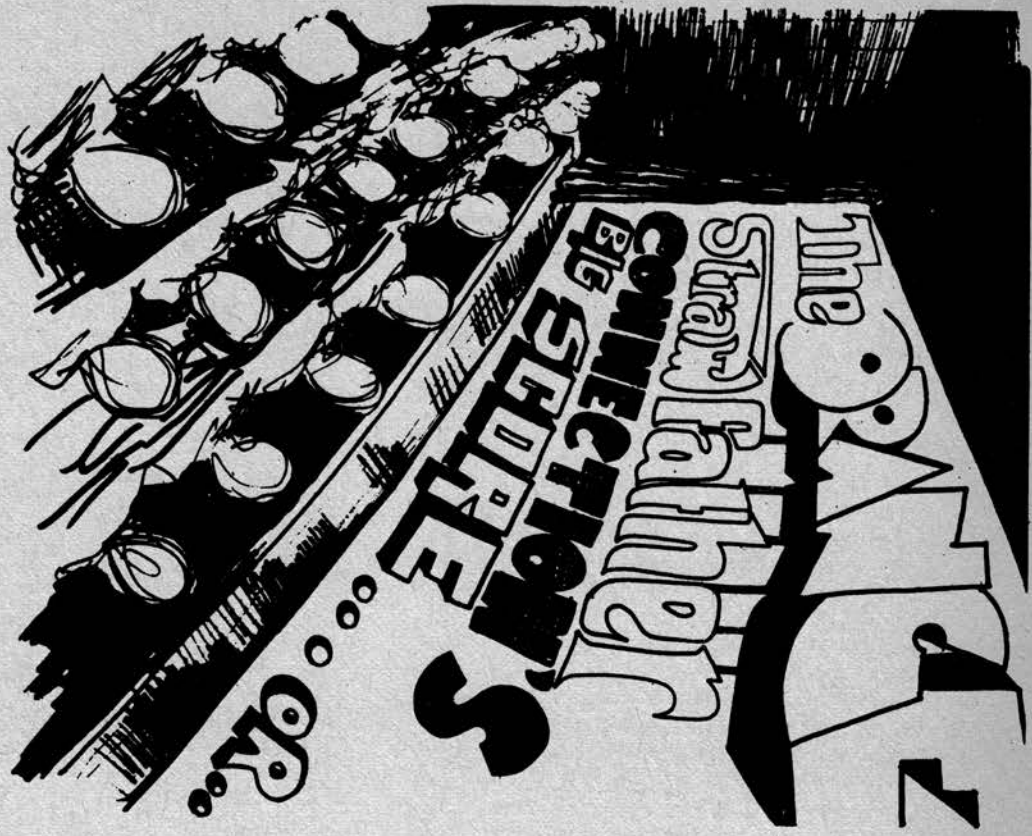
(1) Selection and distortion—they black out things they don't want workers to hear about—like PLP's 1971 marches against unemployment; they distort what they do report in a direction that promotes splits among the people or between workers and students (like the coverage of the anti-war movement, giving headlines to anti-worker Yippies and Zippies); or they do reports in such a way as to prepare public opinion for new ideas that the ruling class wants to push—like the spate of specials on China at the time of Nixon's visit to Peking.

(2) Editorializing: By this we mean not only Eric Sevareid's periodic blasts at SDS, but the subtle inflections and opinions in the "news" portion by the reporters and anchormen.

(3) Making news: They use the power of the media and their control of communications to directly intervene in a news situation and influence the outcome.



TV "comedies"— "The Corner Bar" (above) and "The Super". The rulers have only one image for the working class— buffoons.



The networks operate through their owned and operated stations and their affiliates. In the owned and operated stations (limited to five per network) the networks control 100% of the air time, including local news. These 15 stations (out of 533 total VHF) are the key stations in the country. Each network owns and operates its affiliate in the top three areas—New York, Los Angeles and Chicago—plus two other key areas like San Francisco and Detroit (ABC), Philadelphia and St. Louis (CBS), Cleveland and Washington (NBC). These 3% of the stations control about 40% of the national TV audience and are located in the key industrial cities. And the networks exercise 100% control of that air time.

Of the other 518 TV stations, 409 are network affiliates. These stations are nominally independent; yet three hours of the prime evening time is controlled by the networks. In almost every case, all of the morning, afternoon and late night time is also devoted to the network shows, or to re-runs of old network shows or network-sponsored movies. Practically the only shows these "independents" produce are the local news at 6:00 P.M. and 11:00 P.M. Yet none of these affiliates has a national or international staff and, apart from local news, they are entirely dependent on the networks for camera footage and on the networks or the wire services for news stories.

The networks, through their control of the national and international news, build the frame of reference for the affiliates' coverage of local news. And so, in local news too, the only independent activity carried on by the affiliates is forced to fit into a conception of the world that is being promoted by the Morgan-Rockefeller banks that control the networks.

"Educational" TV, the PBS (Public Broadcasting Service), controls 80 of the remaining 109 VHF stations. It has a small audience and (with one or two exceptions, like "Sesame Street") purposely gears its programs away from the working class.

At this point we should examine briefly the fourth network, NET with 80 VHF affiliates and 80 UHF affiliates. The NET, or PBS, controls all of the programs on educational channels that have any popularity. About 50% are public affairs-type or "in-depth" study of issues; 25% are symphonies, plays—high-brow "culture"; 25%, the most successful, are produced by the Children's Television Workshop, notably "Sesame Street," the only NET program that approaches the commercial networks in popularity. While it pretends to be different, the NET is controlled by the same crowd of Morgan and Rockefeller bankers that control NBC, ABC and CBS.

The NET was created in 1953 by the Ford Foundation, which is controlled by the Morgan and Rockefeller banks. (See Table VIII, Section B) Originally an "exchange center" for programs of the various "educational" stations, when NET was moved by the Ford Foundation to New York from Ann Arbor in 1963, it took up programming

and now dominates its affiliates' programs even more than the commercial networks do. Except for some tax money voted to it in 1967, NET has received all its money from the Ford Foundation (better than \$100 million) and a few allied foundations. Ford Foundation picked the Board of Directors and controls the financing of NET in just as tight a manner as Bankers Trust controls ABC. The Ford Foundation reserves the right to inspect every NET program produced with Ford Foundation money. Thus, we should not be surprised that there is not "a dime's worth of difference" between NET's "in-depth news analysis" and NBC's "in-depth news team"; or (outside of technical superiority) between **Sesame Street** and **Romper Room**; or between the **PBS Great Film Classic of the Week** and **CBS Friday Night at the Movies**.

Since locally-produced "educational" TV programs are rapidly approaching zero, the ownership of these stations is not too significant. Interestingly enough though, the main ones like San Francisco's channel 9, Boston's Channel 2, New York's Channel 13 and Chicago's Channel 11 are owned by "independent foundations or associations," set up by "prominent citizens"—read local corporate heads and financiers. These are the stations that developed the early programs and still play a subsidiary role to NET in developing national programs. Also, these are the only stations that produce local programs with any significant audience. The remaining stations are run by universities in the case of big university cities (e.g. Albuquerque, Seattle, East Lansing, Madison) or the local school district in smaller towns.

There are only 29 other TV stations, all located in big cities where already three network stations and one NET affiliate exist that dominate at least 90% of the audiences. Seventeen of these 29 are owned by newspaper chains, the other 12 by assorted collections of entrepreneurs. They produce virtually no programs of their own, but show mainly old movies and re-runs of the network's re-runs. Their news footage, like the affiliates', comes from the networks.

The political significance of the control of TV air time by a handful of bankers and financiers is vast, but not overwhelming. We do not believe that with all their powers, the networks are able to "brainwash" the working class. Despite two decades of programs about how affluent and middle class everybody is supposed to be, workers still know that unemployment, racism, speed-up, below-poverty wage levels exist. Moreover, they know how to fight against it despite the lies and distortions from TV. And two decades of anti-communism from the networks is having a diminishing effect on people. In fact, the networks—in the face of wide-spread disbelief and in order to keep their cover of "objectivity" and their audiences—have been forced to beat a retreat from the "everybody-is-middle-class" image they tried to foist on us lately.

A new series of phony heroes have been dredged

up to replace the old ones—the store-front lawyers replaced Perry Mason, Archie Bunker replaced Robert Young, and the Mod Squad replaced Dragnet. The news stories focus on various phony nationalists, liberals and other network-sponsored “spokesmen of the oppressed.” But the new “hip” programming will be no more effective than the old, because workers learn about the class struggle in the factory, not in front of the tube, and the ugly facts of capitalism can't be covered up.

The agency responsible for “policing” the airways is the FCC. It has always acted as a front for the big networks while keeping in line what small stations there are that aren't completely controlled from New York. The present FCC is made up of: (1) a corporate fund-raiser for the Republican Party; (2) an administrator for the National Association of Broadcasters—the network's industry group; (3) an official of the bosses' U.S. Junior Chamber of Commerce; (4) a former imperialist viceroy of the U.S. colony of Samoa; (5) a former executive of a big Chicago railroad; (6) a big wheel in Bell & Howell Corp., (7) an FBI man. This collection of loyal flunkies to the ruling class have never registered a decision which went against the broad interests of the networks. In a typical year we studied, out of over 100 rulings, the FCC registered no rulings whatsoever against the networks or their owned and operated stations. They did revoke the licenses of 17 small radio and TV stations for “slanting, falsification, distortion, and suppression of the News,” “not serving the needs of communication,” “causing a public disorder,” “selecting program matter to serve the private interests of the licensee,” “unauthorized control of the station,” etc.

No progressive stations were involved in these revocations (because none exist), but it can be seen what broad powers the FCC does have and that the vaguest reasons, subject only to the interpretation of these seven long-time corporate and government managers, are enough to revoke the license of any small station. The networks are untouchable. This power is effective in preventing any independent station, radio or TV, from presenting a viewpoint contrary to that of the networks.

We have concentrated on the 533 VHF (Channels 2 through 13) TV stations, since these are the most powerful moulders of public opinion on the airways. We have seen that the Morgan-Rockefeller banks exercise complete control here. They are less interested in the other broadcasters because these have a far, far smaller effect on the public; moreover, they can leave the policing of UHF (Channels 14 through 84) TV, AM radio and FM radio to the FCC. And almost all the rulings and revocation of licenses and the policing of political content of broadcasting involves AM, FM and UHF. Of the 183 UHF stations, all of them are in cities already dominated by at least three network-controlled VHF stations; half are NET “educational” TV; of the rest, most are either network-affiliated or operated by some newspaper or rich foundation.

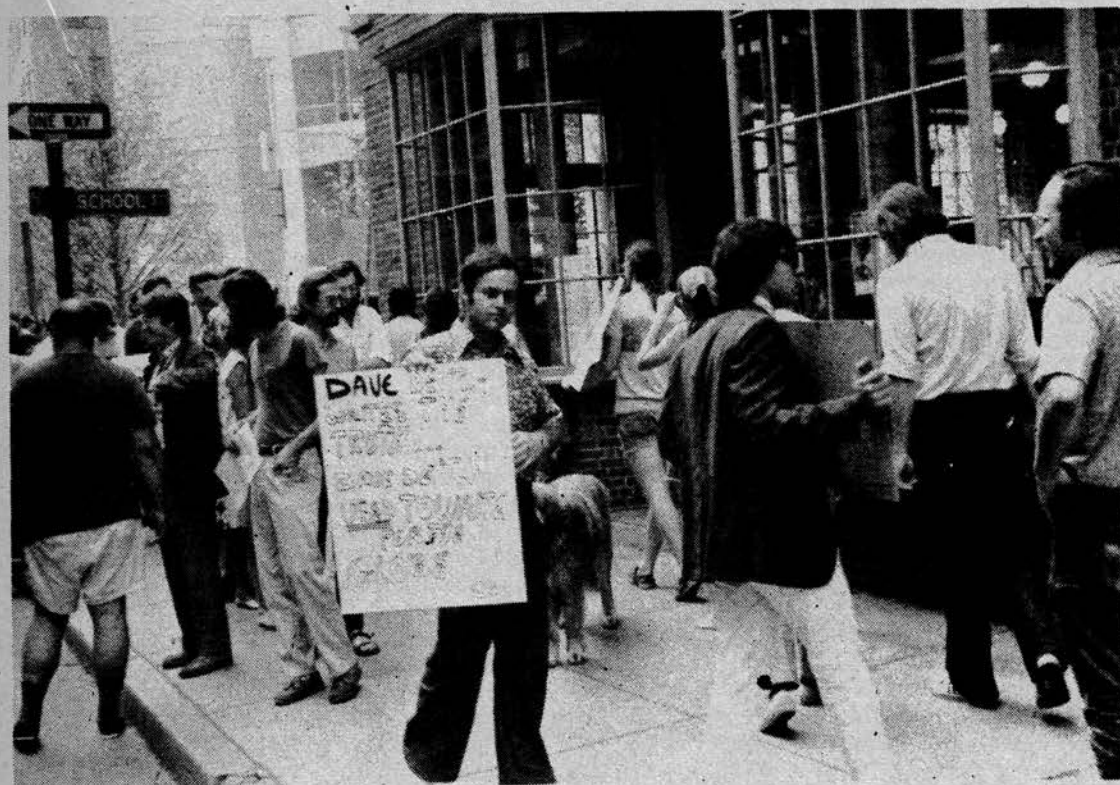
The networks have less direct control in radio; something like 500 of the 4300 AM stations; a little bigger percentage of the FM. These include almost all of the “news” or “serious” stations; a few big newspapers own the rest. Few of the other stations present much besides music from ruling-class record companies and a little bit of news from the wire services. Interestingly enough, 20 years ago, when radio was much more important for moulding public opinion, the radio networks were much bigger and there were very few independent stations.

NEWSPAPERS

Table III lists the major newspaper chains in the country. Of the 42 daily newspapers with a circulation greater than 300,000, 30 are owned by the 10 big chains. Two others (Chicago **Sun-Times** and Chicago **News**) are owned by Field Enterprises, a company controlled by the main Chicago banks. The ten others are owned by independent millionaires such as the Pulitzer family (St. Louis **Post-Dispatch**), the Schiff family (New York **Post**) and Oveta Culp Hobby (Houston **Post**). These three millionaires and some others who own “independent” papers have strong links with the ruling class. (For example the Schiff family is connected with Kuhn, Loeb Investment Co.) The chains are of two types: ruling class chains and independent family-owned chains. The ruling class chains set the editorial tone for both the family chains and the independent family newspapers. We turn now to examine the three main chains.

Most people know the New York **Times** is the most influential paper in the country—few know how big it really is. Through direct ownership in some cases, but more often through a complex series of interlocks, stock arrangements and financial manipulations, the **Times** also controls or heavily influences four other dailies in the top 42 (Minneapolis **Star-Tribune**, Milwaukee **Sentinel Journal**, Des Moines **Register-Tribune**, Seattle **Times**) as well as 16 smaller dailies, a slew of TV stations, book companies, magazines, etc. In turn, the **Times** itself is controlled by the main banking and brokerage institutions of the Morgan group. Directors from Bankers Trust and Lazard Frères provided the financial clout that allowed the **Times** to make these acquisitions, while Morgan Guaranty Trust and Manufacturers Hanover Trust control the fiduciary functions of the **Times**. The **Times** has an army of correspondents and bureaus around the world whose bylines are seen in almost all the big U.S. dailies; in addition, its superior newsgathering allows it to exert a large influence on AP; the wire service co-op.

The only other two chains with a similar influence and similar range of correspondents are the Washington **Post** and the Los Angeles **Times**. The **Post** is controlled by the same group of financiers who control the New York **Times**—the Morgan group. The Los Angeles **Times** is controlled by the Bank of America and its financial al-



When one columnist-David Deitch, Boston Globe-wrote the truth, out he went. Here SDS pickets in his behalf.

lies, but in recent years has admitted a minority of Morgan interests to the board. This may be due to the growing ties between Bank of America and the Morgan Group or to recognition of the Morgan group as pre-eminent in journalism.

The influence of these three ruling-class chains, and in particular the New York Times, can't be measured in circulation alone. The New York Times has a circulation of 1,500,000; counting its satellite papers, this comes to 4,000,000. The Los Angeles Times has a circulation of 1,300,000; with its two satellites it controls 2,100,000. The Washington Post has a circulation of 665,000. Yet the 120 major dailies in the U.S. have a combined circulation of 34,000,000. Thus, the three chains directly run by the ruling class control 20% of the circulation. Yet they strongly influence the reportorial and editorial content of the others. How does this work? Let's look at the most powerful family chain:

Everyone "knows" that the Hearst chain is one of the most extreme right-wing, ultra-conservative set of newspapers around; supposedly the exact opposite of the liberal New York Times. And so it can be expected that Hearst, who loudly applauded Agnew's attack on the "effete snobs" of the New York Times, would have nothing to do with the latter. Right?—Wrong!! A survey of all the major Hearst newspapers shows that the front pages and editorial columns abound with stories and editorials from the New York Times. We picked up Hearst's Boston Record-American & Herald Traveller for a random week. We counted

30 front page stories of other than local interest; 15 of these, no less than half, bore bylines of the New York Times; 11 others were from the wire services and only four were written by Hearst correspondents. Moreover, content-wise it was impossible to tell which were written by "liberals" from the Times and which by the "reactionaries" from Hearst. And this situation exists on all the Hearst papers—San Francisco Chronicle-Examiner; Seattle Post-Intelligencer, Baltimore News-American and so on.

We went further; we took another random week and examined the editorial pages of Hearst's Seattle Post-Intelligencer. Examining columns and editorials on issues of other than local significance, we could find only three written by Hearst or his minions and eight reprinted from the New York Times. Moreover, the cartoons did not come from Hearst cartoonists but in good part from the Washington Post or the Los Angeles Times. Now, it is one thing for Hearst to give up his news columns to the "effete snobs" because they command a much bigger news gathering apparatus; but we would have thought at least he would keep his editorial pages. Yet such is the power of the ruling-class press that even a man like Hearst, who claims to hate them, allows his paper to become dominated by them. (While it is true that liberals like the Times and conservatives like Hearst have more in common with each other than with the working class, it would be wrong to cover up the extremely serious differences of both a tactical and strategic nature that

exist. The differences stem from the class outlook of a big imperialist financial group, that the **Times** represents, as opposed to the parochial outlook of the medium and large—but not international—manufacturing company that Hearst historically has represented.)

How did this come about—Hearst's surrender to the "effete snobs"? The Hearst chain is a closed family chain, and it is hard to tell what the relationship of various forces were that forced Hearst to turn his papers over to the **Times**. Several factors may have been important:

(1) Big corporate advertisers may have applied pressure;

(2) Big financial creditors may have demanded it;

(3) Certain suppliers like paper companies, transport and utility companies that Hearst depends on could have applied pressure.

(4) There may have been subtle government pressure.

Whatever the cause, the outcome is obvious. The ruling class controls not only its directly owned 20%, but also the rest of the press that is nominally independent, in much the same way they control all of TV through the networks, though owning only 15 stations.

NEWS WEEKLIES - BUSINESS PUBLICATIONS

Along with TV and the newspapers, which influence all sections of the people, the ruling class employs a second tier of newsweeklies and business publications to win over the mass of intellectuals, managers and businessmen to their policies.

The two key newsweeklies are **Time** and **Newsweek** which control close to 90% of the circulation of that type of magazine. **Time** is owned by Time-Life Inc., which is controlled by the big Rockefeller banks (Chase Manhattan, Chemical Bank, etc.). **Newsweek** is owned by the **Washington Post**, controlled, as we saw, by the Morgan group. Together with the **New York Times**, these magazines have the only weekly news summaries worth mentioning. These news summaries are important in that they point to trends and make analyses that the ruling class feels are important for the people to know. Thus, they sum up the "lessons" the rulers want us to draw from the daily news.

The pages of **Time** and **Newsweek** should never be confused with fact or actual trends. They instead represent the hopes and aspirations of U.S. imperialism. Thus, the fight of the working class for a shorter work week—the most significant domestic trend of the decade—is completely ignored, as is the fight against racist ideology on the campuses. The increasing isolation and defeat of U.S. imperialism abroad is likewise covered up and what defeats that **Time** and **Newsweek** can't ignore are distorted or presented as isolated instances. Typical of their distortions has been the handling of Nixon's wage freeze, which even by his own standards must be judged a cataclysmic fail-

ure—inflation is still rampant, unemployment no better, and the balance of payments even worse. Yet these magazines have consistently hailed the wage freeze as a success, which only indicates that the ruling class wants these anti-worker policies continued at all costs, and are attempting to brainwash the readers of **Time** and **Newsweek** to support these policies.

The mass of small, medium and large (but not imperialist) businessmen often see their interests differently than those of the imperialist ruling class with its wars and alliances, international trading and monetary policies, and its tax policies so favorable to big monopolies. Yet it is crucial to keep the "business community" in close support of the ruling class. The key business publications—**Wall Street Journal**, **Fortune** and **Business Week**—play a big role on this front. These publications consistently push for economic and business policies favorable to the big monopolies. For example, they pushed throughout the sixties for government and banking policies that facilitated the massive merger movement then that wiped out hundreds of thousands of smaller businesses. Earlier these periodicals played a key role in shifting the outlook of the "business community" from its traditional isolationism to an outward-looking imperialist position that only benefitted the big monopolies who were in a position to invest abroad.

Needless to say the ruling class keeps a tight rein on these business publications. Dow Jones Co., publisher of the most influential of these, the **Wall Street Journal**, is controlled by the Morgan and Rockefeller banks. Dow Jones also publishes **Barron's** for the financial and investment executives, and provides the major financial reporting service.

Fortune magazine, published by Rockefeller's Time-Life Inc., does the most serious economic and business research. Its editorials on economic policy represent the clearest indication of what the bankers want. Thus, **Fortune** outlined what was to be the wage freeze some time before it was put into effect.

Business Week, published by the McGraw Hill Co., is controlled by the Rockefeller group. Naturally it closely follows the policies of the other Rockefeller business publications, **Fortune** and the **Wall Street Journal**. Heavily dependent on corporate advertising as are all the McGraw-Hill publications, **Business Week** is more cautious editorially and generally more shallow than its two "competitors." Nevertheless, it is very influential in the "business community" and has always used that influence to push ruling class business policies. McGraw-Hill also publishes several "trade" publications that are pre-eminent in their field—**Aviation Week** and **Chemical Engineering**. These are important in influencing the many engineers and managers who read them.

The handful of financiers who run the media are not elected by the people. The media won't change to suit the legitimate interests of the people, even if expressed in an election. The media will always reflect the interests of the ruling group of the

capitalist class. The present media must be destroyed, as part of a socialist revolution, in order to make any lasting revolutionary changes.

II. THE MASTERS OF WAR

PLP members are often asked if it is true, as we say, that the public leaders don't run the country, then who does? The answer we have given above. Take the financial companies listed in Table I, go through the biographies of the directors or partners (**Standard & Poor's** is a good source for this), find out which ones fit Domhoff's criteria for "upper class" and you will come up with a list of something around 1,000; add another 1,000 or so relatives in government, foundations or other professions, and you will have the real rulers of this country. The next question that can be legitimately asked is: If the Congress, Cabinet and National Security Council are impotent bodies, is there a body where these 2000 or so real rulers or some designated representatives thereof meet and formulate the policies of U.S. imperialism? Yes, there is such a body. It is called the **Council on Foreign Relations (CFR)**.

GENESIS OF U.S. IMPERIALISM

There was U.S. imperialism before there was a CFR, but it was a primitive catch-as-catch-can type, unable to compete in the same league with the more sophisticated British, who had an equivalent type organization for some time.

The last two decades of the 19th century were a period of unprecedented growth for the big trusts and monopolies. Fresh from the conquest of the South, the rape of the railroad lands, the liquidation of the Indians of the Plains, the monopolies were looking for new worlds to conquer. In the Carribean, the Cuban people were defeating the decadent Spanish empire. The same was happening in the Philippines. Under the circumstances, it was easy for some key monopolies to buy off two New York newspapers; have them raise a hue and cry for U.S. intervention; send a few U.S. battleships to the area and steal the fruits of the Cuban and Filipino people's victories.

Following the Spanish-American war, Rockefeller expanded his oil companies to the Far East, the Boston group was grabbing what it could in the Carribean and J.P. Morgan was expanding his trusts as far as the more powerful British would let him. Then came World War I and J.P. Morgan stood to make a fortune bankrolling the British from his neutral territory. But the Russian Revolution soon made it clear that Russia would drop out of the war and all of a sudden it seemed that J.P. Morgan might not collect on his investments. Once again Morgan cranked up his scandal sheets to demand U.S. intervention, and Morgan's friend in the White House, Woodrow Wilson, "acquiesced" to this fake public pressure.

The end of World War I saw the U.S. as the most powerful imperialist power in the world. The other "allies" were worn out and Germany

was prostrate. The key monopoly groups greedily drew up plans to take advantage of the situation. Rockefeller had his eye on the Rumanian oil fields and the new fields opening up in the Middle-East. Morgan was going to make a killing on the war debt and invest it in Europe. Mellon was going to get a piece of the oil action. The Boston group was going to replace the British and Germans in South America. Naturally a U.S. government permanently committed to armed intervention to protect imperialist property was a **sine que non** of these plans. The League of Nations was to be the cover.

Just to show you that the bad guys don't always get their way, things didn't work out the way it was hoped. Workers, farmers and even the overwhelming majority of capitalists (the latter, though, for radically different reasons) were so disgusted at the way World War I turned out that they would have none of it. The League of Nations was rejected; Wilson's brand of interventionism was turned out of office.

Nevertheless, most of what the key monopoly groups wanted they took anyway, and the U.S. government sent the marines to a dozen places to make the world safe for their investments. Yet, the defeat of the League of Nations taught the imperialists a lesson. They needed a much more planned approach; they needed to guarantee control of the state apparatus from the lesser capitalists; they needed an organization to get themselves together. The catch-as-catch-can phase of U.S. imperialism was over; the Council on Foreign Relations (CFR) was born.

FORMATION AND DEVELOPMENT OF THE CFR

The chief foreign policy "advisor" to Woodrow Wilson was a wealthy aristocrat named "Colonel" House. He was the link to the New York banking interests that had put Wilson in office. At a Paris hotel in 1919, House gathered a small group of ruling class intellectuals, some of whom later became famous (John Foster Dulles, Allen Dulles, Christian Herter) and agreed to form an organization to serve as the political general staff of U.S. imperialism.

In the U.S. the group became incorporated in 1921 as the Council on Foreign Relations. Besides the Dulles brothers, who represented the main Wall Street law firm, Sullivan and Cromwell, and Herter, representing the Boston group of financiers, founders included John D. Rockefeller and Nelson Aldrich of the Rockefeller group; J.P. Morgan, Averell Harriman of Brown Bros., Harriman; Jacob Schiff of Kuhn, Coel Inc. and Paul Warburg, head of the Federal Reserve System. All the key figures of the main imperialist financial cliques were the prime movers of the CFR. The Rockefeller Foundation, and the Carnegie Corporation provided the funds, while Rockefeller provided the headquarters at 58 East 68th St. in New York.

It took a few years to establish its influence, but by the time Herbert Hoover, who was a mem-

ber, became president (1928) the CFR was established as the voice of the imperialist bourgeoisie. Shortly after the start of World War II, the CFR took upon itself the task of doing research and making recommendations for the State Department. The leaders of the CFR became the key figures in that department and CFR functionaries and academicians took over the day-to-day planning of U.S. war policy and the planning for the post-war imperialist power struggle. One of the CFR's crowning achievements was the U.N., for which they had planned over several years. Some 47 members of the CFR made up most of the U.S. delegation to the U.N. organizational meeting in San Francisco. The CFR expected to control the U.N. bureaucracy as they controlled the State Department, an expectation that was eventually achieved.

By 1945 the control of U.S. foreign policy was completely in the hands of the CFR, where it has remained to this day.

Before we look at how the CFR operates to control U.S. foreign policy, let's take a quick look at its membership and how it is controlled.

THE CFR TODAY

The membership of the CFR is limited to 1450 men (no women allowed, according to the by-laws), 725 of whom reside in New York City, 725 from the rest of the country. New members are selected by the CFR from a "long waiting list." Besides paying dues, and either being a member of the ruling class or an academician who has worked closely for a number of years with the ruling class, the one express condition of membership is contained in the second by-law:

"It is an express condition of membership in the Council, to which condition every member accedes by virtue of his membership, that unless expressly stated by an Officer of the Council to the contrary, all proceedings at the Council's afternoon and dinner meetings as well as study and discussion groups are confidential; and any disclosure or publication of statements made at such meetings or attribution to the Council of information, even though otherwise available, is contrary to the best interests of the Council and may be regarded by the Board of Directors in its sole discretion as ground for termination or suspension of membership pursuant to Article I of the By-Laws."

It is essential to preserve the myth that the elected government and not the CFR makes the key decisions. Disclosure of the secret proceedings of the CFR would prejudice that myth. Thus, violation of the CFR's secrecy is the only crime a member can commit.

The present head of the CFR is David Rockefeller, chairman of the Chase Manhattan Bank and leader of the most powerful imperialist circle of corporations in the country. Other top leaders today, or in the recent past include: John J.

McCloy, Wall Street lawyer, former chairman of Chase Manhattan, now head of the U.S. Arms Control and Disarmament Agency; Allen Dulles of the number one Wall Street law firm, Sullivan & Cromwell, and founder, and for many years head, of the CIA; Grayson Kirk, lately president of Columbia University, director of Chase Manhattan, Con Edison, IBM, Mobil Oil and some others; Frank Altschul of the important Morgan Group holding company, General American Investors; Elliot V. Bell, director of Chase Manhattan, New York Life and Chemical Bank; Gabriel Hague, director of Manufacturers Hanover Trust, Brooklyn-Union Gas Company and others; George Ball, Under Secretary of State in the Kennedy Administration, director of Standard Oil of California, leading public spokesman for the CFR; Henry Wriston, president of Brown University; Theodore Gates, head of Morgan Guaranty Trust, director of General Electric, Scott Paper Co., Campbell Soup, Secretary of Defense in the Eisenhower Administration.

An examination of CFR's membership list indicates there are three categories of members. The first two are from the ruling class; the third consists of specialists distinguished by long service to the ruling class who provide the necessary "expertise" for CFR decisions.

The largest category of members is made up of the most powerful directors, of the financial corporations that run the country, interested in international affairs; with a large sprinkling of heads of key industrial corporations. The key figures in the Morgan group are the most heavily represented: We count as CFR members all directors of Morgan Guaranty Trust, nine directors of U.S. Trust Co., five directors of Banker's Trust, four directors of Tri-Continental holding company, four directors of Lehman Bros. investment company, four directors of Brown Bros. Harriman and two directors of Marine Midland Banks. The top dogs of the Rockefeller clique are almost as heavily represented: We count as CFR members 13 directors of First National City Bank, eight directors of Chase Manhattan, three partners of Dillon, Read Investment and two directors of the Chemical Bank. The Boston group has five directors from First National Bank of Boston, three from John Hancock Mutual and two from other Boston banks, as CFR members. Manufacturer's Hanover Trust has three directors in the CFR, Mellon National Bank has two directors in it and the Bank of America has two. In addition, the following corporations have at least two directors (some have upward of a half dozen) as members of the CFR: Prudential Insurance, Metropolitan Life, New York Life, Equitable Life, General Motors, Ford, Chrysler, Standard Oil of N.J., Standard Steel, Goodyear, General Electric, IBM, General Dynamics, NCR, Corning Glass, Union Carbide, Continental Can, H.J. Henry, AT&T, IT&T, New York Times. (This is just a partial list.)

The second category of members is made up of those members of the ruling class who are not

directly involved in finance or corporate affairs, but take up other work essential to the ruling class. Included in this group are the half dozen ruling-class senators (Church, D-Idaho, Pell, D-R.I., Javits, R-N.Y., Symington, D-Mo., Case, R-N.J.). Also the presidents of half a dozen of the key universities like Harvard, Yale, Brown, Columbia, Princeton, MIT and the University of California. But mostly this category is made up of ruling-class figures who work in the government or foundations at various levels.

For instance, CFR members of this type from the Rockefeller group include Nelson Rockefeller, John D. Rockefeller III, Winthrop Aldrich, and Lewis Strauss from the Morgan group; people like Averell Harriman, John Lindsay, John Hay Whitney; from the Boston group types like Henry Cabot Lodge, Christian Herter, General James Gavin.

The third category is made up of the well-known "scholars" who have sold themselves to the ruling class. These are the scholar-prostitutes who provide the expertise for various study and discussion groups of the CFR. Some of the better known of this type are characters like: Doak Barnett, Arthur Schlesinger, Adolph Berle, Teller, Oppenheimer, Seaborg and columnists like Reston, Kraft and Baldwin.

The CFR has been financed from its birth by the Rockefeller and Carnegie Foundation. In addition, it receives gifts from David Rockefeller and other millionaires. Over 100 corporations subscribe to its "corporation service" at \$1000 to \$10,000 a year. As can be expected, the CFR never lacked for money.

While there is a sprinkling of ruling-class members from all groups, the vast majority of key figures and the membership itself is predominantly from the Morgan, Rockefeller and Boston groups. As in the case of the mass media, the Morgan and Rockefeller groups are clearly in command of the CFR.

HOW THE CFR OPERATES

The CFR has usually around 100 meetings a year; half of them are general meetings addressed by some visiting foreign potentate, U.S. government official or CFR staff member. The other half are round-table discussions. Both types of meetings leave ample time for CFR members to discuss issues, raise their questions and express their views to those in a position to carry them out. Virtually any prominent foreign visitor to the U.S. seeks a chance to address a CFR meeting, for here is a chance for leaders of other imperialist powers or "developing nations" to present their views to those in authority in the U.S. A chance to address Congress, on the other hand, is regarded as purely ceremonial and for public consumption. The CFR on its part, has a chance to size up some of these people with whom it may have to deal.

In 1963-64, for example, the CFR held 112 meetings: 13 were dinner meetings; 50 were round

table discussions and 49 were general meetings which were addressed by four prime-ministers, two kings, five foreign ministers, two finance ministers, two leaders of African "National Liberation Fronts," a number of corporate heads, deputies, military chiefs and ministers from many countries around the world.

In addition, key administration officials such as Allen Dulles, CIA head, addressed some meetings. That was the year of Vietnam "special war" and topics on Vietnam were given high priority by the CFR. William Bundy talked on "U.S. Policy in the Far East"; two Vietnamese puppet officials were invited to present their views; Roger Hilsman, the State Dept. official responsible for Vietnam, headed up two round table discussions on Vietnam as did the U.S. "ambassador" to South Vietnam. Probably it was at these secret meetings that the decision was made to manufacture the Gulf of Tonkin incident and begin the air war over North Vietnam.

More important than the general meetings are the discussion groups. The CFR staff each year picks 10 subject areas, some geographical, some functional, and then organizes discussion groups around them. These discussion groups are composed of 20 to 25 CFR members who meet regularly, do background reading and research and try to come up with some strategic or tactical decisions for the ruling class. As the CFR tactfully puts it: "Specific suggestions are brought to the attention of those who might find them useful."

Eventually some discussion groups evolve into study groups that help a "scholar" write a book.



Thus in 1957-58 Henry Kissinger was in a CFR study group that helped him write his influential **Nuclear Weapons and Foreign Policy**. His "study group" included two former chairmen of the Atomic Energy Commission (AEC), a Nobel Prize winner in physics, two assistant secretaries of Defense, representatives just below the highest level from the State Department, the CIA, and the three armed services. Percy Bidwell wrote a book on tariff policy at the time of the "Kennedy Round" of international tariff negotiations; his study group included 10 corporate heads, 10 economists, two communications experts from MIT and two government officials.

In addition, the CFR usually has two long-range projects going that each involve 10 or 15 more study groups. In the mid-sixties the two CFR projects were on the "Atlantic Community," or what to do about the Western European imperialists who were shaking off U.S. hegemony; and on "U.S.-China Relations" (Here, undoubtedly, Kissinger and others planned the rapprochement between the U.S. imperialists and the new "red" bourgeoisie of China that was to come to fruition after the defeat of the Cultural Revolution.)

It is within these CFR study and discussion groups that members of the ruling class evolve the strategy and tactics of U.S. imperialism. When they reach a decision, they can bring it "to the attention of those who might find (it) useful." Or they may publish a book or an article in the CFR's journal **Foreign Affairs** that instantly is acclaimed to be "influential" by the mass media. Or in most cases, some of the members of the study group get themselves appointed to government positions where they can carry out the decisions of the group. (We will examine CFR control of the government more closely below.)

The CFR's corporate service is another means of influencing policy. Those corporations that pay the subscription fee, which is almost all the major international ones, get several services including use of the library, free consultation with staff members, some subs to **Foreign Affairs**. More important, the executives of these imperialist corporations attend bi-annual seminars run by the CFR. These seminars include five meetings and roundtable discussions with background reading and secret reports. This is a good means of training rising corporate executives in the larger issues of U.S. imperialism. And most important, the chairmen of these 100 to 200 corporations are brought together once a year for an "off-the-record" dinner meeting. This is another way the CFR acts as a general staff of U.S. imperialism.

Finally, the CFR has organized 30 satellite Committees on Foreign Relations in various cities from Portland, Maine to Los Angeles, from Worcester to Albuquerque. These committees are financed by the Carnegie Corporation. Each committee is composed of forty or more men (total membership is 1800) who come together for private dinner meetings to hear a speaker supplied by the CFR. Over half of these committee

members are either corporate executives, bankers or lawyers who are also corporate directors—half of the others are college presidents, deans and ruling class-oriented professors. The rest are mainly lawyers, editors and publishers.

These committees provide a base of support for the CFR in local "business communities" around the country. And the CFR sends its speakers to these meetings to generate support for the policies it worked out in New York and is in the process of carrying out in Washington.

CFR AND THE GOVERNMENT

Thus, the CFR formulates the strategy and tactics of U.S. foreign policy. As we noted, they put these decisions into practice in three ways:

(1) Bringing their ideas to the attention of those in government. Thus, during the Mid-East six-day war in 1967, David Rockefeller visited President Johnson and informed him as to the CFR's feelings on what U.S. government policy should be. This meeting managed to get into the press; hundreds of similar meetings at all levels between CFR officials and government officials never are noticed. The CFR uses this method only in crises or emergencies, preferring the next two methods, generally.

(2) In the case of more long-range strategic decisions, books or articles are published and the mass media begins a carefully orchestrated campaign to bring attention to the book or article.

(3) But for the most part the CFR prefers to plant its own men in the government at key policy-making levels and then have them carry out decisions of the group. The CFR apparently does not feel having a member as President is crucial here (although Eisenhower and Kennedy were members, as were presidential candidates Thomas Dewey and Adlai Stevenson.) This is so possibly because the President is much more of a public figure-head than a man really involved in policy decisions, possibly because once a man becomes President his usefulness to the CFR is limited to his term of office, whereas most CFR operatives in the government move in and out of various high-level positions in the bureaucracy for 10, 20 years or more, and quite possibly because most aristocratic CFR members don't care to have the kind of publicity about themselves and their families—and more important their business affairs—that the Kennedys, for example, have exposed themselves to. (The Kennedys seem to like it.)

At any rate, the President, even if he does take part in some decisions, is at the mercy of his CFR advisors who provide him with the information, frame of reference and alternatives. All of this has already been deliberated and thought out by the CFR, and public opinion on this or that alternative is "expressed" by the media. These foreign policy or national security advisors are the real executive. No need even to mention Congress, as the Congress plays absolutely no role in foreign policy or "defense" policy except to provide an occasional public circus like Full-

bright's periodic hearings.

Table IV lists 25 of the more prominent members of the CFR who hold, or have held, important posts in the Nixon Administration. This is just a partial list; actually we have identified 110 CFR members who hold or have held key policy-making positions in the Nixon Administration. These include several of the most influential corporate leaders, like the heads of Chase Manhattan, Standard Oil, Morgan Guaranty Trust, who served in various "advisory" commissions. These "blue ribbon panels" which formalize long-range strategic directions are often almost a carbon copy of a CFR study group that preceded it and often do little more than ratify the decision of the CFR study group that gave birth to it.

Table V lists 25 of the more prominent members of the CFR who held key posts in the Kennedy-Johnson administrations. Once again it is a partial list; there were many more. Moreover, one can note that three names are the same on both lists. Actually there were 15 more CFR men who held high-level policy-making positions in the Kennedy-Johnson administrations and then moved over to the Nixon administration, sometimes not even changing their titles. One example is C. Douglas Dillon of the big Rockefeller-allied Investment Company, Dillon, Read & Co. Dillon was Secretary of State "under" Eisenhower, Secretary of the Treasury "under" Kennedy and is now on the General Advising Committee of the U.S. Arms Control and Disarmament Agency "under" Nixon. John J. McCloy, at one point president of the CFR has "served" in every administration since Roosevelt.

Take any of the "influential" advisors" to the presidents since World War II and you will find they were CFR men. Who were the key advisors to Roosevelt-Truman administrations? Most historians would name Hamilton F. Armstrong, Dean Acheson, Edward Stettinus, John J. McCloy, Robert Lovett—all were members of the CFR and both Armstrong and McCloy headed up the organization at different times.

Who were the decision-makers in the Eisenhower era? Consensus says it was John F. Dulles, Allen Dulles, Christian Herter, Neil McElroy, Thomas Gates and C. Douglass Dillon—all CFR members.

And in the Kennedy-Johnson years wasn't it Rusk, the Bundy brothers, General Maxwell Taylor, Ellsworth Bunker, George Ball, Roswell Gilpatrick and Walt Rostow, who made the foreign policies? Once again all CFR men. And today it is Kissinger and Nelson Rockefeller who call the shots—Kissinger was a top member of the CFR staff for over 15 years.

CFR AND THE MASS MEDIA

The CFR and the mass media interlock in a couple of ways, the most important of which is the fact that the same Morgan-Rockefeller bankers who control the mass media also have the dominant influence in the CFR.

Moreover many of the key media men are members of the CFR. This includes the publisher of the New York Times, and several of his most "influential" columnists, the chairman of the Washington Post, the chairman of the Los Angeles Times. Also members of the CFR are top directors, editors or chairmen of the Louisville Courier-Journal, Denver Post, New York Post, Christian Science Monitor, Saturday Review of Literature, Time, Newsweek, Business Week as well as the three networks and NET, among others.

This interlock, as well as the CFR's secrecy rule, explains why the CFR is hardly ever mentioned in the mass media. Moreover, this large interlock is useful in rapidly attempting to mould public opinion along lines decided at a CFR meeting or study group. This is especially important when the CFR decides to embark on a quick adventure for which it hadn't the chance to prepare public opinion—for example, in the contrived Cuban missile crisis of 1962.

Thus, the unreachable, unapproachable, "unelectable" gentry in the CFR have completely controlled the government's diplomatic and war policies for over 30 years. It's all very undemocratic, especially for men who claim to send us to war to "defend democracy."

III. GENERAL STAFF OF U.S. MONOPOLY CAPITAL

This group is in essence no different than the preceding one. Many of the faces are the same. The class is the same and the big banks are the same. Yet the ruling class has a couple of different organizations to set policy in domestic affairs. Each of these organizations has a slightly different focus, but they operate in the same way as the CFR. Certain key figures in the ruling class sit down in closed session, come up with a decision of a strategic or tactical nature and then see that it is implemented by more or less the same means as the CFR.

COMMITTEE FOR ECONOMIC DEVELOPMENT

The Committee for Economic Development (CED) is the key organization of the ruling class for developing a common economic strategy. It supplements and closely parallels the CFR which develops the military and diplomatic strategy for the ruling class. Naturally there are some policies that both organizations develop in co-operation. For example, the Marshall Plan was developed by the CFR and the CED to pave the way for a massive invasion of U.S. capital into weakened post-war Europe; this was done in the guise of "stopping communism," but had the beneficial side effect (for the ruling class) of forcing out pro-Soviet politicians in several countries and weakening the European labor movement. Both the CFR and the CED developed the Plan, the CFR concentrating on the diplomatic and anti-communist aspects, the CED on easing the way for U.S. corporations to penetrate the European

excerpt taken from:
COFFEE, THE RULES OF THE GAME, AND YOU
by Thomas Fenton

The Financial Assistance Dollar

How is the "foreign aid" dollar spent?

"The biggest single misconception about the foreign aid program is that we send money abroad. We don't. Foreign aid consists of American equipment, raw materials, expert services, and food — all provided for specific development projects which we ourselves review and approve. . . . Ninety-three per cent of AID funds are spent directly in the United States to pay for these things. Just last year (1967) some 4,000 American firms in 50 states re-

ceived \$1.3 billion in AID funds for products supplied as part of the foreign aid program."

In effect, "development assistance" is a subsidy to U.S. industries, exporters and shippers.

Of "security assistance," most of this never leaves our country either. Furthermore, the U.S., like many other nations, uses military aid to further its own political objectives. It is used to maintain a status quo that strengthens the position of privileged minorities and provides a "safe climate" for outside business interests.

DAILY NEWS, FRIDAY, NOVEMBER 10, 1972

Nixon: Hanoi Will Get Aid

By STAN CARTER

Washington, Nov. 9 (NEWS Bureau)—President Nixon confirmed in an interview, published today, that the United States would provide "some" economic assistance to North Vietnam after the war.

The President gave no figures but administration officials have talked about a proposed \$7.5 billion American reconstruction program for Indochina—\$2.5 billion of it for North Vietnam—over a five-year-period.

Presidential adviser Henry Kissinger said Oct. 26 that the tentative peace agreement between Washington and Hanoi included a provision "in which the United States expresses its view that it will in the postwar period contribute to the reconstruction of Indochina."

It was assumed at the time that this meant U.S. aid to North Vietnam as well as South Vietnam, Laos, and Cambodia. Nixon clarified the Kissinger statement in an interview with the Washington Star-News.

The President gave this view of the immediate future of Southeast Asia:

"Well, it will have to be a

future in which we continue to provide economic assistance, and some military assistance as well, to our friends in that area, because the Communist nations are going to provide the same kind of assistance to North Vietnam.

"We will, as we have said, provide some assistance also to North Vietnam on an economic basis. Our interest is not only to bring an agreement that ends the war now, but to have an influence on the events in the future, and it is much better to have a relationship with the North Vietnamese than not to have.

Before the vague Oct. 26 indication that economic aid was part of the peace agreement, it was known that the United States had made a large aid offer to the North Vietnamese. Kissinger said last Jan. 26 that the United States had made clear in previous secret negotiations that it would not pay "reparations" but could

voluntarily undertake "a massive reconstruction program for all of Indochina in which North Vietnam could share to the extent of several billion dollars."

Nixon added: "Let me tell you this on Vietnam—when I tell you I am completely confident that we are going to have a settlement, you can bank on it."

The President also said in the wide-ranging interview, that next year "will be a very busy one" in foreign policy.

economy.

Generally, however, the CED and the CFR work on different issues. There is no conflict; the class in charge is the same. Moreover, 49 of the 274 CED trustees are also members of the CFR. (The others could, if they wanted, join the CFR; we can assume, but it takes quite a bit of time and energy to be on two ruling class decision-making bodies plus run a big corporation or a bank. So most members of the ruling class pick either the CFR, the CED, the Business Council or one of the key Foundations, depending on whether their interests concern mainly imperialist policy, economic policy, business policy or cultural affairs.)

The same corporate institutions, however, dominate the CED. Just as in the CFR, the Morgan and Rockefeller banks in New York have first place in naming trustees of the CED. Chase Manhattan directors account for 12 trustees; altogether the six Rockefeller financial giants account for 25 of the CED's trustees. (See Table VI.) The Morgan group is a close second with 20 trustees. Unlike the CFR, however, the other monopoly capital groups account for a bigger slot of the remaining bankers on the CED.

In the CFR, as we saw, except for the Boston group, the remaining monopoly capital groups had only token membership. In the CED, however, crews like the Bank of America group, the Mellon group and the Chicago group have an important slice of the trustees (although nowhere near as many as the Rockefeller or Morgan groups) and chairmen of certain large but independent regional banks such as Valley National Bank (Phoenix), Seattle First National and Wachovia Bank and Trust (North Carolina) are represented.

The reason for the difference lies in the different focus of the two organizations. Since almost all of the main imperialist corporations are controlled by the Morgan, Rockefeller and Boston groups, these three groups dominate the CFR. But the CED, which sets domestic policy, must contain representatives of corporations which operate mainly internally as well as the big imperialist ones. Thus, all the main monopoly capitalist groups are represented in the CED.

In another respect, however, the CED is even more exclusive than the CFR. Unlike the CFR, which has a significant portion of its membership made up of prostituted ruling class "scholars," the CED is almost entirely made up of chairmen and presidents of the big monopolies, both the imperialist types and the mainly domestic types.

Chairmen or presidents of the following corporations are trustees of the CED: Wells Fargo Bank, Manufacturers Hanover Trust, First National Bank of Chicago, Bank of America, Standard Oil of New Jersey, General Motors, IBM, U.S. Steel, Bethlehem Steel, Inland Steel, General Electric, Westinghouse, McDonnell-Douglas, United Fruit, AT&T, Continental Can, American Can, Scott Paper, Crown Zellerbach, Parker Pen, Oscar Meyer Weiners, Borden, General Foods, Levi Strauss, Macys, A&P, Los Angeles Times,

Washington Post, etc. This is just a sampling of the 137 corporate chairmen and presidents we found among the 274 CED trustees.

The Research and Policy Committee of the CED, made up of 50 of the trustees, presently chaired by a top dog in Standard Oil (N.J.), hires a Research Advisory Board of 15 ruling-class economists, and business school Deans from the most "prestigious" universities (five of them from Harvard) and issues policy statements on long-range strategic policies of the ruling class. The mass media picks up on this and begins a campaign to implement the CED proposals. The CED also has study groups and discussion groups which then decide policy and either go into the administration to implement them or bring their suggestions to "those who might find them useful." We will see examples of this below. Like the CFR, the CED is funded by the main ruling-class foundations or directly by the big corporations involved.

HISTORY OF THE CED

The CED was founded in 1942 by a group of bankers, businessmen and "advisors" to Roosevelt. The Business Advisory Council (BAC), which we will examine below, played a big role in the birth of the CED. Paul G. Hoffman, then president of Studebaker, was the founder and headed up the CED until 1948. Hoffman, a long-time member of the CFR has had a long career in various positions for his class. After chairing the CED during its first six years, he moved into various "advisor" roles, first for Truman, then for Eisenhower; later he became head of the Ford Foundation, and today he is the administrator for the U.N. Development Program. (His career is typical of ruling-class CFR and CED members, moving in and out of top positions in various banks, corporations, foundations, government administrations and even the U.N. bureaucracy.)

Hoffman was assisted in bringing the CED to fruition by people like William Benton (CFR) a Madison Avenue executive, Ralph Flanders (CFR) a Boston banker and later ruling-class spokesman in the Senate, Thomas McCabe (CFR) of Scott Paper Co. and Henry Luce (CFR) of Time-Life. Marian Folsom of Eastman Kodak, a chief of BAC, was decisive in seeing that the Roosevelt Administration saw the significance of CED and got rid of its own National Resources Planning Board whose functions were taken over by the CED.

The first job of CED was planning the post-war economy to avoid an immediate depression and place U.S. corporations in an economic position to expand rapidly abroad behind the imperialist army. Some 3000 local committees with 50,000 businessmen were set up to mobilize the "business community" toward that end. At the end of the war, having largely achieved its aims, the CED dissolved the local committees but kept the central organization. Thus today the CED has no "members"—only 274 trustees; we will use members and trustees of the CED interchange-



Heroic Korean workers' army inflicted first big defeat on an invading U.S. imperialist army, 1950.

ably.

In the early post-war period, the CED:

(1) Developed and staffed the Marshall Plan, as we saw;

(2) Took an extensive look at the functions of the Federal Reserve System to make it more useful to the big bankers and independent of political pressure from smaller capitalists. Thomas McCabe, CED founder, became head of the Federal Reserve in 1948 and, in 1951, declared the system independent of any elected official;

(3) Developed a policy, under the phony labels of "full employment" or "anti-inflation," for the government not to retire its huge war debt but to double or treble the debt, thus amassing a huge fortune for the New York wholesale banks and a handful of securities dealers. This was carried out by the government as the CED had ordered;

(4) Designed the Bretton Woods Agreement, an international monetary arrangement, which established for the time being U.S. imperialist hegemony in the capitalist world. This lasted until 1971.

(5) Mobilized the "business community" in moral and material support of the U.S. war of aggression against Korea;

(6) When Eisenhower (himself a CED member) took office he saw to it that the Treasury Department was completely staffed with CED members. Before taking office, a group of eight CED members, including later Chase Manhattan and Morgan Guaranty Trust directors, met with "Ike" and presented "five critical requirements" for

the better use of the Federal government in the service of monopoly capital. These were of a tactical nature, not historically important. (See Karl Schriftgesser, **Business Comes of Age.**) What is important is that these "requirements" of the CED were speedily carried out;

(7) From 1942 to 1957, altogether 38 of the then 150 CED trustees "served" in the Roosevelt-Truman-Eisenhower administrations.

Since then the CED has set the tone for U.S. monopoly capital, deciding all strategic economic policies and a number of tactical ones as well. An example of a recent tactical decision was CED's campaign for a new method of federal budgeting during Johnson's administration. A CED group first proposed this. Then David Kennedy, CED member and head of Continental Illinois Bank and Trust, got appointed by LBJ as head of a special commission on the budget; six other CED men were on the commission. His proposals were incorporated in the 1968 budget. And just to make sure they stuck, Kennedy made himself Secretary of the Treasury "under" Nixon. He stayed long enough to see that the CED's proposals were enforced, and then quit.

Of a more strategic nature, the CED has been pushing for metropolitan-type governments to replace state and city governments which are too inefficient from the point of view of monopoly capital. Various Metropolitan Transit Authorities (like BART in San Francisco) are the first results of this push by the CED. This idea of the CED has been carried out more fully in Toronto

than elsewhere, now being touted as a successful example. (Recently **Business Week** ran a big article on Toronto and CED's push for metropolitan government, claiming that Toronto has "eliminated" crime, urban sprawl, pollution, etc. All it took was the CED's "magic formula" of metropolitan government.)

The CED sees this as one of its more long-range goals. More immediately it is pushing for welfare "reform." Nixon's "Family Assistance Plan" bears a striking resemblance to the CED program except that the CED demands that mothers of children over two (instead of six) accept slave labor and includes a national program for day-care centers and so-called family planning. These are gradually being implemented anyway by the federal bureaucracy and local governments.

While day-care centers could be good things, the point of the whole CED-Nixon welfare reform is the "requirement to work." This means that millions of welfare recipients will be forced to get jobs at any wage. Note that the "benefits" stop at \$4000 a year. The CED plan is geared to depress wages down to \$2.00/hour by providing a large pool of strike-breakers and unemployed who will have to break unions and work docilely on the job or be denied all welfare benefits, even to their kids. Under the CED plan, a milder version of which just passed Congress, all mothers of children over two years old will have to submit or see their kids starve.

BUSINESS COUNCIL

The Business Council (BC) is yet a third committee of the ruling class organized to run the state. Once again there is no conflict with the CFR or CED. Many members of the BC are also members of the above two groups. Formed in 1933 as the Business Advisory Council (BAC) (the name was changed in 1961), by Sydney Weinberg of the powerful Goldman, Sachs investment company, the BC today appears to be more interested in the government's tactical decisions of an economic or commercial nature.

It is made up of 70 active members and a number of "graduates." As in the case of the CED and CFR, a disproportionate number of BC members are directors of the key Morgan-Rockefeller banks and their tightly controlled monopolies. At least four directors of Chase Manhattan and three from First National City Bank represent the Rockefeller group in the BC; the Morgan group, Mellon Bank, Bank of America and the rest of them are likewise represented.

Like the CED, membership in the BC is restricted to presidents, chairmen and top directors of big monopoly corporations. No small or medium businesses are represented at all and only two members, past or present, that we could find were connected with companies that were not substantially involved in imperialist investments. The big imperialist corporations had one or several directors as members of the BC. General

Electric of the Morgan Group had nine directors in the BC. Westinghouse of the Mellon chain, had three, as did AT&T. (See Table VII for an idea of where the BC's membership comes from.)

The BAC's biggest accomplishment was the New Deal legislation. Virtually all the legislation of that period was worked out by the BAC and then handed to Roosevelt who presented it to Congress. The BAC then mobilized support for it in the mass media and among the "business Community." Many businessmen were opposed to the New Deal, feeling it was "creeping socialism" or that it contained too many concessions to the working class. The imperialist corporate heads, however, were not fooled about the nature of the New Deal; they knew a few concessions to the workers at a time of high tide in the class struggle were necessary to preserve the capitalist system. Moreover, they were skillful in designing the reform legislation demanded by the workers in such a way that it enriched the big financiers and enabled the big businesses to gobble up the small.

Social Security was a case in point. Long fought for by the workers, who were left to starve in their old age or when disabled by the capitalists' callousness, demands for social security were reaching a crescendo in the thirties. Seeing it could be delayed no longer, the ruling class put forward legislation it had been preparing for just such an occasion.

The New Deal Social Security was designed to: (1) pay such miserly benefits to the workers that they still would be dependent on corporate pension plans; (2) make the workers pay; (3) enrich the bankers and bondholders. Nevertheless, because some businessmen could not see all the ins and outs of this ruling-class plan, they put pressure on their bought-and-paid-for Congressmen to oppose the plan. The BAC went into action immediately, sending a committee of top monopolists, headed by the chairman of G.E., to visit Roosevelt in order to give him the backbone to fight for the BAC's Social Security plan. Roosevelt obsequiously followed the BAC's wishes, and the Act was pushed through Congress.

A similar case arose in the fifties, when Senator Joe McCarthy started going ape over the ruling class's anti-communism crusade. The anti-communist crusade was initiated by the ruling class to cause the unions and prepare public opinion for the Cold War in the late forties. At that time they unleashed McCarthy and a dozen other gangsters to begin a campaign of fear, intimidation and character assassination. But McCarthy went too far; he started attacking members of the ruling class. When he tried to humiliate Robert Stevens of Morgan Guaranty Trust, then Secretary of the Army and a member of the BAC, the BAC stepped in.

At a special meeting in May 1954, the BAC ordered the Eisenhower administration to muzzle McCarthy. Shortly thereafter, a motion of censure was introduced by Boston banker-Senator Ralph Flanders, CED leader and member of the BAC. Eisenhower insured its passage and McCarthy's

red-baiting career was ended.

Most of the BAC's history has been spent in deciding less controversial issues. As the "semi-official" advisor to the Commerce Department until 1961, the BAC actually ran the latter. A minor tiff developed in 1961, with Kennedy and his Commerce Secretary, Hodges, who sought to change the make-up of the BAC. The BAC refused to hear of it and the mass media began a campaign to discredit Hodges. Kennedy quickly turned full circle and hastened to make amends.

Then the BAC changed its name from the Business Advisory Council to the Business Council and arrangements were made for small committees of BC members to be assigned to advise a number of departments and regulatory agencies "unofficially" and to the White House itself. So the BC extended its influence far beyond the Commerce Department—these other areas of government had assumed more importance than the Commerce Dept. since 1933. The BC sees to it that the government conforms, in its day-to-day decisions, to the exact wishes of the big imperialist monopolies.

The big corporate heads who make up the BC meet six times a year. Four of these are one-day meetings in Washington. Two are longer seminars that take several days and are held in some plush resort. Like the CFR and the CED, the BC meetings are, of course, secret.

The Chamber of Commerce, National Association of Manufacturers (NAM) and various trade organizations like the Iron and Steel Institute are not true ruling-class bodies. They are more akin to mass organizations of all businessmen, large or small, that perform a variety of services to business, some important. These organizations are usually under the leadership of the imperialist monopolies, although in the NAM a powerful minority of smaller non-imperialist businessmen often get the upper hand. Yet these bodies have no real hold on state power. Their political activity is restricted to lobbying in an impotent Congress for minor tactical advantages. They are more important in non-governmental activities, such as co-ordinated strike-breaking or price-fixing.

THE FOUNDATIONS

Thus, in secret meetings and conclaves in three distinct but tightly interlocked organizations, the ruling class decides the policies of the government at all levels. No matter whom the voters put into office, Republican or Democrat, liberal or conservative, the same men behind the scenes make all the decisions, responsible to no one but their tiny class of fellow patricians. Unknown to all but their family and business associates, these financiers and corporate heads are the real government. But, before we conclude, we should complete this survey by touching on the role of the foundations.

The ruling-class foundations and research institutions are the service centers of the ruling class. They help finance the CFR, CED and BC,

play a big role in "cultural affairs," in research, and in intelligence gathering for the ruling class. One of the major roles of the foundations is to control through money grants or interlocking trustees, the most prestigious universities: Harvard, Yale, Princeton, Columbia, Brown, Cornell, Stanford, Univ. of California, Univ. of Michigan, U. of Chicago, Swarthmore, Johns Hopkins, Oberlin, MIT, Cal. Tech and a few others. These foundations and their interlocked universities try to set the educational and intellectual climate for the rest of the colleges and universities in the country.

Thus, it is not surprising that it was in precisely these universities that the new Nazi "theorists"—Jensen, Herrnstein et al—surfaced.

The Ford Foundation is the biggest, with over 3 1/2 billion dollars to throw around (tax-free, of course). The Ford Foundation passed out of the hands of the Ford family (although two Fords still sit on the board) about the time Ford Motor Co. fell into the hands of the Morgan-group bankers. (See Table VIII for breakdown of who the Ford Foundation trustees represent; it is apparent that the Rockefeller and Morgan interests are dominant here.)

Besides educational TV (see above), the Ford Foundation also controls Harvard's Russian Research Center, which provides consultants and lecturers to the State Department, the CIA and the Army War College. All told, the Ford Foundation invests some \$40 million a year in support of various "international studies" at various universities in order to gather intelligence against other imperialists and to infiltrate foreign governments and international agencies. The Fund for the Advancement of Education, which for 17 years (1951-1967) had a profound effect on teacher training, graduate schools, training of school administrators and development of school curriculum all over the U.S., was set up and controlled by the Ford Foundation. The Center for the Study of Democratic Institutions in Santa Barbara is also run by the Ford Foundation. It helps to develop liberal "alternatives" to present ruling class policies. Various "community control" bureaucracies in a number of cities are likewise run by the Ford Foundation. There are many other institutions in the U.S. and dozens of foreign lands also run by the Ford Foundation, but that subject deserves treatment in a special article.

The Rockefeller Foundation is number two in assets, close to a billion dollars; it is still controlled by the Rockefeller family. Among other projects, the Rockefeller Foundation controls the Russian Research Center at Columbia, the Population Research Center at Harvard and the Lincoln Center in New York. And so it goes. The Carnegie Corporation with an equal number of Rockefeller and Morgan directors helped set up, and still finances, some of the universities and colleges. Moreover, many of the "professional associations" in the U.S. and Britain are tied to Carnegie money.

The RAND "think tank" does most of the

strategic military and diplomatic research and intelligence gathering for the ruling class and is largely controlled through the Carnegie Corporation; four of its trustees come from the Carnegie Corporation. The Alfred P. Sloan Fund—not as well-heeled as the others but very influential in college research in economics, business management and some fields of medicine—is controlled by the same interests, and has an equal number of trustees from the Rockefeller, Morgan and Boston groups.

These four are the “big four” in this field. (Table VIII gives a breakdown of where their trustees came from.) It is important to note how tightly they interlock with the CFR:

(1) In the Ford Foundation—10 of the 17 trustees are in the CFR.

(2) In the Rockefeller Foundation—13 of the 23 in the CFR.

(3) Carnegie Corporation—11 of the 16 in the CFR.

(4) Alfred P. Sloan Fund—12 of the 16 in the CFR.

There are a few other important foundations that have less money, but specialized interests that make them important. For example, the Carnegie Endowment for International Peace (18 of the 26 trustees in the CFR) with its two Chase Manhattan directors is a key force advancing the “cultural” interests of U.S. imperialism; and the Twentieth Century Fund (13 of its 20 trustees in the CFR) is big in developing “social” legislation.

The Brookings Institution is the most important of all the research institutions. It does research on some of the strategic policies of the ruling class, then publishes papers or makes the research available to the CFR or CED. This research is invaluable for the ruling class in deciding new policies. Some of the recent Brookings Papers are: (1) U.S. Policy in South-East Asia; (2) U.S. Policy Toward Europe; (3) India's Economic Future; (4) Wage Policy in the U.S.; (5) Federal Funds for Higher Education, etc.

The Congressional hearings are the circus for public consumption—the real investigative hearings are conducted beyond closed doors at Brookings. Brookings is tightly interlocked with the CFR (10 CFR members are trustees) and the CED (eight CED trustees are also trustees of Brookings), and is controlled by the same financial groups. (See Table VIII.)

The work of the foundations and the “think tanks,” RAND and Brookings, complement the CFR, CED and BC. They help provide the research and intelligence-gathering necessary for policy decisions. They help control the cultural and ideological atmosphere at the universities where the mass media is not so strong. And they provide another link to the state structure; key staffers like Dean Rusk of the Rockefeller Foundation or Earl Butz (Nixon's Secretary of Agriculture) of Brookings are sent into the government to carry out ruling-class policies.

THE BUREAUCRATS

At the head of the government is supposedly—the President. But as we saw, the key men are the “advisors” who carry the decisions of the CFR, CED and BC to the government and see that they are carried out. Just below them are the top bureaucrats, the heads of the key departments, the chiefs of the regulatory agencies. Who are these men who carry out the decisions of the ruling class? We will take a quick sample of some of the top bureaucrats in the Nixon administrations, noting that it is the same type and for the most part the same faces, no matter who is President. There are four categories into which all these bureaucrats fit:

(1) Members of the ruling class, who have taken a key government post to carry out some policy they or their CFR study group are interested in. An example of this is John Richardson, Under-secretary of State for Educational and Cultural Affairs, head of Radio Free Europe. Richardson is a member of the CFR and a partner in a New York investment banking firm. Another Under-secretary of State is from Kuhn, Loeb Investment Co. and also a CFR member. Two Under-secretaries of the Treasury came from Chase Manhattan, as did the first Assistant Secretary of Defense, David Packard; his successor Kenneth Rush was formerly head of Union Carbide, a director of Bankers Trust and a CFR member. The two top dogs in the Commerce Department were each partners in the two most important Cleveland law firms. And so on; there are more. (See Tables IV and V)

(2) Managers and executives in big corporations or ruling class financial companies who have so loyally served their masters that they are entrusted with some big government post to serve the whole ruling class. An example of this type is Peter Flanigan, Assistant to the President, who for many years was a hard-working flunkey in Dillon, Read & Co., the main Rockefeller investment company. Klienendienst, the Attorney-General, was for a number of years an underling in the Boston ruling-class law firm of Ropes & Gray. The Labor Secretary was a manager of Lockheed Aircraft; the Secretary of Interior “worked” for Pillsbury Co. Two of the Defense under-secretaries were top drawer errand-boys for IBM and Caterpillar Tractor, respectively (both big defense contractors).

(3) Least numerous and least influential are a half dozen or so politicians who so zealously advocated the interests of the ruling class in Congress or in local governments that they were finally entrusted to some measure of responsibility in the federal bureaucracy. Melvin Laird, Defense Secretary, is an example of this type, although he appears to be largely window dressing for the corporate chiefs who are assistants and under-secretaries in that department.

(4) Most numerous we find the professional bureaucrat as head of major departments. These

are the men who have worked for 15, 20 or 30 years in the bureaucracy, who have earned their promotions by impressing the "advisors" at the top by their sincere desire to serve the ruling class. Martin Hillenbrand, for example, Under-secretary of State for Europe, has been part of the State Department bureaucracy since 1939. He saw six presidents come and go, but he knows the "advisors" at the top are the same. The same is true for John Carlock, Under-secretary of the Treasury; he's been in the government bureaucracy since 1941. And there are many more of them, like faithful lap-dogs their only aim in life is to please their masters in the CFR or CED, no matter what administration is in office.

A word might be said here about the selection and development of the bureaucrat, since he makes up the majority of the government officials at the second level of power and almost all of the men at levels below that. Most high-level bureaucrats today began their careers during World War II, most likely in some capacity but dealing with the war effort; more than a few were in the OSS, the precursor of the CIA. Those who rose in rank during this period proved themselves able at attaining the aims of U.S. imperialism. Then came the selection process known as McCarthyism where literally thousands of their peers were kicked out or pressured into resigning for not being sufficiently anti-communist. Those who survived this weeding-out process helped administer the security checks and loyalty oaths to the newcomers into the bureaucracy in the fifties.

As the bureaucrat rose in rank, he became a boss, or a capitalist in his own right; first hiring and firing clerks and custodians, eventually in command of a governmental "enterprise" involving hundreds, maybe thousands of workers which had to show profitability, (remember McNamara's "cost accounting"), and often had to compete in the marketplace with other capitalists. The bureaucrat now becomes a capitalist manager, indistinguishable from a corporate executive. Finally to get to the position where he influences policy, say as an under-secretary of a department or a commissioner, the bureaucrat must do something to catch the eye of those on top, some especially valuable service to the ruling class or an extraordinarily zealous attitude in serving the aims of U.S. imperialism. By the time the bureaucrat finally "makes it," the rulers can have no doubt of his loyalty to them.

The regulatory agencies are run by commissioners who, once appointed, are beyond removal by the electorate or even any elected officials. This suits the ruling class perfectly since these regulatory agency commissioners are supposed to regulate business and if they had to run on their records or even if a president had to take responsibility for their records, even the mass media couldn't cover for them. The situation was admitted in a rare display of frankness by one of them who was naturally in a position to know, Judge Lee Loevinger, head of the Anti-Trust Division of the Justice Department, who said:

Unfortunately the history of every regulatory agency in the government is that it comes to represent the industry or groups that it is supposed to control. . . . More, the agency people consort with this or that representative of some special interest group, and finally they all come to think alike. Every company that's concerned about government control and is big enough hires a man—or maybe four or five men—at anywhere from \$30,000 to \$70,000 a year to find out what we're up to. And by God, they find out! They wine and dine the agency people and get to be great friends with them. Like a lot of people without much money, some bureaucrats are impressed being around big shots and the big life.

A recent case in point is James Needham, an SEC (Security Exchange Commission) commissioner who is supposed to regulate the stock market, i.e. protect the small fish from the big sharks on Wall Street. When the SEC staff proposed some minor regulation that would give some slight protection to the small investor on the matter of what the brokers were doing with the free credit balances, Needham took the side of the Stock Exchange and squelched the move. Wall Street rewarded him for this service and earlier ones by making him the new chairman of the New York Stock Exchange. The job is largely ceremonial, but for bureaucrat Needham, it means \$300,000 a year; he was making "only" \$38,000 as an SEC commissioner. This, of course, happens constantly and the lesson is not lost on the other bureaucrats.

This phenomenon is carried the furthest among the military where no less than 2,000 high-ranking officers leave the Pentagon each year for the greener pastures of corporate management. One investigation in 1963 found some 274 retired generals and admirals working for General Dynamics Co. alone. This is what makes the theories of some in the "Left" about a separate power center in the Pentagon so ridiculous. It's obvious that business rules the military, not vice versa.

WAGE-PRICE BOARDS

The recent wage-freeze price-rise has done nothing to halt inflation nor any other "good" thing it was supposed to do. But it has produced record profits for the ruling class. Why not? When workers' wages are frozen and prices rise at will, the result will be fabulous profits; the corporation reports for the second quarter of 1972 bear this out:

(1) Airlines reported 250% increase in profits in the second quarter; Western Airlines had an unbelievable 475% profit increase; TWA increased its profits by 206%.

(2) The auto industry made a record \$1,217,500,000 in profits in the three-month period—a gain of 33%. Chrysler had an 118% profit increase since the period before the freeze. Ford had a 43% increase; GM a 28% increase. So far it appears GM's profits in 1972 will be nearly \$3 billion! These are declared profits; real hidden profits which include interest, rent, new investments, expansion capital, stock options, etc.

are often twice as big.

(3) The big banks cashed in on the freeze as well: Chase Manhattan reported a 25% profit increase; First National City Bank's profits went up 26%; Morgan Guaranty Trust got a 24% profit increase and former Treasury Secretary Kennedy's bank, Continental Illinois Bank & Trust, found its profits up 66%.

(4) Virtually all other big monopolies found their profits spurting to a record—an annual rate of \$52 billion—up 15% for all industries. Typical were Con Edison in New York—profits up 33%; Southern California Edison in Los Angeles—profits up 29%; B.F. Goodrich—profits up 46%; General Tire—profits up 53%; Levi-Strauss—profits up 47%; Caterpillar Tractor—profits up 55%; ABC—profits up 131%; CBS profits up 33%; IBM—profits up 22%; Anaconda profits up 132%, etc. (The percent increases compare the profits of the second quarter of 1972 with second quarter of 1971, just before the freeze.)

Who made up these wage and price boards that produced such fabulous profits for the ruling class, at a severe cost to the working class in unemployment, speed-up, and real wage cuts? The Pay Board, which freezes wages, abrogates contracts that workers won through strikes, was supposed to be made up of five members from labor; five from business and five from the "public." Only business got represented; labor was represented by five veteran sellouts, four of whom quit anyway; the so-called public members who had the "swing" were:

(1) Figurehead chairman, George Boldt. Long-time racist, anti-worker federal judge from Seattle, locally well-known for his persecution of the

student anti-war movement.

(2) Real behind-the-scenes chairman, Kermit Gordon. Member of CFR and CED, longtime staff member for Brookings Institute, where the wage freeze had been carefully prepared some time ago to be sprung on the workers on just such an occasion.

(3) Caples, anti-labor negotiator for U.S. Steel.

(4) Weber, of the Ford Foundation.

(5) Jacoby, administrator at UCLA and U. of Chicago.

Rounding out the Pay Board we have:

(6) Leon McCollum, member of CED, director of Morgan Guaranty Trust, Continental Oil and some other corporations.

(7) Biaggini, member of BC, head of Southern Pacific.

(8) Day, head of General Electric.

(9) Sicilliano, director of one of Bank of America's financial satellites.

(10) Bassett, a magazine publisher.

(11) Fitzsimmons, the \$100,000-a-year Teamster sellout artist.

And what about the Price Board that allows prices to rise out of sight?

(1) Figurehead Chairman, C.J. Grayson, business school dean and former FBI agent.

(2) Real Power, J.W. Newman, member of CED, director of Chemical Bank, Mutual Life of N.Y., General Foods, etc.

(3) Real Power, Lanzillotti, staff member of Brookings Institute who co-ordinates, with Kermit Gordon, the carrying out of this program that the Brookings Institute worked out some time previous.

(4) Real Power, William Scranton; member of



Philadelphia members of meatcutters and retail clerks unions have the answer for bosses' wage-freeze crusher.

CED, director of IBM, Scott Paper, etc.

(5) Real Power, J.W. Queenan; partner in the major Wall Street accounting firm, Haskins and Sells.

(6) Window Dressing, Marinar Whitman, professor at the U. of Pittsburgh, previous positions in the Nixon Administration.

(7) Window Dressing, W.T. Coleman, black lawyer, served in various capacities in the Nixon and Kennedy-Johnson administrations.

IV. STATE & REVOLUTION

Thus, in the wage-freeze board as well as in the government as a whole, a small select clique responsible to one of the ruling class' outside bodies really runs the show. The other bureaucrats go along, hoping one day, by loyal service, to be admitted to the inner circle or at least to get the big pay-off like Needham, formerly of the SEC, did. There are many more facets to this phenomenon and examples like Needham, but by now we think we have established fairly well who controls the state apparatus in America at this time.

The small ruling group that comes from the key financial corporations listed in Table I have **absolute authority over all governmental decisions**. They share this power with no one—not workers, not intellectuals, not the politicians, not the military, not even the lesser capitalists. Before we go on to draw the necessary conclusion from this, we want to generalize this point to other countries and other times, and say a few words about the difference between conspiracy and class rule.

We have made no study of the ruling class of other imperialist countries. Yet we feel that such a study would bear out the following conclusion. **IN EVERY MAJOR CAPITALIST NATION, THE STATE STRUCTURE IS CONTROLLED BY A SMALL CLIQUE OF FINANCIERS, NO MATTER WHAT PERSONALITIES OR PARTIES APPEAR TO HEAD THE GOVERNMENT. THIS CLIQUE MEETS IN SECRET, IN CERTAIN SELF-PERPETUATING UNELECTED BODIES, TO THRASH OUT DECISIONS OF TACTICAL AND STRATEGIC NATURE THAT WILL BENEFIT THEIR CLASS. THESE POLICIES ARE THEN PUT INTO EFFECT BY THE GOVERNMENT.**

To determine which bodies are the real ruling ones in each country would require another study. But we know in Great Britain there is a counterpart to the CFR called the Royal Institute of International Affairs; in fact the CFR was inspired by the latter's example. We would not be surprised to see the top British bankers well represented on that organization. In France the three big banks have been merged into the government. It is, perhaps, from that position that the top French financiers control their state structure. In Belgium the major bank, Societe Generale de Belgique, controls all the Belgian imperialist companies and the major monopolies; certain key figures in the state structure sit on the board. Probably it is on the board of this bank that the

key decisions are made for the Belgian ruling class.

We believe this study could be made for any imperialist country and with any independent bourgeoisie. (The colonial nations are, of course, run from abroad; in Paraguay, for example, the counterpart to the CFR and CED is the U.S. Embassy, which makes all the decisions for the military dictatorship—the same is true for the Venezuelan "democracy." British, French and Soviet embassies play similar roles in other countries.)

DEVELOPMENT OF THE U.S. STATE STRUCTURE

The war of independence against England was waged by a coalition of classes; farmers, landlords, small manufacturers, slaveowners and merchants. Yet, in the key states, New York, Pennsylvania and Massachusetts, it was the rich mercantile families—who had built their fortune on the "triangular" trade in slaves, manufactured goods and farm products from the West Indies, England and the U.S.—who dominated. During the counter-revolution of 1781-1787 they struck a deal with the slave-owners to jointly control the Federal structure of the new government, but, when push came to shove, it was Hamilton, the New York merchant and banker, not Washington the Virginia slaveowner, who called the shots.

This set the tone for the early years; big financiers, big trading companies owned by the Hamiltons, Armstrongs and the Astors, etc., dominated the state structure of the new Republic from the beginning; the Bank of the United States was the first vehicle.

There were two serious threats to this domination in the 19th Century. The first came when, as a result of the drying up of the slave trade, the old merchant classes were weakened. This happened simultaneously with the rise of a class of manufacturers. The electoral victory of Andrew Jackson (1828) and the subsequent destruction of the Bank of the United States almost smashed the grip on the state structure held by the banker-merchants, but in the following years the old financial families moved into manufacturing, learned to live with, and get around, the banking restrictions of the Jacksonian era. Then the advent of railroads gave them a new source of enrichment. The second threat to their monopoly on state power was the armed revolt of the slaveowners in the Civil War; this was smashed and the South was opened up to the financial aristocracy.

The ruling class expanded in numbers somewhat in subsequent years as fortunes were made in the railroad land grabs, the new steel and oil industries, electric power, and imperialist expansion in the Caribbean; new families were added. Yet, the old financial families were still in the thick of it, providing the money and the connections which set up the new industrial monopolies; the state structure remained firmly in their hands. From time to time an electoral or legislative

challenge to this monopoly on the state was launched by the non-monopoly sections of the manufacturing class (in the 1890's the Democratic Party of the William Jennings Bryan era was the vehicle) but when the ruling class regained control of that Party around the time of World War I, the non-monopoly manufacturers were in disarray, forming a third party for a time, then eventually moving into the Republican Party as the conservative-isolationist segment, perennially outmaneuvered by the "Eastern Establishment."

Today Barry Goldwater represents the opportunist wing of this class, willing to compromise with the ruling class. The John Birch Society is representative of the extremist wing of this class, the small, medium and semi-large manufacturers; deadly opposed to the ruling class on the one hand and to the working class on the other, they take an increasingly pessimistic view of their future as a class.

This short history outlines what we believe a detailed study would prove conclusively, that the U.S. state structure has always been in the hands of the banking aristocrats, whether they made their money financing the slave trade, speculating on the railroads, bankrolling the new steel and machinery industries or financing imperialist penetration abroad.

CONSPIRACY AND CLASS RULE

The ruling class has controlled the government for nearly 200 years, yet only in the last 50 has it had an organization like the CFR or CED to help in that task. Such organizations are not essential to class rule at all times. It is through control of the economy and the cultural apparatus that the ruling class rules. They define the ideological frame of reference for governmental leaders, venal or sincere. And, make no mistake about it, the Bureaucrats who believe what they are saying are more effective for the ruling class than the hypocrites. Thus, some of them really believed they were fighting for "freedom" in Vietnam or Korea; the trouble is these men have been brought up to think of "freedom" as meaning primarily freedom for U.S. monopolies to invest and collect their profit. When Eisenhower's Secretary of Defense said, "What's good for General Motors is good for America," he sincerely believed it, and so does the whole class of men that run the economy and control the state structure.

Thus, they organized the CFR and CED to control the state apparatus more **effectively**—but they would control the state structure **regardless**. The point is that we don't have a conspiracy of evil men (although they do conspire and do commit evil deeds), **but the rule of a class**. And that difference is important, because a conspiracy can be gotten rid of by ordinary methods, **but only the most thorough-going revolution can destroy a class**.

ELECTIONS AS A METHOD OF CHANGE

In the last few years a very large section of the mass movement against war, racism and social injustice has moved into the electoral arena. It is not true, as we once said, that "elections are playing to an empty house." Tens of thousands of anti-war activists and other socially-minded students and workers have worked hard and often effectively in the campaigns of Eugene McCarthy (1968), Bradley for mayor of Los Angeles, Lindsay for mayor of New York, the Berkeley Radical Coalition, and now McGovern for President; or for or against certain initiatives or referendums on a wide variety of issues from stopping high rises to fighting anti-labor laws. These campaigns have often been useful demonstrations of popular feeling. They have helped create an atmosphere helpful to fighting for reforms on a variety of issues.

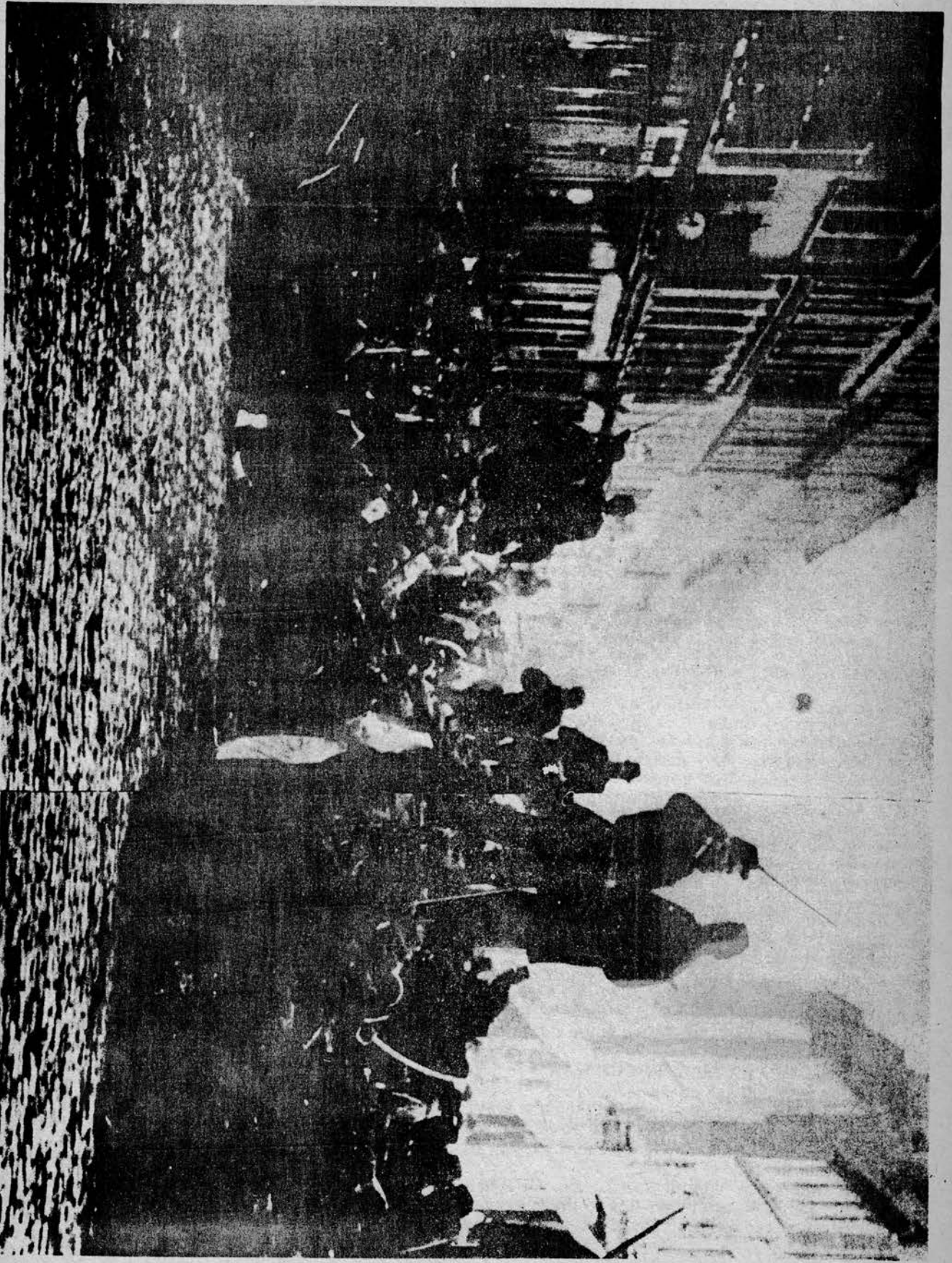
Yet, these campaigns have failed to achieve even a tiny measure of power for the people. And this is not due solely to the bad character of the leaders. (In previous articles we have analyzed the hypocrisy, anti-people history and ruling-class connections of these electoral "stars." See, **Who Governs McGovern**, PL Vol. 8, #5; **Inside the McCarthy Campaign**, PL Vol. 8, #4; **The Great McCarthy Hoax**, PL, Vol. 8, #2; **The Bosses' 'Revolution'**, CHALLENGE, Vol. 9, #7.)

The key question is that **power is never at stake in any election; the state structure is reliably in the hands of the ruling class**. Has not the bureaucracy been carefully selected and nurtured by the ruling class? Can the working class achieve power in the state structure manned by a bureaucracy permanently devoted to ruling-class values and conditioned to serving the CFR and the CED, not the elected officials? Wouldn't a revolutionary class have to discharge the army of bureaucrats that numbers in the hundreds of thousands? Would they just leave peacefully? And, if not, wouldn't this call for a revolution?

The same is true for the military apparatus; they would never serve another class anymore than old Rover would serve another master. Their military power will remain at the beck and call of the bankers at the CFR and we could hardly expect that these "old soldiers" would just quietly "fade away." They would resist and only an armed working class could overcome them. And the same goes for the mass media, as we said above. We are not even mentioning the tremendous economic power wielded by the big bankers who are entirely unaffected by a change in the elected government.

REVOLUTION, THE ONLY SOLUTION

We are saying that state power is **never a shared thing**. One class or the other controls the state apparatus and uses it as a tool against its opponents. And seizure of state power can never be accomplished through the legal framework controlled by the ruling class; seizure of state power can only be achieved through revolution. What we



The triumph of the Paris Commune, first workers' revolution. It's this kind of potential might that gives the ruling class fits.

are saying is not new. Communists have been saying it for 125 years. Real communists have always been distinguished from the various phony "Leftists" precisely by the open acknowledgment of revolution. As Marx proclaimed, "We disdain to conceal our views..." Our aim can only be achieved by the forcible overthrow of the existing order. At the time of the Paris Commune, the first serious attempt of the working class to gain power, Marx wrote:

If you look up the last chapter of my Eighteenth Brumaire you will find that I declare that the next attempt of the French Revolution will be no longer, as before, to transfer the bureaucratic-military machine from one hand to another, but to smash it, and this is the precondition for every real people's revolution on the continent." (Marx & Engels, Selected Correspondence)

He later wrote:

"One thing especially was proved by the Commune, viz., that 'the working class cannot simply lay hold of the ready-made state apparatus and wield it for our purposes'.... (Preface to Communist Manifesto)

Lenin developed these conclusions of Marx and much of his writing was devoted to refuting those "socialists" who pretended the workers could achieve power without armed revolution:

Only scoundrels or simpletons can think that the proletariat must win the majority in elections carried out under the yoke of the bourgeoisie under the yoke of wage-slavery, and that it should win power afterwards. This is the height of folly or hypocrisy. It is substituting voting under the old system and with the old power for class struggle and revolution. (Lenin, Creetings to the Italian, French and German Communists)

He also wrote:

The point [of Revolution] is whether the old state machine bound by thousands of threads to the bourgeoisie (as we saw in this article) and permeated through and through with inertia shall remain or be destroyed and replaced by a new one. Revolution consists not in the 'new class commanding, governing with the aid of the old state machine, but in this class smashing this machine and commanding, governing with the aid of a new machine (State and Revolution)

These ideas of Marx and Lenin on the nature of the capitalist state and the necessity of revolution to achieve state power are at the core of Marxism-Leninism. To accomplish real meaningful and lasting changes, the working class must have the power—state power. And a change in state power means armed revolution. There is no other way.

SMASH THE MASTERS OF WAR

These are not abstract questions; they are questions of life and death for the people. As we are part of the people, very often it is a question of our lives and deaths.

During and since World War II, the CFR has sent over 350,000 American GIs to their graves in order to protect profits. The CFR has ordered



the murder in cold-blood of millions of people in Korea, Vietnam, China, Japan, Germany, the Mid-East and other areas; caused tremendous hardships for U.S. workers and workers in other countries, all in the pursuit of profitable places for investment.

It would take a book to list all the crimes the CFR-CED men plotted in their secret meetings and then ordered the government to carry out. A few examples here will have to do:

(1) Morgenthau, a member of the CFR in the government during World War II, put forward a plan calling for converting Germany into a permanent pastureland carved up in several zones controlled by outside imperialists. To that end he had the Air Force carry out the most devastating fire-bombings of urban centers known at that time.

(2) In order to promote its dream of an "American Century," as stated by CFR member Henry Luce, the CFR plotted a systematic campaign of atomic blackmail and terror. They ordered Truman to drop atom bombs on two Japanese cities, even though the Japanese had already offered to surrender. Then the CFR cranked up its propaganda machine to terrorize the world about the dangers of nuclear war. (Almost all the key figures in the decision to bomb Hiroshima and Nagasaki were members of the CFR.)

(3) The genocidal war in Vietnam was planned every step of the way by men of the CFR, undoubtedly reflecting decisions reached in their secret study groups. Allen Dulles, founder of the CFR and director of the CIA had thousands of agents in Laos and South Vietnam in the late fifties

and early sixties "advising" the puppet governments at every level on the murder and torture of communists, peasant leaders, student leaders, trade-unionists and even certain religious figures.

At the crucial point in the "special war" of 1962-1964, Henry Cabot Lodge of the CFR and the First National Bank of Boston was sent to Vietnam as the U.S. imperialist Viceroy, while CFR member Maxwell Taylor directed the military operations, which included burning of villages, napalming of women and children, assassination of NLF cadres, herding of Vietnamese peasants into concentration-camp-like "strategic hamlets." In Washington all the key decisions were made by CFR members George Ball, McGeorge Bundy, Roswell Gilpatric and Ford president, Robert McNamara—not Kennedy or Johnson. On NBC-TV recently, Ball, an officer in the CFR, boasted that he made the decision to depose Diem while Kennedy was vacationing in Hyannisport. This irrevocably led to the commitment of hundreds of thousands of U.S. ground troops (not that Kennedy objected). Then these same men began the bombing of north Vietnam.

Later on, when these policies led to crushing defeats for U.S. imperialism and millions had died in a vain attempt to subjugate the people of Vietnam, the CFR switched tactics to the negotiation scheme (unfortunately aided by the opportunism of the north Vietnamese leaders). Gavin and Galbraith, both of the CFR, proposed the negotiations hoax. Averell Harriman, Cyrus Vance, Lodge and David Bruce, all CFR members, were the ambassadors to the Paris "peace" talks, which dragged on endlessly while the B-52's carried out the most devastating civilian terror bombings in history. This was the CFR's bloody scheme to force negotiations through bombings.

These beasts must be destroyed. Their control of the government is not subject to electoral activity, so they must be driven out of power by armed revolution and then brought before the workers of the world and punished for their crimes.

These are the "masters of war" who "hide behind desks," safe in their mansions while the "young people's blood flows out of their bodies and lies buried in the mud." Like B. Dylan, we say:

**"And I hope that you die
And your death comes soon
I'll follow your casket on a cold afternoon
And I'll watch while you're lowered
Unto your death bed
And I'll stand over your grave
Until I'm sure that you're dead."**

CONCLUSION

We in Progressive Labor Party and millions of other workers and students—particularly activists in various electoral campaigns, such as the McGovern movement—want certain revolutionary changes in this country. We speak for millions, including at least 90% of the McGovern volunteers, when we demand: (1) an end to the U.S. govern-

ment policies of aggression and war, not only in Vietnam, but also in the Middle East, the Caribbean and elsewhere; (2) an end to the genocidal treatment of black, Latin and other minority people in the U.S.; (3) an end to the most vicious action of monopoly capitalism with its built-in unemployment, its unsafe speed-up, its discriminatory tax structure, its shoddy goods at inflated prices.

Yet changes as revolutionary as these (they strike at the heart of the ruling class' profit structure) cannot be won without a revolution. We welcome and work for this revolutionary storm, for through the thunder and lightening of these revolutionary storms will come the rain to wash away the filth and exploitation of the present ruling class, and then and only then can a new age come into being, then we can build a new society, with no exploitation of man by man, a society in which working people collectively own the factories and farms, a society dedicated to eliminating selfishness and individualism, to building a new culture and new men and women.

SOURCES

PRIMARY SOURCES

Standard & Poor's
Dun & Bradstreet Million Dollar Directory
Moody's Industrial Manual
Moody's Banking & Finance Manual
Poor's Directory of Corporations and Directors
The Foundation Directory
Who's Who in America
International Who's Who
Who's Who in Government
Who's Who in Finance & Industry
Statistical Abstract of the U.S.
Newspaper Circulation Analysis
37th Annual Report of the Federal Communications Commission
Council on Foreign Relations, Annual Reports 1961-1962, 1962-1963, 1963-1964
Brookings Institution, Brookings Papers on Public Policy
Committee on Economic Development, Improving the Welfare System

BOOKS & PERIODICALS

Schriftgiesser, *Business Comes of Age*
Domhoff, *Who Rules America*
Domhoff, *The Higher Circles*
Smoot, *The Invisible Government*
Allen, *None Dare Call it Conspiracy*
Koenig & Hall, *The Farther Vision—Educational TV Today*
Shram, et al, *The People Look at Educational Television*
Business Week
Fortune
New York Times

TABLE I
RULING FINANCIAL INSTITUTIONS IN THE U.S.

(Control: R-Rockefeller; M-Morgan; BOA-Bank of America; C-Chicago Group; SF-Bay Area Group; B-Boston Group; Clev-Cleveland Group; P-Philadelphia Group Mell-Mellon; MHT-Manufacturer's Hanover Trust; D-Detroit Group)

Commercial Banks	
Bank of America	BOA
Chase Manhattan	R
First National City Bank	R
Manufacturer's Hanover Trust	MHT
Morgan Guaranty Trust	M
Chemical Bank	R
Bankers Trust	M
Continental Illinois Trust	C
First National Bank, Chicago	C
Security Pacific N B	BOA
Wells Fargo Bank	SF
Irving Trust	B
Crocker N B	SF
Mellon N B & T	Mell
National Bank of Detroit	D
First National Bank, Boston	B
First Pennsylvania Banking & T	P
Cleveland Trust	Clev
Detroit Bank & Trust	D
Manufacturers N B Detroit	D
Philadelphia N B	P
Bank of California	SF
Republic N B, Dallas	R
Harris Trust & Savings	C
Bank of New York	M
U.S. N.B of Oregon	BOA
Girard Trust	P
Pittsburgh N B	Mell
Union Bank, L.A.	BOA
Northern Trust Co.	C
National City Bank, Cleveland	Clev
Fidelity Bank, Philadelphia	P
Central National Bank, Cleveland	Clev
State Street B & T	B
National Shawmut Bank	B
Society National Bank, Cleveland	Clev
First National State Bank, N.J.	M
Fidelity Union Trust, Newark	M
United States Trust	M
Brown, Bros. Harriman	M
St. Louis Union Trust	R
American Express Co.	R-M
Bank Holding Cos.	
Western Bancorporation	BOA
Marine Midland Banks	M
Northwest Bancorporation	R
First Bank System	R
Life Insurance Cos.	
Prudential	M
Metropolitan Life	R
Equitable Life	R
New York Life	R

John Hancock	B
Aetna Life	M
Travelers	R
Mutual of N.Y.	M
Mutual Benefit	M
Penn Mutual	P
Home Life	M
Massachusetts Mutual	B
New England Mutual	B
Investment Cos. & Holding Cos.	
Christiana Securities	DuPont
Lehman Corp.	M
Tri-Continental Corp.	M
General Reinsurance	M
Continental Insurance	MHT
Allegheny Corp.	MHT
Pickands Mather	Clev
Cleveland Cliffs	Clev
T. Mellon & Sons	Mell
Fund America Co.	SF
Investment Co. of America	BOA
American Mutual Fund	BOA
Transamerica Corp.	BOA
Cabot Corp.	B
General American Investors	M
Mutual Savings Banks	
Bowery Savings	M
Dollar Savings (N.Y.)	M
Seamens Bank for A	
Seamens Bank for Savings	M
Dry Dock Savings	M
Dime Savings Bank	M-R
New York Bank for Savings	M-R
Williamsburgh Savings Bank	M
Greenwich Savings Bank	M
East River Savings Bank	M-R
Emigrant Industrial Savings	R
Casualty Insurance	
Crum & Foster	M
Atlantic Mutual	M
Insurance Co. of No. America	P
Pacific Indemnity	BOA
Brokerages	
First Boston Corp.	
Salomon Bros. & Hutzler	
Merrill Lynch, Pierce, Fenner & Smith	
Morgan, Stanley & Co.	
Blyth & Co.	
Halsey, Stuart & Co.	
White, Weld & Co.	
Eastman Dillion, Union Securities	
Goldman, Sachs & Co.	
Kidder, Peabody & Co.	
Lazard Freres & Co.	
Kuhn, Loeb & Co.	
Dillon, Read & Co.	
Law Firms	
Shearman & Sterling, New York	
Simpson, Thatcher & Bartlett, New York	
Sullivan & Cromwell, New York	

Willkie, Farr & Gallagher, New York
 Jones, Day, Cockley & Reavis, Cleveland
 Cravath, Swaine & Moore, New York
 Ropes & Gray, Boston
 White & Case, New York
 Mudge, Rose, Guthrie & Alexander, New York
 (Mitchell & Nixon's former law firm)
 Morgan, Lewis & Blokius, Philadelphia

First National City Bank
 Chemical Bank
 Bankers Trust
 Brown Bros., Harriman
 New York Life
 First Boston Corp.

**TABLE II
 RADIO & TV NETWORKS**

1. ABC (Controlled by Morgan Group)

—Assets: \$295,000,000
 —Owns: ABC-TV Network (168 affiliates)
 4 ABC radio networks
 434 motion picture theaters
 3 farm journals
 record & cinema companies
 3 amusement parks
 TV interests in 17 countries

—Interlocks with Ruling Financial Institutions:

Bankers Trust
 Manufacturers Hanover Trust
 Bank of New York
 First National City Bank
 Marine Midland Corporation
 National Bank of Detroit
 Lehman Bros.
 Mutual of N.Y.
 Penn Mutual
 Mutual Benefit Life
 Metropolitan Life
 East River Savings Bank
 Bowery Savings Bank

—Other Major Corporate Interlocks:

Allied Stores (Jordan Marsh, Bon
 Marche, etc.)
 Chrysler Corp.
 American Air Lines
 Boise Cascade
 American Electric Power
 St. Regis Paper
 Western Pacific R.R.
 Albertsons
 Hiram Walker

**2. CBS (Controlled by Morgan & Rockefeller
 Interests)**

—Assets: \$857,000,000
 —Owns: CBS TV Network (247 affiliates)
 CBS Radio Network (256 affiliates)
 Columbia Records
 Holt, Rinehart & Wilson Publish-
 ing Co.
 Field & Stream Magazine
 Various other magazines, medical
 journals, books
 Film companies
 Musical instrument company
 Creative Playthings
 New York Yankees Baseball

—Interlocks with Ruling Financial Institutions:

—Other Major Corporate Interlocks

City Stores
 Union Pacific R.R.
 Atlantic-Richfield
 Eastern Air Lines
 Borden
 American Electric Power
 Fairchild Camera
 International Paper

**3. RCA (NBC) (Controlled by the Rockefeller
 Group, Manufacturers Hanover Trust and
 the Morgan Group)**

—Assets: \$2,936,000,000
 —Owns: NBC TV Network (215 affiliates)
 NBC Radio Network (220 affiliates)
 Random House Publishers
 Modern Library Publishers
 Pentheon Publishers
 Alf. E. Knopf Publishers
 W.W. Singer Publishers
 Hertz Car Rentals
 Banquet Foods
 Coronet Industries
 RCA (computers, components, re-
 cords, elect. equipment)

—Interlocks with ruling financial institutions:

Chase Manhattan
 Chemical Bank
 Manufacturers Hanover Trust
 First National Bank of Chicago
 Continental Illinois B&T
 Irving Trust
 Metropolitan Life
 St. Louis Union Trust
 Prudential Insurance
 Girard Trust
 Lehman Corporation

—Other Major Corporate Interlocks:

ITT
 Macy's
 Atlas Chemical
 Continental Can
 Ralston Purina
 Texas Gulf Sulphur
 Hess Oil
 W.R. Grace
 Midland-Ross
 American Home Products

—Institutional Interlocks:

Harvard
 Boy Scouts
 Peace Corps

TABLE III
DOMINANT NEWSPAPER & MAGAZINE CHAINS

A. RULING CLASS CHAINS

1. Dow Jones Co. (controlled by Morgan and Rockefeller Group)

—Assets: \$111,000,000

—Owns: Wall Street Journal

National Observer

Barron's

9 daily and 3 Sunday papers in rural

East Scantlin Electronics

Overseas Financial Reporting Network

—Interlocks with Ruling Financial Institutions

Morgan Guaranty Trust

First National City Bank

J.P. Morgan & Co.

Williamsburgh Savings Bank

American Express Co.

—Other Major Corporate Interlocks:

U.S. Steel

I.B.M.

Mobil Oil

Standard Oil (N.J.)

3 M Corp.

Lilly, Eli & Co.

Caterpillar Tractor

Coca-Cola

Continental Oil

Owens-Corning

National Distillers

2. New York Times (controlled by Morgan Group)

—Assets: \$120,000,000

—Owns: New York Times

Family Circle

2 Golf Magazines

1 radio station in NYC

1 TV Station in Memphis

3 Florida Newspapers

Cambridge Book Co.; Quadrangle Books

Modern Medicine Group of Magazines

Film Fax & Educational Enrichment

School Times and Student Weekly

Chatanooga Times

—Controls: Des Moines Register-Tribune

Minneapolis Star

Milwaukee Sentinel

Various Midwest & Southern Radio & TV Stations (Cowles Communications)

Several other Florida newspapers

3 other TV stations

Ridder Publications: New York

Journal of Commerce, St. Paul

Pioneer Press Dispatch, Seattle

Times (minority interest), San Jose

Mercury-News, Long Beach

Independent-Press-Tele., Gary Post-Tribune,

Orange County News (Calif.),

Pasadena Star-News, Duluth

News, Grand Forks (N.D.)

Herald, 2 other TV stations

—Interlocks with Ruling Financial Institutions

Morgan Guaranty Trust

Bankers Trust

Manufacturer's Hanover Trust

Bowery Savings Bank

Lazard Freres & Co.

—Other Major Corporate Interlocks:

Boise Cascade Co.

ITT

American Can

Grumman Aircraft

Johns-Manville

3. Washington Post (controlled by the Morgan Group)

—Assets: \$131,000,000

—Owns: Newsweek

Washington Post

3 TV Stations

Art News

Book Publishing Business

correction for above

3. Washington Post (controlled by the Morgan Group)

—Assets: \$131,000,000

—Owns: Newsweek

Washington Post

3 TV Stations

Art News

Book Publishing Business

—Interlocks with Ruling Financial Institutions

Morgan Guaranty Trust

Wells Fargo Bank

—Major Corporate Interlocks:

Allied Chemicals

Ford

IBM

4. Time Inc. (controlled by Rockefeller Group)

—Assets: \$545,000,000

—Owns: Time

Life

Fortune

Sports Illustrated

Time-Life Books, Records, Films

Little, Brown & Co. Publishers

26 Weekly & Semi-weekly newspapers

in Suburban Chicago

Publishers of childrens, college,

trade, law & medical books

Book Clubs

Pulp, paper & timber cos. in the

South & Mid-West

Interests in publishing companies in

France, Argentina & Mexico

—Interlocks with Ruling Financial Institutions
Chase-Manhattan
Chemical Bank
First National Bank of Chicago

—Other Major Corporate Interlocks:
Montgomery Ward
Caterpillar Tractor
American Air Lines
Mobil Oil
Continental Oil
Colgate-Palmolive

5. **Times-Mirror Co.** (controlled by Bank of America Group)

—Assets: \$172,000,000

—Owns: Los Angeles Times
Dallas Times-Herald
Long Island Newsday
General Features (news-syndicate)
Popular Science Magazine
H.M. Gousha Maps
New American Library Publishing
Publishing Cos. of bibles, dictionaries, medical books, lawbooks, art books, small newspapers and magazines
Film Cos.
Cable TV Co.
TV Station in Dallas
Book Clubs
Engineering Equipment Company
6 plywood plants
200,000 acres of Timberland

—Controls: California Institute of Technology

—Interlocks with Ruling Financial Institutions
Bank of America
Security Pacific National Bank
Western Bancorporation
Union Bank
Republic Nat'l Bank of Dallas
Bank of California

—Other Major Corporate Interlocks:
Ford
Sante Fe R.R.
Dillingham Hawaiian Interests
Northrup
Tejon Ranch
North American Rockwell
American Airlines
Neuhoff Packers
Lonestar Steel

6. **McGraw Hill Co.** (controlled by Rockefeller Group)

—Assets: \$345,000,000

—Owns: Business Week
Aviation Week
Chemical Week
Electric Week
Metals Week
Chemical Engineering

Modern Hospital
House & Home
20 other weeklies
49 other magazines
Standard & Poors
Poors Directory
58 other financial & construction journals and reports
McGraw-Hill books which dominate U.S. and Canadian school and college textbooks
Encyclopedias, film programs, correspondence courses, etc.

—Interlocks with ruling class financial institutions:

Chase Manhattan
Chemical Bank
Manufacturers Hanover Trust
U.S. Trust Co.
Bankers Trust
New York Life

—Other Major Corporate Interlocks:
Borden
Sperry-Rand
Federal Home Loan Bank

B. OTHER BIG CHAINS

1. **Hearst Chain** (Controlled by Hearst family)

S.F. Chronicle-Examiner
L.A. Herald-Examiner
Boston Record-American & Herald-Traveler
Baltimore News-American
Seattle Post-Intelligencer
Albany Times Union-Knickerbrocker News
2 other dailies
20th Century Fox Films
Various Magazines and Books

2. **Field Enterprises** (Controlled by Chicago banks)

Chicago Sun-Times
Chicago News
2 smaller newspapers
1 TV station

3. **Tribune Co.**

New York Daily News
Chicago Tribune
Chicago Today

4. **Knight Chain** (Controlled by Knight family)

Philadelphia Inquirer
Detroit Free Press
Miami Herald
4 other big dailies

5. **Newhouse Chain** (Controlled by Newhouse family)

Birmingham News
St. Louis Globe-Democrat
Newark Star-Ledger
Long Island Press

Cleveland Plain Dealer
 Denver Post
 Portland Oregonian
 New Orleans Times-Picayune
 9 other big dailies
 30 small southern newspapers
 9 TV stations
 Vogue
 House & Garden

6. **Scripps-Howard Chain** (Controlled by E.W. Scripps family)
 Pittsburgh Press
 Cincinnati Post
 Cleveland Press & News
 Denver Rocky Mountain News
 UPI News Agency
 8 other big dailies
 Chain of small California Newspapers
7. **Cox Chain** (Controlled by Cox family)
 Atlanta Journal & Constitution
 8 other newspapers
 6 TV stations

TABLE IV
SOME CFR MEMBERS IN THE NIXON
ADMINISTRATION (Partial List)

1. Henry Kissinger - Assistant to the President for National Security
2. Stanley Resor - Secretary of the Army
3. Elliot Richardson - Secretary of HEW
4. Glenn Seaborg - Chairman of AEC
5. John Whitney - Director of Public Broadcasting Service
6. Paul McCracken - Chairman of Council of Economic Advisors
7. Henry Cabot Lodge - Ambassador to the Paris Peace Talks
8. George Lincoln - Director of Office of Emergency Preparedness
9. Morton Halperin - Operations Staff of National Security Council
10. Thomas Gates - Chairman, Commission on an All-Volunteer Army
11. William Dale - Executive Director International Monetary Fund
12. Arthur Burns - Chairman of the Federal Reserve System
13. George Anderson - Chairman, Presidents Foreign Intelligence Advisory Board
14. Jacob Beam - Ambassador to Soviet Union
15. Ellsworth Bunker - Ambassador to South Vietnam
16. David Bruce - Chief U.S. Delegation to Paris Peace Talks
17. Gen. Goodpaster - Supreme Allied Commander in Europe
18. Kenneth Rush - Assistant Secretary of Defense
19. Arthur Watson - Ambassador to France
20. Charles Yost - Ambassador to the U.N.
21. Joseph Sisco - Assistant Secretary of State for the Mid-East

22. John Richardson - Assistant Secretary of State for Educational & Cultural Affairs
23. John J. McCloy - Chairman General Advisory Committee for Disarmament
24. Donald Bennett - Director of Defense Intelligence Agency
25. John D. Rockefeller III - Chairman, National Commission on Population Growth and the American Future

TABLE V
SOME CFR MEMBERS IN THE KENNEDY-
JOHNSON ADMINISTRATIONS (Partial List)

1. John Kennedy - President
2. Dean Rusk - Secretary of State
3. Douglas Dillon - Secretary of Treasury
4. Allen Dulles - Director of CIA
5. McGeorge Bundy - Special Assistant for National Security
6. Chester Bowles - Under Secretary of State
7. George Ball - Under Secretary of State for Economic Affairs
8. Charles Bohlen - Assistant Secretary of State
9. George McChesney - Assistant Secretary of State for Policy Planning
10. Adlai Stevenson - Ambassador to the U.N.
11. Averell Harriman - Ambassador-at-Large
12. Kenneth Galbraith - Ambassador to India
13. David Bruce - Ambassador to England
14. James Gavin - Ambassador to France
15. George Kennan - Ambassador to Yugoslavia
16. Roswell Gilpatric - Undersecretary of Defense
17. Arthur Schlesinger - Special White House Assistant
18. Edwin Reischauer - Ambassador to Japan
19. Edward Murrow - Head of U.S. Information Agency
20. William M. Martin - Chairman of the Federal Reserve System
21. Paul Nitze - Assistant Secretary of Defense
22. Thomas Finletter - Ambassador to NATO, Secretary of the Air Force
23. Adolph Berle - Chairman Interdepartmental Committee on Latin America
24. John McCloy - Disarmament Administration
25. Henry Cabot Lodge - Ambassador to South Vietnam

TABLE VI
MEMBERSHIP OF CED

		No. of Directors in CED
A. Banking & Finance Presidents & Directors		
1. Rockefeller Group		25
	Chase Manhattan	12
	First National City Bank	5
	Chemical Bank	3
	New York Life	2
	(not otherwise counted)	
	Metropolitan Life	2
	(not otherwise counted)	
	Equitable Life	1

(not otherwise counted)

2. Morgan Group	20
Morgan Guaranty Trust	5
Bankers Trust	5
Bank of New York	1
U.S. Trust	2
Brown Bros. Harriman	1
Lehman Corp.	1
Marine Midland Corp.	2
Morgan, Stanley & Co.	1
Tri-Continental Co.	1
Lazard Freres & Co.	1
3. Boston Group	7
First National Bank of Boston	3
State Street B&T	2
New England Merchants Bank	1
John Hancock Mutual	1
(not otherwise counted)	
4. Bank of America Group	13
Bank of America	7
Security-Pacific National Bank	2
Western Bancorporation	3
U.S. National Bank of Oregon	1
5. Chicago Group (Associated with Rockefeller Group)	11
First National Bank of Chicago	8
Continental Illinois Bank & Trust	3
6. San Francisco Group	8
Wells Fargo	3
Crocker National Bank	4
Bank of California	1
7. Manufacturers Hanover Trust	4
8. Mellon National Bank & Trust	4
9. Other Banking and Finance Directors	21
B. Other Corporate Presidents & Chairmen	106
C. University Presidents & Deans	6
D. Other Members (Corporate Directors and Government Officials mainly)	48

TABLE VII

MEMBERSHIP OF THE BUSINESS COUNCIL

A Sample of Corporations Represented by Two or More Directors in the Business Council (Partial List)

Banking & Finance

Chase Manhattan
First National City Bank
Manufacturers Hanover Trust

Morgan Guaranty Trust
Bankers Trust
Bank of America
Mellon National Bank & Trust
Continental Illinois Bank & Trust
Harris Trust & Savings
St. Louis Union Trust
Brown, Brothers, Harriman
Metropolitan Life
Equitable Life
Mutual of New York

Industrial-Transportation & Retail

General Motors
Ford
IBM
U.S. Steel
International Paper
Westinghouse
General Electric
Goodyear Tire & Rubber
B.F. Goodrich
Union Carbide
Eastman Kodak
Eaton Yale & Towne
Monsanto Chemical
Corning Glass
Libbey-Owens Ford
General Foods
National Distillers
National Dairy Products
Southern Pacific
American Air Lines
American Tel & Tel
J.C. Pennys
Macys

TABLE VIII

THE FOUNDATIONS - TRUSTEES

A. Brookings Institution - 26 trustees

1. Banks:

Chase Manhattan (3 trustees)
Bank of New York
Harris Trust & Savings
Continental Illinois Bank and Trust
Cleveland Trust
New England Merchants Bank
Wells Fargo
T. Mellon & Sons

2. Other Corporations (Partial List)

Ford
Westinghouse
Monsanto
McGraw-Hill
New York Times
AT&T
IT&T
Eastman Kodak
Boise Cascade

3. Presidents and Trustees of the Following Universities:

Harvard

Cornell
Stanford
Brown
Swarthmore
University of Rochester
Columbia

Westinghouse
Bell & Howell
Consolidated Edison
A&P Stores
Sullivan & Cromwell Law Firm

B. Ford Foundation - 17 trustees

1. Banks:

Chase Manhattan (2 trustees)
Morgan Guaranty Trust
Chemical Bank
Wells Fargo
General American Investors

2. Other Corporations (Partial List)

Ford (2 trustees)
Time (2 trustees)
Westinghouse
IT&T
New York Times

3. Presidents and Trustees of the Following Universities:

Harvard
John Hopkins
MIT
University of Chicago

C. Carnegie Corporation - 16 trustees

1. Banks:

First National City Bank (2 trustees)
Morgan Guaranty Trust
Marine Midland Banks
Mellon National Bank
First National Bank of St. Louis

2. Other Corporations (Partial List)

Standard Oil (N.J.)
Metropolitan Life

3. Presidents and Trustees of the Following Universities:

Harvard
Yale
MIT

D. Rockefeller Foundation - 23 trustees

1. Banks & Investment Cos.:

First National City Bank (2 trustees)
Bankers Trust
First National Bank of Boston
Lloyds Bank (Britain)
First Boston Corp. (2 trustees)
Dillon, Read & Co.

2. Other Corporations (Partial List)

Metropolitan Life
New York Life
IBM (2 trustees)
General Motors
Gillette
Corning Glass
New York Times
Kimberly-Clark

3. Presidents and Trustees of the Following Universities:

Harvard
Princeton
Dartmouth
California Inst. of Technology
Notre Dame
Rockefeller U.

**TABLE IX
INTERLOCKS BETWEEN KEY RULING CLASS
INSTITUTIONS**

	No. of CFR Members who are also:	No. of CED Trustees who are also:	No. of Business Council Members who are also:
1. Members of CFR	1. --	49	42
2. Trustees of CED	2. 49	--	23
3. Members of Business Council	3. 42	23	--
4. Trustees of Brookings	4. 10	8	1
5. Trustees of Ford Foundation	5. 10	1	2
6. Trustees of Rockefeller Foundation	6. 13	2	4
7. Trustees of Carnegie Corp.	7. 11	0	2
8. Directors of New York Times	8. 7	1	1
9. Directors of Washington Post	9. 2	3	0
10. Directors of Los Angeles Times	10. 2	2	0
11. Directors of Time Inc.	11. 4	4	1
12. Directors of McGraw-Hill (Business Week)	12. 1	1	0
13. Directors of Dow-Jones (Wall Street Journal)	13. 3	1	0
14. Directors of ABC	14. 0	3	0
15. Directors of CBS	15. 6	4	2
16. Directors of RCA-NBC	16. 3	1	2

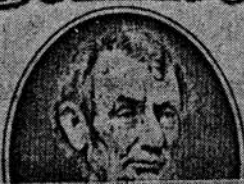
THE UNITED STATES OF AMERICA

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B 16633212 F

2



2



B 62067213 C

B 62067213 C

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62129C

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CHALLENGE

The Revolutionary Communist Newspaper

Vol. 10, No. 9, October 18, 1973

PROGRESSIVE LABOR PARTY

10¢

Chilean Fascism Shows
We Cannot Unite
With Any Rulers see pages 8,9

Chrysler, Ford Bosses

Catching Hell On All Sides As...

British Auto Wildcats Hit Racism and Wage Freeze

MEANWHILE, U.S. & CANADIAN
AUTO WORKERS VOW TO FIGHT
FOR 30 FOR 40, AS WORKERS
ACTION MOVEMENT
DEMONSTRATORS IN DETROIT
PREPARE FOR MORE BOLD
ACTION AGAINST THE BIG 3.
(Photo below)



COVENTRY, ENGLAND—Auto workers here are stepping up their fight against Chrysler and Ford and against racism, the wage freeze and runaway shops, just like their brothers and sisters in the U.S. (See Detroit and Linden articles on page 4.)

AT CHRYSLER, THE DISPUTE INVOLVES 156 electricians (they maintain key production line equipment) who are out on strike demanding raises of over \$600 a year. Chrysler claims that the government's Phase 2 wage freeze only allows \$450 a year. The workers have rejected this and are ready to stay out on strike till they get what they want. Production has been stopped at the Chrysler plant! 7,000 workers at the Chrysler plant in Linwood, Scotland, went out on strike in support of the demands of the electricians. Chrysler is using the scare tactic of running away from England if the strikes continue. Chrysler has lost 63,000 cars this year due to strikes. This runaway scare is an attempt to force the workers back to their jobs and divide the electricians from the rest of the workers. Chrysler has been aided in this by the government and the union sellouts.

Meanwhile, Ford has been having its problems too. A black worker, Winston Williams, was fired when the management accused him of trying to hit a foreman with an iron bar after the foreman provoked Williams. As soon as Williams was fired, 40 workers in the sub-assembly area of the body plant walked out indefinitely in support of Williams. 2,500 day shift workers at the Dagenham Ford plant decided to take over the plant, workers pulled out electric leads and tampered production equipment in rage. As of Sept. 28, over 3,000 workers are out on strike. Ford has lost over \$8 million in the dispute. Fight on!



"IMMIGRANT" STRIKERS IN WEST GERMANY TAKE LEAD AGAINST RACISM, BUST THROUGH FORD BOSSES' LOCKOUT. (Photo left)

Agnew's The Fall Guy (Let's Make 'Em ALL Fall!)



see page 2