

Expanding Empire Chapter 7: How big business picks the secretaries of state and defense

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October 8, 2021

What attitude would the Standard Oil companies take toward international politics?

Standard of New Jersey has 275 subsidiaries, only 114 of which are in the U.S. and Canada. It has 43 in Latin America, 77 in Western Europe, 14 in Asia, 9 in Africa and 18 elsewhere.

In 1962, 40 percent of the net profit of Jersey Standard paid to stockholders came from holdings outside the U.S. and Canada. (International Affairs No. 7, 1966) In 1966, about 55 percent of all its declared income came from outside the United States. (Report to Stockholders, 1966)

Mobil Oil has branches in over 100 countries, and as of Dec. 31, 1965, had 236 subsidiary companies abroad. Standard of California had 141. This being the case, it is very important that Standard Oil have a voice in international affairs.

It has such a voice. The Rockefellers have consistently supplied the U.S. secretaries of state for the last 15 years.

The secretary of state under both President John F. Kennedy and President Lyndon Johnson was Dean Rusk. Not himself a very rich man or real intimate of the Rockefellers, Rusk had been head of the Rockefeller Foundation, a good and trusted administrator of their fortunes.

President Dwight D. Eisenhower had two secretaries of state. The first was John Foster Dulles from the Sullivan and Cromwell law firm—a leading legal agent of the Rockefellers. The second, Christian Herter, had close family connections with Rockefeller people as well as the people at the foundation. This covers 16 years and both Democratic and Republican administrations.

Dulles, by the way, had been scheduled to be secretary of state in the expected presidency of Republican Thomas Dewey. Dewey, a long-time governor of New York, was another pliant tool of the Rockefellers through the intermediary of the Aldriches, the in-laws of the Rockefellers who ran the Chase Bank before it merged with the Manhattan.

Harry S. Truman won the 1948 election in an “upset” over Dewey. He cooperated with the Rockefellers, however, and allowed their agent, Dulles, to override his own appointee, Dean Acheson, on the all-important question of the Korean War.

What about the secretaries of defense? In the main, they have had less direct association with the Rockefellers. They tend to come from the Morgans or related financial houses—perhaps because the Rockefellers agreed to let their rivals have this position in recent years in return for the State Department. (The other big banks have their envoys in the State Department, too, of course. George W. Ball of Lehman Brothers was under secretary of state for several years, mildly checking Dean Rusk.)

Thomas S. Gates, president of Morgan Guaranty Trust, was secretary of defense from 1960 to 1961. Neil McElroy, chairperson of Morgan-dominated Procter & Gamble, served in the office from 1957 to 1959. McElroy is also on the board of General Electric and Chrysler, two of the big 10 military industries.

James Forrestal, the first secretary of defense in 1947, was president of the Wall Street banking firm of Dillon, Read & Co. Somewhat allied to the Morgans, it was very powerful in its own right, supplying scores of high government officials over the

next 20 years.

And, of course, General Motors and Ford have supplied the top defense post for 10 of the past 15 years. Both Charles E. Wilson, Eisenhower's first defense secretary, and Robert S. McNamara, defense secretary for both Kennedy and Johnson, were millionaires in their own right, but their personal fortunes were only small potatoes. They really represented their corporations and, behind their corporations, the tremendous banking houses that dominate them. In the case of Wilson, who came from General Motors, this was Morgan and, at that time, du Pont. In the case of McNamara, who came from Ford, it was Blyth, Goldman-Sachs and Morgan, plus Midwestern capital.

Significantly, both Thomas Gates and James Forrestal found enough time off from their banking duties to become under secretary of the Navy and secretary of the Navy as well. Gates went back to the bank after a hitch as under secretary in the Democratic Roosevelt administration, and did not graduate to full secretary until the Republican Eisenhower. Eisenhower appointed him in 1957. Clearly, banking was viewed as good training for an administrator of war.

Big business runs everything else, so it is hardly surprising that it runs the \$75-billion-a-year Defense Department. [Today the Pentagon's budget is almost 400 percent higher—ed.]. After all, it is their interests the department is "defending." Whose \$112 billion is it that lies vulnerable to revolt, revolution and wars of liberation throughout the world? It's theirs, not the American people's!

They aren't just office boys

Considering the necessity of deceiving the masses, the only remarkable thing is that so many direct representatives of big business run the government of the United States. The British and French capitalists are more subtle and utilize "professional" politicians a great deal more than the U.S. capitalists for top positions.

Dean Acheson, Truman's secretary of state, was an example of a more indirect representative of big business. The son of an Episcopal bishop and a hawk on Vietnam, although a "dove" at the very beginning of the Korean War, Acheson belonged to the right wing of the old New Deal bureaucracy. He had more direct personal-financial loyalties than his chief, Harry Truman, because he was born rich, with family connections to the Boston Group of financiers and to the outlying interests of the Morgans.

But, insofar as a conservative and highly placed corporation lawyer could do so, Acheson tried, like the career diplomats George Kennan and Charles Bohlen, to be a statesman for his whole class. He occasionally took positions unpopular with some of the big business brass.

Nearly all the people who really run the government are appointed rather than elected. Their appointments are ratified by the Senate as provided for in the Constitution. But rare is the day that the Senate refuses to ratify any important choice of the big business fraternity, which tells the president whom to appoint in the first place.

In 1966, Lyndon Johnson appointed 66,289 office-holders.

How did he know whom to appoint? How did he know the qualifications of that many people?

The little jobs were given to party faithfuls who did the leg work or made small contributions to the Democratic Party on the recommendations of various machine bosses. But the big jobs were directly decided upon by big business, the same people who put the president into his job.

It was estimated that the total cost of the 1964 elections for both sides was over \$200 million. Johnson, although far richer than his school teacher's and Senator's

salary would ever add up to over the years, could never have paid even a good fraction of this. Big business did.

Character of the presidency

Every U.S. president from Grant to Cleveland was up to his ears in the machinations of big business. (See, for example, Matthew Josephson's "The Politicos.") And every President from McKinley to Hoover was tied to either the Rockefellers or the Morgans. (See Ferdinand Lundberg's "America's Sixty Families.")

With the crisis caused by the Great Depression, Franklin Roosevelt, although a wealthy member of the ruling class himself, brought the first elements of Bonapartism to the office. That is to say, he appeared to stand politically "above the classes" and often "favored" the oppressed and "fought" the oppressors in order to save his own class—the capitalist class—from collapse or overthrow.

This era, changed beyond recognition by World War II, ended definitively with Eisenhower in 1953 as the Morgans, Rockefellers, du Ponts and Midwestern bankers shamelessly put their own representatives into every cabinet position. They proceeded to rob the public of still more scores of billions in oil lands, timber rights, gas and oil depletion allowances, and so on.

John F. Kennedy, an associate of the Boston Group of financiers as well as of the Morgans, felt it necessary to return to some of the forms of the New Deal, whereas his successor, Johnson, like Eisenhower, operated a wide-open arena for the plunderers, albeit with social demagogic trimmings.

The enormous power of the presidency merely reflects the enormous concentration of the two or three biggest banks and their allies, which control the industries and finances of the country. A presidential election, even if relatively "honest" between the two major contenders, is already half-determined at the quadrennial show

conventions, which are thoroughly rigged, staged and programmed by big business. The choices are not made on the convention floor nor even in a smoke-filled room in a hotel, but in the opulent offices of the multi-billionaires.

The importance of all this is not simply that this country is undemocratic. Everybody knows that, whether they realize it or not. Even though people use the word “democracy” to describe the U.S. form of government, most of them are well aware that they have nothing to say about what the president or Congress does.

The importance of the foregoing facts is that since presidents, like small-time politicians and big, belong to the bankers, they have to carry out the bankers’ policies on the national and particularly the international arena.

A very tiny clique, led by the Rockefellers, the Morgans and a handful of others, makes the big decisions, regardless of which way the elections go. The decisions they make are decisions for their interests. And since they are the ones who are most confronted with the alternative whether to expand or die, the decisions they make are pointed more and more toward war.

U.S. “national interest” in Asia, Africa or anywhere else is their interest. And foreign policy is their policy. The only way to end this situation is to kick these people out of the government and create an entirely new and different form of government. And the only way to kick them out of the government is to end their economic power by expropriating their property—that is, by making the socialist revolution.

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