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Wall Street's Think Tank: The Council on Foreign Relations and the Empire of Neoliberal Geopolitics, 1976-2014

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Last accessed on Wednesday May 25, 2022

85 Highlight(s) | 0 Note(s)

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> The globalized system that the Council operates within and influences the development of is monopoly-finance capitalism.1 Neoliberalism is today's enabling and legitimizing ideology of monopoly-finance capitalism, helping the system grow and spread. We say "capitalist" because this system is mainly privately controlled and has as its primary goal constantly increasing profits and the use of these for the endless accumulation of capital. The plutocracy that dominates the system is centered in the United States, but has powerful allied branches in Western Europe and Japan especially. We say "monopoly" capitalist system because production is dominated by a relatively few giant multinational corporations able to exercise considerable monopoly power. We say "finance" capitalist system because financial speculation has become a key way that the stagnation tendencies of the system have been, at least temporarily, overcome. Banking corporations like JPMorgan Chase, Citibank, and Goldman Sachs, as well as nominally industrial conglomerates like General Electric, all enjoy financial super profits under this regime.

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> transnational capitalist ruling class. What David Rothkopf (himself a Council member) calls the "superclass" and "Davos Man"—the six thousand individuals that he says run the world—has its main base in the CFR.2 Studying and understanding the Council is therefore a critical way to know concretely how a dominant economic class has ruled in the past and continues to rule today. Council leaders recognize these facts, but prefer to remain behind the scenes and to label the CFR the world's "leading" or "most influential" foreign policy organization rather than most powerful.3 This preference, along with its mode of operation, has

> resulted in the Council being less widely recognized than its real influence would suggest.

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> The Council had its origins in the uniting of two different fledgling groups during the post–First World War era. The first, established in 1918, was the New York club called the Council on Foreign Relations. It had only 108 members, dominated by high-ranking Wall Street financiers and international lawyers. Its aims were to explore the effect of the war upon business and promote commerce. Its means were networking conferences and dinners hosting prominent foreign visitors.9 The second organization grew out of the postwar planning body—mainly made up of intellectuals—set up by President Wilson's aide Edward House with the help of Walter Lippmann and others for the benefit of the 1919 U.S. peace delegation at the Versailles Conference. This group was called "The Inquiry."

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> Attending the conference, the group of planners met separately with members of the British delegation and decided to continue the Inquiry by forming a permanent Anglo-American Institute of International Affairs with two branches, one in each country. The plan foundered on the American side, but the British group formed what became the Royal Institute of International Affairs (Chatham House). After almost dying, the long-term Inquiry project was revived by joining with the established Wall Street group. The result was the incorporation of the Council on Foreign Relations under the laws of New York in 1921. It represented a synergy of internationally oriented corporate business interests and university-based academics: men whose goal was capital accumulation and men focused on ideas. The new CFR became the sister organization to Chatham House and the two organizations have had a close cooperative relationship ever since, each helping the other in "a hundred different ways."10

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> The president of the new CFR was John W. Davis, an attorney for the leading finance capitalist of the age, J. P. Morgan. He was later, while still president of the Council, the 1924 Democratic nominee for

president.11 The new vice president, Paul D. Cravath, and secretary-treasurer, Edwin F. Gay, were also J. P. Morgan-connected. Cravath's law firm worked for Morgan, and Gay, a former Harvard professor, was editor of the New York Evening Post, owned by Morgan partner Thomas W. Lamont.12 Among the new directors of the Council was Archibald Cary Coolidge, a Harvard professor who had been part of the Inquiry and was from a prominent and wealthy Boston family, one that went back to involvement in the nineteenth-century China trade. He was asked to become the editor of the CFR's new flagship magazine, Foreign Affairs. He only consented to take the responsibility if he could have a full-time assistant. Gay recommended one of his young reporters, Hamilton Fish Armstrong, a Princeton man whose ancestors not only included Hamilton Fish, President Grant's Secretary of State, but also Peter Stuyvesant, a major figure in the early history of New York City. Armstrong eventually took over Foreign Affairs, serving as its editor from 1928 to 1972, as well as a Council director during the same forty-four-year period.

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Root, Davis, Cravath, Coolidge, and Armstrong were all representatives of the old money/prominent families/high society set, and were all listed in the Social Register (SR), long considered the definitive guide to who is in or out of the upper class.13 A very large representation of SR listees among its officers and directors was a prime characteristic of the early CFR. All seven of the Council presidents during the period 1921–1971 were from families listed in the SR, as were both honorary presidents, the first three chairmen of the board (1946–85), and the first three vice chairmen of the board of the CFR (1971–78).

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Other leading capitalists, not listed in the SR, were also on the Council's founding board. Two examples are Otto Kahn and Paul M. Warburg, both major Wall Street investment bankers with Kuhn Loeb and M. M. Warburg, respectively. Both were economic competitors with J. P. Morgan—Kuhn Loeb was considered the second most prestigious U.S. investment bank behind Morgan, for example—but they worked together with Morgan-affiliated men in the CFR. Kahn's wealth was legendary; in 1919 he had a…

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> Until 1953 the final decision maker, president until 1946, then chairman of the board after then, was always Morgan-connected. For example, Morgan partner Russell Leffingwell was chairman from 1946 to 1953. Beginning in 1953 and continuing until 1985, the chairman of the CFR was Rockefeller-connected: first John J. McCloy from 1953 to 1970 and then David Rockefeller from 1970 to 1985. Both McCloy and Rockefeller…

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> One area where the intellectuals had greater influence was the implementation of the long-standing CFR goal of guiding American opinion and political-economic strategy toward a large, even dominant role in world affairs. Gay expressed the general perspective as early as 1898 when he wrote: “When I think of the British Empire as our inheritance I think simply of the natural right of succession. That ultimate succession is inevitable.”14 In a Council-published history of the organization, written by member Peter Grose, CFR president Leslie H. Gelb stated…

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> As an organization dominated by the largest and most powerful industrial and financial groups—first J. P. Morgan and Kuhn Loeb, later the Rockefeller economic empire—it was natural for the CFR to promote an expansionist American foreign policy, aimed at maintaining a status quo at home by expanding abroad. More specifically, the powerful saw an increase in trade and investment as the solution to domestic problems like unemployment. As CFR director Bowman expressed it in 1928, foreign raw materials, imports, and exports were required “if we are to avoid crises in our constantly expanding industries.”19 Not surprisingly, one of the very first Council publications aimed at encouraging economic expansion abroad. This was Foster Bain’s 1927 volume, Ores and Industry in the Far East, which came out of a 1925–26 study group at the CFR.20

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> The CFR, its leaders, and members were at the center of efforts that defined the monopoly capitalist class “national interest” during this era, working out the strategy to implement the ensuing policy goals. During the war, this work was conceived and carried out by a special Council study group, called the War-Peace Studies. Almost 100 men worked on this Rockefeller Foundation funded effort, engaging in organization, research, analysis, discussion, and writing from 1939 until 1945, producing a total of 682 memoranda for President Roosevelt, the State Department, and other branches of the U.S. government. Midway through the war, a number of the CFR planners were brought into the State Department part-time to help officials set postwar policy.21 Collectively, the body of work produced by the War-Peace Studies defined the U.S. “national interest” in a status-quo fashion, based on the percentage of the world necessary for the country to prosper without fundamental changes in the capitalist property ownership and “free market” system. Not surprisingly, most of the world was seen as needed as economic living space for such a system, meaning that the United States would have to go to war with and defeat Japan and Germany and then begin to reorganize the world as an informal empire beneficial to American and allied capitalist interests.

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> For example, Foreign Affairs magazine printed no less than 248 articles on Russia and the USSR during the long tenure of Hamilton Fish Armstrong as editor, including the famous 1947 “containment” article on the “Sources of Soviet Conduct” by Council member George F. Kennan.24 The general thinking behind the Marshall Plan, the key government figures putting the plan together, and the “citizens organizations” working to gain public support were all closely linked to the CFR.25 Allen W. Dulles, a SR listee and a central figure in the U.S. government’s anti-communist crusades of the 1950s and early 1960s as CIA director (a leader of coups in Iran and Guatemala, as well as failed attempts to overthrow the Cuban Revolution), was continuously a director of the CFR from 1927 until he died in 1969. He was also successively the Council’s secretary (1933–44), vice president (1944–46), and president (1946–50). Allen’s brother John Foster Dulles, Eisenhower’s secretary of state, was also a CFR member, and chose the Council as the venue to announce the U.S. government’s “massive retaliation” nuclear doctrine against the USSR on January 12, 1954. This doomsday policy evidently gave rise to some doubts within the Council, which convened a group to study the question. A young Harvard

University academic named Henry A. Kissinger was invited to chronicle the work of the group and spent the 1955–56 academic year at the CFR.26 The resulting famous 1957 book by Kissinger, Nuclear Weapons and Foreign Policy, suggested a modification of the Dulles-Eisenhower policy toward one that suggested gradual escalation, including the possible use of tactical nuclear weapons.27 Kissinger himself later retreated from this doctrine, taking a more sober view of the dangers to humanity represented by nuclear escalation. The junior academic met the Rockefellers and other powerful men at the Council and was on his way toward later prominence. Kissinger and the CFR also played a central role in the shift in U.S.-China policy during the 1969–72 years, moving away from a more dogmatic anti-communist policy to a more flexible one in which China could be used as part of a complex geopolitical power game involving the USSR and other states.

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Typical was the 1959–60 study group headed up by CFR members Harlan Cleveland and Russell H. Fifield, whose conclusions were summed up by Fifield in a 1963 CFR book called Southeast Asia in United States Policy, stating that the area was “of great strategic, economic and demographic significance … of special significance in the world balance” because of the importance of its raw materials and markets.29

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To be sure, in the 1960s and 1970s the top leadership of the CFR was still dominated by members of the old plutocracy, as measured by listings in the SR. The membership also had a large representation from America’s richest old plutocratic families. For example, a quick review of the Council’s 1970 Annual Report finds four members of the Rockefeller family, and also top men from the Morgan, DuPont, Mellon, Vanderbilt, Cabot, Duke, Roosevelt, Whitney, Dodge, Milbank, McCormick, Payson, Houghton, Schiff, Reid, Guggenheim, Root, Watson, Harriman, Aldrich, and Dillon families.33 These and other plutocratic families are the ones listed in the SR and discussed in such classic studies of U.S. wealth as Ferdinand Lundberg’s America’s Sixty Families,34 as well as more recent works like Millionaires and Managers by S. Menshikov, Wealth and Democracy by Kevin Phillips, and The Founding Fortunes by Michael Allen. The newly rich tend to look up to and get their prompts from the

> old rich, so as the CFR organization was fine-tuned after 1970, much remained the same, the old and new plutocracy met, mingled, and merged at the Council, resulting in an organization more representative of the U.S. plutocracy as a whole, and therefore more united, strengthened, and even more powerful.

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> Just one example illustrates the possibilities: William Jefferson Clinton was not born into a capitalist-class family, but he was intelligent and ambitious, worked to become a professional by gaining a college education, and was awarded a Rhodes Scholarship in England. He ran for political office and was, with the help of capitalist-class member Madeleine K. Albright, able to become a member of the Council in the 1980s. The contacts he made at the CFR helped him get the favorable media attention, funding, and top advisers to validate his candidacy and successfully become president. He brought many fellow Council members into leading positions in his administration, and implemented a raft of pro-capitalist CFR policies. Once out of office, lucrative speaking engagements and book deals made him wealthy, a member of the capitalist class himself, with his own foundation. One estimate is that by 2014 he had $80 million in personal assets, another estimate puts the total at $38 million.42 He was also able to bring his daughter Chelsea into the CFR, allowing her to expand her network to the rich, well-educated, and powerful people that she will meet at the Council. This is a common pattern: CFR members often bring relatives into the organization to promote individual and family agendas.

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> Between 1970 and 2007 there were only two chairs—David Rockefeller and Peter G. Peterson—and from 2007 to 2014 two co-chairs, Robert E. Rubin and Carla A. Hills. At the same time there have been seven vice chairs who served longer than one year: Rubin, Hills, Cyrus R. Vance, Douglas Dillon, Warren Christopher, Maurice R. Greenberg, Richard E. Salomon, and David M. Rubenstein. Through a discussion of these ten individuals, a detailed collective biography of the organization’s top leadership can be developed. Vast personal and family wealth, finance capital careers, top corporate connections, and cabinet-level government service are their main characteristics, and they exemplify the Council’s deep capitalist-class connections.

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> One illuminating example of the practices of the Chase Manhattan Bank and the larger corporate ruling class comes from this period. When Nixon and National Security Adviser Henry A. Kissinger were establishing U.S. ties to China in 1971–2, Rockefeller was very interested in gaining a top position for Chase Manhattan Bank there as a key part of expanding the bank's presence in Asia. As Rockefeller recounted

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> Rockefeller then went on to point out how this initial contact led to his trips to China and eventually a correspondent bank relationship with the Bank of China. He clearly encouraged and approved of bribery of foreign officials to successfully gain favor, despite the law and the supposed "moral code" of the Rockefeller family. This illustrates a current fact about the United States, namely that the top economic and political leadership consider themselves to be, and often are, above the law.

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> Rockefeller also recounts in Memoirs his long behind-the-scenes role as a semi-official representative of the United States and its capitalist class, acting as a "diplomatic go-between" in China and the Middle East, especially while chairman of both the Chase Bank and the Council on Foreign Relations. Prior to one of his many trips to China, he met with President Jimmy Carter, Secretary of State Cyrus Vance, and National Security Adviser Zbigniew Brzezinski and carried messages from them to the Chinese leadership.51 Rockefeller also used the Council as a means to promote the interests of his Chase Manhattan Bank.

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> In the Middle East, where Chase had major interests due to "its close and longtime association with the major U.S. oil companies," Rockefeller often met with many of the dictatorial and repressive rulers of the regimes there, including King Faisal of Saudi Arabia, Nasser and Sadat of

> Egypt, and Saddam Hussein of Iraq, giving and taking back messages to President Nixon and Secretary of State Kissinger.53 Rockefeller preferred this unofficial, behind-the-scenes role rather than entering the U.S. government in an official position. Both Nixon and Carter asked him to serve as treasury secretary, and Carter wanted to appoint him Federal Reserve board chairman, but Rockefeller declined all of these requests, although he did successfully recommend Paul Volcker for the latter job. Volcker had worked for Rockefeller and Chase as a vice president, as well as the New York Federal Reserve Board, and, of course, was a director of the CFR.54

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> In 2012 David was at the center of a significant event in Rockefeller family history, the formalization of the long-standing informal cooperation between two of the wealthiest families in world history, the U.S.-based Rockefellers and the European-based Rothschild family. In May of 2012, the Rothschild Investment Trust, RIT Partners, announced that it would purchase a 37 percent stake in Rockefeller & Company, the Rockefeller family wealth advisory and asset management group, with $34 billion under management. Lord Jacob Rothschild joined the board of directors of the Rockefeller firm, on which David Rockefeller Jr. sits, and of which David Rockefeller Sr. is honorary chair. At the time of the Rothschild purchase, David Sr. stated: “Lord Rothschild and I have known each other for five decades. The connection between our two families remains very strong. I am delighted to welcome Jacob and RIT as shareholders.”56 The Rockefeller family also remains strong in the CFR; the Council’s 2013 Annual Report lists David and four other Rockefellers, joining his daughter Peggy Dulany as members of the organization.57 Peter G.

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> Whereas Rockefeller is a third-generation billionaire, Peter G. Peterson did not inherit vast wealth; rather he served at the cabinet level in the federal government and engaged in various business enterprises, including especially the Blackstone Group, a private equity firm that he co-founded in 1985, eventually becoming a billionaire.

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> In 1971 Nixon tapped Peterson to head up the cabinet-level Council on International Economic Policy, with advisory responsibility to the president. Peterson soon became known as the “economic Kissinger.” Peterson’s natural focus was on foreign trade, monetary policy, and U.S. economic expansion abroad. In January 1972 Nixon appointed Peterson to be Secretary of Commerce. In that post, he supported the general free-market approach to political economy, including increased government support for multinationals, relaxing antitrust laws, tax cuts, financing for exports, and business-oriented government-financed research and development. In his early career, he was active in both the “conservative” Committee for Economic Development and the “liberal” Brookings Institution. Working as a leader in both organizations he made additional important friends and contacts. In 1971 he applied for and was accepted into membership in the CFR.

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> Peterson became close friends and a political partner with Henry Kissinger, but clashed with the far-right Republicans in the Nixon administration, resulting in his exit from Washington.62 When he left in 1973, he was brought into Lehman Brothers as vice chairman. Later the Wall Street firm became Lehman Brothers, Kuhn, Loeb, with Peterson as chair and CEO until the end of 1983. Two years later he was a co-founder, with fellow CFR member Steven A. Schwarzman, of the Blackstone Group, which soon became a prominent firm specializing in private equity, mergers and acquisitions, real estate, and investment (especially for pension funds). Blackstone also created a more liquid and speculative branch, a fund of hedge funds called Blackstone Alternative Asset Management. Peterson became a billionaire while serving as chairman of Blackstone. In 2007 alone, the year Blackstone went public, he was paid $1.85 billion. While at Blackstone, part of the largely unregulated but vast “shadow banking” system, Peterson also served as head of the New York Federal Reserve Bank from 2000 to 2004, as well as chair of the Council. Over the years, Peterson developed very close ties to David Rockefeller and the Rockefeller family. He has served as a trustee or board member of at least three Rockefeller family–dominated organizations—the Japan Society, the Museum of Modern Art, and Rockefeller Center Properties, Inc. Consequently, Peterson has had only good things to say about the Rockefellers.

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> It was while at Goldman Sachs that Rubin became a key player in the Democratic Party, illustrating that Council leaders are active in both of the two main U.S. political parties. He was part of candidate Walter Mondale's "brain trust," both as a fundraiser and as a strategist in 1984, and was also a major supporter of Michael Dukakis in 1988. Both of these Democratic presidential candidates were CFR members, as was William J. Clinton, whom Rubin served as a key economic adviser. Once Clinton was elected president in 1992, Rubin was chosen to lead the newly formed National Economic Council and became one of the key formulators of the North American Free Trade Agreement. In late 1994, President Clinton appointed Rubin to be the nation's 70th secretary of the treasury.67

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> As part of Clinton's inner circle, Rubin helped him win a second term in 1996. As treasury secretary, Rubin was a vocal supporter of the repeal of the 1933 Glass-Steagall Act, allowing commercial and investment banks to be unified.68 He resigned in 1999 and was replaced by one of his protégés, Lawrence H. Summers, also a CFR member. That same year Rubin joined the board of directors of Citigroup, and also served as a senior adviser to the company. Citi was a main beneficiary of the financial deregulation that Rubin sponsored during the Clinton administration.69 Rubin is reported to have received at least $126 million in cash and stock in the almost ten years he worked for Citi. He quit Citicorp in early 2009 as it was on the verge of collapse, which was only averted by a $45 billion federal government bailout.70 After leaving Citi, Rubin became counselor for Centerview Partners, an investment and private equity firm. In 2012 Centerview was financial adviser to Rupert Murdoch's News Corporation dealing with its intention to pursue a separation of its publishing and its media/entertainment businesses into two distinct publicly traded companies. Murdoch is also a member of the CFR. In

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> In 2008 Rubin continued his role as a senior adviser to Democratic presidential candidates, this time helping Barack H. Obama. Varied news reports place Rubin as one of Obama's main behind-the-scenes economic advisers. Rubin also recommended a number of his protégés, such as Lawrence H. Summers and Timothy F. Geithner, both members

> of the CFR, as well as Jason Furman of the Brookings Institution, for high political offices in his administration. Politico writer Eamon Javers stated that “behind the scenes, Rubin still wields enormous influence in Barack Obama’s Washington, chatting regularly with a legion of former employees who dominate the ranks of the … administration’s policy team.”

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> After being back in private practice for some years, Hills was tapped by President George H. W. Bush to be U.S. Trade Representative in 1989, serving until 1993. She was a primary U.S. negotiator of the North American Free Trade Agreement, as well as for the Uruguay Round of the GATT. Again out of public office, she co-founded Hills & Company International Consultants. Hills, a member of the Council at least since 1993, was elected a director of the CFR in 1994, and has been a director ever since, also serving as a vice chair from 2001 to 2007. She has also been a director of major corporations like American Insurance Group, AOL Time-Warner, and Chevron and has served on the international advisory board of JPMorgan Chase, Coca-Cola, Rolls-Royce, and the Center for Strategic and International Studies. She is chair of both the National Commission for U.S.-China Relations and the Inter-American Dialogue, and a member of the executive committee of both the Peterson Institute for International Economics and the Trilateral Commission. She has served on a number of CFR task forces, including the Future of North America and U.S.-India Economic Relations.

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> Vance, following the CFR consensus view, was at first a supporter of the U.S. war on Vietnam, but later changed his views and resigned, advising Johnson to end the war. Within a short time Vance was vindicated and was appointed a delegate to the peace talks in Paris.

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> In this office, Vance represented the “good cop” in the administration’s foreign policy, stressing negotiations in general, and specifically with the USSR, China, and Iran, as well as between Israel and Egypt. Carter’s more hawkish National Security Adviser, Zbigniew Brzezinski, also a longtime active member of the CFR and former director, represented

> the “bad cop.” Once Brzezinski’s influence became dominant, Vance decided to resign, and did so once Carter ordered the 1980 failed attack on Iran to rescue hostages. Vance was again elected to be a CFR director in 1981 and served until 1987. During the final two years of his tenure, Vance again became vice chair of the Council.

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> Born in 1909, Douglas Dillon was also educated at an elite prep school, Pine Lodge, together with three Rockefeller brothers. He became a close friend of John D. Rockefeller III. He went on to Groton and then Harvard University. He and his family are, like Vance and the Rockefellers, listed in the Social Register. Upon graduation in 1938, he joined his father’s Wall Street investment banking firm of Dillon-Read, now part of United Bank of Switzerland (UBS).

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> After service in the Second World War, he was elevated to the head of the firm and became active in Republican politics, serving as a major fundraiser for Eisenhower in 1952. The new president soon appointed Dillon to be ambassador to France, a reward for his fundraising. Reflecting the beginning of a transition to Democratic Party dependence on Wall Street funding, John F. Kennedy selected Dillon as his Secretary of the Treasury in 1961. Leaving government service in 1965, Dillon became a CFR director, serving until 1978. He was also chairman of the Rockefeller Foundation and Brookings Institution, as well as president of the Harvard University Board of Overseers during the 1970s.

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> Son of a Jewish candy store–owner, Maurice “Hank” Greenberg was born in 1925. He earned a degree from the University of Miami and a law degree from New York University. In 1962 he was hired to work for American International Group (AIG), and soon rose to the top of the firm, where he worked for over forty years. He helped make AIG the world’s eighteenth-largest public company and the largest insurance and financial services corporation. Greenberg has also been the chair and CEO of C. V. Starr & Company and chair and managing director of Starr International, a diversified financial services company. He also

> serves as chair of the associated Starr Foundation. By 2006 Greenberg was worth $3.2 billion and ranked number 214 on the Forbes list of wealthy individuals. While chair and CEO of AIG, Greenberg developed a close relationship with the Rockefeller family and Henry Kissinger, whom he appointed to be on AIG's International Advisory Board and hired as an adviser on business possibilities in a number of nations. Greenberg was also selected to be a member of the Trilateral Commission, a trustee of the Asia Society, Rockefeller University (where he received an honorary degree), and the Museum of Modern Art, all four institutions founded and heavily funded by members of the Rockefeller family. He also served in executive positions at the New York Stock Exchange and the Federal Reserve Bank of New York, and has been a member of the Business Council and Business Roundtable. At the same time, he became active in the CFR, serving on the board of directors from 1992 to 2002 and from 2004 to 2009. In 2007, Greenberg helped arrange, through the Starr Foundation, a donation of between $10 million and $20 million to the Council.73

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> The youngest member of our group of CFR leaders, David M. Rubenstein, born in 1949, is a co-founder and managing director of The Carlyle Group, one of the world's largest private equity firms. In 2011, he had a net worth of $2.6 billion, and was ranked 148th richest American by Forbes magazine. He and his two co-founders of Carlyle shared a payout of $413 million in 2011 according to the Financial Times.75 Rubenstein has all the trappings of a billionaire—mansions in Nantucket and Colorado, a Gulfstream private jet, and an annual income of $135 million in 2012.76

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> This meant that among these top firms, Carlyle had the greatest need for intelligence about trends and events around the world, something with which the CFR can obviously help. As examples of the connections of the firm, former French president Nicolas Sarkozy's half brother Oliver is a partner at Carlyle, as is former conservative British prime minister John Major.78

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> In a feature article in the Financial Times, Richard N. Haass was called “one of the most prominent members of the US foreign policy establishment … president of the Council on Foreign Relations, the influential New York think tank.” He and his wife live on the Upper East Side of New York, near the CFR headquarters and Central Park, and also have a 300-year-old country house north of Manhattan.81 Haass was a Rhodes Scholar, and earned a master’s and doctorate from Oxford University, later teaching at the college level. Prior to being named CFR president, Haass was in and out of government, first as Special Assistant to George H. W. Bush and as part of the National Security Council. He received the Presidential Citizens Medal for helping to develop plans for the first invasion of Iraq, Operation Desert Storm. During the Clinton years he was out of government, working as a senior associate at the Carnegie Endowment and as a vice president and director of foreign policy studies at the Brookings Institution. When George W. Bush took office, Republican Haass was again brought into government, this time as Director of Policy Planning at the Department of State and a close adviser to Secretary of State Colin Powell. He left that position to become president of the Council. In 2007 Haass was asked to join the board of directors of the Fortress Investment Group, a global investment management firm with over a thousand institutional and private investors. According to Forbes, in 2011 alone he received $210,000 in compensation from Fortress, including stock grants. He is the author of eleven books on American foreign policy, including The Opportunity: America’s Moment to Alter History’s Course.82

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> Educated at Princeton, Harvard, and the London School of Economics, Volcker spent his career as a banker, especially at the Chase Manhattan Bank where he reached the status of vice president, and within the federal government, mostly in the Treasury Department, but also as president of the Federal Reserve Bank of New York (1975–79) and chair of the Board of Governors of the Federal Reserve system (1979–87). He served as a CFR director before and after being head of the Fed. As chair of the Federal Reserve, he had an important role in the rise of neoliberalism, which will be discussed in chapter 5. He has had strong connections to the Rockefeller family for many years, working as an assistant to David Rockefeller at Chase Manhattan, then later as one of several trustees directly overseeing the Rockefeller family fortune. Volcker was also chair of the Group of Thirty, a founding member of the Trilateral Commission, and a longtime member of the Bilderberg Group.

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> Holbrooke was initially part of the professional class, serving in the federal government. He then was recruited to top corporate boards in the financial sector, thereby rising into the capitalist class. He received his BA from Brown and immediately went into the Foreign Service, becoming an expert on Vietnam. During the 1962–69 years he worked on a variety of tasks as part of the U.S. counterinsurgency war, starting with rural “pacification” in the Mekong Delta, then “Operation Phoenix,” which organized the murder of tens of thousands of Vietnamese. Holbrooke also advised the U.S. ambassadors in Saigon, as well as President Johnson, and he ended this period in his life with the Paris Peace Talks as well as writing a volume of the Pentagon Papers. During the 1970s he was a journalist and State Department official in the Carter administration. In 1981 he joined the financial capitalist world as a senior adviser at Lehman Brothers. Within a few years he was Managing Director of this firm, serving in that role until 1993. He also served on the boards of American International Group (AIG), Suisse First Boston (vice chair), and Perseus LLC (vice chair). He was also a Trilateral Commissioner. Holbrooke later returned to government service in a variety of diplomatic roles: ambassador to Germany, ambassador to the United Nations, Bosnian Peace Negotiator, and U.S. Special Representative for Afghanistan and Pakistan, which was his position when he died of a heart attack in 2010. During Bush’s run-up to the war on Iraq in 2002, Holbrooke strongly favored attacking Iraq, and in secret meetings with congressional Democrats he advised them in no uncertain terms to support the coming war. In short, Holbrooke was a hawk his entire life. Robert

Note:

Yellow highlight | Location: 1,589

> The CFR’s role in setting the framework for policy decisions leading to the U.S. invasion of Iraq was also substantial. CFR Fellow and Director of National Security Studies Kenneth Pollack took a leading role, advocating war to force regime change in Baghdad when he wrote what chairman Peterson called a “trailblazing” article in Foreign Affairs in early 2002 and a CFR book that same year called Gathering Storm: The Case for Invading Iraq.213 The Council’s key role in the decision to go to war and the implementation of U.S. policy in occupied Iraq will be the subject of detailed study in Part II of this book.

Note:

Yellow highlight | Location: 1,887

> What is striking about each of these trips is the extraordinary access granted to the CFR delegation by the most powerful leaders in each nation. Obviously, the rulers of these countries are quite aware of the central role played by the Council in the policies of the United States. Just as the United States has experts on other nations who are consulted by those in power to help understand a given country, its leaders, policies, and goals, other nations have their own experts on the United States who conduct studies and analyses on the United States. The Meetings Program well illustrates that top world leaders and their expert advisers uniformly and strongly believe that CFR leaders and members are central to the structure of power in the United States, and as such are quite worthwhile meeting to discuss political and economic issues of mutual concern. No other single private organization in the United States comes close to consulting with the number and range of leading world decision makers year in and year out. TOWARD

Note:

Yellow highlight | Location: 1,993

> Geithner had been active in the Council for years: he was a member by 1996, a Senior Fellow by 2001, joining the Chairman's Advisory Council by 2005.269 Specifics of how being part of the CFR network influences key government policy behind the scenes surface occasionally in the mainstream media, and a recent example is an analysis of Geithner's diary while he was in office. In its analysis, the Financial Times found that during an eighteen-month period, while he was treasury secretary, Geithner's most frequent telephone calls were to leading CFR members. The most calls (49) were to Laurence D. "Larry" Fink, CEO of BlackRock, the world's largest money manager. Fink is a CFR member and became a Council director in 2013. Second was CFR co-chair Robert Rubin (33 calls), the next highest were Council members Jamie Dimon, CEO of JPMorgan Chase (17 calls), and Lloyd Blankfein, CEO of Goldman Sachs (13 calls). Also noted were "frequent conversations" with CFR members and former treasury secretaries Henry Paulson and Larry Summers.270 Geithner's frequent calls to Rubin are consistent with the oft-repeated suggestion that Geithner is a Rubin protégé.271 The larger point is that Council-connected people and the largest financial firms are those who have special relationships with and access to those holding state power.

Note:

Yellow highlight | Location: 2,046

> Carter himself only became a member of the CFR after he left office, but he has continuously been a member since 1983.

Note:

Yellow highlight | Location: 2,096

> Barack Obama's administration continues to exemplify a strong CFR presence in government. Obama has never been a member of the CFR, and his vice president, Joseph R. Biden, was only briefly a member in the late 1980s. All three of Obama's national security advisers, James L. Jones Jr., Thomas E. Donilon, and Susan E. Rice, have been CFR members. Both Donilon and Rice were especially close to the CFR. Donilon served for years on the Council Chairman's Advisory Council as vice chair, and upon leaving government service became a "distinguished fellow" at the CFR. Susan E. Rice, who also served as Obama's first UN representative, has been active in the organization for years. She was a term member by 1994, a regular member by 1996, and a speaker at CFR meetings by 1998.276 From 2002 to 2004 she was on the Nominating and Governance subcommittee of the Council Board of Directors and was on the Chairman's Advisory Board of the CFR during 2003–2004.277 Samantha Power, Obama's 2013 choice to replace Rice as U.S. ambassador to the UN, is not currently a CFR member.

Note:

Yellow highlight | Location: 2,170

> Among the "Security and International Affairs" think tanks, the CFR was ranked number 1 in the world.284 But when domestic as well as foreign policy were included, James McGann, senior fellow and director of the program, ranked these thirteen think tanks at the top: 1. Brookings Institution 2. Carnegie Endowment 3. Council on Foreign Relations 4. RAND Corporation 5. Heritage Foundation 6. Center for Strategic and International Studies (CSIS) 7. Cato Institute 8. Woodrow Wilson International Center for Scholars 9. American Enterprise Institute 10. Hoover Institution 11. Peterson Institute for International Economics 12. Freedom House 13. Aspen Institute285 The mistake that caused McGann to rank the Council as the third most important U.S. think tank instead of number 1, is his failure to consider several key facts about the CFR. First, that it is a membership organization with almost 5,000 members, all of them paying dues and many of whom make yearly donations and participate in many of the CFR activities, including study groups and meetings. Second, this

> membership base, connected to an organized think tank with a large number of staff scholars, together with its corporate and government connections, is what gives the Council its unique strength as the world's most powerful think tank. The membership activities, think tank work, meetings program, corporate service, media work, and government connections all function together. In an earlier book about think tanks, McGann stated that in 2005 the CFR had a total of 185 research staff members, compared to Brookings Institution's 319, and Brookings had a slightly larger annual budget.286 What he left out was that in 2005 the Council had as members 794 professors, Fellows, and researchers, 496 government officials, as well as 275 university and college administrators, completely dwarfing the numbers working with and for Brookings and also Carnegie, neither of which is a membership organization.287 In his 2007 study, McGann asked the key executives (mainly presidents) of twenty leading think tanks to write essays about their own organizations, which he published in his book.288 But McGann failed to check into the connections between the top leaders of these different organizations and the CFR. Had he done so, he would have discovered that twelve of the twenty top officials of the other think tanks were members of the Council as well. These included Edward P. Djerejian of the Baker Institute, Strobe Talbott of Brookings, John J. Hamre of Center for Strategic and International Studies, Ellen Laipson of the Stimson Center, John Raisian of Hoover, Herbert I. London of Hudson, C. Fred Bergsten of the Institute of International Economics, Dimitri K. Smies of the Nixon Center, and James Thomson of RAND.289

Note:

Yellow highlight | Location: 2,217

> Brookings is very closely interlocked with the CFR, indicating a strong commonality in ideology and political approach, and they occupy buildings that stand next door to each other in Washington.

Note:

Yellow highlight | Location: 2,222

> Major funding sources in 2010 included the Rockefeller and Gates Foundations, the Carnegie Corporation, Microsoft, and ATT, all organizations with ties to the Council.

Note:

Yellow highlight | Location: 2,248

> The Cato Institute was founded in 1977. It is a libertarian think tank dedicated to “individual liberty, free markets and peace.” None of its twenty trustees are members of the CFR, but at least one of its scholars, Ted G. Carpenter, is a longtime Council member, and has participated in a CFR study group.295 This think tank advocates small government, and is, in general, supported by smaller corporations, which could be called the more competitive sector of U.S. capitalism. The major exception to this is the strong support given to Cato by the Koch brothers, who own and control large corporations and are two of the richest individuals in the world. Charles Koch is one of the founders of Cato and David Koch is on the board of trustees.

Note:

Yellow highlight | Location: 2,326

> World Resources Institute is ranked number 34. Its chair, vice chair, and two of its directors—James A. Harmon, Harriet Babbitt, Bill Richardson, and Theodore Roosevelt IV respectively—are all CFR members.

Note:

Yellow highlight | Location: 2,342

> The Business Council was formed by top corporate executives in 1933. At first it advised only the secretary of commerce, but it has expanded its role over the years, advising many branches of the federal government. It also provides personnel for special panels and committees that, in its words “help develop policy for the federal government.” In 2012 four of the fourteen members (28.6 percent), of the BC’s executive committee were CFR members. These included current Council directors Henry R. Kravis and James W. Owens. CFR member James Dimon chairs the BC and Council member Kenneth Chenault is also a BC executive council member.

Note:

Yellow highlight | Location: 2,370

> The Project for the New American Century was a short-lived (1997–2006) far right-wing neoconservative think tank that was especially influential in the George W. Bush administration. Its stated goal was to “promote American leadership” and “greatness” through “a Reaganite policy of military strength and moral clarity.” This involved increasing the U.S. military budget to “retain its militarily dominant status” worldwide, and using the military threat and force “to shape a new century favorable to American principles and interests.” PNAC pushed

for a war on Iraq, sending a letter to President Clinton to that effect in 1998, and continued its efforts until success in 2003, when a number of its own people were leading policymakers—for example, Richard B. Cheney, Donald Rumsfeld, and Paul Wolfowitz. (We will return to this organization in chapter 6 on the origins and war aims of the U.S. in Iraq.) Of the sixty-eight signatories or contributors to the PNAC's reports and statements, fully forty-three (63.2 percent) were CFR members as of the year 2000. These included four current or former CFR directors: Richard B. Cheney, Jeane Kirkpatrick, Vin Weber, and Robert B. Zoellick. •

Note:

Yellow highlight | Location: 2,395

The Asia Society was founded in 1956 by John D. Rockefeller III. It states that its mission is to promote understanding between Asia, especially China, and the United States. It conducts strategic, economic, educational, and cultural studies. Its financial statement shows $107.7 million in assets, a large proportion likely contributed by Rockefeller. Both of its co-chairs, Ronnie C. Chan and Henrietta H. Fore, are CFR members, as are fifteen of its fifty-two trustees (28.8 percent). A review of its trustees, officers, fellows, and experts found forty-five CFR members who are also part of the Asia Society. •

Note:

Yellow highlight | Location: 2,399

The Japan Society was founded in 1907, and, like the Asia Society, funded in part by John D. Rockefeller III. It has fewer but still substantial ties to the CFR, with ten Council members out of forty-three of its trustees (23.3 percent).

Note:

Yellow highlight | Location: 2,418

American Israel Public Affairs Committee is generally recognized as the most influential pro-Israel/Zionist lobbying organization in the United States. AIPAC focuses mainly on Congress, using funding and mass action to assure continued U.S. support for all Israeli policies, and to make sure that the U.S. national interest is defined in a pro-Israel way. It has a large, sixty-three-person board of directors. Four of these individuals (6.3 percent) are members of the CFR. These common members include two who are well known: Martin S. Indyk, a former

> U.S. ambassador to Israel, and Dennis Ross, a longtime government “expert” on the Middle East.

Note:

Yellow highlight | Location: 2,433

> The state also generally protects, with taxpayer funds, these large, often Council-connected monopoly corporations. The bailouts that took place in 2008 represent examples of “too big to fail” corporations rescued by the government. Lehman Brothers, for example, was a corporate member of the CFR at the highest level.300 It represented an exception in that it was allowed to fail, but massive government bailouts were granted to a large number of other Council-related financial institutions. These bailed-out corporations included AIG, Citigroup, Bank of America, JPMorgan Chase, Merrill Lynch, Goldman Sachs, and Morgan Stanley, all of which were corporate members of the Council in 2008.301 These same corporations control some of the world’s largest investment funds. A Financial Times article in July 2013 lists the twenty top managers of alternative investments for pension funds. Twelve of them were CFR corporate members in 2012, led by Goldman Sachs, the Blackstone Group, BlackRock, UBS, Credit Suisse, and JPMorgan Chase. These twelve Council corporate members alone had alternative assets under management of almost $1.2 trillion.302 The top 500 corporations of the

Note:

Yellow highlight | Location: 2,474

> Merck is a Premium corporate member of the CFR. It has four directors who are Council members, including Kenneth C. Frazier, its chair and CEO. One of its directors, Thomas H. Glocer, is also a current director of the CFR.

Note:

Yellow highlight | Location: 2,485

> American International Group was historically close to the CFR under Maurice R. Greenberg, who was CEO of AIG for many years, and was at the same time vice chair of the Council. But since the current capitalist crisis, beginning in 2008, and the giant government bailout of the firm, a different group of directors now runs this firm. Whereas AIG was a corporate member of the CFR at the highest level in 2007, it has dropped its corporate membership and not renewed it. Three of its

fourteen current directors are members of the Council, showing a continuing linkage, but not as central as before 2008. •

Note:

Yellow highlight | Location: 2,501

Johnson & Johnson is one of the leading U.S. corporations in the health care sector. Three of its twelve directors are CFR members, as is Robert W. Johnson IV of the owning family. J & J is not, however, a corporate member of the Council.

Note:

Yellow highlight | Location: 2,537

Following are the six private equity firms most closely connected to the CFR; these also are among the largest and most important. • The Blackstone Group is a corporate member at the Premium level and has been close to the CFR since Blackstone was founded in 1983. In 2013 the Financial Times ranked it number one in the world as a manager of "alternative" investments—hedge funds, commodities, infrastructure funds, real estate funds, private equity—for pension funds.310 One of its two founders, Peter Peterson, chaired the Council from 1985 to 2007 and the other, Steven Schwarzman, is a longtime CFR member. Its current vice chair, J. Tomilson Hill, is on the Council board and heads up the CFR's investment committee. Brian Mulroney, the former Canadian prime minister, is on the Blackstone board. He was also on the Council's International Advisory Board in 2007.311 Blackstone has had a close cooperative relationship with Kissinger Associates, and the headquarters of both firms share a building in New York City. Blackstone manages $218 billion for wealthy investors, and also purchased about 40,000 single-family dwellings, many of them foreclosed properties, for over $7 billion in a major speculative move during 2012–13. Blackstone is renting many of these homes, "helping to diminish supply and drive up real estate values in some areas."312 Such speculation increases prices for rank-and-file people, making it more difficult for them to afford to purchase a home. Blackstone, together with Deutsche Bank, Credit Suisse, and JPMorgan Chase, is also marketing a new bond, a security backed by the cash flow from the rental income of these dwellings. This is a new type of securitization, a "fresh asset class" in the words of the Financial Times, that has also been given a triple-A, nearly risk-free credit rating.313 Schwarzman and others in the top leadership of Blackstone have made vast fortunes, and are billionaires. Schwarzman made $374.5 million in 2013 alone, for example.314 • BlackRock is the

world’s largest asset manager with over $4 trillion assets under management.315 It has 120 investment teams working in thirty nations seeking out the highest returns, and its over 10,000 employees manage over 7,000 portfolios belonging to clients in over a hundred countries. It is a corporate member of the CFR at the “President’s Circle” level.316 BlackRock’s chair and CEO is CFR member Laurence D. Fink, who also serves on the Council’s board. Another CFR member, Jessica P. Einhorn, a former board member of the CFR, is also on BlackRock’s board.317

Note:

Yellow highlight | Location: 2,561

The Carlyle Group, founded in 1987, is a global investment firm that had 420 investment specialists working in nineteen nations with a total of $107.6 billion under management in 2011. It is a private partnership owned by senior Carlyle officials and two large institutional investors: Calpers, the California Public Employees Retirement System, which owns 5.1 percent, and Mubadala Development, owned by the Abu Dhabi government, which owns 7.5 percent. In 2004, four of the nine members of the senior management team running the company were CFR members, including current Council director and vice chair David M. Rubenstein, former CFR director Louis V. Gerstner Jr., and CFR members James Baker III (former secretary of state) and Frank Carlucci (former secretary of defense). Rubinstein made $250 million from Carlyle in 2013 alone.318 Carlyle is majority owner of Booz Allen Hamilton, a CFR corporate member, and a major contractor for the National Security Agency. Booz was the former employer of Edward Snowden, and Booz is where Snowden got the information revealing the unconstitutional domestic and foreign surveillance activities of this agency. The connection between Booz, the NSA, and Carlyle likely allows the latter shadow bank to gain insider information about foreign and domestic corporations, data likely to be of great value in private equity purchases and on the trading floors of globalized casino capitalism. • Apollo Management is a Premium level corporate member of the Council. Its top leadership, Leon D. Black, a founder and current chair, and CEO and managing partner Joshua Harris are both CFR members, as is another director, Paul Fribourg. Black reportedly made $546.3 million from his work directing Apollo in 2013.319 • Kohlberg Kravis Roberts is one of the largest in this group of firms, and is a corporate member of the CFR at the “President’s Circle” level. KKR is closely connected to the CFR through Henry R. Kravis, one of its co-CEOs, and James W. Owens, a senior adviser. Kravis was a Council director (2006–12) and Owens began being a CFR director in 2006. KKR has a number of other

connections with the Council. For example, CFR member and former general David H. Petraeus was hired by KKR in 2013 as chair of its "Global Institute," which functions as a kind of in-house think tank to develop the right investment response to emerging geopolitical, macroeconomic, and technological changes worldwide. Kravis made $150 million from KKR in 2013.320

Note:

Yellow highlight | Location: 2,588

Warburg Pincus is a Premium corporate member of the CFR. Charles R. Kaye, one of the two co-presidents of this firm, is a Council member. Former secretary of the treasury Timothy Geithner, long an active CFR member, became president of this firm in 2013.

Note:

Yellow highlight | Location: 2,601

Kissinger Associates, founded by Henry A. Kissinger and Brent Scowcroft with loans from Goldman Sachs and other banks in 1982, is known for its secrecy. Due to its prominence, however, enough research has been done to allow reporting in some depth about the organization. For a substantial price, Kissinger Associates (KA) will assist corporate clients on investment opportunities, potential strategic partners, and government relations in nations world-wide. Its list of strategic partners is known to include the Blackstone Group and the international law firm of Covington & Burling, where Eric Holder, President Obama's first attorney general, was a lawyer prior to assuming office. Key clients include American Express, American International Group, Freeport-McMoRan, Hollinger, and JPMorgan Chase. Other known clients include Atlantic Richfield, Coca-Cola, Heinz, Merck, Volvo, and Warburg Pincus. Among these fourteen corporations, only two—Hollinger and Volvo—were not corporate members of the CFR in recent years. At the level of individuals, both Kissinger and Scowcroft have been longtime members of the Council and have served on its board. CFR member Thomas (Mack) McLarty, a former White House chief of staff for Bill Clinton, joined KA in 1999 to open an office in Washington. Directors of KA have included other Council members such as William E. Simon, a former secretary of the treasury, and William D. Rogers, a former undersecretary of state. Foreign directors include several individuals active in the Bilderberg and Trilateral Commission meetings, such as Lord Carrington and Lord Roll of Britain, Etienne Davignon of Belgium, and Saburo Okita of Japan. Prominent KA staff over the years have

included many CFR members, all of whom have also served in important roles as “in-and-outers” in the U.S. government: Secretary of the Treasury Timothy F. Geithner, Secretary of State Lawrence Eagleburger, governor of New Mexico and energy secretary Bill Richardson, president of Federal Reserve Bank of Dallas Richard W. Fisher, Deputy Director of the CIA Jami Miscik, Ambassador and Assistant Secretary of State J. Stapleton Roy, member of the International Economic Advisory Committee of the Department of State Nelson Cunningham, and L. Paul Bremer, Director of Reconstruction in Iraq. In short, KA is very closely connected to the U.S. government as well as the CFR. Kissinger’s personal views toward rank-and-file people, likely reflecting a wider CFR/capitalist-class perspective, were expressed when he once pointedly told his assistant, General Alexander Haig, another longtime member of the CFR, that “military men are dumb, stupid animals to be used …” as pawns in foreign policy ploys, including, of course, in wars.323

- Albright Stonebridge Group, founded by longtime CFR members Madeleine K. Albright (who has also been a Council director) and Samuel R. Berger in 2001, has worked in more than ninety-five different countries on six continents, with teams operating in…

Note:

Yellow highlight | Location: 2,659

Oxford Analytica, a British-based corporate member of the CFR, calls itself “a global analysis and advisory firm which draws on a macro expert network to advise its clients on strategy and performance in complex markets.” They claim a confidential contributor network of “over 1,400 leading scholars, former policymakers, regulators, and industry leaders, focused on geopolitical and macroeconomic issues. Most are based in top universities and research institutions around the globe.” Founded in 1975, it is the oldest of the nine strategic consulting firms discussed here. Of the ten individuals listed as making up its board of directors in 2013, two former corporate executives, Lawrence C. McQuade and Tracy R. Wolstencraft, are members of the Council.326 Additionally, five members of its international advisory board are also Council members, including former ambassador and undersecretary of state John Negroponte.

Note:

Yellow highlight | Location: 2,724

Harvard and Yale are the two richest, highest-ranked, and most prestigious U.S. universities, and among the oldest. Harvard has the

> biggest endowment, for example, and Yale has the second largest. These two private schools are also the “go-to” universities for the CFR. Top Council leaders are far more likely to have attended Harvard and Yale than any other university: Rockefeller, Rubin, and Dillon went to Harvard; Vance, Rubin, Hills, and Salomon went to Yale. The same goes for staff members. The 1998 CFR Annual Report offers detailed biographies of 36 CFR Fellows.328 Among them they list sixty-five earned college degrees (undergraduate and graduate). Twelve of these degrees were from Yale, ten from Harvard, six from various schools in England (Oxford, Cambridge, King’s College), and three each from the University of Chicago and Stanford. Over half of all the earned degrees of these CFR Fellows were from these few key schools, with no other school having more than two. Viewed from another perspective, Harvard and Yale’s own leadership is also connected to the CFR. Two of ten fellows of the Harvard Corporation are members of the Council, and one of these is the CFR’s co-chair, Robert Rubin. Of the thirty individuals on Harvard’s Board of Overseers, four are members of the CFR. In the case of Yale, four of the seventeen Fellows of the Yale Corporation are members of the Council, and one of them, Fareed Zakaria, is a CFR director. Finally, large numbers of professors from these two universities belong to the Council. A quick review of faculty lists of only four Harvard departments—Economics, Government, Kennedy School, and History—easily identified twenty-two members that were in the CFR. These included well-known names like Samuel P. Huntington, Stanley Hoffman, Ernest R. May, Richard N. Cooper, Kenneth S. Rogoff, Lawrence H. Summers, Joseph S. Nye, Graham T. Allison, and Stephen M. Walt.

Note:

Yellow highlight | Location: 2,755

> Johns Hopkins has four among its forty-five trustees who are members of the CFR, including Council vice chair David M. Rubenstein. Its School of Advanced International Studies (SAIS) has a large representation of Council members, Fellows and former Fellows. Vali R. Nasr, the dean of the SAIS, is a CFR member, and a former Council Senior Fellow for the Middle East. Kenneth H. Keller, the director of the Bologna Center of SAIS, is a Council member and former CFR Senior Fellow for science and technology. The fourteen Foreign Policy Institute Fellows at SAIS include six Council members, among them former CFR director Zbigniew Brzezinski and authors Francis Fukuyama and James Mann.

Note:

Yellow highlight | Location: 2,779

> The National Endowment for Democracy is funded by the U.S. Congress. Founded in 1983, in recent years NED has spent about $100 million annually on over 1,000 projects of non-governmental organizations in over ninety nations. A large percentage of these projects are to foster the neoliberal geopolitical capitalist penetration of these countries, under the cover of promoting democracy. In the year prior to the 2014 conflict in the Ukraine, for example, it spent millions on sixty-five different projects in that nation, including $359,945 to fund a "Center for International Private Enterprise," at least partly to build up the lobbying power of Ukrainian businesses. Many of the Ukrainian projects are to train local activists, including election-related training. The twenty-three-member board of directors of NED include ten CFR members (43.5 percent). Two of them—Vin Weber and Robert B. Zoellick—are former or current Council directors and two—Elliott Abrams and Stephen Sestanovich—are CFR Senior Fellows. •

Note:

Yellow highlight | Location: 2,870

> In a sense, the Council on Foreign Relations has always been well connected internationally, dating to its founding during the First World War era. Its sister organization was then, as now, the Royal Institute of International Affairs, also known as Chatham House, a body mainly of the British nobility and that nation's industrial, commercial, and financial plutocracy. Since the mid-1950s the CFR's international ties have greatly intensified. The initial spark for this development was the founding of the European-based Bilderberg Group, a secretive discussion and consensus-seeking organization that in 1954 began meeting for a long weekend once a year. The point of the original meetings was to call together a Western European–U.S. forum to begin to articulate a common program of cooperation and coordination, including NATO-related issues, developing European unity, and containing the left, the Soviet Union, and communism. Over time, additional concerns such as relations with the varied nations of the third world, including the Middle East, and more general world economic questions around trade, investment, and development also became major foci of discussion. The official Bilderberg website explains the origins, name, and method of operation of the organization:

Note:

Yellow highlight | Location: 2,899

A review of the biographies of the seven chairmen who have served since 1954 reveals an interesting fact: six of the seven are from the European nobility. In addition, Joseph Retinger, a Pole whom David Rockefeller stated was of “aristocratic origins,” was the one who urged Prince Bernhard, a prime early organizer and first chairman (1954–76), to form the Bilderberg organization to promote cooperation and coordination among the “Atlantic community.”338 The Bilderberg Group and its meetings are therefore best viewed as a project organized and led by the European nobility. German-born

Note:

Yellow highlight | Location: 2,907

In the mid-1930s he worked as Secretary of the Board of Directors of IG Farben, then one of the world’s largest monopoly corporations. His life dramatically changed when he married then Princess Juliana in 1937. Various Nazis, both family members and friends, reportedly attended the wedding, but henceforth Bernhard was loyal to the Netherlands. This meant he was opposed to the Nazis and German domination of Europe. Even though his brother was a German officer in the Second World War, Bernhard fought with the British, flying both fighters and bombers in missions against his former country. By 1944 he was the well-respected commander of the Dutch Armed Forces.

Note:

Yellow highlight | Location: 2,917

Bernhard was succeeded as chair by the president of West Germany, Walter Scheel, who had been a Luftwaffe pilot in the Second World War, then in turn foreign minister, chancellor, and president. Scheel served only a few years as chair of Bilderberg. The next three Bilderberg chairmen were all members of the British landed nobility, an earl and two barons. The first was Alec, the 14th Earl of Home, a Conservative leader of the House of Lords, the heir to extensive family estates in the English countryside, and a Knight of the Order of the Thistle. The second was Baron Eric Roll of Ipsden, a banker who became director of the Bank of England. The third was Peter, the sixth Baron of Carrington, also known as Baron Carrington of Upton. He was a Knight in the order of St. Michael and St. George and also served as chancellor of these two Orders. A Conservative Party politician, Carrington entered the House of Lords in 1940. He became Defense Secretary in 1970, chair of the Conservative Party in 1972, Foreign Secretary in 1979, and Secretary-General of NATO in 1984.

Note:

Yellow highlight | Location: 2,925

> The most recent two chairs have been Etienne François Jacques Davignon, Viscount Davignon of Belgium, and Henri de la Croix de Castries of France. Davignon was the chair of the top Belgian bank Société Générale de Belgique as well as Brussels Airlines and was also a director of several other large multinational corporations. Castries, the current chair, is a member of a French landed noble family from Languedoc in southern France. The Castrieses are “Nobles of the Sword,” and a family member (General Christian de Castries) was the commander at the decisive 1954 battle of Dien Bien Phu in Vietnam. Henri de Castries is the chair and CEO of AXA, the French multinational insurance company, with 1.1 trillion euros currently under management.

Note:

Yellow highlight | Location: 2,975

> One of the TC’s early books, The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission (1975), drew unwelcome attention. As was usual for a TC publication, it was co-authored by three people, one each from North America, Europe, and Japan. The author from North America was Harvard professor and CFR member Samuel P. Huntington. Huntington wrote the section covering the United States. Recognizing the reality that capitalism always desires less democracy and that, in fact, genuine capitalism can best be achieved when all forms of democracy are abolished, Huntington wrote that U.S. citizens were at fault for taking democracy seriously and that there was an ongoing problem of an “excess of democracy,” a “democratic distemper” in the United States.343 This, he believed, had been caused by an “internal democratic surge” during the 1960s, and the solution was a “greater degree of moderation in democracy” in order to, among other things, reduce government expenditures as a percentage of Gross Domestic Product, thus weakening government so that private capitalism could play a larger role.344 The bluntness of Huntington’s assessment and direct advocacy of the neoliberal gospel violated a taboo among the powerful of U.S. society, namely that the rhetoric of the United States as a wonderful and exceptionally democratic society should never be openly challenged. As a result, there was a controversy over the book, even within the Trilateral Commission itself.

Note:

Yellow highlight | Location: 3,005

> A review of the 2011 list of the North American Group of the TC found that 92 were U.S. citizens, 23 were Canadians, and 13 were Mexicans. Of the 92 U.S. citizens, 68 (74 percent) were also CFR members. The North American chair was CFR director Joseph S. Nye Jr., and eighteen other Commissioners were or had been at one time directors of the Council. These included Harvard professor and former assistant secretary of defense Graham T. Allison Jr., former secretary of defense Harold Brown, Sylvia Mathews Burwell of the Gates Foundation, journalist Lee Cullum, former Reagan chief of staff Kenneth M. Duberstein, David Rockefeller's daughter Peggy Dulany, John Hopkins University Dean Jessica P. Einhorn, Harvard Professor and former Reagan economic adviser Martin S. Feldstein, former ambassador and speaker of the house Thomas S. Foley, CFR co-chair Carla A. Hills, journalist Karen Elliott House, former secretary of state Henry A. Kissinger, former CFR president Winston Lord, former CFR chair David Rockefeller, CFR vice chair David M. Rubenstein, and former Fed chair Paul A. Volcker.346 These extensive connections between the Council and the TC illustrate that they and CFR work closely together to pursue their common interests and ideological agenda. The Bilderberg group has also been well connected to the Commission, especially through Rockefeller, Kissinger, and Lord, all of whom have been key leaders of all three organizations, and Conrad Black of Canada, active in both the Commission and Bilderberg. A number of the European members of Bilderberg have also been leaders of the TC, such as Mario Monti and Giovanni Agnelli of Italy, Viscount Etienne Davignon of Belgium, Lord Roll of Ipsden representing Britain, Baron Edmond de Rothschild of France, and Peter Sutherland of Ireland.

Note:

Yellow highlight | Location: 3,060

> The central figure in the WEF from its beginning has been Klaus Schwab, a Swiss-born engineer, businessman, and intellectual with a distinct philosophy, a set of ideas that are at the center of the WEF's public presence and propaganda. At the core of Schwab's philosophy is the key concept of the "stakeholder" in corporate economic life. For Schwab, corporations must respond to and serve not just the shareholders, creditors, and top managers of a given firm, but also employees, customers, suppliers, the state, and society at large. The problem is that the corporate participants do not adhere to these concepts. A large number of WEF member corporations or their top leaders have often been involved in illegal and unethical activities, such

> as mortgage fraud, fixing LIBOR rates, insider stock trading, bribery, municipal bond fraud, and environmental crimes. Even under a lax regulatory and enforcement regime, they have been forced to pay tens of billions of dollars in fines. It is thus obvious that as a group they can hardly be said to be following the core “stakeholder” responsibility ethic that the WEF is supposedly promoting. The attempt by the WEF to prettify capitalism and imperialism so as to appear humane and legitimate has clearly failed, because this system, by its very nature, is inhumane and cruelly destructive of the very things the WEF presumably is trying to uphold. Unmentioned in the hallowed halls of Davos are the exploitation of workers, imperialist wars like that of the United States in the Middle East, and the fact that global corporations are behind the rapid destruction of the ecological systems that form the basis of life on earth.

Note:

Yellow highlight | Location: 3,072

> “Public private partnerships,” “social entrepreneurship,” “mutual responsibility,” “communitarian spirit,” “global corporate citizenship,” and “organic community” are buzzwords used at the WEF to attempt to put a “progressive” gloss on the neoliberal world of austerity, exploitation, dispossession, and destruction imposed by the globalized capitalist class on the people and ecologies of our planet.

Note:

Yellow highlight | Location: 3,095

> The two experts Roubini and Soros, and the banker Rhodes mentioned above are all members of the CFR, and Soros was a Council director. While no lists of all WEF participants could be located, and in any case would be quite lengthy, the official history covers the highlights of the WEF from 1971 to 2009. At least two-dozen Council members and leaders are mentioned as having an important role in the WEF over these years. A number of them were also CFR directors, including Henry A. Kissinger, Martin S. Feldstein, Robert Zoellick, Richard C. Holbrooke, Richard B. Cheney, Fareed Zakaria, and Colin Powell. Others, like Condoleezza Rice, John F. Kerry, Henry M. Paulson, William J. Clinton, and Michael Bloomberg, though not Council directors, have been both active Council members and WEF participants.352

Note:

Yellow highlight | Location: 3,123

> This private nonprofit transnational organization is based in Brussels, with field offices all over the world. It is mainly made up of representatives of NATO nations, with the United States having by far the biggest numerical national representation among the ICG's leadership. Founded in 1995, in 2012 the ICG had forty-five trustees, fourteen from the United States, fourteen from Western European nations, three from Canada, and the rest from varied other countries. Eleven of the fourteen U.S. ICG trustees (78.6 percent) are members of the CFR, and four of these are current or former members of the Council's board of directors. The chair (2012) of the ICG is CFR member and former Council director Thomas R. Pickering, a former U.S. ambassador to a number of nations, including El Salvador during the Reagan administration. CFR co-chair Carla Hills is a trustee of ICG, and former Council director George Soros is a trustee and one of the founders of the ICG. The ICG's senior advisers also include former CFR director and Trilateral Commission co-founder Zbigniew Brzezinski plus seven individuals who also have served on the CFR's International Advisory Board. The

Note:

Yellow highlight | Location: 3,138

> The ICG's funding helps explain its practice of ignoring some deadly conflicts. Over 50 percent of its $20 million annual budget comes from governments, mostly NATO members; about 25 percent from big foundations like Ford, Gates, Carnegie, Hewlett, Merck, Mott, and Open Society (which is mainly funded by George Soros); and the rest from corporations, such as Chevron, BHP Billiton, and Royal Bank of Scotland, and capitalist-class notables like Soros.

Note:

Yellow highlight | Location: 3,213

> Two Italians who have served on the IAB/GBA are major multinational corporate capitalists. Giovanni Agnelli, the richest man in modern Italian history, was the principal stockholder and longtime chairman of Fiat. The Agnelli family has been labeled "Italy's royal family," and Giovanni, also called Gianni, was known for many years as the true "king of Italy."363 His grandfather founded the company and his mother came from a noble family from Perugia. During the Second World War Agnelli wore the black shirt of fascism and was wounded twice fighting for the German Nazi armies against the USSR on the Eastern Front. He was on the steering committee of the Bilderberg Group and was a participant in

> their meetings beginning in 1958. He was close to David Rockefeller, and served for years on both the International Advisory Committee of the Chase Manhattan Bank and on the Trilateral Commission.

Note:

Yellow highlight | Location: 3,229

> Both of the Swedes who have served on the IAB, Percy Barevik and Jacob Wallenberg, are businessmen connected to the Wallenberg family, a family known as “the Rockefellers of Sweden.” They play key roles is what is said to be Europe’s largest family-run business empire, estimated to control, directly or indirectly, about a third of Sweden’s entire GDP. Barevik and Wallenberg have been on the board of directors of the large transnational conglomerate known as ABB (Asea Brown Boveri). Based in Switzerland, ABB is one of the world’s largest transnational conglomerates, with 135,000 employees and operations in over a hundred countries. Barevik was the CEO and chair of ABB between 1988 and 2002. He was called one of the world’s most respected business leaders in 1998, a “visionary executive” whose aim was to globalize his company and world capitalism.366 Barevik explained that his “vision was to create a truly global company that knows no borders, has many home countries, operates with mixed nationality teams and offers opportunities for all nationalities.”

Note:

Yellow highlight | Location: 3,238

> One of ABB’s largest stockholders is the Wallenberg family investment company, Investor AB, which owns a controlling interest in several large Swedish corporations and smaller positions in a number of other firms. Its chair is Jacob Wallenberg, a leading member of the royal family of Swedish business. Educated in the United States at the Wharton Business School, Jacob was the president and CEO of Stockholm’s Enskilda Bank, another key part of the Wallenberg empire. He is also a director of Coca-Cola, a Knight of the Order of Seraphim, and sits on the current steering committee of the Bilderberg Group. Jacob is also a member of the European Roundtable of Industrialists. A brother, Peter Wallenberg, is a Trilateral Commissioner.

Note:

Yellow highlight | Location: 3,253

> Javier Solana de Madariaga is from a well-known Spanish noble family. Presently affiliated with the Brookings Institution, he is a former

> Secretary-General of both the European Union and NATO. He has also been a member of the Trilateral Commission.

Note:

Yellow highlight | Location: 3,278

> Zhang Xin was educated in England, and has an MA from Cambridge University. She worked for financial institutions like Barings, Goldman Sachs, and Travelers Group, then returned to China, founding a commercial real estate development company called SOHO. She is now a billionaire, ranked number fifteen among the richest Chinese on Forbes list with $3.6 billion. Forbes and Fortune rank her among the world's most powerful women. Hong Kong's C. H. Tung is a graduate of the University of Liverpool and inherited the family shipping company, Orient Overseas, from his father. A conservative businessman with strong connections to the Chinese government, he became the first head of government in Hong Kong after the transfer to China.

Note:

Yellow highlight | Location: 3,304

> The Olayan Group grew powerful through partnerships with key U.S. multinational corporations: JPMorgan Chase, Morgan Stanley, Goldman Sachs, Coca-Cola, Blackstone, Bechtel, Kimberly-Clark, General Foods, Pillsbury, Hunt Wesson, Cummins Engine, and others. Lubna Al Olayan is also a board member or an adviser for a number of foreign multinational corporations, including Schlumberger, the Saudi Hollandi Bank, Citigroup, and the Rolls-Royce Group. Listed among the world's most powerful women by both Time and Forbes, she co-chaired the World Economic Forum in Davos in 2005. Her husband, John Xefos, is a senior partner in the Texas law firm Baker & McKenzie, where former secretary of state James Baker is another senior partner. Her sister, Hutham S. Olayan, operates the U.S. branch of the Olayan Group. She has become a U.S. citizen and became a member of the CFR in 2012.373

Note:

Yellow highlight | Location: 3,317

> Jacob A. Frenkel was born in what was then the British Mandate of Palestine in 1943. Following schooling in Israel, he attended the University of Chicago, receiving a master's and PhD in economics. He was part of the faculty of this Rockefeller-connected university for nearly a decade and a half as the David Rockefeller Professor of International Economics. He then directed research at the International

> Monetary Fund for several years prior to beginning two terms as governor of the Bank of Israel. Serving in this position from 1991 to 2000, he successfully promoted a neoliberal program, including liberalizing Israel's financial markets and integrating the Israel economy into the global financial system. He then returned to work in the United States, first as chair of Merrill Lynch International. Currently chair and CEO of the Group of Thirty, he has also been a vice chair of AIG and chair of JP Morgan Chase International. He has also been a member of the Trilateral Commission, and serves on the board of the Peter G. Peterson Institute for International Economics. Idan Ofer has been called "Israel's richest man, co-heir to a shipping fortune and majority owner of its largest listed company, Israel Corp."374 The Financial Times tallies his net worth at $6.5 billion. Israel Corporation is a strategic investment company, with stakes in many global businesses, including shipping, chemicals, Chinese autos, energy in South America, and even Silicon Valley electric car charging stations. Ofer was recently involved in a controversy over his move to join other family members and live in London, where taxes are lower than in Israel.375 Nigeria

Note:

Yellow highlight | Location: 3,383

> The second, Kofi Annan, was born in Ghana into an aristocratic family; both of his grandfathers and an uncle were tribal chiefs. He attended college in Ghana and the United States, eventually receiving a master's degree from the Sloan School of Management at MIT. He worked for the World Health Organization and in United Nations peacekeeping operations prior to serving as undersecretary general in the mid-1990s. He then became UN Secretary-General from 1997 to 2006. He was awarded a Nobel Peace Prize in 2001.

Note: