

The Rockefeller Brothers Fund and Rockefeller Family Fund

How a Great Capitalist's Fortune Came to Fund Anti-Capitalist Causes

by Martin Morse Wooster

Summary: *Incongruously, charities that bear the Rockefeller family name direct millions of dollars toward liberal and leftist causes. Is the knee-jerk anti-capitalism of John D. Rockefeller's heirs—as reflected by the activities of these charities—the best way to honor his memory?*

The fortune created by John D. Rockefeller is unusual in that it has now passed through three generations, each of which has set up its own foundation. In 1913 John D. Rockefeller created the Rockefeller Foundation. As I show in *The Great Philanthropists and the Problem of 'Donor Intent'* (published by Capital Research Center), by 1920 the ties between the Rockefeller family and the Rockefeller Foundation had largely been severed. John D. Rockefeller Jr. pursued his own philanthropic projects (such as the restoration of Colonial Williamsburg) with his own wealth.

John D. Rockefeller Jr. had five sons and one daughter. The daughter, Abby Rockefeller Milton, chose not to be a public figure. But John D. Rockefeller Jr.'s five sons—John D. Rockefeller 3rd, Nelson, Winthrop, Laurance and David Rockefeller—were important players in politics and business. John D. Rockefeller Jr. began to transfer his wealth to his sons in 1937, and in 1940 they formed the Rockefeller Brothers Fund.

The six children of John D. Rockefeller Jr. had 24 children, ranging in age from Abby Rockefeller Milton's oldest daughter, Abby Rockefeller O'Neill (b. 1928) to Nelson Rockefeller's youngest son, Mark (b. 1967). This generation, known



Environmentalism was the cause of former Rockefeller Brothers Fund chairman David Rockefeller Jr. (left). But the seed capital for his projects came from the estate of John D. Rockefeller Jr. (right).

as the “cousins,” also wanted to be philanthropists. So in 1967 the Rockefeller Family Fund was created to serve the Rockefeller cousins' philanthropic projects.

Today the Rockefeller Brothers Fund is a second-tier member of the liberal philanthropic establishment, while the far smaller Rockefeller Family Fund is a leftist charity that largely funds environmentalist causes (see Ron Arnold's accompanying article in this issue). But the story of how the heirs of two of America's greatest philanthropists used their fortunes is a complex one that, among other things, includes a battle between the Rockefeller brothers over donor intent.

Origins of the Rockefeller Brothers Fund

By the late 1930s, the five sons of John D. Rockefeller Jr. began to make themselves known. Journalists placed a moniker on them: “the Rockefeller brothers.”

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“In appearance and emotional composition,” John Cushman Fistere wrote in a 1938 *Saturday Evening Post* profile, the Rockefeller brothers “are no more alike than fifth cousins. Mentally, they approach parity. Together, they would make a good basketball team, board of directors, or dinner party.”

John D. Rockefeller Jr. received his fortune from his father in a series of transactions between 1916-20. In 1937, after his father’s death, John D. Rockefeller Jr. began to transfer his wealth in the same manner to his children.

“I have not told them how to spend their money,” John D. Rockefeller Jr. said at the time, “nor am I likely to.... However much a man may make, the great bulk of his fortune must be used in one of two ways—either it must be put into investments, which mean productive industries, or in ways of philanthropy.”

The sons of John D. Rockefeller Jr. decided to follow their family’s tradition of using their wealth for philanthropy by creating the Rockefeller Brothers Fund in 1940. For over a decade, the fund had no endowment. Only in 1952, as a result of complex maneuvers involving the debt on

Rockefeller Center, was the fund’s endowment created.

For about 25 years, the Rockefeller Brothers Fund largely pursued the philanthropic interests of the brothers. Laurance continued his father’s interest in conservation, so the fund’s money extended the family’s land trusts in Wyoming that formed the basis of Grand Teton National Park. Nelson continued his mother’s interest in contemporary art, so the Rockefeller Brothers Fund was one of the most generous patrons of the Museum of Modern Art. John D. was one of the pioneers of population control, so the fund was a major patron of the Population Council.

brothers was ideological. All of the brothers were liberal “Rockefeller Republicans.” But John D. Rockefeller 3rd had become a New Leftist. “Instead of worrying about how to suppress the youth revolution,” John D. Rockefeller 3rd said in a 1968 speech, “we of the older generation should be worrying about how to sustain it. The student activists are in many ways the élite of our young people. They perform a service in shaking ourselves out of our complacency.” He also became a sex education enthusiast, giving a great deal of money to the Sexuality Information Council of the United States (SIECUS), both personally and through the Rockefeller Brothers Fund.

“Instead of worrying about how to suppress the youth revolution,” John D. Rockefeller 3rd said in a 1968 speech, “we of the older generation should be worrying about how to sustain it.”

The Rockefeller Brothers Fund was most influential in the late 1950s, when it published a series of reports about what America’s foreign and domestic policies should be. One report, which called for increasing government support of the arts, was one of the key documents used in the creation of the National Endowment for the Arts in 1965. According to Nelson Rockefeller biographer Joseph E. Persico, ~~the fund’s 1958 report~~ *Prospect for America* was so influential “that during the 1960 election, both parties lifted from it for their platforms. The very emblem of the Kennedy administration was taken from a section of the Rockefeller Brothers’ report entitled ‘The New Frontiers.’”

Nelson Rockefeller, by contrast, had a strong law-and-order streak to him, as demonstrated by his crushing of the Attica prison riot in 1971 and the passage of the tough “Rockefeller drug laws” in the same year.

In 1977 Nelson Rockefeller returned to an active role in the Rockefeller Brothers Fund. He demanded that, given his public eminence, he should be chairman and CEO of the Rockefeller Brothers Fund. He also endorsed the findings of an internal Rockefeller Brothers Fund committee that half of the fund’s \$190 million endowment should be used to support the capital campaigns of 25 organizations which the Rockefellers had long favored, including the Museum of Modern Art, the Population Council and Rockefeller University.

“I believe that we brothers should continue to provide leadership and guidance to the activities and program of the fund,” Nelson Rockefeller wrote in a memorandum. “Among the four of us, there is a wealth of knowledge, experience and understanding about the problems which face our city, nation and world which I feel is unique.”

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The Crisis Over Donor Intent

Nelson Rockefeller was largely a silent partner in the Rockefeller Brothers Fund for nearly 20 years, while he served in politics as governor of New York (1958-74) and then as Gerald Ford’s vice-president (1975-77). When Nelson Rockefeller left political life, he returned to philanthropy—and his activities at the Rockefeller Brothers Fund precipitated a crisis over donor intent.

As David Rockefeller explains in his memoirs, part of the battle between the

In August 1977, Rockefeller Brothers Fund trustee John Gardner resigned over this assertion of donor intent. He denounced the “special status” of the four Rockefeller brothers on the Rockefeller Brothers Fund board, and told the *New York Times* that “trustees who are not brothers—who were the next generation or outsiders” should have votes equal to those of the four surviving founders. Because the brothers insisted on donor control, Gardner said, he had no choice but to resign.

The *Wall Street Journal*, in an editorial, contrasted the Rockefellers’ vigorous assertion of donor control with the Ford Foundation, where Henry Ford II had just severed the last vestige of family control by resigning from the foundation board in protest over the foundation’s leftward drift. “Apparently,” the *Journal* editorialized, “the Rockefellers knew something the Fords didn’t” about the importance of donor intent.

Ultimately the battle over control of the Rockefeller Brothers Fund ended in 1979. John D. Rockefeller 3rd died in 1978 in an auto accident; a year later, Nelson died. The two surviving brothers, Laurance (who lived until 2004) and David, felt no further need to quarrel. They passed on control of the Rockefeller Brothers Fund to the next generation of the family and to outsiders.

Nelson Rockefeller never did win the chairmanship of the Rockefeller Brothers Fund. But the fund did disburse \$85.4 million to eighteen organizations on the brothers’ list, and in 1981 gave \$15 million to Sleepy Hollow Restorations, which restored historic homes near the Rockefellers’ family estate. Thus the target of \$100 million, or half the fund’s endowment, was met. The largest of these grants went to Rockefeller University (\$22.5 million), Memorial Sloan-Kettering Cancer Center (\$17.5 million) and the Population Council (\$10 million).

But these substantial grants, *New York Times* reporter Peter Kihss wrote in 1979, were terminal ones; these organizations could no longer look to the Rockefeller family for support. “The intent in most cases,” Kihss wrote, “was that the Brothers Fund would be ending its major responsibility to the institutions, basically leaving them—facing the inroads of inflation—to make their own way.”

Rockefeller Family Fund Origins

The Rockefeller brothers were major figures; two were governors, and David Rockefeller was the longtime chairman of the Chase Manhattan Bank. Their children—with the notable exception of Sen. John D. “Jay” Rockefeller IV—are much less significant.

The Rockefeller cousins, note historians John Ensor Harr and Peter J. Johnson, “lived all over the country, most of them somewhere else than New York. Their knowledge of family history and affairs was sketchy, not inculcated in any systematic way, but only in bits and pieces within the particular circumstances of each Cousin’s family... The upbringing of the Cousins was much more lax and open than that of their fathers. For example, pressure to attend church and keep account books faded out early and the children were much more exposed to ‘pop’ culture than their parents had been.”

Thanks to trusts that John D. Rockefeller Jr. created for his grandchildren in 1952, the cousins never had to look for work. But as Peter Collier and David Horowitz reported in *The Rockefellers*, in the 1960s most of the cousins used their wealth to fuel radical causes. During those years, they write,

...the cousins never had to look for work. As Peter Collier and David Horowitz reported in The Rockefellers, in the 1960s most of the cousins used their wealth to fuel radical causes.

the cousins “poured hundreds of thousands of dollars into movement causes ranging from *Ramparts* magazine and the film *Millhouse* to the Venceremos Brigade and Vietnam Veterans Against the War.”

So it’s little wonder that the Rockefeller Family Fund, created in 1967 as a vehicle for the cousins’ philanthropy, started off as a far left organization and has stayed that way ever since. After John D. Rockefeller Jr.’s widow, Martha Baird Rockefeller, died

in 1971, she left her \$72 million estate to charity—including \$10 million to the Rockefeller Family Fund. This new wealth caused a furious debate among the cousins about what the money should be used for. “The times demand something more than one tax deductible foundation,” Laurance Rockefeller’s daughter Marion wrote in an internal memo for the other cousins. “The task as we see it is often to attack the very political and economic forces which perpetuate the tax deductible contribution... We think the Fund has an obligation to seek out organizations like American Friends Service Committee, Friends of the Earth, Pacifica stations, American Documentary Films *et al.* and support them regardless of their tax status.”

The Rockefeller Family Fund has been a consistently leftist funding vehicle ever since. And the cousins gradually rose in influence at the Rockefeller Brothers Fund, a transition marked by David Rockefeller Jr.’s succeeding his father as the fund’s chairman in 1983.

As Rockefeller Brothers Fund chairman, David Rockefeller Jr. hosted a luncheon in 1992 for Mikhail Gorbachev, who was trying to raise \$75 million for a U.S.-style “presidential library.” The luncheon included representatives from the Ford and Mellon Foundations, the Carnegie Corpora-

tion and the Pew Charitable Trusts. Gorbachev, Rockefeller told the *New York Times*, was “exuberant and happily animated, just brimming with ideas...he represents an extraordinary, indeed unique human resource.” (Despite David Rockefeller Jr.’s enthusiasm, the Gorbachev Library was never created.)

Rockefeller Brothers Fund Today

In 1999, the Rockefeller Brothers Fund was the beneficiary of a philanthropic merger: it took over the Charles E. Culpeper Foundation, created by a president of the

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Coca-Cola Bottling Company of New York. This added \$208 million to the Rockefeller Brothers Fund endowment, which at the time was \$457 million.

As of 2003, Rockefeller Brothers Fund assets were \$744 million, with which the fund made \$19.8 million in grants. The fund's chairman is Steven Rockefeller, a son of Nelson Rockefeller's who is an emeritus professor at Middlebury College. (During his teaching career, he was a professor of religion who wrote several books about Zen Buddhism.) David Rockefeller Jr. is now the fund's vice-chairman. Rockefeller cousins have an additional five seats on the 17-member board.

it declared "pivotal places": New York City, Serbia and Montenegro, South Africa and China.

Part of the Rockefeller Brothers Fund's grantmaking went to environmental organizations that said they were fighting global warming. One of the fund's program officers, Michael Northrop, spent 10 months in Europe in 2003 trying to create a network for state and local government officials interested in discussing anti-global warming regulation. This led to the creation of The Climate Group in 2004, which provides a forum for regulators to swap ideas. Among the other environmentalists to receive Rockefeller Brothers Fund grants in 2003

Rockefeller Brothers Fund grantmaking shows that "global interdependence" might be little more than a 21st century version of one-worldism. One 2003 fund grant, for \$100,000, went to the Benton Foundation for a project known as "OneWorldU.S."

Staffers at the fund also assisted in the creation of the Center for Global Solutions, which was officially launched in 2004. But this advocate for "global interdependence" is not new. It is in fact the successor to the World Federalists Association, that venerable advocate of one-worldism. In 2003, the group sent emails to the 300 most active members of the 12,000-member association, asking them if the name should be changed. The mailing received 120 responses; Center for Global Solutions vice-president Heather Hamilton ~~told the~~ *Chronicle of Philanthropy* that "the overwhelming majority hated the word 'federalist' in our name." Hamilton said that Eli Pariser, a founder of MoveOn.org, told her that "you'd probably be better off with something that doesn't immediately make people think of conspiracy theories."

Rockefeller Brothers Fund program officer P. J. Simmons approved of the Center for Global Solutions' reformulation. The change, he said, demonstrated "an impressive commitment to applying some crucial lessons learned about how to reach broad audiences of Americans in global issues."

The Rockefeller Brothers Fund also funds extensive fellowship programs. One set of fellowships, continued from the Culpeper Foundation, provides scholarships for medical students. The fund also administers the Ramon Magsaysay Award Foundation, named after a Philippine president who was killed in a plane crash in 1957. The foundation gives Ramon Magsaysay Awards, which now amount to six \$50,000 prizes. Winners of the awards in 2003 included the founder of the Philippine Center for Investigative Journalism, the chair of the Commission for Reception, Truth, and Reconciliation in East Timor and the chief election officer of India.

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The Rockefeller brothers left the family's estates to the National Trust for Historic Preservation. The Rockefeller Brothers Fund now manages these estates under contract from the National Trust, and has turned one of the Rockefeller homes, known as Pocantico, into a conference center. Conferences held at Pocantico in 2003 included staff retreats for the Doris Duke Charitable Trust, the National Trust for Historic Preservation, the Foundation Center, the Trilateral Commission and the United Nations Association. The United Nations held two retreats at Pocantico in 2003: one was for members of the Security Council, while a second, on "Strengthening Analytical Capacity at the United Nations," brought together UN researchers to talk about "in-house needs for information and analysis." A 2002 Pocantico conference, sponsored by the Pew Charitable Trusts, was a meeting about the importance of having meetings.

In 2003, the Rockefeller Brothers Fund declared that it was now practicing "philanthropy for an interdependent world." The fund's board decided to concentrate its grantmaking on four areas

were the National Environmental Trust (which received \$400,000 for a "global warming public education campaign"), the British branch of the World Wildlife Fund (which also received \$400,000 for anti-global warming activities) and the Institute for Policy Studies (which received \$50,000 for the Chesapeake Climate Action Network, an IPS project which seeks to impose stringent anti-global warming regulations in Maryland).

The Rockefeller Brothers Fund's division on "Peace and Security" declares that its mission is to promote global security by having "governments, citizens, and civil society organizations...contribute to the creation of a safe, equitable, and just global community." Here most of the money goes to the media. Public Radio International, for example, received \$150,000 for its show "The World." The Greater Washington Educational Telecommunications Association, the non-profit that runs the Washington, D.C. PBS affiliate and whose veteran head, Sharon Percy Rockefeller, is Sen. Jay Rockefeller's wife, received a two-year \$100,000 grant for a show called "By the People: America in the World."

Rockefeller Family Fund Targets President Bush

The most dramatic change at the Rockefeller Family Fund occurred in 1996, when the fund changed its IRS tax status from a foundation to become a public charity. As Ron Arnold reports in the accompanying article, this has permitted certain changes in how the Rockefeller Family Fund receives funds and distributes grants.

At least six members of the 13-member Rockefeller Family Fund board are Rockefeller cousins, including the fund's president, Peter O'Neill, a grandson of Abby Rockefeller Milton. The fund's priorities have not changed much over the years; it was created as a hard-left organization, and remains one today. In 2002, according to Guidestar.org, the fund's assets were \$56.2 million and its grants were \$5.2 million.

The Family Fund's greatest influence has been in environmentalism. In 1987, the fund created the Environmental Grantmakers Association, an affinity group of the Council of Foundations. The association remains a "project" of the Rockefeller Family Fund. The association, according to its website, includes 250 members; its board includes representatives from the Hewlett, HKH, Scherman, Wilburforce, Bush, Richard Ivey, Packard, Jenifer Altman, Charles Stewart Mott and Mertz Gilmore Foundations, as well as the Beldon Fund. Its members regularly meet "to discuss common interests and to learn about each other's specific programs."

In 2004, the Rockefeller Family Fund signed on to a movement to require large corporations to list their "environmental liabilities" as part of their corporate balance sheets. Other foundations supporting this campaign include the Rose and Turner Foundations, as well as the United Steelworkers of America and California State Treasurer Phil Angelides.

In a column that appeared in *Forbes* in July, Competitive Enterprise Institute president Fred L. Smith Jr. notes that calculating potential environmental damages from oil spills or other pollution is not possible. Would an oil company, he asks, have to put \$100 billion—or \$10 trillion—

on its books to cover alleged future damage from global warming? "Assets and liabilities that can't be connected to historical transactions or tradable contracts have no assignable market value," Smith writes. "So they shouldn't be counted."

The Rockefeller Family Fund is proud that its categories of grantmaking have changed very little since the fund's creation. But in 2003-04, most of the grants made by the fund had a single purpose—defeating President Bush. The fund did give \$150,000 to Columbia University to support Campaigndesk.org, a nonpartisan source for election reporting. But among the fund's 2003 and 2004 grants were \$25,000 to the Alliance for Justice for "funding to prevent errors in vote counts on electronic voting machines," \$25,000 to the Electronic Frontier Foundation for the same purpose, \$150,000 to the Brennan

In 2004, the Rockefeller Family Fund signed on to a movement to require large corporations to list their "environmental liabilities" as part of their corporate balance sheets.

Center for Justice for "legal redress in states not adequately implementing critical elements of the Help America Vote Act," \$150,000 to People for the American Way "for the Democracy Now Project" and \$35,000 to the Federation of State Leagues of Conservation Voters "to increase the participation of environmentally concerned voters."

In addition, one of the fund's trustees was heavily involved in the 2004 campaign. As a small child, Alida Rockefeller Messinger told the *New York Times*, she called her father, John D. Rockefeller 3rd, a ventriloquist, because she didn't know what "philanthropist" meant. Her knowledge of grantmaking has sharpened since then. During the 2004 election cycle, the Center for Public Integrity reports,

Messinger donated over \$3.3 million to "527 groups" active in the effort to defeat the President Bush. This amount, according to the center, ranked her twelfth nationally among such donors. Messinger's contributions were considerably less than those of George Soros (\$23.4 million), Progressive Insurance founder Peter B. Lewis (\$23 million) or Hollywood mogul Steven Bing (\$13.8 million), but still enough to make her a "player" in liberal fundraising circles. She gave \$755,000 to the League of Conservation Voters, \$2.2 million to America Coming Together, \$133,000 to the State Conservation Voters Action Fund and lesser amounts to several other 527 groups.

The Rockefeller Family Fund also gave substantially to groups challenging Bush administration environmental policies. Donations by the Fund in 2003 and 2004 included \$150,000 to the Campaign to Protect America's Lands to "stop anti-environmental public lands decrees through sustained grass roots and media efforts," \$25,000 to the Friends of the Earth Foundation "to publicize the connection between corporate interests and policy-making at the Department of the Interior" and \$50,000 to the Wilderness Society for a campaign "which will work with local and state organizations to mobilize citizens to voice opposition in key states to Interior Department policies."

It's likely that the Rockefeller Brothers Fund and the Rockefeller Family Fund have calcified into their final, inflexible forms. The Rockefeller Brothers Fund will continue to lease its posh conference center to meetings where the great and the good will agonize over the world's problems in exquisite surroundings. The Rockefeller Family Fund will continue to be a reliable friend to leftist lobbyists.

It would be too much to expect these heirs to John D. Rockefeller's great fortune to have asked themselves if their reflexive anti-capitalism is the best way to honor their great-grandfather's memory. The thought has probably never crossed their minds.

FW

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The Rockefeller Family Fund: Puppet Master for Leftist Front Groups

by Ron Arnold

The Rockefeller Family Fund is now a public charity. Through a magical loophole we are no longer a private foundation.”

Those are the words of Donald Ross, executive director of the Rockefeller Family Fund in 1992, speaking to the annual meeting of the Environmental Grantmakers Association.

The “magical loophole” is an obscure IRS provision that allowed the New York City-based Fund to change its classification so it could do what it previously could not do. Previously the Fund could only make grants from its own endowment of funds that were contributed mainly by the fourth generation of Rockefellers, the great-grandchildren of John D. But thanks to the “loophole” that allowed it to transform itself into a “public charity,” the Fund may now accept grants made to it by other foundations. It also may spend any amount to operate its own programs—including substantial lobbying efforts.

In the past decade more and more private foundations have decided to slip through this public charity loophole. The most recent, in January 2004, is the giant Pew Charitable Trusts (2003 assets: \$4.1 billion). Critics worry over the lobbying power that “charity” status confers on endowments like Pew, but their ability to run their own in-house policy programs is even more alarming. The public is none the wiser when a former private foundation becomes a public charity, allowing it to launch and operate well-funded, politically-charged programs under assumed names that hide the true source of controversial and highly-publicized projects.

Here’s an example.

In early March 2004, the Washington, D. C.-based Campaign to Protect America’s Lands (CPAL) published a scathing report

accusing the Bush Administration of giving a Republican campaign contributor special access to drill oil in New Mexico’s Otero Mesa. CPAL denounced the Bureau of Land Management for acting under the influence of Deputy Secretary of the Interior Steven Griles in issuing a drilling permit to a company controlled by the prominent Yates family.

Griles—second in command to Interior Secretary Gale Norton—had been a lobbyist for mining, coal and oil companies, including Yates, prior to joining the Bush administration, and environmentalists predictably campaigned against him from the day he was nominated as Deputy Secretary in 2001. The CPAL report wasn’t really about the Yates commitment to environmental protection. It was about Griles—and by implication, the Bush Administration.

After a year in office, Griles faced accusations that he had violated ethics rules—specifically, that he played a key role in several decisions that directly benefited his former clients. The Office of Government Ethics (OGE) began an 18-month-long investigation. Only seven workdays after CPAL released its disquieting document, the OGE cleared Griles of wrongdoing. (Griles resigned recently after serving out the full first term of the Bush administration.)

CPAL’s anti-oil campaign forged ahead anyway, unfolding with some peculiar twists. First, a CPAL news release touted “an unusual coalition of ranchers, environmentalists and free marketers, joined together to oppose rampant development on Otero Mesa.” But ranchers on Otero Mesa denied they were part of any coalition. In fact, there was no coalition. CPAL’s rhetoric that Otero Mesa was a “pristine” wilderness about to be “desecrated by drilling rigs” worried its inhabitants for a different reason. It looked like a first step

toward pressuring Congress to put the area (which was hardly a “wilderness,” since ranchers had lived and grazed cattle there for more than a century) off-limits to all domestic and commercial use.

Ranchers were stunned by newspaper headlines announcing that New Mexico Governor Bill Richardson, a Democrat, had joined CPAL’s anti-industry crusade—a move both puzzling and disturbing, since New Mexico is the nation’s second-ranking producer of natural gas, a significant source of state school and tax revenue.

Then rumor had it that Gov. Richardson was contacted by Sen. John Kerry’s presidential campaign about a potential slot in a Kerry administration. Richardson’s denunciations of the Bush administration for “selling Otero Mesa” looked more partisan than substantive.

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The questions began: Who was the “Campaign to Protect America’s Lands”? Who paid for it? And why? The answers are anything but transparent, and to unearth them, you have to do some patient digging.

CPAL’s website lists Peter Altman as its executive director. Altman is no stranger to industry-bashing. He was formerly executive director of the Austin-based Texas Fund for Energy and Environmental Education (TFEEE), an extreme anti-industry group that operates under six assumed names, including “Campaign ExxonMobil” and “Citizen’s Clean Air Project.”

Altman’s CPAL calls itself a “non-profit, non-partisan organization.” However, IRS Publication 78, the cumulative list of all exempt organizations in the nation, has no record of a “Campaign to Protect America’s Lands.” A further search of the group’s website uncovers this disclaimer: “CPAL is a campaign of the Environmental Integrity Project (EIP).”

So Altman and CPAL are fronting for EIP. But what is EIP?

It, too, is not listed in IRS Publication 78. Its website says EIP was founded by Eric Schaeffer, “who directed the U.S. Environmental Protection Agency’s Office of Regulatory Enforcement until 2002, when he resigned after publicly expressing his frustration with efforts of the Bush Administration to weaken enforcement of the Clean Air Act and other laws.”

So Schaeffer is the brains behind Altman and CPAL. The political motive is solid, but still not transparent. Why is a former bureaucrat who spent years regulating factory emissions suddenly heading a group running a campaign on federal land issues? And who’s paying for it all?

EIP’s website provides a clue: It says the organization was founded “with support from the Rockefeller Family Fund and other foundations.” The Rockefeller Family Fund’s 2002 Form 990 annual report, Schedule A, “Compensation of the Five Highest Paid Employees,” shows Eric Schaeffer at the top of the list, with a

salary of \$116,218 and benefit package of \$22,709.

So Schaeffer is a well-paid Rockefeller Family Fund employee. In short, the Rockefeller Family Fund is behind Eric Schaeffer’s EIP—which, in turn, is behind Peter Altman’s CPAL.

The Rockefeller Family Fund’s Form 990 shows it gave EIP \$150,000 in 2002, a full year’s grant. (Eric Schaeffer didn’t resign from the EPA until March.) In 2001, the Fund also spent \$150,000 on its Environmental Enforcement Project “to support EPA oversight.”

How long had Rockefeller Family Fund officials known Eric Schaeffer before he chose to dramatically resign from the EPA? The whole episode suggests

efforts, expose the pro-industry agenda of top political appointees and hold public officials accountable for these decisions.”

It’s no accident that the Fund selected Peter Altman to run CPAL. It gave his Texas Fund for Energy and Environmental Education \$140,000 in 2002 and \$50,000 in 2001, fully aware of his record of disrupting ExxonMobil shareholder meetings and of his hatred of the petroleum industry.

The Rockefeller Family Fund is well known for the financial and logistical support it gives anti-industry projects. It’s pointless to speculate why the descendants of oilman John D. Rockefeller hold these views, but hold them they do. Consider this statement by fourth-generation family member Laura Rockefeller

“It’s hard to get rid of the money in a way that does more good than harm,” said Laura Rockefeller Chasin. “One of the ways is to subsidize people who are trying to change the system and get rid of people like us.”

that his resignation was part of a pre-arranged, high profile and highly political “Dump Bush” project.

There’s more telling evidence for this scenario. In 2002, at the time that it set up Schaeffer in the Environmental Integrity Project, the Rockefeller Family Fund also spent \$80,000 to create EIP’s front group, the Campaign to Protect America’s Lands. EIP was a kind of “double-blind,” distancing the overtly anti-Bush CPAL from the Rockefeller name.

The Fund’s own grant description for CPAL’s 2002-2003 financial support was “to expose and prevent actions by the Department of Interior that pose an environmental threat to federally protected public lands.” That may have been too obviously aimed against Steven Griles, so the Fund’s description for its \$150,000 2004 grant was altered thus: “to stop anti-environmental public lands decisions through sustained grassroots and media

Chasin (Laura’s husband, Richard Chasin, is a trustee of the Rockefeller Brothers Fund, which represents money from the third generation of Rockefellers.):

“It’s hard to get rid of the money in a way that does more good than harm. One of the ways is to subsidize people who are trying to change the system and get rid of people like us.” (Cited in *The Rockefellers*, by Peter Collier and David Horowitz, page 573.)

A final irony. The Rockefeller Family Fund operates a project called “Transparency in Government.” With its own front groups dancing on shadowy strings, it seems the Fund could benefit from a bit of transparency itself. **FW**

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PhilanthropyNotes

“Most artistic enterprises dependent on federal dollars have survived the appropriations process,” reported the *Washington Post* on December 1. In fact, contrary to liberal fears about the impact of a Republican President and Congress, government arts spending will increase over 2004’s totals. For example, **Smithsonian Institution** appropriations have risen, from \$596 million in fiscal 2004 to \$615 million for fiscal 2005. The **National Endowment for the Arts** is slated to get \$121.2 million, slightly up from \$120.97 last year. Likewise, the **National Endowment for the Humanities** will receive \$138 million this year, compared with \$135 million in 2004. The **National Gallery of Art**, which received \$98.2 million last year, is slated for \$103.1 million.

The November 23 online issue of the **Foundation Center’s Philanthropy News Digest** reports that “charitable giving from individuals, bequests, foundations and corporations has grown from roughly \$48.6 billion, in 1980, to \$241 billion, in 2003. Meanwhile, the number of nonprofit organizations has increased at an annual rate of 5.1 percent—more than double the growth rate experienced by the for-profit sector—while the number of Americans employed by the sector has more than doubled.”

The preceding information appeared in an interview that *Philanthropy News Digest* conducted with **Willa Seldon**, Executive Director of the San Francisco-based **Tides Center** (see *Foundation Watch*, December 2003). Under the title, “Promoting Innovation Through Efficiency,” the journal touted the Tides Center as “the largest fiscal sponsor in the country,” and Seldon euphemistically characterized its leftist agenda as “focused on creating a world that has active and engaged citizens, a world that’s environmentally sustainable, a world that puts justice above all else in the way it treats its citizens.” Defending Tides against charges by **Capital Research Center** and others that it supported blatantly partisan anti-Bush activist groups, such as the **September 11th Families for Peaceful Tomorrows** (see “Philanthropy Notes” in the July 2004 *Foundation Watch*), Seldon declared: “We believe in democracy and in fostering an environment in which active, engaged citizens are able to discuss, openly and freely, important issues of the day, and that’s what Families for Peaceful Tomorrows is all about.”

Hysteria last year over the alleged cancer-causing risks from farmed salmon badly hurt salmon producers—which led to a public apology from **Dr. David Carpenter**, one of the scientists who authored the study that was publicized in the journal *Science*. A Scottish newspaper, *West Highland Free Press*, noted that Carpenter and his colleagues “were employed to produce their findings by an American body known as the **Pew Charitable Trust**. We discovered that, far from being an independent, un-committed organisation, Pew worked as publicists and financiers for militant ‘green’ groupings across the world.” As for the Pew-backed salmon study: “The level of incompetence involved in the research process was awesome—they did not know, it transpires, where the salmon they were testing came from. They did not even know whether it was wild or farmed. Dr. David Carpenter himself has admitted that Pew Charitable Trust were on a mission. ‘There may be some legitimacy,’ he said, ‘in saying the reason they chose to fund this study was that they had another agenda well beyond the health effects.’”

During the presidential campaign, Democrats such as **Michael Moore** continually lambasted **President Bush** for close ties with wealthy members of the Saudi Arabian government. So there was considerable embarrassment in Democratic circles when it was revealed in November that former **President Bill Clinton’s** new \$165 million library in Little Rock, Arkansas, was funded in part by gifts of \$1 million or more each from the Saudi royal family and three Saudi businessmen.

