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THE WHITE HOUSE
WASHINGTON

Sept. 23, 1974

Gave a copy of this statement to Ron Nessen.



30 Rockefeller Plaza
New York, N.Y. 10020

Room 5600

Circle 7-3700

September 21, 1974

Dear Mr. President:

Nelson wanted you to have these advance copies
of his statement to the Senate Rules Committee.

We plan to make copies available to the
press Sunday noon for release at 10 A.M. Monday.

Sincerely,

High Mound



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ON MONDAY, SEPTEMBER 23, 1974, AND NOT PRIOR THERETO.

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HUGH MORROW
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STATEMENT OF NELSON A. ROCKEFELLER, VICE PRESIDENT-DESIGNATE, TO THE
COMMITTEE ON RULES AND ADMINISTRATION OF THE UNITED STATES SENATE

September 23, 1974
10 A.M.

Mr. Chairman, Distinguished Members of the Committee on Rules and Administration of the United States Senate:

I. INTRODUCTION

I come before you with a sense of humility and a deep awareness of the historic significance of these hearings.

Eleven months ago, you were convened to consider the nomination of a Vice President who is now President of the United States -- the first President of this country ever to hold office without being elected by the people.

The change of national leadership was accomplished, after two years of travail, on an orderly basis -- within the framework of the Constitution.

Now you are convened again to consider the nomination of another Vice President under the 25th Amendment -- a nomination which, if confirmed, would mean that for the first time in the nation's history, both the President and the Vice President would hold office without having been elected.

In the light of all this, I not only recognize the special responsibility which faces me but also am profoundly aware of the tremendous responsibility facing the members of the two Committees and of the Congress as representatives of the people in these proceedings.

I will therefore do my best to give a frank and open statement of my background, my associations, my purposes, my finances, and anything else you want to know bearing upon my qualifications. Above all, I am here to answer your questions to the best of my ability.

II. FAMILY BACKGROUND

First, if I may, I would like to make some comments on the intellectual and spiritual heritage that has molded the beliefs and guided the sense of purpose of our family.

The ancestors of both my parents came to this country to seek religious freedom.

My mother's family descended from Roger Williams, the pioneer of religious freedom who founded Rhode Island in 1636, and from Elder William Brewster, who emigrated on the Mayflower and was a founder of Plymouth Colony in 1620.

The early members of my father's family were Huguenots, French Protestants driven out of France to Germany, where they are said to have changed their name from Roquefeuille to Rockefeller. The first Rockefeller emigrated to this country in 1723.

A. MOTHER'S FAMILY

My mother's father was Senator Nelson W. Aldrich from Rhode Island. He grew up a poor boy, left school in 1858 at age seventeen to work as a grocery clerk in Providence, went into business at an early age and ultimately made his career in government. He became Speaker of the Assembly in Rhode Island, was elected to Congress, and then, in 1881, was sent by the Legislature of Rhode Island to represent his state in the Senate of the United States. He was Senator from Rhode Island for thirty-one years, the last seventeen of which he was Majority Leader of the Senate. He was leader of what was known as the Old Guard, a creative conservative, and a protectionist. As Chairman of the Finance Committee of the Senate, after extensive study of the European banking system, he drafted legislation which ultimately created the Federal Reserve System of the United States.

Senator Aldrich was an engaging and dynamic personality, a man who had a great interest in people and loved the arts. My mother grew up in the cosmopolitan atmosphere of Washington. She was very close to her father and usually accompanied him on his trips abroad.

B. FATHER'S FAMILY

My father's family also came from humble origins. His great grandfather, Godfrey Rockefeller, left Massachusetts in a covered wagon train, headed for Michigan in 1832 with a wife and ten children. However, they ended their trip in the southern tier of New York, where they bought a farm on a hill in Tioga County. They named it Michigan Hill. My father's grandfather, William Avery Rockefeller, bought a second farm on Michigan Hill, west of Godfrey's home. It was on this farm, in a three-room house, that my grandfather, John D. Rockefeller, was born, the eldest of three sons.

The land was poor and life was tough. To provide for the family, William worked as a hired hand and cut and sold lumber in a little sawmill he had on the property. He was a gregarious, adventuresome and fearless man who worked hard and paid his debts promptly. Among other things, he got interested in botanic medicine, the selling of which occupied an increasing amount of his time and took him on longer and longer journeys away from home. Twice during these early years, the family moved to other farms in the southern tier of New York State, and then later to Ohio.

The care of the farms and the five children fell importantly on his wife, Eliza Davison, a strong and disciplined woman of Scottish descent.

As time went by, she looked increasingly to her eldest son, John, for comfort and for aid in looking after the youngest children. From a very early age, he milked the cow, drove the horse, split wood and worked in the large gardens which his mother always kept. At the age of seven, he started raising and selling turkeys for his own account, and doing odd jobs for neighbors. He was careful with the money he earned. Even at that early age, his mother taught him to give something of what he earned to those in greater need -- usually 10% and more. The remainder he saved, and by the time he was eleven he was loaning out his savings. The character of the young man was thus set during these formative years by the precepts and examples of both his parents.

It has been said that, "His mother drilled him in honesty, sobriety, industry, thoughtfulness, altruism and a fervent religious faith, supported by regular attendance at Sunday School and church."

His father demanded self-reliance, thrift and industry and trained him to be keen-witted, honest and dependable. He insisted on precision, promptness and responsibility in everything the young man did. And as time went by, he taught him the sacredness of a contract, the importance of scrupulously carrying it out.

C. ORIGIN OF THE FAMILY ETHIC

Thus the roots of our family ethic were deeply implanted -- an ethic based on the fundamental American values which has come down through the generations since then.

These were the guiding forces throughout my grandfather's life, an ethic which his wife, Laura Spelman Rockefeller, profoundly strengthened.

My grandmother's family, the Spelmans of Ohio, were deeply religious people. They operated a station on the underground railroad through which slaves were aided on their flights to freedom in mid-nineteenth century America. Not only was my grandmother a dedicated abolitionist; she was an equally determined prohibitionist.

This family ethic was transmitted by precept and example and conscientious daily instruction, from my grandparents to my father. And like my grandmother, my mother's life further reinforced this ethic, which was transmitted to each of us as children by both our parents.

These have been the motivating and guiding forces in our lives as a family. And I mention this subject because I believe it is important to your judgment of me.

D. GRANDFATHER'S EARLY YEARS

By the time my grandfather was fourteen in 1853, his family had moved to Cleveland, Ohio, where he went to high school. At sixteen, my grandfather left school and after weeks of diligently searching for the kind of work that would give him experience in business, he found a job as an accountant at \$3.50 a week with a firm of commission merchants and produce shippers, where he remained for three and a half years.

At the age of twenty, with \$900 savings and \$1,100 borrowed at interest from his father, he and a young Englishman organized Clark and Rockefeller in a new commodity commission business with \$4,000 capital to deal in grain, hay, meats and miscellaneous goods. The business prospered, and four years later, he and his partner joined three others in forming a second company, called Andrews, Clark and Company, to go into the oil refining business.

Two years later, when he was only twenty-six, he and Andrews bought out the three Clark brothers for \$72,500, and formed a new oil company under the name of Rockefeller and Andrews.

This was the beginning of the Standard Oil Company. Their refinery was already the largest in Cleveland and one of the largest in the country. During the ensuing years, the company grew rapidly into a totally integrated industry, handling oil from the wellhead to the consumer on a world-wide basis.

To a degree far beyond anything my grandfather had dreamed of, the oil industry tapped the immense resources of oil, affecting every home and machine shop, starting a revolution in transportation and becoming a spectacular part of world commerce.

"Thus," as Allan Nevins has said, "the size of his fortune was an historical accident."

E. PHILANTHROPY -- JOHN D. ROCKEFELLER

My grandfather's early training in giving to help those in need became an increasingly absorbing part of his life. With the growth of his earnings, his giving increased. In the later years, with the phenomenal growth in the oil industry, he devoutly believed that Providence had made him a trustee of his fortune for the benefit of man, and was not to be kept but to be wisely distributed.

In 1901, my grandfather created the Rockefeller Institute for Medical Research, thus establishing in the U.S. the first medical institution entirely devoted to the solving, through study, of the problems of disease.

His objective was primarily to find ways of preventing and curing disease, not simply to treat it.

In 1903 he founded the General Education Board to aid in upgrading education, particularly in the South. Here his underlying philosophy was that, by improving the quality of education for all people, they would be able to create better lives for themselves.

Ten years later, in 1913, my grandfather created and endowed the Rockefeller Foundation to "serve the well-being of mankind throughout the world."

My grandfather brought the same organizational ability to philanthropy that he had to business. But his greatest strength in business and philanthropy alike was the calibre, integrity and capacity of the men he picked as his associates, and his ability to lead and inspire them.

It was clear to him that, if the work of these foundations was to be of lasting value, it must strike at the root causes of poverty and deprivation, not just their effects.

F. PHILANTHROPY -- JOHN D. ROCKEFELLER, JR.

My father's life was also molded by the family ethic, as expressed by his total devotion to his mother and father and his strong religious observance at home and in the church. He spent some time in business after graduating from college but soon found that his real love was in the work of the foundations. Thus he

devoted his life to the service and well-being of others throughout the world, importantly in pioneering work in the fields of public health, education and scientific research. And he used the money he had inherited from his father to undertake over his lifetime a series of philanthropic projects for the benefit of all. These included such projects as the giving of three national parks, the saving of redwood forests, the restoration and maintenance of Colonial Williamsburg, donating the site of the United Nations headquarters in New York City, joining in the preservation of the Hudson River Palisades, establishing the Cloisters Museum of Medieval Art, International House, Riverside Church, the Dunbar Apartments, the restoration after World War I of Versailles, Fontainebleau, and the Chartres Cathedral in France, and the restoration of the Agora, the birthplace of democracy, in Athens.

The building of Rockefeller Center, which was his only important business venture, was really an accident of the times. In 1928, he signed a 23-year lease with Columbia University for three Fifth Avenue blocks as the site of a new home for the Metropolitan Opera.

But when the depression set in, the Board of Trustees of the Opera informed him that they could not raise the money and would have to abandon the project. This left father with a 23-year lease, at \$3 million a year, on three blocks of old run-down brownstone houses. But my father's faith in this country and its future was unbounded. So at the depth of the depression, he set out to build a business, entertainment and shopping center in the heart of midtown Manhattan. He was ridiculed and attacked for the project at the time -- except by the thousands of unemployed workers in the building trades to whom he gave work for years to come.

G. INFLUENCE OF MY MOTHER

My mother devoted her life to her husband and family and was an active leader in the Young Women's Christian Association and in the field of the arts.

Like my father, mother also was deeply motivated in an ethical and spiritual sense -- witness the following letter she wrote to three of her sons:

"Dear John, Nelson and Laurance:

For a long time I have had very much on my mind and heart a certain subject. I meant to bring it up at prayers and then later have it for a question to be discussed at a family council; but the right time, because of your father's illness, has never seemed to come.

Out of my experience and observation has grown the earnest conviction that one of the greatest causes of evil in the world is race hatred or race prejudice; in other words, the feeling of dislike that a person or a nation has against another person or nation without just cause, an unreasoning aversion is another way to express it. The two peoples or races who suffer most from this treatment are the Jews and the Negroes; but some people "hate" the Italians, who in turn hate the Jugoslavs, who hate the Austrians, who hate the Czecho-Slovaks, and so it goes endlessly.

You boys are still young. No group of people has ever done you a personal injury; you have no inherited dislikes. I want to make an appeal to your sense of fair play and to

beseech you to begin your lives as young men by giving the other fellow, be he Jew or Negro or of whatever race, a fair chance and a square deal.

It is to the disgrace of America that horrible lynchings and race riots frequently occur in our midst. The social ostracism of the Jew is less brutal, and yet it often causes cruel injustice and must engender in the Jews a smouldering fire of resentment.

Put yourselves in the place of an honest, poor man who happens to belong to one of the so-called "despised" races. Think of having no friendly hand held out to you, no kindly look, no pleasant, encouraging word spoken to you. What I would like you always to do is what I try humbly to do myself: that is, never to say or to do anything which would wound the feelings or the self-respect of any human being, and to give special consideration to all who are in any way repressed. This is what your father does naturally from the fineness of his nature and the kindness of his heart.

I long to have our family stand firmly for what is best and highest in life. It isn't always easy, but it is worth while.

Your Mother"

And so we as children grew up in a closely-knit, religious family, involved in human concerns, influenced by cultural forces, and inspired by father's credo that, "Every right implies a responsibility; every opportunity an obligation; every possession a duty."

III. FAMILY'S FINANCIAL HISTORY

Now, before reviewing my own activities up to the present, there is one other phase of the family's history that I want to mention to you, in view of my nomination by the President for this position of high public trust, and that is the personal financial relations between generations and my own financial position as of now.

A. Grandfather

1. Grandfather gave a total of *\$550 million to establish various foundations and philanthropic institutions including the Rockefeller Foundation, The General Education Board, the Rockefeller Institute, and the University of Chicago. He also contributed to countless religious and missionary undertakings and, in addition, inspired by his wife, he gave generous support to virtually every women's college and black college in the United States.
2. During his lifetime, he personally paid a total of \$67 million in Federal, state and local taxes.**
3. He gave to his only son, my father, a total of \$465 million. There were additional substantial gifts to his two daughters, Alta Prentice and Edith McCormick, and to other members of his family but the bulk of his money went to charity and to his son.

* All financial figures are approximate or rounded.

** It should be noted in connection with the total amounts of Grandfather's tax that the Federal income tax law was not enacted until 1913 and that tax rates were relatively low until the war years of the early 40's. Grandfather died in 1937.

B. Father

1. Father gave to various foundations and other charitable and philanthropic activities a total of \$552 million.
2. He paid a total of \$317 million in Federal, state and local taxes.
3. He gave to the members of his family -- my mother, brothers, my sister, myself and his then living grandchildren, a total of \$240 million.

He also gave to his second wife \$72 million, most of which on her death went to philanthropies.

C. I have tried to follow the same pattern. Up to now:

1. During my lifetime, I have given a total of \$33 million to various philanthropic and charitable institutions and undertakings. And I have pledged to give for public use an additional \$20.5 million of art and real estate. This will bring total gifts to \$53.5 million.
2. I have paid a total of \$69 million in Federal, state and local taxes. Attached is a summary of the taxes paid for the past ten years which was requested of me.
3. I have given to members of my family \$15.5 million. In addition, upon my death my children will become the life beneficiaries of the trust which my father created for me. They will also receive the remainder of the principal of the trust created by father for my mother, of which I am a one-third beneficiary.

Summary

Federal Income Tax Returns and All Taxes Paid to Federal, State and City or Town Governments 1964-1973

	1964	1965	1966	1967	1968	1969
I. Federal Income Tax Returns						
INCOME:						
Salary from State of New York	\$ 49,826	\$ 49,863	\$ 49,863	\$ 49,763	\$ 51,744	\$ 49,863
Fees and honoraria	500		5	150		
Dividends from:						
Own securities	\$ 272,114	\$ 360,885	\$ 389,050	\$ 306,305	\$ 283,466	\$ 443,084
Trusts	4,490,796	4,783,578	4,929,749	4,513,129	3,879,856	3,412,219
Son's estate					4,184	
Partnerships	4,273	395				
Subtotal	\$4,767,183	\$5,144,858	\$5,318,799	\$4,819,434	\$4,167,506	\$3,855,303
Less: Exclusions and nontaxable	238	293	37,307	9,288	406	214,642
Taxable dividends	4,766,945	5,144,565	5,281,492	4,810,146	4,167,100	3,640,661
Interest	58,099	3,798	3,921	14,017	4,561	6,900
Rentals	5,444	3,539	4,049	5,242	5,521	
Other partnership income	4,404	2,387	(279)			60
Other trust income			78,781	53,446	38,566	88,820
Other estate income					188	
Capital gains	210,879	32,118	(2,000)	625,287	1,050,815	129,016
Oil, gas and mineral operations	(2,599)	(2,759)	(1,173)	(2,085)	(949)	(919)
State and City income tax refunds				4,180		
Gain on foreign exchange						
Total income	5,093,498	5,233,511	5,414,659	5,560,146	5,317,546	3,914,401
DEDUCTIONS AND PERSONAL EXEMPTIONS:						
Charitable contributions	\$1,523,589	\$1,534,862	\$1,623,209	\$1,641,844	\$1,575,695	\$1,174,320
Interest	143,612	151,293	373,759	333,510	571,327	360,253
Taxes	585,101	301,051	493,120	536,398	690,507	884,446
Trust expenses (revocable or grantor trust) and charges	3,494	1,716	350	870	1,412	9,033
Office, investment and other expenses	370,280	405,130	396,076	417,871	587,623	662,718
Cooperative apartment deductions	12,255	18,953	21,884			
Casualty losses	452				8,359	1,992
Miscellaneous		5				
Subtotal - Deductions	\$2,638,783	\$2,413,010	\$2,908,398	\$2,930,493	\$3,434,923	\$3,092,762
Personal exemptions	1,800	1,800	1,800	2,400	2,400	2,400
Total deductions and exemptions	2,640,583	2,414,810	2,910,198	2,932,893	3,437,323	3,095,162
INCOME SUBJECT TO FEDERAL INCOME TAX	<u>\$2,452,915</u>	<u>\$2,818,701</u>	<u>\$2,504,461</u>	<u>\$2,627,253</u>	<u>\$1,880,223</u>	<u>\$ 819,239</u>
II. All Taxes Paid to Federal, State and City or Town Governments						
FEDERAL TAXES:						
Income	\$1,733,144	\$1,921,269	\$1,715,193	\$1,680,856	\$1,155,435	\$ 566,867
Gift	794,334	191,950	4,098	1,543,460	298,684	216,436
Subtotal - Federal taxes	\$2,527,478	\$2,113,219	\$1,719,291	\$3,224,316	\$1,454,119	\$ 783,303
STATE TAXES:						
Income	\$ 410,871	\$ 141,210	\$ 299,371	\$ 279,002	\$ 338,450	\$ 557,004
Gift						
Sales	21,598	36,739	52,880	59,981	133,833	143,474
Gasoline	6,835	312	371	402	398	413
Transfer	2,796			10,648	22,177	86
Subtotal - State taxes	\$ 442,100	\$ 178,261	\$ 352,622	\$ 350,033	\$ 494,858	\$ 700,977
CITY/TOWN TAXES:						
Income	\$	\$	\$ 14,903	\$ 56,908	\$ 49,523	\$ 31,709
Real estate	143,001	122,790	125,595	129,457	146,126	151,760
Subtotal - City/Town taxes	\$ 143,001	\$ 122,790	\$ 140,498	\$ 186,365	\$ 195,649	\$ 183,469
TOTAL TAXES PAID TO FEDERAL, STATE AND CITY OR TOWN GOVERNMENTS	<u>\$3,112,579</u>	<u>\$2,414,270</u>	<u>\$2,212,411</u>	<u>\$3,760,714</u>	<u>\$2,144,626</u>	<u>\$1,667,749</u>

Summary

Federal Income Tax Returns and All Taxes Paid to Federal, State and City or Town Governments 1964-1973

	1970	1971	1972	1973	Ten-Year Total
I. Federal Income Tax Returns					
INCOME:					
Salary from State of New York	\$ 49,863	\$ 84,454	\$ 84,704	\$ 82,811	\$ 602,754
Fees and honoraria	100			4,500	5,255
Dividends from:					
Own securities	\$ 215,450	\$ 237,627	\$ 247,991	\$ 449,029	\$ 3,205,001
Trusts	2,119,274	3,176,748	3,261,853	3,360,681	37,927,883
Son's estate					4,184
Partnerships		83	124	152	5,027
Subtotal	\$2,334,724	\$3,414,458	\$3,509,968	\$3,809,862	\$41,142,095
Less: Exclusions and nontaxable	1,727	1,404	876	340	266,521
Taxable dividends	2,332,997	3,413,054	3,509,092	3,809,522	40,875,574
Interest	18,357	37,098	31,694	16,446	194,891
Rentals			54,699	89,384	167,878
Other partnership income	552	636	500	(97)	8,163
Other trust income	43,264	76,235	37,472	45,293	461,877
Other estate income					188
Capital gains	(1,000)	372,379	1,391,612	763,014	4,572,120
Oil, gas and mineral operations	(430)	27			(10,887)
State and City income tax refunds					4,180
Gain on foreign exchange		2,037			2,037
Total income	2,443,703	3,985,920	5,109,773	4,810,873	46,884,030
DEDUCTIONS AND PERSONAL EXEMPTIONS:					
Charitable contributions	\$1,221,852	\$1,096,059	\$1,597,448	\$1,654,832	\$14,643,710
Interest	177,471	135,515	119,622	165,106	2,531,468
Taxes	472,693	494,555	1,066,947	900,281	6,425,099
Trust expenses (revocable or grantor trust) and charges	8,184	1,047	707	1,693	28,506
Office, investment and other expenses	783,936	873,310	981,604	914,033	6,392,581
Cooperative apartment deductions					53,092
Casualty losses			4,442	20,393	35,638
Miscellaneous					5
Subtotal - Deductions	\$2,664,136	\$2,600,486	\$3,770,770	\$3,656,338	\$30,110,099
Personal exemptions	2,500	2,700	3,000	3,750	24,550
Total deductions and exemptions	2,666,636	2,603,186	3,773,770	3,660,088	30,134,649
INCOME SUBJECT TO FEDERAL INCOME TAX	<u>\$ (222,933)</u>	<u>\$1,382,734</u>	<u>\$1,336,003</u>	<u>\$1,150,785</u>	<u>\$16,749,381</u>
II. All Taxes Paid to Federal, State and City or Town Governments					
FEDERAL TAXES:					
Income	\$ 342,008	\$ 909,770	\$ 903,757	\$ 758,369	\$11,344,660
Gift		35,280	69,591	410,896	3,906,737
Subtotal - Federal taxes	\$ 342,008	\$ 945,050	\$ 973,348	\$1,169,265	\$15,251,397
STATE TAXES:					
Income	\$ 153,399	\$ 196,821	\$ 657,213	\$ 488,606	\$ 3,521,947
Gift			2,240	24,276	26,516
Sales	94,011	82,091	78,882	115,497	818,986
Gasoline	481	399	434	403	10,448
Transfer	242	3,710	190	566	40,415
Subtotal - State taxes	\$ 248,133	\$ 283,021	\$ 738,959	\$ 629,348	\$ 4,418,312
CITY/TOWN TAXES:					
Income	\$ 39,692	\$ 29,276	\$ 130,311	\$ 35,508	\$ 387,830
Real estate	184,868	182,258	199,917	259,701	1,645,473
Subtotal - City/Town taxes	\$ 224,560	\$ 211,534	\$ 330,228	\$ 295,209	\$ 2,033,303
TOTAL TAXES PAID TO FEDERAL, STATE AND CITY OR TOWN GOVERNMENTS	<u>\$ 814,701</u>	<u>\$1,439,605</u>	<u>\$2,042,535</u>	<u>\$2,093,822</u>	<u>\$21,703,012</u>

There is one point I would like to bring out with regard to the \$69 million of total taxes paid during my lifetime. In one year, 1970, my total federal, state and local taxes were down to \$814,701 because I had no Federal income tax that year. This was because major shifts in the investment portfolio of the trusts were made in 1969. These shifts, over which I had no control, resulted in major capital gains on which the trust paid \$6,250,000 in Federal, State and city capital gains taxes in 1970.

The net effect of that payment was that I was not subject to Federal income tax that year. This was the only year that I have not paid a Federal income tax. What I want to make very clear is that in 1970, the total taxes paid to Federal, state and local governments by me and the trust amounted to \$7,064,701.

D. As of August 23, 1974, the total assets of my wife and myself were \$64 million and our net worth \$62.5 million. Following is our financial statement:

ASSETS

Cash	\$ 394,898
Cash Advances	247,891
Notes Receivable	1,518,270
Accounts Receivable	713,326
N.Y. State Retirement Fund (Contributed Cost)	21,803
Securities	12,794,376
Partnership Interests	157,124
Art (Estimated Market Value)	33,561,325
Real Estate	11,252,261
Furnishings	1,191,328
Automobiles, Other Vehicles, Boats and Airplanes	1,767,900
Jewelry	521,136
Coins	<u>12,600</u>
	\$64,154,238

LIABILITIES

Notes Payable	1,567,500
Miscellaneous Accounts Payable	<u>5,513</u>
	\$ 1,573,013

Net Worth \$62,581,225

In view of a widely publicized leak indicating my net worth was \$33 million, I would like to repeat at this point the substance of the statement I issued last week to correct the record. The major differences between \$62.5 million and the \$33 million figure which was leaked were because (1) the leaked figure did not include the \$20,500,000 value of the art and real estate that I have already pledged to give away for public use and enjoyment after my death, which was shown as an offset in the early report I made to the Committee; and (2) the updated appraisals of art and real estate were not available at the time of my initial submissions of data.

In addition to the direct assets set forth above, I am the life beneficiary of two trusts with total assets of over \$116 million as of August 30, 1974.

E. The following is a complete list of the securities owned by my wife and me, with their values as of August 23, 1974:

Shares of Common Stock (at market value on August 23, 1974, where available; otherwise at cost or estimated value, as noted):

750	Aluminum Co. of America	33,000
800	American Telephone & Telegraph Co.	34,500
58,404	Archer Daniels Midland Corp.	1,065,873
300	Capitol Hill Associates, Inc. (cost)	30,000
4,200	Caterpillar Tractor Co.	194,775
17,100	Coherent Radiation Laboratories, Inc.	128,250
500	Continental Oil Co.	16,250
12,000	Corporate Property Investors (cost)	300,000
3,000	Corning Glass Works, Inc.	151,125
1,500	Daniel International Corp.	24,750
17,637	Dow Chemical Co.	1,053,811
4,315	Eastman Kodak Co.	323,625
14,338	Exxon Corp.	983,945
482	General Electric Co.	16,991
50	Greenrock Corporation (cost)	20,942
1,372	Hewlett Packard Co.	95,011
94,500	C.A. Industria Lactea de Carabobo ("Inlaca") (cost)	434,700
498	Intel Corp.	15,438
12,250	International Basic Economy Corporation	27,563
5,161	International Business Machines Corp.	980,590
800	International Paper Co.	32,500
1,843	Itek Corp.	12,671
500	Lin-Wood Development Corp. (cost)	5,000
281,803	Malnar, Ltd. (cost)	4,220,845
7,360	Marathon Oil Co.	233,680
1,500	Merchants Inc.	19,500
300	Merck Co., Inc.	17,288
5,070	Mobil Oil Corp.	183,154
5,000	Monte Sacro, S. A. (cost)	789,215
4	News-Week, Inc. (2 shares common and 2 shares preferred) (cost)	200
167	Pan Ocean Oil Corp.	1,503
2,853	Polaroid Corp.	55,990
10,000	Reliance Electric Co.	157,500
165	Rockefeller Brothers, Inc. (estimated value)	2,322
25	Seal Harbor Water Co. (estimated value)	3,175
5,972	Standard Oil Company of California	142,582
5,600	Standard Oil Company (Indiana)	403,900
10,927.27	Teledyne, Inc.	147,518
1,000	Texaco, Inc.	23,625
1/5	Urban National Corporation (one-fifth share preferred) (cost)	10,000
400	Warner Lambert Corp.	8,050
5	Wayfarer Ketch Corporation (cost)	500
6,000	Westinghouse Corp.	64,500

Certificates of Deposit and Bonds:

Banco de Investimentos Lar Brasileiro, negotiable certificate of deposit due March 21, 1976 (cost)	77,872
Banco de Investimentos Lar Brasileiro, negotiable certificate of deposit due June 3, 1976 (cost)	147,530
The Harbor Club, 20-year installment bonds dated December 1, 1970, payable \$500 annually without interest (estimated value)	3,350
Lin-Wood Development Corporation, 5% bonds due June 1, 1981 (cost)	20,000
Northwest Iron Co., Ltd., subordinated notes payable on demand with interest at the prime rate adjusted semiannually (cost)	66,667
Seal Harbor Water Co., 4% bonds due February 1, 1988 (estimated value)	12,600
<u>Total Securities</u>	<u>\$12,794,376</u>

The following is a complete list of the securities in the two trusts of which I am the life beneficiary, with their values as of August 30, 1974:

TRUST #1

<u>SHARES</u> <u>OR FACE AMOUNT</u>		<u>VALUE</u>
STATE AND MUNICIPAL BONDS		
700,000	Metropolitan Water District Southern California	\$ 640,500
150,000	Sacramento Municipal Utility District California	126,750
750,000	Florida Turnpike Department Transportation	735,000
1,750,000	Florida Turnpike Authority	1,715,000
185,000	Hartford Connecticut Public Housing Authority	130,118
200,000	Hartford Connecticut Public Housing Authority	140,214
205,000	Hartford Connecticut Public Housing Authority	143,289
215,000	Hartford Connecticut Public Housing Authority	149,859
100,000	Helena Montana Public Housing Authority	71,627
110,000	Helena Montana Public Housing Authority	78,492
110,000	Helena Montana Public Housing Authority	77,499
1,000,000	New Jersey Highway Authority	975,000
600,000	New York State Housing Finance Agency - Hospital and Nursing Home	597,120
100,000	New York State Housing Finance Agency - Urban Rental	99,520
300,000	New York State Housing Finance Agency - Non profit Housing Project	298,560
145,000	Poplar Bluff Missouri Public Housing Authority	103,859
145,000	Poplar Bluff Missouri Public Housing Authority	103,466
155,000	Poplar Bluff Missouri Public Housing Authority	109,204
3,200,000	New York State Power Authority	3,104,000
900,000	New York State Housing Finance Agency - Hospital and Nursing Home	747,540
900,000	New York State Housing Finance Agency - Hospital and Nursing Home	637,020
1,000,000	Port of New York Authority	910,000
1,750,000	Puerto Rico Water Resources Authority	1,634,325

TRUST #1 (cont'd)

<u>SHARES</u> <u>OR FACE AMOUNT</u>		<u>VALUE</u>
CORPORATE BONDS		
400,000	Farrington Manufacturing	\$ 20,000
400,000	Photon, Inc.	80,000
PREFERRED STOCK		
22,500	Allis Chalmers Corporation	900,000
COMMON STOCKS		
3,100	E.I. Dupont de Nemours & Company	358,050
57,716	General Electric Company	2,185,994
7,500	Realty Growth Investors Beneficial	450,000
308,200	Exxon Corporation	20,726,450
206,350	Standard Oil of California	5,055,575
84,300	Merck & Company	5,353,050
120,000	Eastman Kodak Company	9,615,000
56,092	Caterpillar Tractor Company	2,706,439
78,522	International Business Machines	15,076,224
21,600	Minnesota Mining & Manufacturing	1,296,000
409,900	International Basic Economy Corporation	922,275
325,000	Rockefeller Center, Inc.	25,499,500
SHORT TERM INVESTMENTS		
550,000	USA Treasury Bills	543,070
500,000	USA Treasury Bills	476,290
600,000	USA Treasury Bills	593,280
955,000	USA Treasury Bills	934,739
PRINCIPAL CASH		<u>152,286</u>
SUBTOTAL TRUST #1		<u>\$106,272,184</u>

TRUST #2

<u>SHARES</u> <u>OR FACE AMOUNT</u>		<u>VALUE</u>
STATE AND MUNICIPAL BONDS		
300,000	Metropolitan Water District Southern California	\$ 274,500
100,000	Sacramento Municipal Utility District California	84,500
500,000	Florida Turnpike Department of Transportation	490,000
350,000	New York State Power Authority	339,500
100,000	New York State Housing Finance Agency - Hospital & Nursing Home	83,060
100,000	New York State Housing Finance Agency - Hospital & Nursing Home	70,780
250,000	Puerto Rico Water Resources Authority	233,475

TRUST #2 (cont'd)

<u>SHARES</u> <u>OR FACE AMOUNT</u>		<u>VALUE</u>
CORPORATE BONDS		
150,000	Farrington Manufacturing	\$ 7,500
150,000	Photon Inc.	30,000
PREFERRED STOCKS		
2,500	Allis Chalmers Corporation	100,000
COMMON STOCKS		
7,118	Monsanto Company	383,482
600	International Telephone & Telegraph	10,800
3,200	Motorola Inc.	158,400
65,000	Exxon Corporation	4,371,250
140,832	Standard Oil of California	3,450,384
500	Upjohn Company	31,500
1,500	S. S. Kresge Company	40,125
PRINCIPAL CASH		<u>72,318</u>
SUBTOTAL TRUST #2		\$ <u>10,231,574</u>
TOTAL VALUE OF BOTH TRUSTS		<u><u>\$116,503,758</u></u>

F. The two areas with which the Rockefeller family has historically been associated are the Standard Oil Companies founded by my grandfather and the Chase Manhattan Bank.

With the passing of years and the diversification of family investments, these holdings have been reduced to nominal percentages.

My total holdings outright and in trusts of which I am a life beneficiary in Standard Oil Companies do not amount to more than .2 percent of the shares of any one company.

These holdings are as follows:

Standard Oil Co. of California	353,154 shares or .2 percent of outstanding shares
Exxon	387,538 shares or .18 percent of outstanding shares
Marathon Oil Co.	7,360 shares or .02 percent
Standard Oil Co. of Indiana	5,600 shares of .01 percent
Mobil Oil Co.	5,070 shares or less than .01 percent

The total holdings of all the living descendants of my father, both outright and in trusts, do not amount to more than 2.06 percent of the stock of any of these oil companies.

These holdings are as follows:

Standard Oil Co. of California	3,506,954 shares or 2.06 percent of outstanding shares
Exxon	2,355,613 shares or 1.07 percent of outstanding shares
Mobil Oil Co.	1,778,719 shares or 1.75 percent of outstanding shares
Marathon Oil Co.	205,224 shares or .68 percent of outstanding shares
Standard Oil Co. of Indiana	154,652 shares or .23 percent of outstanding shares

None of the descendants of my father serves on the boards of any of the oil companies and we have no control of any kind over the management or policies of any of them.

I do not own any shares in the Chase Manhattan Bank. One of the trusts in which I have a life interest owns shares of Rockefeller Center, Inc., which in turn owns shares of the Bank.

The total holdings of all the living descendants of my father, both outright and in trusts, in the Chase Manhattan Bank represent 2.54 percent of its outstanding stock, or 623,902 shares.

G. I have caused a blind trust to be prepared to be administered by Morgan Guaranty Trust Company. Should I become confirmed and should Congress request, I will place immediately all my securities which I own outright into this blind trust for the duration.

The only remaining assets which I would then have under my control would be real estate in this country and art. I would also be prepared to advise the trustee of the two trusts of which I am a life beneficiary but over whose investments I have no control to treat me, during the duration of my service as a Federal official, as if those trusts were also blind trusts.

IV. MY OWN BACKGROUND

As requested, I would like to review my life.

A. CHILDHOOD

As I pointed out, we were raised strictly as was my father and his father before him. The surroundings were obviously different, but the principles and discipline were the same. We had small allowances to cover the bare necessities, and had to work if we wanted additional money.

We had family prayers every morning before breakfast and on Sunday attended Sunday school and church.

B. EDUCATION

1. School

Through the twelfth grade, I went to Lincoln School of Teachers College at Columbia University, on 123rd Street and Morningside Park in Harlem.

It was an experimental progressive school, coeducational, and with an integrated student body.

During the summers we traveled as a family throughout the United States in the early days, to see America first, and then later, after World War I, to various European countries. We all learned to speak at least one foreign language.

2. College

From high school, I went on to four years at Dartmouth College, was active in undergraduate politics, sports, majored in Economics and graduated Phi Beta Kappa. I taught Sunday school at a church in Hanover, New Hampshire.

C. THE THIRTIES

After graduation in 1930 and a wedding trip around the world we returned to New York in 1931 and I went to work at the Chase National Bank, first in the Utility Department and then in the Foreign Department. My interest was in learning about banking and international business and finance. While in the Foreign Department, I spent several months in 1933 in the London and Paris branches of the Bank.

By this time my father had started on the construction of Rockefeller Center, and in 1934 I went to work for him. This involved work with the architects and engineers, the lawyers and accountants, the contractors and the Building Trade unions. My father had insisted that the job be done strictly with union labor, and this is how my longtime friendship with George Meany started.

The problem of finding tenants for the completed buildings in the depths of the depression was very great. So I studied for and received a Real Estate Broker's License and then set up a small company to work on the problem of getting tenants for Rockefeller Center.

By 1936, I had become deeply involved in the management of the whole undertaking on my father's behalf. It was a very difficult time to get tenants, and it took great effort to bring the Center to a point where there was a prospect that it could be put in the black within a period of six to eight years. We worked hard at it, and I was elected Executive Vice President in 1937, and in 1938 I was elected President of the Center.

In 1935, because of my interest in international affairs and my desire to learn about United States business overseas, I went on the board of the Creole Petroleum Company, a small subsidiary of Standard Oil of New Jersey that was just exploring for oil in Venezuela. It subsequently became a major Venezuelan oil producing company.

It was in connection with the work of Creole that I gained invaluable insight into the opportunities for American companies abroad if conducted with a sense of social responsibility and sensitivity to the concerns of the governments and people of other countries.

The lack of contact and communications between Americans and Venezuelans -- because of language and cultural differences had to be overcome. There was great need for the people of the country to be involved in the operations and affairs of the company at all levels. It seemed to me that it was very important for the long-term that the Venezuelans and their government should feel that the presence of the company in their country was to their long-term best interest, and contributing to their general well-being.

1. Rockefeller Brothers Fund

By the end of the 1930s, my four brothers and I had all left college and become involved in various philanthropic, business, and civic activities. In addition to those philanthropic activities in which we had direct personal interest and involvement, there was a broad range of philanthropic activities for which each of us felt responsibility as members of the community. How to coordinate and respond intelligently and effectively to the multiple appeals which each of us received became an increasing challenge which we decided could best be met through a single organization in line with the precepts which had motivated and guided our grandfather in the establishment of the Rockefeller Foundation, Rockefeller University (formerly Rockefeller Institute) and the General Education Board.

To accomplish this, we set up the Rockefeller Brothers Fund as an instrumentality to consolidate and administer more effectively our giving to agencies of common interest to all of us and to which each would otherwise make gifts individually. It had no endowment in the beginning, but each of us contributed on an annual basis. As time went by, the Fund received substantial capital grants from my father. Between 1951 and 1953, he gave almost \$59,000,000 to enable the Fund to undertake larger and more creative tasks. On his death in 1960, he left the Fund almost half of his estate, which eventually added another \$89,000,000 for the Fund's programs and enabled it to engage in some pioneering activities in unchartered areas. In 1971, my stepmother left the Fund almost \$19,000,000 in her will.

From its inception, my brothers and I, joined later by our sister, have served as members of the board of trustees; and John and I, and now Laurance as chairman, have shared the leadership of the Fund. Dana S. Creel, who served as secretary in its early years, now serves as president.

2. Art

During this period of the 1930's, my outside activities had been primarily in the field of the arts -- following in the footsteps of my mother and my grandfather Aldrich.

In 1929, my mother, a collector of contemporary works, and a small group of friends had founded the Museum of Modern Art in New York.

A group of us who that year were seniors in college were appointed as members of a junior advisory committee of the Museum of Modern Art and I became the committee's chairman. Early in the 1930's I took on the responsibility of treasurer of the Museum of Modern Art.

In this period, I also became a member of the Board of Trustees of the Metropolitan Museum of Art and head of its committee on Far Eastern Art, a field in which I was collecting at the time. I also was interested in primitive art and it concerned me that the greatest art museum in the United States had no representation of the cultures of these great earlier civilizations in their galleries.

I went ahead on my own to collect pre-Columbian, African, Oceanic and Eskimo art over a period of the next 30 years. I ultimately founded the Museum of Primitive Art to house it.

In 1939, after we had raised the money to erect a permanent home for the Museum of Modern Art, I was elected its President. In connection with the planning for the opening ceremonies, I met with President Franklin D. Roosevelt in Washington early in 1939, while I was on my way to Venezuela.

I wanted to suggest to President Roosevelt that he speak on a national radio hookup on the importance of the arts in our lives. He was delighted with the idea and agreed to do so.

On leaving, I told the President I was headed for Venezuela. He said that Venezuela's President Lopez Contreras was an old friend of his, and asked me to convey his best wishes. Little did I realize that this meeting would result in my working for President Roosevelt less than a year later.

D. THE FORTIES

1. Washington

a. Coordinator of Inter-American Affairs

In the Spring of 1937, a small group of businessmen took a long trip to the principal countries of South America, studying the economic, social and political conditions.

We were very concerned by the degree of misunderstanding and mistrust that existed regarding the United States. We were concerned by the effectiveness of the Nazis' and Fascists' penetration of economic and military establishments in Latin America -- and by the effectiveness of their propaganda with the people and their governments.

We kept in touch during the ensuing years. In 1939, as the war clouds gathered in Europe, and upon my return from a trip to Venezuela, we had become so worried about the situation in the Hemisphere that we sent a memorandum to President Roosevelt. The President read the memorandum at a Cabinet meeting and asked his assistant, James Forrestal, to follow up on it by organizing a program to reverse the trend.

Jim Forrestal asked me to come to Washington to talk with him about President Roosevelt's reaction to our memorandum. Shortly afterward, Jim was appointed Under-Secretary of the Navy and the President asked me to come to Washington and take on the assignment he had given to Jim.

It was in July of 1940. At the time, I asked the President whether he was not concerned because of my connection with Standard Oil.

"That's my decision to make -- not yours," the President said.

President Roosevelt then told me he would issue an executive order creating what was ultimately designated as the Office of Coordinator of Inter-American Affairs, reporting directly to the President.

The Office of Coordinator developed five major areas of activity -- working in close cooperation with the State Department.

(1) Information Program

The first was an information program, designed to bring about better understanding, awareness of our common heritage and interests and to foster mutual respect and friendship among the peoples of the Western Hemisphere. Under the leadership of Carl Bickle, formerly head of United Press, we organized this first official U.S. government information office since the days of George Creel in World War I.

Through this program, we emphasized the strategic, economic and military interdependence of the Western Hemisphere countries.

(2) Cultural Program

We organized a cultural program under the leadership of Wallace K. Harrison, a distinguished American architect, because there was a prevalent feeling in Latin America that the United States was solely a materialistic country whose people were interested only in money. They knew very little of the tremendously vital creative work in art and architecture, or the dance and music, that was going on in the United States.

Under this program, we contracted with private museums in the United States to organize and send on tour travelling exhibitions of contemporary U.S. art, various performing arts groups, and individuals. We also underwrote a tour by Walt Disney and his creative talent to make a serious film on various countries in Latin America. The government not only got its money back but the film was a smash hit throughout the Hemisphere.

We set up a program under the leadership of three major United States foundations to select and bring to this country the outstanding young talent of Latin America -- in various fields of social, economic, labor and cultural activities throughout the Hemisphere. More than 800 of them came during this period to study and live with American families.

(3) Economic Program

The fall of France and the gradual cutting-off of the sea lanes from Europe to Latin America, due to Nazi submarines, and the resulting loss of their principal source of important exports and foreign exchange was having a progressively disastrous effect on the economic and social life of the other American republics.

We followed these developments very closely through the intelligence center we had established in Washington.

On the basis of this information and our projection of trends, by working closely with the Defense Mobilization Board (of which I became a member) and the War Production Board, we were able to obtain the necessary allocations of essential supplies to keep their economies going.

But the Latin countries were running out of foreign exchange to pay for these imports because of the loss of their markets in Europe. Therefore we worked with the Export-Import Bank and the Congressional leadership to develop special legislation permitting U.S. loans to Latin countries against stockpiles of raw materials in their own countries.

(4) Voluntary Blacklist

We were becoming increasingly concerned that if ultimately war spread to the Western Hemisphere and there was a Nazi invasion of the Latin American countries, the degree of Nazi infiltration in both the military and economic life of the countries would be such that they could paralyze effective action.

Therefore in 1941 we proposed to President Roosevelt Harry Hopkins, his close adviser, that we organize a voluntary blacklist of Nazi firms in Latin America. The idea was that we make an immediate, intensive survey, country by country, of the various business and financial institutions vital to the economy of the country, to determine the degree of Nazi control in each company.

This we did in cooperation with the FBI, the State Department and the Commerce Department, with the approval of the President. With the information at hand from this survey, we then wrote personally to the heads of 17,000 corporations doing business in Latin America and requested that they cooperate with us on a voluntary basis in terminating their ties and relationships with infiltrated companies and establish new contracts.

After the detailed information had been given to them confidentially, the American companies cooperated fully. By

the time of Pearl Harbor, when war was declared and the blacklist was officially established, the transitions had been completed with the result that no major disruptions occurred in the economic life of the other American republics.

(5) Social Programs

To counter-balance the \$150 million lend-lease military aid program to Latin America, the President authorized us to undertake cooperative programs to strengthen the basic economic and social life where there were desperate conditions in key areas of the other American republics. The concept was adopted at the Inter-American Conference at Havana in 1942, which permitted us to create the Institute of Inter-American Affairs. The purpose of the Institute was to enter into cooperative agreements with various American republics to undertake programs for agricultural production, public health and eradication of malaria and intestinal parasites. An intensive training program to develop the necessary personnel from the various countries also was established.

The Institute of Inter-American Affairs made five-year contracts with the public health, agriculture, and education departments of the respective countries -- so-called servicio agreements within the ministries, administered by a U.S. official, but working under the secretary of the department. These were financed on a sliding scale -- the first year 80% U.S. and 20% local, down to the last year when the cost of the program was carried 80% by local contribution and 20% by the U.S.

In this way, the local government was ready to take over the program, both in terms of budget allocations and in terms of internal manpower, as the American personnel were steadily withdrawn during the period.

We ultimately had servicio agreements with twenty countries. This work created a tremendously favorable reaction, both with the governments and the press -- as well as with the people who benefitted.

(6) Inter-American Development Commission

In order to develop closer ties between the business and financial communities of the various Latin American countries and the United States, we activated the Inter-American Development Commission. This had been created by an earlier Inter-American Conference, calling for national commissions of five members in each one of the countries, and a parent, overall hemisphere commission of which I was elected Chairman.

We were able to get the participation of outstanding people in each country and the Commission acted as a vehicle for contact and cooperation between private groups.

(7) Mexican-American Development Commission

In 1942, President Roosevelt and President Manuel Avila Camacho of Mexico agreed to establish a Mexican-American Development Commission to assist Mexico in its economic progress. President Roosevelt asked me to be co-chairman for the United States.

Mexico was in the early stages of industrialization. It was obvious that, to achieve the potential of her economy for the benefit of her people, it was advisable to accelerate the industrialization of the country in order to achieve a rising standard of living for the people of Mexico.

Working with my counterpart in Mexico, and by the end of the war, we had 23 major projects, including steel, irrigation and power projects, for which firm contracts had been let with American manufacturers and which went into effect immediately when the peace was signed.

The result was that Mexico was able to use all of its built-up dollar exchange, which it had not been able to spend during the war, for basic industrial projects. This resulted in tremendous impetus to the development of the country.

b. Assistant Secretary of State for American Republic Affairs

(1) Chapultepec Conference

In 1944, Secretary of State Cordell Hull retired and Under-Secretary Stettinius was named to succeed him. President Roosevelt appointed me Assistant Secretary of State for American Republic Affairs.

One of the first things we did was to consult with the governments of the other countries about holding a conference on war and peace the following year. The purpose was that, by mapping out common policies for further consolidating the Hemisphere in the war effort and making plans for the transition to peace, we could at the same time strengthen the political ties, which were in bad shape because of the relations with Argentina.

The conference was held at Chapultepec in Mexico City in March of 1945, without representation from the Argentine government because of Argentina's close cooperation with our common enemies.

The following results were achieved at this conference:

-- Western Hemisphere political unity was achieved.

-- A resolution calling for a mutual security policy was adopted, based on the concept of a united defense -- that an attack against one would be an attack against all.

(2) United Nations Conference

Within two months after Chapultepec, the United Nations Conference convened in San Francisco. Because the Western Hemisphere nations were expected to play a key role at this conference, in the light of the unity they had displayed at Chapultepec and the fact that numerically they represented almost half of the votes, I was asked to attend the meeting as the liaison officer with the Western Hemisphere ministers.

In that capacity, I sat in on all of the meetings of the United States delegation during the three months at San Francisco and was privileged to help develop Article 51 of the U.N. charter, granting the right of collective self-defense.

If it had not been for Article 51, we could not have organized NATO, SEATO, or the Rio Pact -- pacts that have been the basis for the defense of the free world.

(a) Departure from Washington

At the conclusion of the conference, I flew back to Washington with Secretary Stettinius. Upon arrival, he was notified that his resignation, which had been submitted at the time of President Roosevelt's death, had been accepted by President Truman. My resignation, similarly submitted, was accepted a few months later. My friendship, respect and admiration for President Truman, however, continued until he died.

2. New York

On arriving back in New York as a private citizen in 1945, I resumed my role as President of Rockefeller Center and the Museum of Modern Art.

(a) Rockefeller Center

The new plan for Rockefeller Center introduced in 1936 and 1937 had worked out as we hoped. After more than a dozen years of heavy losses, it was now beginning to operate in the black.

By more profitable use of many areas throughout the Center, we were able to increase our income and start paying back the huge debt which Rockefeller Center had incurred to my father during the long period of heavy losses.

Rockefeller Center had done three important things for New York City:

First, it confirmed my father's faith in the future of this great metropolitan area;

Second, it established the midtown area, as distinct from the Wall Street area, as a major business center, in which a very large number of the nation's national and international corporations have their headquarters;

And third, it pioneered a totally new concept of open space in urban planning which has influenced the course of urban development throughout the world.

Late in 1948, my father sold to my four brothers and myself the stock of the Center. Ultimately he gave the outstanding notes of the Center, which he then held in the amount of \$65 million, to the Rockefeller Brothers Fund for charitable purposes.

(b) The Museum of Modern Art

The program, operations and budget of the Museum of Modern Art had grown rapidly during the war years and there were

serious organizational problems. The attendance and membership were phenomenal, running in the neighborhood of 572,000 visitors a year and more than 10,000 members.

The time had come where the Museum needed a strong full-time executive to lead the brilliant curatorial staff which had so successfully broadened the reputation of the Museum. This reorganization effort was one to which I gave, with my Museum colleagues, very close attention. As a result, in the next two years, Rene d'Harnoncourt emerged as Director.

(c) The United Nations Headquarters

The United Nations organization had established temporary headquarters at Lake Success on Long Island. One of the principal questions before the United Nations was the selection of a permanent headquarters.

In view of the experience of the League of Nations, I felt very strongly that if the people of the United States were to maintain an on-going interest and involvement in the United Nations as an instrument for world peace and progress, it should be located in the communications center of the United States and of the world -- namely, New York City.

It seemed to me that the activities of the organization would in this way become an integral part of our lives as a nation -- that there would be less likelihood that we would withdraw from participation, as had been the case with the League of Nations.

At first, the United Nations felt it wanted to find a large tract of land for a site outside of a large city, and my family agreed to give the necessary property in Westchester County, New York.

However, as time passed, the United Nations came to the conclusion that it would be more efficient and less confining to be located within a city. Many cities, including San Francisco and Philadelphia, were actively interested.

By the end of the year, a final decision was imminent. Offers had been made by other cities, and the chance of the UN's staying in New York dwindled rapidly.

My good friend, Wallace K. Harrison, discovered that William Zeckendorf has assembled a large piece of vacant land on the East River, which he felt would be ideally suited for the United Nations. So, I talked to my father about this site, explaining that this probably was the only opportunity of keeping the United Nations in New York and that the decision was to be made on its location the following day.

Father authorized me to take an option on the property with the idea that he would give it to the United Nations. Wally Harrison negotiated with Bill Zeckendorf that night and settled on a price of \$8.5 million. Father was delighted. That same night, a letter of agreement from father to the United Nations was prepared, including the terms and conditions which required an Act of Congress. Father signed the letter in the morning and rushed it out to Senator Austin at Lake Success, where the offer was accepted.

The key role which my father played in bringing the United Nations to New York City was typical of his dedication to the well-being of our nation and the world -- and his willingness to use his inherited wealth for that purpose.

(d) Private International Activities

President Roosevelt had often talked with me about

his dreams for the New World (as he liked to refer to the Western Hemisphere nations) in the post-war years. He used to get out the map and talk about the development and trade potentials throughout the New World -- the tremendous opportunities that existed for economic and social progress for all our people. He genuinely felt that a united Western Hemisphere would be the great stabilizing force for the future.

In 1946, as an evidence of my own concern, I undertook a number of activities in this area.

My objective was best expressed in the Certificate of Incorporation of our first undertaking, the American International Association for Economic and Social Development, which stated:

"Based upon a faith in the inherent dignity and worth of the individual and in the capacity and desire for self-improvement of human beings of whatever nationality, race, creed, or color, and upon a conviction that the welfare of each nation and person in the modern world is closely related to the welfare and opportunities for advancement of all the people of the world, this Association is organized for the purpose of promoting self-development and better standards of living, together with understanding and cooperation, among peoples throughout the world."

(1) American International Association

We set up A.I.A. as a non-profit corporation to work with the governments of the other American countries in the development of services to people, particularly in the area of agricultural services.

The work of this association was patterned very much after the work of the Institute of Inter-American Affairs which we had established in the Office of the Coordinator of Inter-American Affairs during the war.

For example, we started a rural credit association with the government of the State of Sao Paulo in Brazil. A.I.A. managed it under their ministry of agriculture, and the financing was provided by local banks under a government guarantee. It was so successful that it spread to other states in Brazil and then was taken over by the Federal Government for the country as a whole, still under A.I.A. technical direction.

The money put in by A.I.A. generated several times as much local money in a wide variety of service fields. As the projects became established, A.I.A. gradually withdrew. The Association was terminated after almost 30 years of useful service.

(2) International Basic Economy Corporation

The next undertaking was the International Basic Economy Corporation, organized as a business venture to mobilize capital and set up corporations on a joint venture basis in the various other Republics of the Hemisphere.

The corporation operated with a social objective but with the profit incentives of private enterprise.

There were long discussions with my good friend, Romulo Betancourt, President of Venezuela in 1946, who at first argued that the projects should be undertaken on a not-for-profit basis, or on a basis of profits limited to 5%. I pointed out that such an undertaking would be an insignificant gesture when what was really needed was the attraction to Venezuela of large amounts of capital for investment, using modern management and technology. If the individual ventures resulted in the training and employment of Venezuelans and the production of goods and services at lower prices for the people and if these companies operated on a profitable basis, they would then rapidly attract others with capital and skilled management to carry forward the development of the country and achieve the goals he wanted.

President Betancourt fully understood and agreed to cooperate. Subsequently, through the Venezuelan Corporation de Fomento, the Venezuelans invested substantial funds in preferred stock of the undertaking.

We started out in Venezuela and Brazil and there was tremendous interest. While the experiences of the early years were most valuable, they were also most trying. We learned the hard way, through trial and error, and there was plenty of both. Probably fifty or more enterprises were formed during those first years, ranging from putting motors in fisherman's sloops to wholesale food distribution to supermarkets on the one hand, and on the other from hybrid seed corn production to pre-cast concrete workers' homes to open-end investment trusts.

Today, after almost thirty years of operations, IBEC operates in some 25 countries and has 10,000 employees, the vast majority of whom are nationals of the countries in which the company operates.

I have given to, or put in trust for the ultimate benefit of my children, all my IBEC stock. The company is now run by my son, Rodman, who is personally committed to the original basic objectives.

(3) Agricultural Development

At first we considered having IBEC actually get into the production of food. But it became clear that the risks were great and the returns dubious at best, and thus could not be justified to our stockholders.

Therefore I personally bought and operated properties in Venezuela, Brazil and Ecuador of which I subsequently sold all but the Venezuelan properties. I undertook extensive experimental work designed to adapt to tropical agriculture the modern U.S. methods and techniques, together with the various hybrids. This included work in the growing of coffee, corn, rice, sorghum and potatoes, and pasture control. While most of these properties have rarely shown a

profit, important contributions have been made to the agricultural development of the countries.

(4) Cultural Program -

During the war, the Museum of Modern Art had been working with the Coordinator's office in organizing the cultural exchange programs with the other American Republics. When I returned as the Museum's President, it was very natural that we should continue with the programs of cooperative contacts.

One of the projects we undertook was to interest groups in the key Latin countries in organizing Museums of Modern Art and thereby forming privately organized cultural links throughout the Hemisphere. I made initial gifts of some paintings and prints to each group and the Museum of Modern Art in New York gave copies of early films from their film library. The project created a great deal of enthusiasm, and today flourishing Museums of Modern Art exist in countries such as Mexico, Venezuela, Brazil and Argentina.

e. President's International Development Advisory Board

In his inaugural address in 1948, President Truman initiated his "Point Four" program for cooperation in international economic and social development.

When the President set up a committee to advise him on the program, he asked me to be Chairman. After a year and a half of study, we submitted a report entitled "Partners in Progress" for his guidance.

As we noted in a foreword to the report of the Board:

"One of the tragedies of the period in which we live is the loss of faith and hope...Two world wars have been won through the sacrifice of hundreds of thousands of lives and now it appears, for the second time, the peace might be lost...The free world community, just like any other community, must have the strength to preserve law and order--without which it cannot live in peace. However, law and order alone are not enough to meet the needs of a people. Their needs can only be met by expanding production, new businesses, more

jobs, new schools and hospitals and opportunity for all.

"Free men the world over must feel the surge of hope and faith that can only come from a united effort toward a common objective--and the common objective can only be the peace, freedom and well-being of all."

This report embodied the essence of the heritage of our country and the cumulative experience of previous years, adapted to the emerging post-war problems.

E. THE FIFTIES

1. Washington

With General Eisenhower's candidacy for the 1952 Republican Party nomination, I volunteered to help in the writing of economic policy speeches. As a result, I had various meetings with him at his home at Columbia University. Like almost everyone else, I had a tremendous admiration for him as a person and as a leader.

a. President's Advisory Committee on Government Organization

After General Eisenhower's election, it seemed to me that with the change of administration he was going to have a unique opportunity to take a fresh look at the structure of the Federal government and judge what changes should be made to make it more responsive to the vastly changed world in which we lived. I suggested a three-member committee reporting directly to the President on specific reorganizations, rather than a general public commission which would come out with an overall public report.

The President agreed and asked me to be Chairman of a President's Advisory Committee on Government Organization, serving with his brother, Milton Eisenhower, and Dr. Arthur Flemming. I was very fortunate in obtaining an outstanding staff, and we went to work.

The President's Advisory Committee continued for seven years and the President sent 13 major reorganizations to the Congress, all of which were sustained.

b. Under-Secretary of HEW

Among the first reorganization plans we submitted to the

President was one to raise to the highest policy levels, namely to the Cabinet, the problems of health, education and welfare.

When the plan was approved by Congress, and Mrs. Hobby was appointed Secretary of HEW by the President, she asked me to become Under-Secretary.

This I was delighted to do because of my great respect and admiration for her and because of the tremendous importance of these areas of social concern. It had a special interest to me because these were areas in which my grandfather and father after him had been doing pioneering work through the Rockefeller Foundation, Rockefeller Institute and General Education Board for decades both at home and abroad. In addition, they were areas in which I had personally been active through the Westchester County Health Department, through the Institute of Inter-American Affairs and through the American International Association.

I spent the next two years assisting her in three major areas:

First, getting control of the policy making and operation of the Department;

Second, reviewing and constructing the basic legislation of all the agencies of the Department to make them more relevant to the needs of the times;

Third, assisting her in the development of programs, the preparation of the budget, and in the management of the operation of the Department.

It was a uniquely valuable and rewarding experience.

c. Special Assistant to the President for Foreign Affairs

President Eisenhower was very interested in the psychological aspects of our relations with other peoples and their reactions

to us as a country and a people. In 1954, the President asked me to join him as Special Assistant for Foreign Affairs to give particular attention to this aspect of our international relations. I had maintained my contact with him in connection with the work of the Reorganization Committee, of which I continued to be Chairman.

This new assignment brought me back into the field of international relations, in which I had always maintained a deep interest.

With the background of the Cabinet and National Security Council meetings which I sat in on, I was able to organize the necessary supplementary studies for his use. For example, we made use of extensive international public opinion polling to ascertain attitudes and trends of thinking on the part of the public and of the so-called "elite groups" in various key countries of the world. The material received was then digested and interpreted in regular reports for the President. Special reports on items or issues of special topical significance were developed for him.

Another example was the preparation for President Eisenhower's participation in the Summit Conference in Geneva. We arranged for a series of panel conferences to get reactions and ideas from the academic community regarding the conference, possible positions that might be taken by the various participants, and suggestions regarding alternate roles that might be played by President Eisenhower.

The meetings were held in confidence at the Quantico Marine base.

A number of points emerged on which there was general agreement:

First, that the world was looking to President Eisenhower and the United States for leadership in solving some of the major problems and East-West confrontations that existed.

Second, that probably the Soviet Union and possibly Great Britain and France would propose solutions which might be embarrassing to the United States.

Third, that in light of the above, President Eisenhower should by all means have a positive program or suggestion to make.

Fourth, after long discussions as to the possible areas in which the President could make convincing, realistic and useful proposals, the panel came up with a very ingenious suggestion.

The essence of the suggestion was that the President propose to the Soviets an exchange of military blueprints, to be followed by Open Skies aerial inspection of each other's territories as a means of reducing the risk of war and surprise attacks and as a start on the road to disarmament.

This proposal created a good deal of opposition within our own government, but President Eisenhower embraced it at Geneva.

Then each of the heads of State endorsed and supported the President's idea -- including Bulganin. But Khrushchev came over to walk out with the President. He said he thought it was a terrible idea, totally devoid of any merit, and that it should not even be considered. At that point, I was sure the President had really scored a bull's eye with world public opinion.

As the months went by following Sputnik, the evidence became clearer and clearer that the Soviet Union was moving rapidly and on a large scale in the missile field. It seemed to

me this required a far greater response than we seemed prepared to make and I finally but reluctantly decided to resign.

I hated to do so, because I had tremendous admiration for President Eisenhower and the great contributions he had made and was making for our country.

2. Government Affairs Foundation

My interest in the organization of government was not limited to the Federal Branch. Working at the county level, on the Westchester County Board of Health, I had seen a great deal of the relationship between local and state government.

Before going to Washington in the early 50's, with President Eisenhower, I had come to know Frank Moore, then Lieutenant Governor of New York and formerly Comptroller of the State for many years.

He was a strong advocate of local home rule and a keen student of government and sound governmental fiscal policy. When Lieutenant Governor Moore resigned, he and I set up the Government Affairs Foundation, which I financed and of which he became President and I the Chairman of the Board.

A major issue at that time was whether or not city government should be merged with the surrounding towns, villages and county governments into one big megalopolis. The foundation made very extensive studies and held conferences on this subject.

The work of the Foundation continued until 1968 at which time it was finally terminated.

3. Return to New York

a. "Prospect for America" Study

On leaving Washington, I had a very uneasy feeling about our national security. At the same time, I felt that we needed

to take a fresh look at the national and international economic situation and our social programs at home.

One of the members of the Quantico Panels who had impressed me very much was a young Harvard professor named Henry Kissinger who had played a very important role in developing the concept of the "Open Skies" proposal. I asked him if he would take a leave of absence to organize, as Study Director, a review of our domestic and international position as a nation.

The Rockefeller Brothers Fund had agreed to underwrite the cost, which ultimately came to about \$1 million.

After some persuading, Dr. Kissinger agreed to take a six-month leave of absence to get the work organized and started -- and as he himself describes the project, three years later he went back to Harvard.

We had an outstanding group on the study commission, and they were supplemented by people of special knowledge on the various panels. We started issuing individual panel reports after a year or so; the last one came out in 1959. The following list gives the subjects of these panels:

- (1) "The Mid-Century Challenge To U.S. Foreign Policy";
- (2) "International Security: The Military Aspect";
- (3) "Foreign Economic Policy For The Twentieth Century";
- (4) "The Challenge to America: Its Economic And Social Aspects";
- (5) "The Pursuit Of Excellence: Education And The Future Of America";
- (6) "The Power Of The Democratic Idea"

My brother Laurance succeeded me as chairman of this project in 1958 after I became involved in running for Governor.

b. Rockefeller Center and IBEC

When I returned to New York, I had reassumed the Presidency and Chairmanship of Rockefeller Center, the Chairmanship of IBEC and A.I.A., the Museum of Modern Art and the Rockefeller Brothers Fund. There was a great deal of work to be done in connection with each of these organizations, but they were all going concerns with established and experienced managements.

c. Museum of Primitive Art

While in Washington, I had already taken steps to get a charter for a new Museum of Indigenous Arts to house my collection of primitive art -- which by this time was rather extensive.

I had wanted to avoid the words "primitive art" because I thought it very misleading. The great pre-Columbian civilizations of the Western Hemisphere, for instance, were anything but primitive. However, popular usage was too strong to overcome. So when I got back to New York in 1956, the name was changed to the Museum of Primitive Art and it opened to the public at 15 West 54th Street.

My collection was on loan to the Museum. We had a series of changing exhibitions. There was great interest in artistic and

professional circles. By this time, we had put together an excellent curatorial staff. We continued to add to the collection, and built up a small but high quality library of books and photographs.

My son Michael was very interested in the arts and especially so in the Museum of Primitive Art. Tragically, in 1961 he lost his life in New Guinea, while collecting the work of Papuan artists in the Asmat Valley for the Museum.

His untimely death and the latent interest in primitive art by the Metropolitan Museum in the late 1960's resulted in my turning over the Museum of Primitive Art collection to the Metropolitan Museum in 1969, to be housed in a new wing which they are building for this purpose, to be known as the Michael C. Rockefeller Collection of Primitive Art.

The Metropolitan will keep the staff as well as the collection and continue the policy of changing exhibitions and the programs of acquisition of unique pieces as they become available.

d. Constitutional Convention Preparatory Commission

In 1956, due to a deadlock between the Democratic Governor and the Republican Legislature of New York over the chairmanship of the constitutionally required appointment of a Constitutional Convention Preparatory Commission, I was finally proposed by Governor Harriman, who had been a good friend of mine for years. The Republican legislative leaders accepted this proposal and then in turn so did I.

I was very fortunate in securing the services of Dean William J. Ronan of New York University's Graduate School of Public Administration as the Director of the Study and Mr. George L. Hinman

from Binghamton, New York, to be the Commission Counsel. I had not met either of these men before, but they were highly recommended -- and I found them to be two of the ablest people with whom I had ever had the privilege of association.

By the end of the Preparatory Commission work, we had produced 17 volumes of analysis of the State's constitution in relation to the economic, social and political needs of the people of New York State.

When a proposition was put on the ballot the following year as to whether the people wanted to have the convention held, as is required every 20 years, the voters rejected the proposition.

But we had produced a very scholarly work, and I had learned a great deal about the State and its constitution.

e. Decision to Run for Governor

As time went on I recognized a growing desire to be -- as my Latin American friends would say -- "an authentic representative of the people." This meant a person elected by the people -- one who therefore had the authority to make the decisions and to lead in meeting the emerging problems. Slowly I became more and more interested in running for Governor of New York in 1958.

Frank Jamieson was my principal political adviser at the time. Although he advised me not to run for office in 1958 because a Democratic tide was running strongly throughout the country, I thought I should make the try, and I announced for Governor on June 30, 1958.

I had always felt that politics was a means to an end and not an end in itself. The end or objective had to be good government.

Therefore, I persuaded Dr. Ronan to head the substantive side of the campaign, organizing a series of studies relating to the solution of New York State's problems in economic and social spheres. George Hinman also agreed to work with me as special Counsel and upstate political adviser for the campaign.

When I had gone to my Republican County Chairman in Westchester to feel him out about my becoming a candidate, he said that he'd already had a visit from a very brilliant and prominent Assemblyman from Westchester, named Malcolm Wilson, who was also interested in the nomination for Governor. The first thing I had better do was to talk with Mr. Wilson, he said.

Malcolm Wilson knew the Republican party and the party leaders and office holders from one end of the state to the other and the history of the party in every county back to my grandfather's time. He was liked and respected for his leadership in the Legislature and for his political astuteness.

When I emerged in the polls as a strong candidate, Malcolm agreed to work with me. We became close friends and he then agreed to manage my campaign.

We ended up driving around the state in his old Buick, with my son Steve at the wheel, throughout the early part of 1958 -- visiting with every county committee at lunch or dinner in each of the 62 counties. At that time, the State didn't have statewide primaries and the candidates were selected by the delegates at the party conventions in the late spring.

By the time we got to the convention, I had enough declared support to assure my nomination.

With the material that Bill Ronan's task forces had developed, I was able to run a campaign largely on substantive issues relating to improving the quality of life of the people of New York State.

I started from a position of about 35% of the vote in the polls. There was only one direction to go -- and slowly but steadily I made progress. Finally, in the last month, the momentum carried to a victory on Election Day.

F. THE SIXTIES

1. Albany

a. Record as Governor

My 15 years as Governor is a matter of public record. It was a highly rewarding opportunity for service to the people of New York State.

As Governor, I was concerned to strengthen the role of state government in meeting the people's needs and, importantly, to establish within the state sound basis for economic growth and development. If the state were to continue to grow and develop, it was clear that it needed better educational and higher educational facilities. It needed better transportation. It needed more park and recreational facilities. It needed to encourage the development of additional energy resources. It had to help meet the problems of urban living and urban redevelopment. It had to meet the challenge of a changing market for its farmers. It had to provide equal opportunity for all its peoples. It had to update its social services and improve its health, mental health and hospital care. It had to set a better framework for

labor-management relations and update workers' benefits. It had to take some of the burdens off local governments and help them to meet local problems on the local level. It had to finance itself realistically and take action to get results. I believed, as Governor, and I believe now that the states should be a vigorous force in our federal system. I did not, and I do not, believe that all ability and all wisdom resides at any level of government, but I do believe the states should take leadership in many of the areas in which they can act. Initiatives by the states have been important factors in our national history.

My basic political assumption was that the voters wanted good government -- responsive and responsible in meeting the people's needs. My basic thrust was to take those actions that were necessary to improve the climate of New York State as a place for business to invest and grow, to create constantly improving job opportunities, and to make it the best state in the country for people to live and work in.

We had our share of successes in the 15 years I served as Governor and I know there were some mistakes. In particular, there were five events that I shall always deeply regret.

The first occurred early in my administration when corruption was uncovered by the District Attorney's office in Manhattan involving the Chairman of the State Liquor Authority, a man whom I had appointed. I immediately removed the Chairman from office, and the case was presented to a grand jury by the District Attorney.

The second, which was an even greater shock, came when the Republican State Chairman, who had been in office many years, who was highly respected and very popular, and with whom I had worked closely in connection with the 1958 election campaign, was also found to be involved in the corruption.

The third related to my pledge during the campaign in 1962 not to raise taxes. At the time, the figures I had indicated new taxes would not be necessary. Yet, the very next year, the budget situation, the vital needs for state services, and increased state aid to local government clearly indicated the essentiality of additional tax revenue. I was torn between my public pledge not to raise taxes and my responsibility to serve the best interests of the people. I finally decided in favor of the latter but it was for me a difficult decision.

The fourth -- and most agonizing of all - related to the events at the Attica prison uprising that led to the loss of forty-three lives. These tragic developments will always remain in dispute but as one who had accepted the responsibility to govern and to uphold the Constitution and the laws of the state, I had to do what I sincerely felt was best at the time under all of the existing circumstances.

Fifth was the divisive situation that developed during my last year in office resulting from a complaint to the Attorney General's office about certain campaign activities that had been handled by the Speaker of the Assembly's office. The case was ultimately dismissed on constitutional grounds, but the rift that resulted was distressing to me after fifteen years of party unity and common effort.

And those were productive years. The following list records some of the highlights of the legislative and administrative accomplishments during the years of my Governorship:

SUMMARY OF MAJOR PROGRAMS
OF THE ROCKEFELLER ADMINISTRATION

The Arts

- created the nation's first State Council on the Arts;
- started the first program of direct state aid to cultural organizations faced with economic collapse, now aiding 850 symphony orchestras, museums, theatre and dance companies and other cultural resources;
- sponsored and provided state funds for an average of over 7,000 cultural events every year;
- provided state funds towards construction of the Saratoga Performing Arts Center and the New York State Theatre in Lincoln Center.

Consumer Protection

- created the State Consumer Protection Board and the permanent Consumer Frauds Bureau in the Attorney General's office, which has handled 270,000 consumer complaints;
- initiated no-fault auto insurance;
- required disclosure of actual installment buying interest charges through the "Truth in Lending" law;
- outlawed assignment of wages in installment sales.

Criminal Justice

- doubled the size of the State police;
- established the state-wide prosecutor of organized crime;
- established a special prosecutor to investigate and prosecute corruption in the police and criminal justice system of New York City;
- set the nation's toughest drug penalty, a mandatory life sentence for hard drug pushing;
- established the first special narcotics courts to speed the handling of drug crime cases;
- authorized 228 additional judgeships to reduce court congestion and speed the administration of justice;
- removed minor traffic and housing violations from the criminal courts, freeing more judges and courts for serious criminal cases.

Drug Abuse

- created the State Narcotics Addiction Control Commission -- later the State Drug Abuse Control Commission -- to help rehabilitate drug addicts and abusers;
- initiated mandatory treatment for drug addiction;
- financially supported research and carried out the nation's largest methadone maintenance program;
- mandated drug abuse education programs in all schools.

Economic Growth

- helped to attract over 9,300 new plants or major expansions to the state's economy;
- created the State Job Development Authority to provide low-cost loans for business expansion, which created 21,000 new jobs and retained nearly 7,000 existing jobs in the state;
- created the Job Incentive Board, which provided tax incentives for businesses to locate and expand in low-income areas, adding 6,200 new jobs and retaining 6,300 existing jobs in the state;
- provided a one percent state tax credit for business plant expansion;
- established New York State trade offices in major foreign cities and a Division of International Commerce which have stimulated nearly \$1 billion in additional export sales;
- completed or initiated 30 construction projects for industrial parks, commercial and community facilities through the state's Urban Development Corporation;
- created the State Council of Economic Advisers;
- created the State Science and Technology Foundation to encourage research;
- created the New York State Atomic and Space Development Authority.

Education

- built the largest public university system in the world, which grew from 41 campuses and 38,000 students, to 72 campuses and 232,000 full-time students;
- increased community colleges from 13 to 38;
- initiated scholar incentive awards now aiding over 227,000 students, and increased all forms of state financial assistance to public and private college students by over 1,000 percent;

(Education cont'd)

- initiated and supported programs enabling nearly 23,000 students from disadvantaged backgrounds to attend both public and private colleges;
- began the nation's first program of aid to financially pressed private colleges;
- increased State aid to City University by nearly 20 times;
- established the Empire State University, a "college without walls" to provide college credit and courses to students not enrolled in conventional college programs;
- established 5 Einstein Chairs in the sciences and 5 Schweitzer Chairs in the humanities at various universities in the state;
- more than quadrupled state aid to primary and secondary schools, from \$594 million to \$2.5 billion, to improve education and help relieve pressure for further additional local school taxes;
- provided state text-book aid and certain other assistance to private primary and secondary schools;
- provided the first state financial support for educational television;
- required special education for mentally retarded children in public schools;
- established the Atmospheric Sciences Research Center;
- established the Marine Science Research Center.

Environmental Protection

- launched the Pure Waters Program, the first and largest state bond issue in the nation to end water pollution -- \$1 billion later augmented by the \$1.15 billion Environmental Bond Issue;
- preserved the northeast's last great wilderness through creation of the Adirondack Park Agency;
- created the Department of Environmental Conservation;
- initiated the first state aid for the operation of local sewage treatment facilities;
- created the Environmental Facilities Corporation to help local governments finance and construct waste treatment plants;
- protected tidal wetlands;
- established the Hudson River Valley Commission to help protect the environment and historic heritage of the Valley;

(Environmental Protection cont'd)

- established the nation's first system for zoning air by purity standards for agricultural, residential and industrial areas;
- established a state-wide air quality monitoring network;
- banned open burning and open dumps;
- required air pollution exhaust controls on motor vehicles five years before the Federal government;
- achieved reduction of air pollution in New York City and other urban areas;
- established the use of state boards on Electric Generation Siting and the Environment to insure the environmental compatibility of new power plants;
- added a "Conservation Bill of Rights" to the state Constitution.

Farm Families

- set up the agricultural districting program to insure the preservation of prime farm lands;
- provided farmers with a 5-year real property tax exemption on new farm buildings;
- provided a one percent tax credit on new investment in farm machinery, equipment and construction;
- constructed or reconstructed 14,000 miles of farm-to-market roads;
- increased state financial support of agricultural research by 140 percent;
- virtually eradicated brucellosis disease in cattle, the virus disease afflicting Long Island ducks, cholera in hogs and the once extensive potato disease, golden nematode.

Health

- financed the development of medical facilities serving 12,500 hospital and 24,400 nursing home patients;
- created the Bureau of Heart Disease, Birth Defects Institute, Kidney Disease Institute, and the Burns Care Institute;
- began mandatory PKU testing of new-born infants which enables early detection and prevention of a potentially retarding illness;
- more than tripled state financial support of the state's world respected cancer research center, Roswell Park Memorial Institute;
- instituted a functioning system of hospital costs controls;
- created two new state medical schools and provided financial aid to existing medical schools permitting enrollment expansion equivalent to two more medical schools.

Highway Safety

- passed the nation's first seat belt legislation and set requirements for padded dashes, visors, tire safety, and dual braking systems;
- required all motor vehicles to be safety inspected annually;
- set strict standards and penalties for drunken driving;
- required the first periodic retesting of drivers' vision;
- established mandatory Driver Improvement Clinics for persistent violators;
- required motorcyclists to wear crash helmets;
- developed the first state-financed model safety car.

Housing

- completed or started over 88,000 units of housing for limited income families and the aging through new and expanded programs in the State Division of Housing;
- created the Urban Development Corporation, which has thus far completed or started 30,000 homes;
- created the State Housing Finance Agency to generate private funds for construction of middle-income housing;
- authorized the Housing Finance Agency to make loans for rehabilitating run-down but basically sound housing;
- established the Home Owners Purchase Endorsement (HOPE) to reduce down payment requirements on co-operative projects in middle-income housing projects;
- established the nation's first program of state grants allowing low-income families to rent in middle-income housing;
- created the New York State Mortgage Agency to increase the availability of home mortgages.

Human Rights

- achieved virtual total prohibition of discrimination in housing, employment and places of public accommodation;
- outlawed job discrimination based on a person's sex or age;
- outlawed "block-busting" as a means of artificially depressing housing values;

Lottery

- initiated the state lottery, which provides additional funds for education.

Mental Health

- employed modern treatment techniques that reduced the number of hospitalized mentally ill patients from nearly 90,000 to 43,000 and the median stay from 240 to 41 days;
- improved staffing in state mental facilities from one employee for every five patients to one employee for every two patients;
- carried out the largest construction program in the state's history, completing five new state schools, one new state hospital, six new children's hospitals, 11 new rehabilitation centers; and starting six new state schools and four new state hospitals;
- reorganized state mental hospitals into smaller intensive treatment units;
- provided hostels allowing mildly retarded persons to remain in their home communities;
- adopted the unified services program allowing a local government to offer a wider range of state, local or non-profit treatment facilities to patients;
- increased state aid to local governments over 5½ times to enable treatment of more patients near home and family;
- recodified the Mental Hygiene Law for the first time in 46 years.

Off-Track Betting

- legalized off-track betting, which allows local government to share in revenues from wagering.

Older Persons

- created the State Office for the Aging;
- allowed property tax reduction for older home owners;
- developed special housing programs for the aging leading to the construction of nearly 12,000 units;
- authorized low-interest state loans for the construction of Community Senior Citizen Centers;
- instituted the first direct state matching aid to finance local older citizen programs.

Parks and Recreation

- built 45 and began 10 more new state parks;
- began the first state parks in New York City;
- acquired 380,000 acres of land for future park use;
- constructed Gore Mountain ski area;
- established the Office of Parks and Recreation.

Prison Reform

- instituted a large-scale construction program to rehabilitate and modernize prison facilities;
- created a new Department of Correctional Services combining the old Department of Correction and Division of Parole;
- started the work-release program to ease the inmate's readjustment to society;
- initiated prison furloughs for compassionate, medical and other reasons;
- provided 30 vocational courses and evening education for inmates;
- enabled inmates to prepare and receive High School Equivalency Diplomas and Regents Diplomas;
- initiated a special recruitment program which has increased the number of correction officers from minority groups;
- provided intensive treatment for physically handicapped inmates to improve employment potential upon release;
- developed a plastic surgery program to correct unsightly malformations or scars which can seriously hamper readjustment;
- authorized inmate-elected committees to present grievances in state correction facilities;
- expanded mail, telephone and visiting privileges of inmates.

Transportation

- won approval of the nation's largest state bond issue -- \$2.5 billion -- for the coordinated development of mass transportation, highway and air transportation;
- introduced the state's first program of support for mass transportation facilities, including \$1 billion from the 1967 bond issue;

(Transportation cont'd)

- created the Metropolitan Transportation Authority for the unified control, development and operation of mass transit in the New York City region;
- purchased and initiated total rehabilitation of the Long Island Rail Road;
- initiated rehabilitation and took over operation of all other commuter rail services in the New York metropolitan area;
- began the first new subway construction in 40 years;
- provided the first state program of financial assistance to bus companies, providing for over 650 new buses in 20 communities;
- created the State Department of Transportation;
- built or rebuilt over 22,000 miles of highway, including completion or major advancement of the Northway, the Route 17 -- Southern Tier Expressway, the Long Island Expressway and Interstate 81 from Canada to Pennsylvania;
- won two national awards for beautiful highway construction -- for the Northway and Route 17;
- initiated the first program of state aid for the modernization and expansion of airports.

Veterans Benefits

- established "One-Stop" centers to help veterans in disadvantaged communities find jobs;
- placed nearly 190,000 veterans in jobs;
- placed over 45,000 veterans in on-the-job training;
- established war service scholarships for Vietnam veterans;
- allowed World War II service in the computation of state retirement benefits.

Welfare

- reorganized the State Department of Social Services, making it directly accountable to the Governor;
- created the Office of Welfare Inspector General to root out welfare frauds;
- achieved the first major decline in welfare rolls since World War II;
- required employable recipients to take available jobs or job training, or else lose welfare benefits.

Women

- appointed women to head the largest number of state agencies in New York's history, including: the Department of Civil Service, Department of State, Division of Housing; Office of the Aging, State University Board of Trustees, Consumer Protection Board;
- prohibited discrimination against women in education, employment, housing, places of public accommodation and credit applications;
- admitted women for the first time into the State police;
- initiated an Affirmative Action Program to increase job opportunities and to remove obstacles to training and promotion for women in state government;
- backed state ratification of the Equal Rights Amendment to the Federal Constitution,

Youth

- established the Youth Employment Program, which to date has placed 75,000 in full-time jobs;
- began the Summer Youth Opportunity campaign which encouraged employers to hire young summer employees;
- began the School to Employment Program (STEP) to train school dropouts;
- created the Hometown Beautification Program to provide useful summer work to communities;
- established short-term Adolescent Training Centers.

During my fifteen years as Governor, I always worked very closely with the leaders of the Legislature, recognizing their co-equal responsibility with the Governor to the people of the State.

I also believed strongly in the concept that government closest to the people is the best government, because people can be more involved and therefore government can be more responsive. To support and encourage this approach, my administration constantly increased state aid to local government through grants of all types, and finally by introducing a program of direct revenue sharing which was the forerunner of the Federal program. New York State aid to local government came to represent 62¢ of every \$1.00 the state collected in taxes.

b. National Politics

(1) 1960 -

It has long been a tradition that whoever is elected Governor of New York is immediately talked about as a possible Presidential candidate. My case was no exception.

I tested the waters in 1959, but under the then circumstances, I saw no way in which I could effectively mount the necessary campaign and handle my responsibilities as Governor.

(2) 1964 -

The situation was different as we approached the next Presidential election period in 1964. I had things in much better shape in the State. By this time, I was also far better prepared both in terms of the national issues and in terms of the national Republican political structure.

So I decided to enter the race. There was, however, one basic difficulty which I never overcame. That was the then-existing polarization of the party between the progressive and the conservative factions. As a result I terminated my campaign for the nomination in June of 1964.

(3) 1968 -

In 1968, the Republican party was less polarized between right and left, but I was still sensitive to the way in which my candidacy had contributed to a division in the party during the primaries in 1964.

Richard Nixon was again going to be a candidate. There might not have been very substantial differences between our positions on the issues. Therefore I was concerned, because there was only one way I could effectively campaign against him -- and that was to attack him personally. Such a negative approach has never appealed to me and it would have risked, once again, splitting the party, with the prospects of another defeat for the Republican party at the elections in November.

I therefore supported the candidacy of Governor George Romney of Michigan. When he withdrew from the contest at the time of the New Hampshire primaries in 1968, I was not organized for a

campaign effort in the state primaries. I did eventually enter the race nationally -- but Richard Nixon had done his political homework within the party far better than I.

(4) 1972 -

There was no question of anyone in the Republican Party challenging President Nixon's renomination for the Presidency in 1972. He and Secretary Kissinger had done an outstanding job in the international field. During 1971, he had moved strongly to support Federal revenue-sharing for state and local government to stimulate the economy at home.

In New York, we insisted on running President Nixon's re-election campaign in the State, rather than let it be done from Washington.

We felt we could do a better job for him, and, as it turned out, President Nixon got the largest plurality in New York of any state in the Union.

c. Presidential Mission to Latin America

Early in 1969, President Nixon asked me to make a study and report to him on our relations with the other American republics.

Because of my long time interest in and respect for the peoples of the other American republics, and my deep belief in the importance of Western Hemisphere unity to the peace and well being of the world, I stated that I would be glad to undertake the mission for him.

I put together a small staff and then secured the cooperation of a group of some 30 distinguished U. S. citizens, each a leader in his or her field, to serve as advisers to the mission.

Each agreed to accompany me on a series of visits to the nations making up the membership of the Organization of American States. The plan was that each of them would meet with a group from the country visited of leaders in their respective fields to discuss matters of mutual interest. Meanwhile, I focused on meetings with heads of state and political leaders. The plan worked out very well, as we covered all aspects of U. S. contacts and relations with the other countries. As a result, after visiting 20 countries on four trips during May, June and July of 1969, contacting some 3,000 leaders of those countries, we had a very good idea of where things stood and what might be done to strengthen relations.

Following the staff work, a small group of us sat down together for two consecutive weeks and wrote the final report to the President, entitled "The Quality of Life in the Western Hemisphere," and then I submitted it personally to the President.

G. THE SEVENTIES

1. The Last Years in Albany

In the context of the State's role within the Federal system of shared responsibility between Federal, State and local governments, I think it is important to make a few observations as to the trends which I had observed.

a. Government

During the 1960's, executive and legislative branches of all three levels of government went through a period in which it sometimes seemed as though each level of government was vying with the other as to who could promise the public more in the way of programs and regulatory actions to satisfy every conceivable human need and aspiration.

The result was a period of very rapidly rising expectations on the part of the public, and rapidly rising financial commitments on the part of all levels of government. As these commitments increasingly exceeded existing revenues, first at the local level and then at the State level, it resulted in a wide variety of new and increased taxes and strongly growing demands on the Federal government.

The Federal government enjoyed a more rapid rate of income growth, due to the fact that the bulk of its revenue came from corporate and personal income taxes and we were in a period of accelerating economic growth.

One response of Congress was to proliferate the categorical grant program, which specified that in order to get the Federal aid, State and local governments had to "enrich and improve" their existing programs and match the Federal funds, on a specific ratio.

Once they had accepted the Federal funds, State and local governments had to adhere strictly to both legislative and administrative rules and regulations concerning the conduct of these programs.

By the end of the 1960's, there were over one thousand different types of categorical grants authorized by the Congress. From my perspective as a Governor, the net result of this well-intentioned effort was three-fold:

First, to force State and local governments to increase their expenditures in order to get the Federal money, many times in areas where the increases were not needed or could better be spent in other areas.

Second, the network of restrictions imposed by these innumerable grants slowly eroded the ability of State and local governments to shape their own priorities and programs in response to the individual needs of the people of the fifty states and the innumerable units of city, county, town, village and other units of government throughout the United States.

Third, and perhaps most serious of all, we now found ourselves in the situation where all three levels of government were involved in each one of the social programs, both in terms of regulation and financing.

The net result has been that no one level of government involved in the management of these programs can be held accountable to a constituency which has elected it. Control of each program is shared by the bureaucracies of all three levels of government. No level of government alone has the financial capability or administrative authority to be responsible for its operation.

I became increasingly concerned with this situation in terms of my responsibility to the people of New York State.

In 1969, I made a presentation at the White House on "The Fiscal Crisis in the Federal System." In that presentation, to the Executive Branch officials concerned with domestic affairs, I recommended:

1. Consolidation of categorical grants into block grants;
2. Federal standards and financing of welfare;
3. National contributory health insurance;
4. Substantial increases for elementary and secondary education through a block grant to states; and/or,
5. General per capita aid to state and local governments.

I also discussed the situation very frankly in my messages to the Legislature.

In my 1971 message, I stated, "We have reached a crucial point. We as a single State can no longer realize our future hopes alone. We must recognize that we are all part of a Federal system involving 50 States and a national government, all having reached a point of complete interdependence, and that we can only move ahead together."

In 1972, I devoted almost my entire Legislative Message to this subject, including an historical analysis of the "evolution of the crisis in the Federal system" and the resulting "decline of public confidence in government."

"Two things are essential to restore public confidence in government and to make our Federal system work in today's world," I said.

"First, we elected officials must promise no more than we can deliver. Secondly, our governmental structure, Federal, state and local, must be radically overhauled.

"We need a blueprint for restructuring the whole Federal system -- a plan for eliminating the overlapping and duplication among the three levels of government and a plan to restore efficiency and economy to the delivery of services."

I closed my comments on this situation by saying, "We can and must meet the fundamental domestic challenge before this country today -- making our Federal system work to serve the needs of people.

"As Governor, I will be devoting myself over the coming months and years to the fulfillment of this goal."

As a start, I announced in my message to the Legislature in 1973 "a major inquiry into the role of the modern State in our changing Federal system."

"The inquiry will seek to:

(1) Review our national goals and the philosophy behind them and reappraise the concepts and programs we have developed to carry them out.

(2) Take a new look at the respective roles, functions, and responsibilities of the private sector and of government in achieving our society's objectives.

(3) Study the relations between nations and the extent to which functions can be shared or carried out by international institutions, public and private, to help accomplish society's objectives.

(4) In the light of the above findings, the respective roles, functions and responsibilities of the various levels of government will be re-examined to see how they should be changed and whether they might more effectively be discharged by another level -- whether federal, state, regional or local.

"The more one looks into these subjects, the more one realizes that no state alone -- not even a pioneering resourceful state -- can meet the needs of its people and determine its own destiny from within its own borders alone.

"National policies have an over-riding impact on the opportunities and well-being of the people. But it doesn't stop there.

"International developments -- policies and actions thousands of miles distant in other parts of the world -- can intimately affect the purchasing habits, the investment policies, the production patterns and the job opportunities of individual New Yorkers and at the same time the capacity of their various levels of government to render these services.

"Therefore, the study relating to the Role of the Modern State in our Changing Federal System has been broadened to cover not only the State's role but also national policies and international relations -- the sum total of which will really determine the quality of life for New Yorkers in Third Century America."

2. Commission on Critical Choices for Americans

In the fall of 1972, I had discussed with President Nixon my plans to initiate this major inquiry into the Role of the Modern State in our Changing Federal System. He was very interested and we had further discussions after his re-election.

In February of 1973, the President wrote me a letter in which he invited me to broaden the inquiry into a National bi-partisan and broadly representative Commission which would look to the future of America in its Third Century. This I proceeded to do. A National Commission on Critical Choices for Americans was organized with the following stated purposes:

1. A review and evaluation of fundamental philosophical and moral considerations as to the nature of human beings and their institutions and the impact of their natural and industrialized environment.

2. Analysis of the elements perceived by human beings as essential for improvement of the quality of life.

3. A projection of the significant economic, social, political and military trends in the major nations and regions of the world, both on a functional and geographic basis.

4. Examination of the interrelation and impact of these trends on our own political, economic and social life, on our nation's national security, on the ethical values basic to the founding of our country, on other peoples and nations, and on stability and world peace.

5. The development of alternative conceptual choices to successfully shape these emerging interrelated forces, to foster a clearer sense of national purpose, and thus to provide a foundation for a common purpose with other nations and people.

6. The identification, within this framework, of new concepts for the structure of our federal system, our international relations and the associated private and public institutions.

7. Finally, a realistic reappraisal and recommendations for reshaping specific policies and programs to be carried out by both private and public institutions. This must be done to better realize long-range human objectives involving moral and spiritual values, as well as individual security and economic and social well-being.

The objective of the Commission is to determine:

A. What are the critical choices facing the U.S. and the world?

B. What range of desirable and realistic objectives can the U.S. achieve by the year 1985 and, to the extent possible, by the year 2000?

1. What elements are essential to achieve these objectives?

2. What policy decisions and actions are required now?

We recognized that to be successful, such an inquiry must proceed in coordination with the private sector and the various branches and levels of government. The resulting studies and the choices as they develop must be clearly and widely communicated throughout the country if there is to be the necessary public support for effective action.

Because of the vitally important role of the Federal government, the Commission was fortunate in securing the participation on an ex-officio basis of the leaders of both houses of the Congress and key figures in the Executive Branch.

3. Resignation

As work on the Commission progressed during the summer of 1973, it became increasingly clear that I was going to face some difficult critical choices of my own.

I had to face the following facts:

1. Soon I would be involved in preparation for the 1974 legislative program and budget for the coming fiscal year. These would then have to be worked out during the first four to six months of 1974 at long and detailed sessions with the legislative leaders in Albany.

2. The day to day administrative responsibilities of a governorship of any state today are important and time-consuming, relating not only to the functions of the state and the relationship of federal and local governments but also the respective political entities.

3. 1974 was going to be an election year, and I would have to decide whether or not to run for a fifth term. If the decision was positive, there would be the tremendously time-consuming problems of crystallizing and organizing a campaign -- and then the campaign itself.

4. The tremendous responsibility of organizing and leading the work of the National Commission on Water Quality, of which I had been elected Chairman, to look into major national policy questions relating to ecology and the future of our country.

5. The additional responsibility of organizing and leading the work of the Commission on Critical Choices, which, if it functioned properly, would have to delve into the tremendously complex structure and interrelationships of our nation and world society as a whole.

It was clear to me that it would be impossible to do a good job in all five of these areas simultaneously. And as the summer progressed, I felt increasingly that the decisions in the national and international areas would have far more effect on the long-term best interests of the people of New York State than ones that were to be made at the local level in Albany.

Therefore, I examined very carefully the potential impact of my resignation as Governor.

Such action on my part would of course immediately elevate Malcolm Wilson to the Governorship. The fact that he had 20 years in the Legislature, that we had worked together intimately for 15 years as Governor and Lieutenant Governor, was reassuring. So was the fact that he was a man of brilliance and great integrity -- with a deep knowledge and understanding of the needs of the people of the state. Given Malcolm Wilson's outstanding qualifications, and my own opportunities for new service as the Chairman of the two commissions, I concluded that my resignation would serve the interests of the people of the State.

Thus on December 11, 1973, I announced at a press conference in Albany that I would not seek a fifth term and would resign because: "We are living in critical times. I have great faith in our country, and I am optimistic about the future. But we

can't take that future for granted. Therefore, after long and careful consideration, I have concluded that I can render a greater public service to the people of New York and the Nation by devoting myself to the work of two bipartisan national commissions."

A week later the Lieutenant Governor, Malcolm Wilson, was sworn in as Governor.

Since that time I have devoted my energies primarily to the organization and work of the Commission on Critical Choices and the National Water Quality Commission, until President Ford nominated me to be Vice President.

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