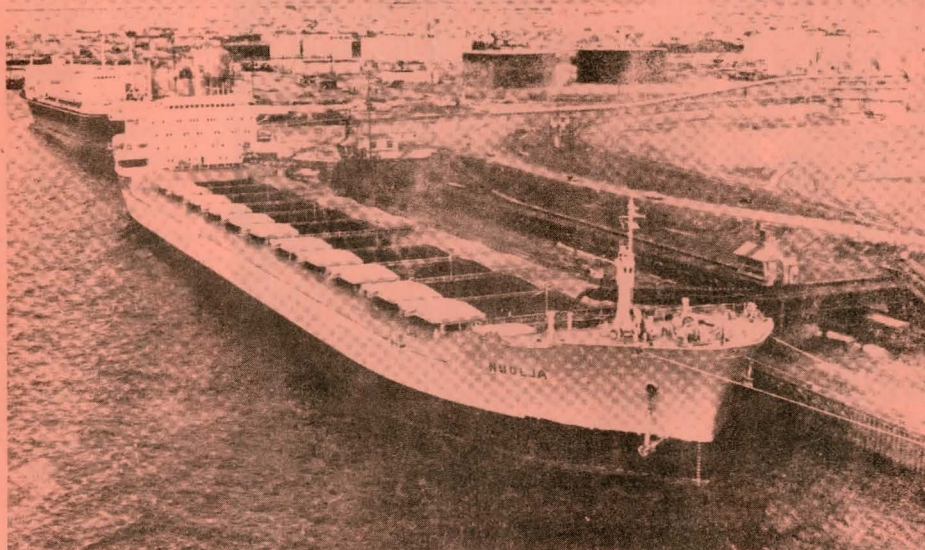

THE HANNA INDUSTRIAL COMPLEX



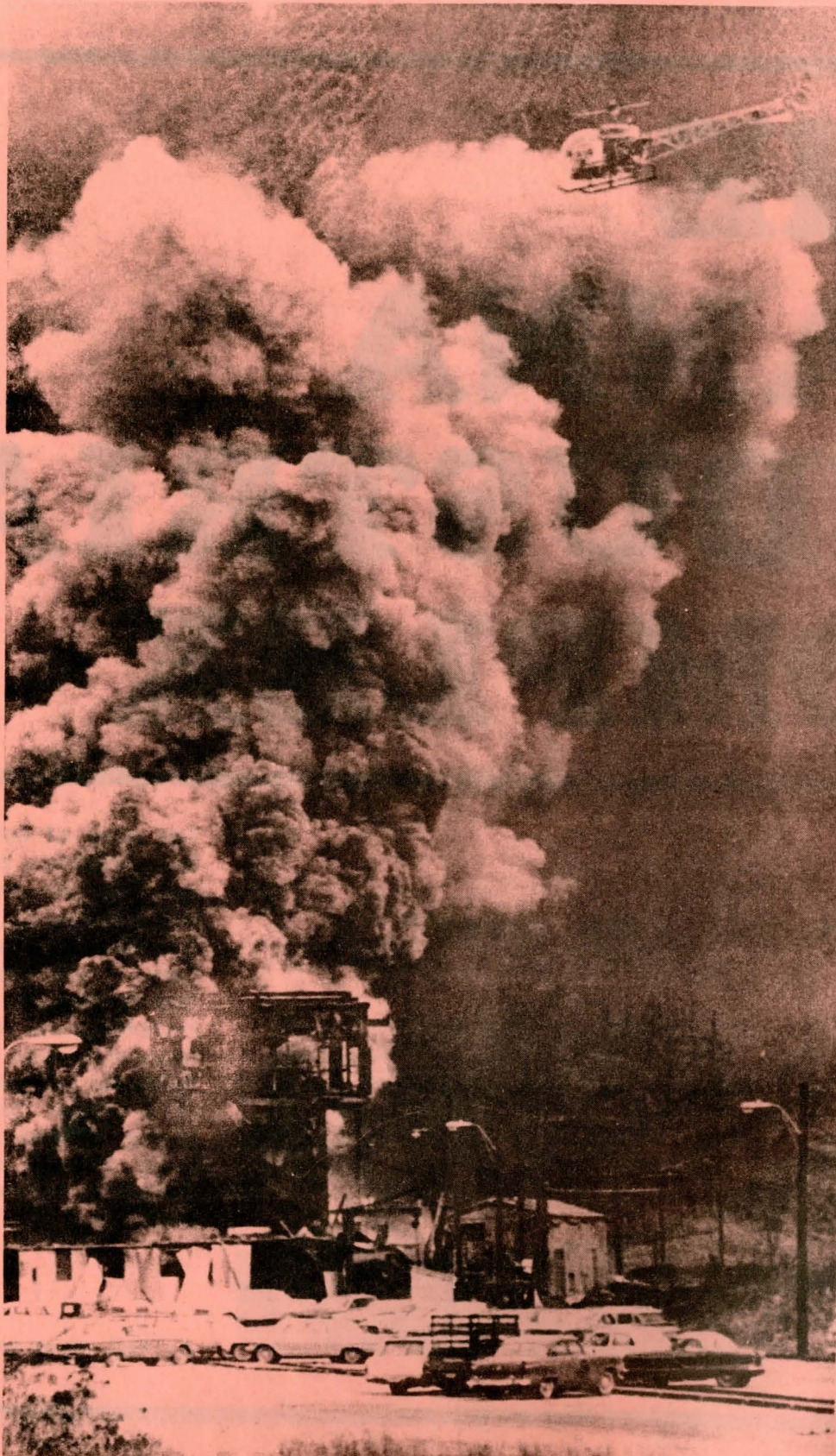
The story of how four midwest family dynasties built an industrial and financial empire comprising Hanna Mining Co., National Steel, Consolidation Coal, and Chrysler Corp....how members of these four families—the Hannas, Weirs, Humphreys and Loves—were major financial backers of the Taft and Goldwater campaigns...and how their major company, Hanna Mining, secured a concession to mine Brazil's richest iron ore deposit as a result of the 1964 coup.

By Edie Black and Fred Goff

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Consolidation Coal Co. (see p.7), which had enough cash reserves to acquire a controlling interest in Chrysler Corporation (fifth largest U.S. corporation), was somehow unable to afford adequate safety precautions for the prevention of the November 1968 coal mine disaster (78 dead) in its West Virginia mine No. 9. The photograph above shows smoke billowing from the Llewellyn portal of Consol No. 9 near Mannington, West Virginia after a series of underground explosions trapped the 78 miners.

The Hanna Industrial Complex

By Edie Black and Fred Goff

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1. Operations in Brazil

NOTE: The following articles first appeared in the NACLA NEWSLETTER (May-June, July-August, and November 1968). They have been slightly revised by the authors since then.

According to *Time* Magazine (December 16, 1966), foreign investors have gained control of 50% of Brazilian industry since the April 1964 coup which overthrew President Joao Goulart. President Castelo Branco's austerity program, designed by Economics Minister Roberto Campos and his AID, International Monetary Fund and World Bank advisors, created the conditions which enabled this takeover. The austerity program tightened credit available for company day-to-day financing and expansion. Consequently, large global corporations of the major industrial powers, especially those of the United States, with their access to extensive capital resources, were able to purchase capital-starved Brazilian companies for as little as 40% of their assets.

The post-coup rapid foreign take-over of Brazil's existing productive facilities is accompanied by a similar take-over of her as yet underdeveloped mineral wealth. One of Brazil's potentially most exploitable resources is high grade iron ore, of which she holds one-fifth of the world's known reserves, or 35 billion tons. Brazil's deposits, like those of Canada, Australia and Venezuela, have taken on strategic importance for U.S. iron ore producers since the post World War II depletion of their primary domestic source of supply, the Mesabi range in the Great Lakes area.

This foreign exploitation of Brazilian mineral wealth, especially her iron ore deposits, was made possible by the

mineral code, one of the major decrees promulgated by the Castelo Branco administration. The principal benefactor of the code was the third largest U.S. iron ore producer, the Cleveland-based Hanna Mining Company, which was granted rights to mine Brazil's richest iron ore deposit—high grade hematite in Minas Gerais.

Hanna's interest in the deposit dates back to 1956 when the company began buying, on the London exchange, the stock of an old British gold mining company which owned the land where the deposit was located—St. John D'el Rey Mining Company, Ltd. Hanna bought 52% of the St. John stock, thus giving her control of the company. At the same time, Leo Model (of the Wall Street investment banking firm Model, Roland & Co., which is closely associated with Rothschild interests) and his associates acquired 23% of the stock. Under an agreement worked out with Hanna, Leo Model became St. John D'el Rey board chairman. St. John then formed a Brazilian subsidiary, Companhia de Mineracao Novalimense, to exploit the iron ore deposit. St. John sold the original gold mine to a new company formed by Brazilian interests, Mineracao Morro Velho S.A., in exchange for 25% of its stock (see accompanying chart).

St. John's charter granting mineral exploitation rights to the company, dates from 1833, well before the passage of Brazil's 1954 Mineral Code, which, like most nationalist-inspired Latin American mining codes, classified subsoil rights as public domain. Hanna officials therefore assumed there would be no legal obstacle to its mining the iron ore deposit and did not foresee the outburst of opposition in the Brazilian press and nationalist political circles represented in Congress. The most formidable

adversary against Hanna's right to mine the ore was the government-controlled iron ore company, Companhia Vale do Rio Doce. Partly financed by U.S. Export-Import Bank loans, Rio Doce had been established during World War II to help meet Allied iron ore needs and became a lucrative and efficient enterprise operating at a 40% profit.

The nationalist administrators of the company contended that *they* should develop the Minas Gerais iron ore deposits. As a result of their agitation, the Brazilian congress launched an inquiry into the project. In 1961 the newly-elected president, Janio Quadros, initiated his own investigation which turned up a number of legal points at which Hanna's legal rights to the ore might be challenged. After Quadros' resignation, his successor, Goulart, used these points as the basis of an expropriation decree issued in 1962.

Hanna challenged the decree in the Brazilian courts. By the time of the coup against Goulart, the case had reached the Federal Court of Appeals (the Supreme Court) which was dominated by nationalist judges who, as most observers agreed, were most assuredly going to uphold the government's right to expropriate.

As *Fortune* Magazine stated in its April 1965 article, "Immovable Mountains," "For Hanna, the revolt that overthrew Goulart last spring arrived like a last minute



More than 25 Hanna geological field parties ranged the western hemisphere in 1966, from New Brunswick on the east to Alaska on the west and Colombia on the south (photo above). They examined 130 iron ore and non-ferrous metal properties, drilling over 3000 test holes with a total footage exceeding 140,000 feet.

rescue by the First Cavalry." On December 24, 1964, Castelo Branco promulgated a presidential decree which reversed the Goulart administration trend toward a government mineral monopoly by endorsing private development of Brazil's iron ore reserves. The decree also endorsed Hanna's plans to build loading facilities at Sepetiba Bay, an undeveloped deep water harbor 60 miles south of Rio, and to construct a railway cutoff from the government-owned Central do Brasil railroad to the bay. On June 15, 1966, a reconstituted Federal Court of Appeals handed down a decision favoring Hanna's right to exploit the ore deposits.

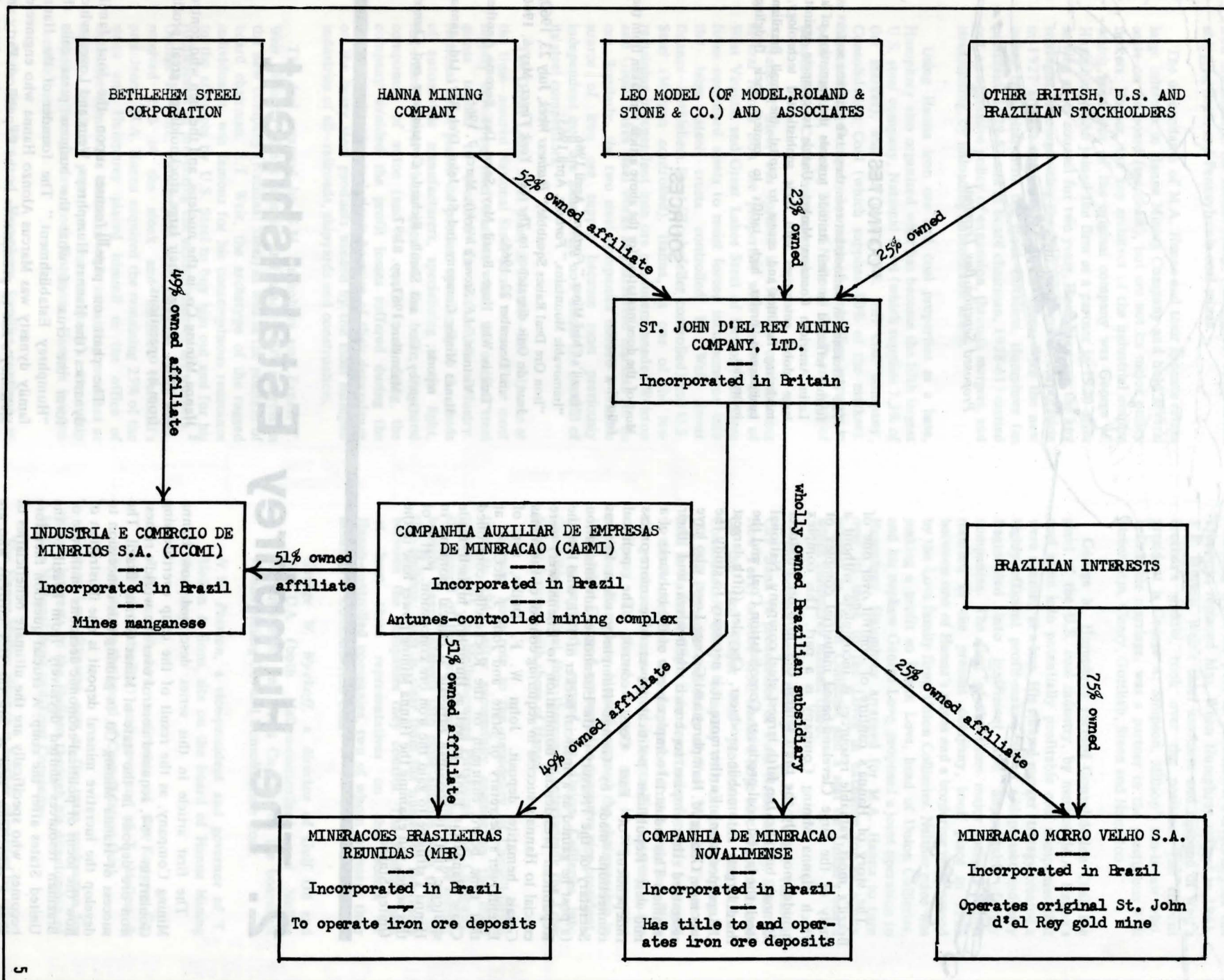
The Castelo Branco administration's endorsement of Hanna's right to exploit Brazil's richest iron ore deposits constituted one of the central issues precipitating the post-coup split in the ranks of the anti-Goulart politicians and businessmen who, with U.S. backing, had organized the coup. Carlos Lacerda, governor of Guanabara, and Jose Magalhaes Pinto, governor of Minas Gerais (where Hanna holds its concessions) represent the nationalist right-wing small businessmen (whose major organization, Instituto do Pesquisas e Estudos Sociais—Institute of Social Research and Studies—resembles and keeps in touch with such U.S. counterparts as the Foundation for Economic Education in Irving-on-Hudson, N.Y.). Though opposed to socialist organization of the economy, as seemingly advocated by Goulart and his leftist-controlled labor constituency, the nationalist right wing is antagonistic to further foreign penetration which is resulting in the take-over of their businesses. Those Brazilian business leaders who preside over large industrial complexes, such as Antunes in mining and Klabin in paper manufacturing, tend, on the other hand, to welcome foreign capital. They can reap greater profits by incorporating their industrial holdings into joint ventures with foreign investors.¹

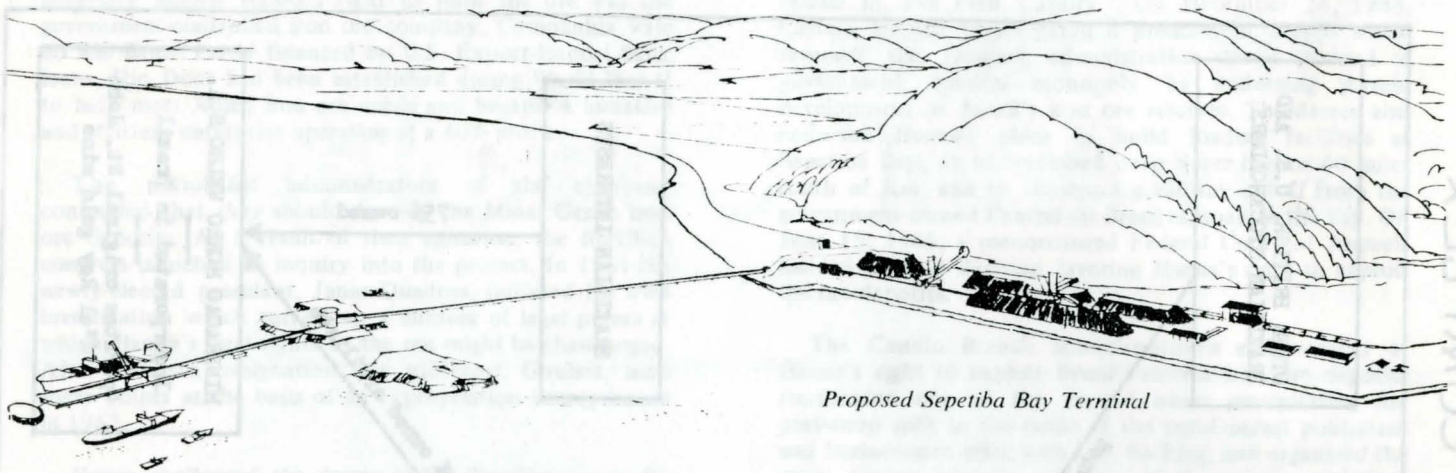
One of the more wealthy Brazilian businessmen, Augusto Tranhano de Azevedo Antunes (worth \$100 million), has amalgamated his iron ore holdings with those of Hanna Mining to form a joint venture, Mineracoes Brasileiras Reunidas (MBR), of which he owns 51%. Antunes also includes in his mineral empire a similar joint venture with Bethlehem Steel Corporation, Industria e Comercio de Minerios S.A. (ICOMI), which mines manganese in the state of Amapa. While Antunes holds 51% of the stock in both joint ventures, he has yielded control by signing management contracts with the American firms.

Antunes is further involved with both Hanna and Bethlehem (also with Thyssen and Furst, two Austrian concerns) in a consortium organized to invest \$200 million in an ore port at Sepetiba Bay and \$400 million in a steel smelter at Tubarao, a deep-water harbor north of Rio in the state of Espirito Santo. The hematite mined in Minas Gerais will be shipped by rail to the two ports. At Sepetiba Bay the ore will be loaded into ships for export to the industrial nations. At Tubarao, the ore will be processed into steel also intended for export.

Both projects are designed to make Brazil a major supplier of steel and iron for world markets, thus offsetting her dependence on coffee exports as a source of foreign exchange. The combined steel and iron ore operations are expected to yield export earnings of \$300 million a year by 1970 (in 1965, Brazil's total export earnings were \$1.6 billion). Brazil currently exports 10 million tons of iron ore and three million tons of steel annually. The consortium projects at Sepetiba Bay and Tubarao are expected to double both figures.

HANNA'S BRAZILIAN IRON ORE COMPLEX





Proposed Sepetiba Bay Terminal

The story of Hanna's capture of control over one of Brazil's most valuable resources is incomplete without a study of the large Cleveland-based industrial complex of which Hanna Mining Company is a part. This complex includes not only the third largest U.S. iron ore producer (Hanna), but also the fifth largest steel company, National Steel, the largest coal producer, Consolidation Coal, and the third largest automobile producer, Chrysler (fifth largest U.S. corporation). Furthermore, it is necessary to study the two men, George M. Humphrey and George Love, who have assembled this empire to enrich themselves and their families. This industrial complex is one of the bulwarks of a mid-west Republican political power base more-or-less independent of East Coast control. The political connections made by George Humphrey when he was Secretary of the Treasury in the Eisenhower administration (a post he gained as a financial backer of Taft, who lost the Republican presidential nomination to Eisenhower) were crucial to Hanna's success in acquiring control of the Minas Gerais hematite deposit. John W. F. Dulles, son of Eisenhower's Secretary of State, and John J. McCloy, at that time board chairman of the Rockefeller-controlled Chase Manhattan Bank, as well as Humphrey himself, made strategic visits to Brazilian officials at critical moments in Hanna's struggle to gain the iron ore concession. Part II of this series will examine the Hanna Mining power base in the United States.

FOOTNOTES

- ¹ The difference in outlook between these two business sectors is further reflected in their attitude towards the formation of a Latin American Common Market. Unable to compete against large global enterprises with their sophisticated technology, marketing facilities and access to capital, the small Brazilian businessmen prefer high tariffs to protect their fledgling industries.

SOURCES:

Most of the documentation for the above article was taken from the following sources:

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- Oglesby, Carl and Shaull, Richard, *Containment and Change*, Macmillan, 1967, pp. 83-97.

2. The Humphrey Establishment

The first article in this series described how Hanna Mining Company, as the result of the coup overthrowing Goulart in 1964, acquired control over the world's richest iron ore deposit in the state of Minas Gerais, Brazil. The success of Hanna Mining Co. in gaining this concession to develop the lucrative mineral deposit is one illustration of how the locus of political-economic decisions on the use of Brazilian resources shifted decisively from Brazil to the United States after the coup. A crucial question therefore becomes: who specifically are the ultimate beneficiaries of such a shift—who, that is, are the U.S. citizens who are making the decisions which so definitely affect the development of the Brazilian economy. This article will attempt to answer this question in part by examining the powerful Cleveland-based industrial complex of which

Hanna Mining Co. is the nucleus, and the men who control and reap, through their large stockholdings, great profits from its operations.

The chart on page 10 focuses upon the four family dynasties (the Hannas, Humphreys, Weirs and Loves) which form the crux of what the business press calls the "Humphrey Establishment." The founder of the Hanna family dynasty was Marcus Alonzo Hanna who engineered McKinley's rise to prominence in the Republican Party and secured his nomination for the presidency in 1896. In 1885, M.A. Hanna founded and gave his name to the precursor of the Hanna Mining Company—M.A. Hanna Company¹—a small family holding concern composed of

iron ore mines in the Mesabi Range (Michigan), Great Lakes shipping fleets and Pennsylvania coal mines.

The descendants of M.A. Hanna and their spouses retain large interests in Hanna Mining Company and hold several seats on its board (see chart), but are not its major policy makers. Rather, the key architect of the industrial empire which grew out of the original company was George M. Humphrey, who joined the firm as a partner in 1920 after serving as its counsel for two years. Humphrey was the key strategist in reorganizing the firm into a public corporation in 1927 after it had suffered severe losses. With the new influx of capital from the stock flotation, Humphrey (as president, 1929-52 and as board chairman, 1958-61) carried out an aggressive policy of expansion, through mergers, and streamlining, by unloading unprofitable assets.

Using Hanna iron ore and coal properties as a base, Humphrey also organized what has become the fifth largest U.S. steel company, National Steel (which supplies 7.3% of the market), and the largest U.S. soft coal company, Consolidation Coal (which supplies 10% of the market). Hanna Mining Company has retained controlling interests in both concerns, owning 22% of National Steel's and 19% of Consolidation Coal's common stocks.

National Steel was formed in 1929 by consolidating several Hanna iron ore properties with Weirton Steel of West Virginia and Great Lakes Steel of Detroit. All three firms combined assets to resist forced incorporation into the large steel trusts controlled by Wall Street finance—Bethlehem Steel (Rockefeller controlled) and U.S. Steel (Morgan controlled). Hanna, as one of the few remaining independent iron ore producers, needed Weirton and Great Lakes steel works as guaranteed markets for its ore. Similarly, the two steel companies needed a reliable source of iron ore supply because most previously independent iron ore mines were now under the control of its steel competitors.

The Great Lakes Steel plant in Detroit—the only one at the time—assured National Steel access to one of the most rapidly developing steel markets which the ossified steel giants tended to overlook—the automobile industry. National Steel geared its product specifically to the needs of automobile manufacturers, specializing in the light, flat-rolled sheets which provided the main structural component of autos (and tin cans). In so doing, the company avoided the profit losses suffered during the Depression by the steel giants because of their dependence on the heavy steel products needed by the most slumped industries of all—railroads, shipyards and construction.

The deal arranged by G.M. Humphrey gave Ernest T. Weir, Weirton Steel's founder and head, a 50% interest in the new company (National Steel) as well as the position of board chairman. E.T. Weir, the archetype of the rugged individualist, was famous for his contemptuous resistance to the attempts by U.S. Steel to buy him out and for his ruthlessness in preventing the unionization of his workers.² George R. Fink, founder and head of Great Lakes Steel, received 25% of the stock and assumed National's presidency. M.A. Hanna acquired the remaining 25% of the stock and Humphrey placed himself in the office of executive committee chairman while remaining president at Hanna. In later years, as the company's ownership broadened through new stock flotations, Hanna's interest became dominant.

Both the Weir and Humphrey families continue to occupy the top executive positions of National Steel. E.T. Weir remained board chairman until 1957 when Humphrey,

returning from his post as Eisenhower's Secretary of the Treasury, replaced him. When Humphrey retired in 1961, T.E. Millsop, Weir's chief associate and husband of Weir's brother's widow, took over the position. The current president is George A. Simpson, Millsop's son-in-law who, before his marriage, was a partner in the prestigious Wall Street firm, Cleary, Gottlieb, Steen and Hamilton.

George M. Humphrey formed Consolidation Coal, the giant of the U.S. coal industry, by merging M.A. Hanna's coal mine into potentially profitable coal companies that were running at a loss. His shrewd merger strategy created a highly efficient profit-maker out of a depressed industry fragmented into inefficient and unprofitable family companies. The first of the three major mergers which resulted in the present company, took place in 1929 between one of Hanna's mines and a bordering mine owned by the Love family firm, Union Collieries. Neither mine was making a profit so Frank Love, head of Union Collieries, and his nephew George Love, proposed a joint operation to Humphrey. Humphrey arranged for M.A. Hanna to turn over its mine to the Loves in exchange for an equity interest in Union Collieries and a seat on Union's board which Humphrey himself filled.

The second merger took place in 1942 when National City Bank (a predecessor of First National City Bank of New York) offered M.A. Hanna a large bloc of stock in one of the two major coal producers of that time: Consolidation Coal, a company with extensive holdings in the rich Fairmont coal fields of West Virginia. The stock held in National City's trust department formerly belonged to the Rockefellers who disposed of it at a large loss. With the purchase, Hanna gained a controlling interest in the company and placed its own men in top executive positions. Humphrey himself assumed the chairmanship in 1947, while George Love served as executive vice-president. Love subsequently merged his Union Collieries into Consolidation Coal, thus thoroughly intertwining the Love family fortunes with those of Hanna.

George Love rose to the presidency of Consolidation Coal in 1945, after successfully engineering the third merger—with the Mellon-owned Pittsburgh Coal Company, the second of the two largest U.S. producers. The merger brought Hanna interests into close alliance with those of the Mellons. Such is clear from the numerous interlocks between the companies they control. The Mellons have at least three representatives on the boards of Hanna-controlled companies, two of whom represent their holdings in Consolidation Coal:

George W. Wyckoff, a director of Gulf Oil and ALCOA (both Mellon-controlled) and Mellon National Bank and Trust Co., sits on the boards of Hanna Mining Co. and Consolidation Coal;

N.W. Pearson, a vice-president and governor of T. Mellon & Sons, sits on the board of Hanna Mining Company;

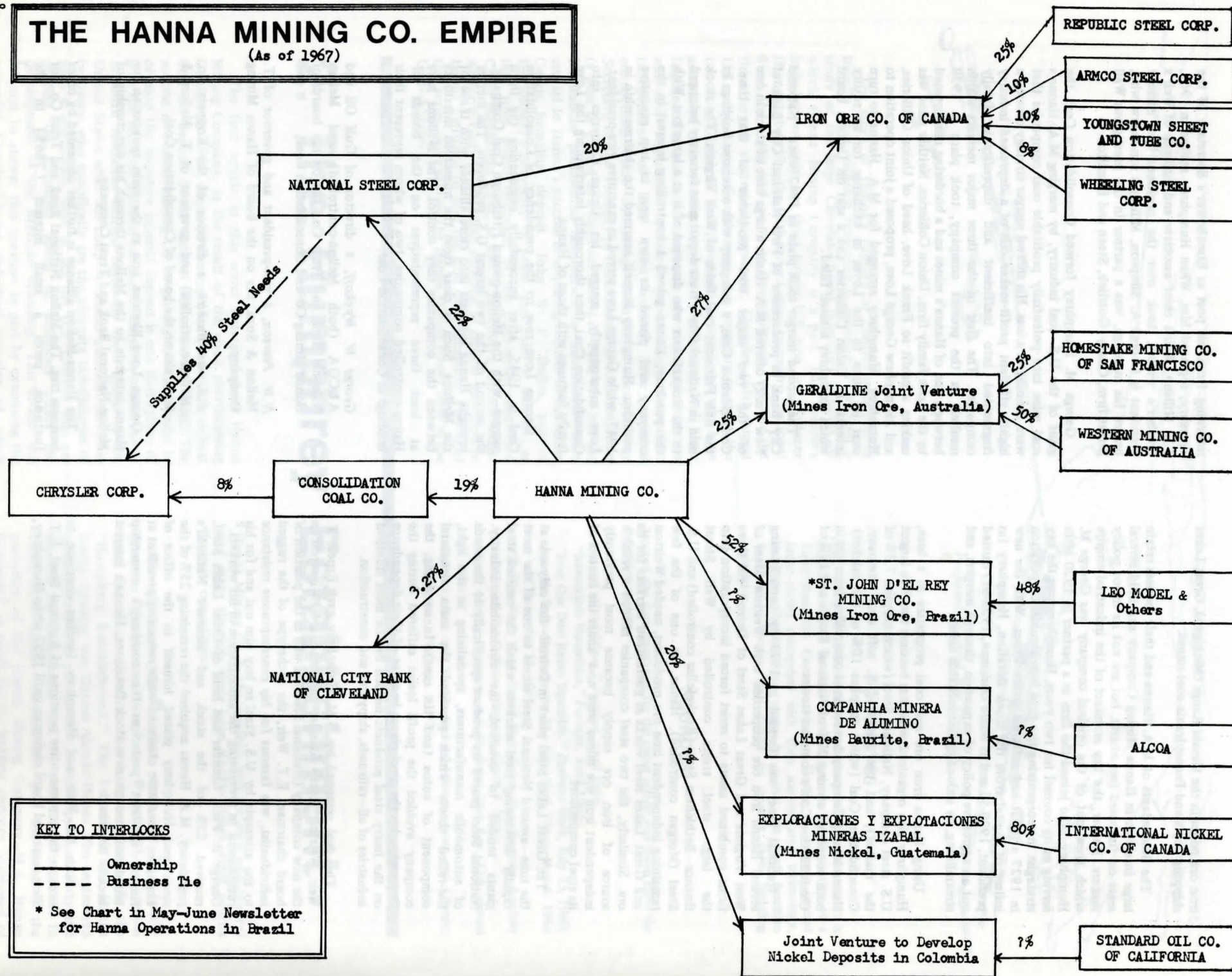
A.B. van Buskirk, a director of the Koppers Co. (Mellon-controlled) and governor of T. Mellon & Sons, sits on the board of Consolidation Coal.

George Love likewise acts as the main spokesman for Hanna interests to the Mellons through his directorship of Mellon National Bank and Trust Company.

The Hanna-Mellon alliance is further cemented by other business ties. The Mellon National Bank and Trust Co., for instance, owns a small interest (.786%) in the

THE HANNA MINING CO. EMPIRE

(As of 1967)



Hanna-dominated National City Bank of Cleveland. And recently, Hanna Mining Co. and ALCOA have incorporated a joint venture to develop a high grade bauxite deposit in Minas Gerais, Brazil.

As president of Consolidation Coal, George Love revitalized the depressed industry by mechanizing mines on an unprecedented scale, introducing in particular the efficient strip shovel which leveled whole mountains at less cost than hauling coal from underground. In so doing, Love demonstrated that coal mining was again a profitable investment for large companies with enough capital to automate. But he did so at terrible cost by turning acres of beautiful country into heaps of dirt and impoverishing thousands of workers by putting them out of jobs.

George Love used the large cash reserves generated by twenty years of Consolidation Coal profits to acquire a controlling interest in the third largest automobile company in the United States—Chrysler Corporation. He was able to do so because the market value of Chrysler stock had plummeted to an all-time low as a result of a management crisis precipitated by two events: 1) the drop in Chrysler's share of the automobile market from 27% in 1950 to 9.4% in 1962; and 2) a 1960 stockholder's suit against president Newburg, accusing him of illegally profiting from his interest in a major supplier of Chrysler parts.

Love, who was serving as a director of National Steel, Chrysler's major steel supplier (which provides up to 40% of its needs), joined the Chrysler board in 1948. During the management crisis, Love emerged as the strong man on the board. He took charge of selecting a new president, Lynn Townsend, and of reorganizing the company so that it could regain its traditional share of the automobile market. Love left day-to-day company operations to Townsend, but, as chairman of the board,³ made all major policy and financial decisions. Love's policies were so successful in restoring investor confidence that the market value of Chrysler stock soared. Consolidation Coal realized a paper profit of \$114 million on the block of Chrysler stock it



GEORGE M. HUMPHREY

acquired between 1948 and 1965. The stock for which it had paid \$87 million was, as of 1965, worth \$201 million.

In 1965, Consolidation Coal stunned the financial world by announcing a forthcoming merger with Continental Oil.⁴ According to the announcement, Consolidation Coal agreed to exchange the bulk of its mining properties for 2 million shares of Continental Oil stock to be distributed among its stockholders—that is, primarily among the members of the Humphrey Establishment who hold a majority of Consolidation Coal shares. This block of

HANNA INTERLOCKS WITH EASTERN FINANCIAL GROUPS

Rockefellers (New York finance)

- John J. McCloy, former board chairman of Chase Manhattan Bank and now a partner of Milbank, Tweed, Hadley & McCloy (a leading Rockefeller-associated law firm) was Hanna Mining Company's counsel in Brazil at the time of the 1964 coup.
- J. Richardson Dilworth, senior financial advisor to the Rockefeller family, board chairman of Rockefeller Center Inc., and a director of Chase Manhattan Bank, was placed on Chrysler's board by George Love to help restore investor confidence in the company's stock.
- Chase Manhattan Bank, along with the Union Commerce Bank of Cleveland, is the Registrar of Hanna Mining Company.

Mellons (Pittsburgh finance)—see page 7

Cabots (Boston finance)

- Paul C. Cabot, board chairman of the family firm, State Street Investment Corporation, was placed on M.A. Hanna's board by the Humphreys for a brief period between 1960 and 1965 to help it reorganize the firm into an investment company.

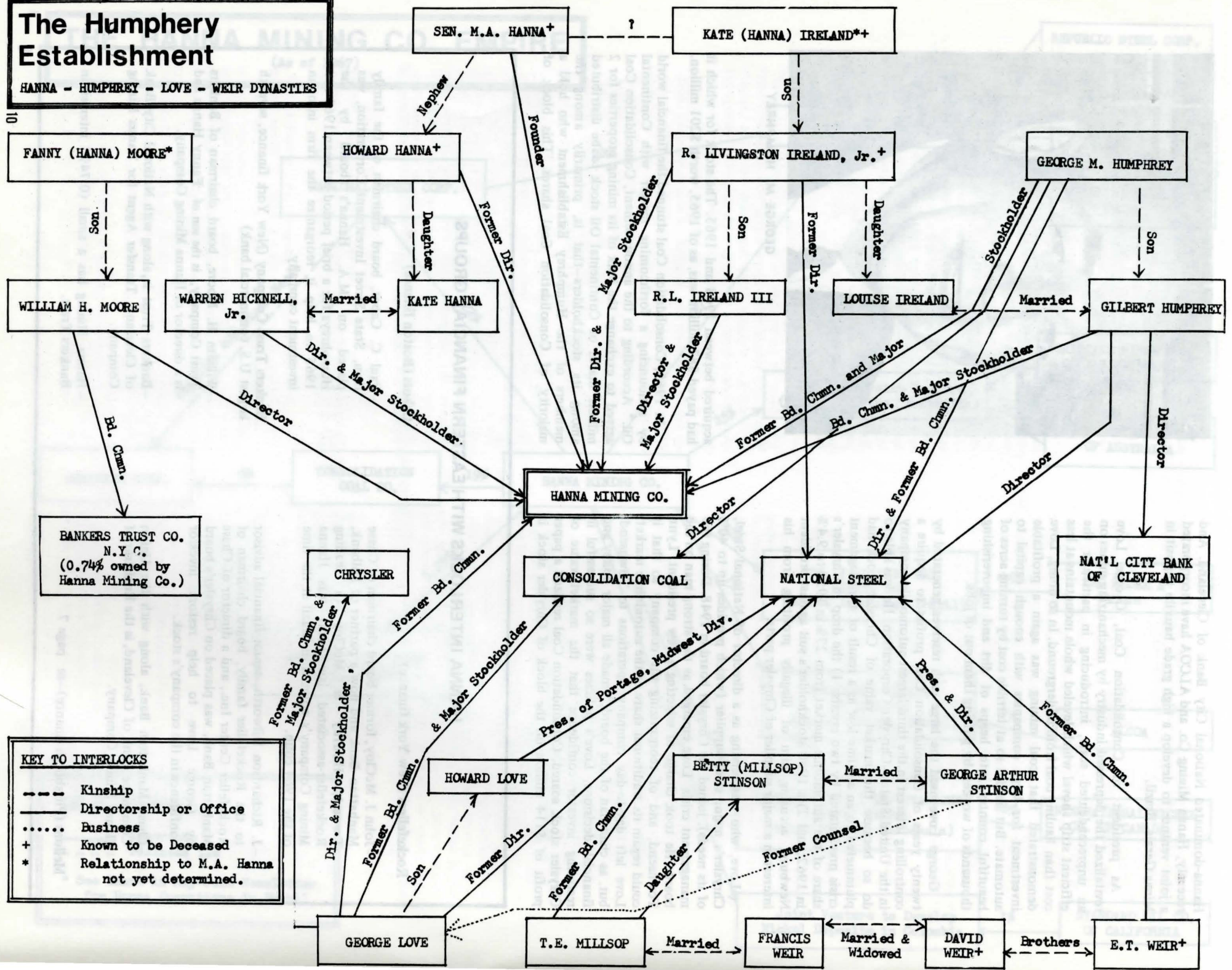
Bankers Trust Company (New York finance, seventh largest U.S. commercial bank)

- William H. Moore, board chairman of Bankers Trust Company, is the son of Fanny Hanna and is a director of Hanna Mining Company.
- Bankers Trust is, along with National City Bank of Cleveland, Transfer Agent for Hanna Mining Company.
- Hanna Mining has a small (0.74%) interest in Bankers Trust.

The Humphery Establishment

HANNA - HUMPHREY - LOVE - WEIR DYNASTIES

10



Continental Oil stock exchanged for Consolidation Coal properties constitutes a significant enough percentage (5%) of all outstanding shares to assure Hanna interests a prominent voice in policymaking and at least one seat on Continental's board (filled in 1966 by George Love). The merger deal does not include the transference of Consolidation Coal's holdings of Chrysler stock to Continental Oil's portfolio. These shares will be distributed among Consolidation Coal stockholders (again, members of the Humphrey Establishment), thus assuring them continued control of Chrysler.

Continental Oil is one of 33 successor companies to the original Standard Oil trust dissolved by the Supreme Court in 1911. The Rockefeller family maintains a dominant position in the company through large blocs of stock held by foundations and trusts. For example, the Rockefeller Foundation owns 300,000 shares of Continental's stock worth \$23 million, over 1.1 percent of the total shares outstanding. One of Continental's top executives, Leonard McCollum (pres. '47-'64, bd. chmn. '64-), joined the company in 1947 after holding a number of executive positions in Standard Oil (N.J.).⁵

FOOTNOTES:

¹ M.A. Hanna Co. became Hanna Mining as the result of corporate reorganizations in 1960 and 1965. In 1960, M.A. Hanna Company divided its assets into two new companies: 1) a closed-end investment company (the nation's largest)—M.A. Hanna Co.—which acquired Hanna's securities portfolio; and 2) an operating company controlled by the investment company—Hanna Mining Company—which took over Hanna's mining and shipping properties. The reorganization of Hanna's assets into two separate companies failed, however, to achieve its objective. The new M.A. Hanna Company was unable, as the Humphreys had hoped, to qualify for the tax advantages by the Investment Company Act because over half of its securities were invested in companies it controlled. In 1965, therefore, the Humphreys liquidated M.A. Hanna and re consolidated its portfolio with the operating properties of Hanna Mining to form the present company.

² Weirton Steel, now a division of National Steel, is to this day one of the few steel plants not organized by the AFL-CIO.

³ While board chairman of both Consolidation Coal and Chrysler, Love was the only major U.S. businessman to chair two major companies in widely separated fields.

⁴ The cause of the startling merger of such a good profitmaker lies in the development of a technology which promises, in the near future, to transform coal into oil at commercially feasible costs.

⁵ A recent appointment to the board of trustees of the Rockefeller Foundation is John D. ("Jay") Rockefeller IV, whose father, J.D.R. III, is board chairman. Jay is Secretary of State of West Virginia, site of large Consolidation Coal mines. Jay, significantly, failed to support legislation, proposed by striking coal miners, which would compensate miners stricken with Black Lung disease. Jay denied charges that his family has financial interests in West Virginia coal mines: "... neither myself nor my family has any financial interest whatsoever in any coal mine in West Virginia." (*New York Post*, March 10, 1969).

SOURCES:

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Financial Base For Republican Politics

The second article in this three-part series described the Cleveland-based industrial complex of which Hanna Mining Company is the nucleus (the complex includes National Steel Corporation, Consolidation Coal Company and Chrysler Corporation) and the four family dynasties (Hannas, Humphreys, Loves and Weirs) who control it. This final installment will show how members of the Hanna interest group have attained political influence commensurate with their economic and social status. Both M.A. Hanna (1837-1903) and George M. Humphrey (1890-)—the two men most responsible for the construction of the Hanna industrial empire—have played prominent roles in midwestern and national Republican politics.

M.A. Hanna-McKinley

M.A. Hanna, son of a prominent Cleveland grocer, became a partner of Rhodes and Company, a coal and iron

shipping firm, in 1864 through his marriage with Daniel P. Rhodes' daughter. Hanna became the dominant partner through a shrewd policy of mergers which gained the company control of the mines producing the coal and iron its ships carried. He built up Rhodes & Co. until, under the name of M.A. Hanna Company, it became one of the two or three largest firms in coal and iron trade in the Ohio lake district.

Hanna's initiation to politics resulted from his presidency of a Cleveland streetcar railway, also inherited from his father-in-law. In order to get franchises for street routes, the company contributed to the election expenses of particular councilmen.

He soon emerged as one of the key fund-raisers (as well as contributors) for the Ohio Republican Party machine. In 1894, he withdrew from active participation in the affairs of the M.A. Hanna Co. (leaving its direction to his brother

Leonard) in order to manage the campaign to secure the nomination of fellow-Ohioan William McKinley as the Republican presidential candidate of 1896. Hanna successfully engineered and personally financed, at the cost of \$100,000, McKinley's nomination. After the nomination, he assumed the chairmanship of the Republican National Committee. As McKinley's campaign manager, he systematized a method of collecting contributions whereby each corporation and bank was assessed for a specific amount in accordance with its earnings. After McKinley's election, Ohio's governor named Hanna to the U.S. Senate seat vacated by former Senator Sherman who was appointed Secretary of State.

Hanna's rise to leadership in the Republican Party occurred at a critical juncture in the organization's history. At the beginning of his chairmanship, the Party still represented the diverse interests of midwestern (Chicago, Cleveland, Cincinnati) and eastern (New York, Boston, Philadelphia) bankers and industrialists who made major contributions to its coffers. Wall Street financiers, it is true, constituted the most influential group in the Party but they still were unable to impose their nominee for president on a convention because they lacked control over the state party machines (except New York's) which managed delegate votes. For instance, in 1896 Wall Street men were unable to marshal enough votes to insure the nomination of their choice, Levi P. Morton over that of the Midwest, William McKinley. Yet once McKinley was nominated Wall Street financiers exerted control over his campaign by contributing the bulk of the funds—\$3,000,000 out of \$3,500,000—needed to run it. Thus, McKinley, once elected, became a major spokesman for their interests.

During McKinley's first term (1896-1900), there occurred an unprecedented reorganization of major sectors of American industry in which small geographically dispersed businesses were amalgamated into large combines directed by Wall Street financiers. These financiers, because they had wrested control of state industries out of the hands of local proprietors, began to have sway over state party machines. The locus of state (as well as national) party control thus began to shift into their hands.

Consequently, M.A. Hanna, the major fund-raiser for the Republican Party, became increasingly dependent upon prominent Wall Street financiers and industrialists (such as William and John D. Rockefeller—Hanna's boyhood schoolmates—and James Hill and J.P. Morgan) for financing Republican campaigns. For example, in 1900 one company alone, Rockefeller's Standard Oil Company of New Jersey, contributed one-tenth (\$250,000) of McKinley's entire campaign expenditures.

As McKinley's congressional representative, Senator Hanna was in constant contact on policy issues with these financiers and became a major spokesman for their interests in Congress. In close collaboration with them he wrote the trust plank of the Republican platform of 1900, which held that trusts were necessary for the development of foreign trade.¹

George Humphrey-Taft and Goldwater

George Humphrey's aggressive policy of mergers in the 1920's and 30's rejuvenated the company M.A. Hanna had left to his brother and transformed it into the nucleus of an industrial empire. The wealth generated by this large complex of companies enabled Humphrey to become a prominent voice in midwestern Republican politics though, unlike M.A. Hanna, he was not a professional politician. His

role, also unlike Hanna's, has been that of a leading financier of the two major political movements since World War II which have challenged east coast hegemony over the Republican Party—The Robert A. Taft and Barry Goldwater movements.

The industrial complex which Humphrey controls is representative of other such complexes, located primarily in the midwest, west and southwest which, particularly since World War II, have grown independent of Wall Street control. These locally controlled industrial complexes have formed the basis of great centers of finance rivaling Wall Street. An indicator of this shift in the balance of financial power is the decrease in the percentage of national banking resources which Wall Street commanded from 25% at the end of World War II to 12% in 1964.²

This rivalry between finance centers did not become plainly manifest in internal Republican politics (with the possible exception of the 1912 split between the Taft and Roosevelt factions of the party) until the convention of 1940 at the advent of World War II. This convention marked the first stage in a long series of battles between the political representatives of the financial and industrial enterprises outside the Wall Street nexus of control whose markets and investments were still primarily domestic, and the political representatives of the more advanced Wall Street-controlled financial and industrial enterprises whose markets and investments were rapidly becoming international. The former, often labeled "isolationists" and "conservatives," emphasized domestic economic stability and thus opposed U.S. intervention in World War II unless directly threatened. The latter, on the other hand, often labeled "internationalists" and "liberals," emphasized international economic stability and thus advocated U.S. entry into the war to protect Europe, where they had many business interests.³

The economic leverage which Wall Street was able to exert over state party machines to gain delegate votes enabled the nomination of its favorites, Wendell Wilkie (1940), Thomas Dewey (1944, 1948), and Dwight Eisenhower (1952, 1956), despite the numerical majority of conservative delegates. Drew Pearson (*New York Post* August 3, 1968) shows how Wall Street financiers pressured the Party machines of the states in which the corporations they controlled were located to vote for Wilkie in 1940 and Eisenhower in 1952:

... what most people don't know is that the Wilkie strategy was planned well in advance. The Rockefellers know it, however, for their economic empire helped to plan it. Weeks before the convention, the Chase Bank, controlled by the Rockefeller family, was giving the word to GOP delegates to go for Wilkie... He (Nelson Rockefeller) used it (his family fortune) for Eisenhower against Taft in the 1952 convention. The big Eastern Republican money made some remarkable converts for Ike at the last minute, as witness the conversion of the Pennsylvania delegates. They arrived in Chicago pledged to Taft. But after Governor John Fine received a call from Ben Fairless of U.S. Steel, they switched to Ike.

The standard-bearer for the conservatives in these initial skirmishes was Robert Taft, who lost the 1948 and 1952 nominations by slim margins.

Eisenhower acknowledged the strength of the conservatives by appointing a number of key Taft supporters to his cabinet, among them, George M.

Humphrey, whom he named Secretary of the Treasury. As one of the cabinet strongmen, Humphrey constantly articulated the conservative ideology in emphasizing the achievement of domestic stability through low taxes, tight credit control and a balanced budget. His primary adversary in cabinet debates, the other cabinet strongman, John Foster Dulles (formerly a partner in the Rockefeller-linked Wall Street law firm of Sullivan and Cromwell and a past chairman of the Rockefeller Foundation), articulated the liberal ideology of the financiers and industrialists with extensive overseas interests, emphasizing the achievement of international economic stability through foreign aid and defense expenditures. After five years of failure in his attempt to balance the budget, Humphrey resigned his post in late 1957.

George Humphrey played two major roles in the movement to secure the presidential nomination for Goldwater. In the beginning of 1964, when Goldwater announced his candidacy, Humphrey assumed the position of midwest chairman of the Goldwater for President finance committee. In this capacity, he also helped organize a business committee of 450 for Goldwater. Aside from being a major fund-raiser, he was also a heavy contributor—as were other members of the four family dynasties which the Hanna complex (see charts, page 14).

Secondly, capitalizing on the close friendship he developed with former president Eisenhower,⁴ Humphrey functioned as one of the main liaisons between the Goldwater campaign managers and the former chief executive. Twice Humphrey played the main role in neutralizing Eisenhower's stance in the party, preventing him from endorsing candidates put forward by the party's liberal wing.

The first instance of this occurred shortly before the crucial California primary which Goldwater carried over Rockefeller by a close margin. Humphrey telephoned Ike from Cleveland asking him to disavow widely-held interpretations of an article he had been persuaded to sign by *New York Herald Tribune* president Walter Thayer. The front page banner headline article (May 25, 1964) which gave a detailed description of the type of man Ike believed the Republicans should nominate, appeared to endorse Nelson Rockefeller over Barry Goldwater. To get the maximum political mileage out of the article, Thayer waived the copyright and released the story to the liberal press and wire services where it stimulated a flood of other interpretive articles and editorials labeling Ike's act as anti-Goldwater. Shortly after Humphrey's call, Eisenhower held a press conference at which he told the assembled reporters, "You have tried to read Goldwater out of the party, I didn't."⁵

The second incident occurred in early June when Humphrey called Eisenhower during the Republican Governors Conference to persuade him to dampen rumors generated by the press that he had agreed to endorse Pennsylvania governor Scranton. Ike promptly called Scranton to tell him that their June 6th visit at Gettysburg was not to be construed by him as an endorsement. When Eisenhower arrived in Cleveland to attend the Governors Conference, "Humphrey met him and never left his side."⁶

Political Payoffs for M.A. Hanna Company

The connections Humphrey made through his role as a major contributor to and fund-raiser for the Republican Party had invaluable payoffs for the industrial empire he controlled. For instance, the success of Hanna Mining Co. in acquiring control of Brazilian iron ore deposits was due

in large part to the roles played by several prominent Republicans with high-level U.S. government contacts. While Humphrey was still serving as Eisenhower's Secretary of the Treasury, he dispatched his cabinet cohort's son, John W.F. Dulles, who had had mining experience in Mexico, to organize Hanna's operations in Brazil.

Another key Republican associate of Humphrey is Herbert Hoover, Jr., son of the former U.S. president, who joined Hanna's board in 1960. Hoover brought to the company invaluable experience in international mining and government intelligence which could not but have helped the company in its dispute with the Brazilian government over its rights to the Minas Gerais ore deposit. Hoover, a renowned international oil, mining and electronics engineer, served the Brazilian and Iranian governments, among others, as an engineering consultant between 1942 and 1952. In late 1953, at the request of John Foster Dulles, he undertook a special assignment to mediate the Iranian oil dispute. The agreement which Hoover negotiated bestowed upon a consortium of U.S. and European oil companies control of Iranian oil properties which Premier Mossadeq had nationalized prior to his overthrow by the CIA in August, 1953.⁷ In September, 1954, upon successful completion of this assignment, Hoover assumed the number two position in the State Department. As Under Secretary of State, he further developed his high-level intelligence contacts through the chairmanship of the Operations Coordinating Board, the executive committee of the National Security Council, highest foreign policy planning board of the government.⁸

Still another prominent Republican, John J. McCloy (partner in the Rockefeller-associated law firm of Milbank, Tweed, Hadley and McCloy, and former Board Chairman of the Chase Manhattan Bank) played a key role in securing Hanna's access to the Minas Gerais concession. After the overthrow of the Goulart government in 1964, McCloy, retained as Hanna's counsel, escorted U.S. ambassador to Brazil, Lincoln Gordon, to the office of President Castelo Branco, Goulart's successor, to ask for a restoration of the concession as one condition for receiving U.S. financial aid.⁹ McCloy, a past president of the World Bank (1949) is also in a position to help Hanna acquire World Bank loans to develop its Brazilian operations. In January 1968, the World Bank granted a \$22 million loan to finance the integrated aluminum mining, refining and smelting facilities of Companhia Mineira de Alumino, controlled by Hanna Mining Co. and ALCOA. Hanna has applied to the World Bank for another loan to provide part of the financing for the development of the iron ore deposits by its subsidiary Mineracoes Brasileiras Reunidas and for the development of a federal railway network to connect the deposits with a proposed ore harbor (see part one).¹⁰

Another way Humphrey utilized his political connections to benefit the industrial empire he controls is exemplified by a contract M.A. Hanna Co. signed to provide nickel to the General Services Administration (GSA) at the beginning of the Eisenhower administration. At the outbreak of the Korean War, when the United States suffered a severe nickel shortage, Hanna officials informed the Office of Defense Mobilization that they had discovered a large deposit of nickel-bearing ore in Oregon. The company spokesmen proposed that the government help finance the development of the mines and the erection of a smelting plant as well as buy the nickel. GSA administrators, however, criticized the terms of the proposal as yielding M.A. Hanna too excessive a profit and were on the point of rejecting it when Eisenhower announced Humphrey's cabinet appointment. Under pressure from above, the GSA officials reversed their

CAMPAIGN CONTRIBUTIONS OF THE FOUR FAMILY DYNASTIES

The chart below lists the reported national campaign contributions of members of the Hanna, Humphrey, Love and Weir dynasties which control the Hanna industrial complex. A list of sources and a key to abbreviations of the recipient organizations follows the chart. Contributions made during presidential campaign years are listed in detail (when available), but for lack of space contributions made during Congressional campaign years are given in yearly aggregate form.

Contributor	Am't	Total	Recipient
<u>1944- Contributions of \$500 or more:</u>			
Mr. & Mrs. G.H. Love	\$ 750	\$ 750	RFCAC
E.T. Weir	3,000		URFC
	2,000		RNC
	2,937		RFCAC
	2,000		NRCC
	1,000		NRSC
	2,955		PENN
	950	14,842	SD
		<u>\$15,592</u>	

1950- Contributions: 4,000

1952- Contributions of \$1,000 or more:

G.H. Love	2,500	2,500	RP
E.T. Weir	2,500		RNC
	1,000		NRSC
	1,500	5,000	NRCC
Mrs. E.T. Weir	3,000		RNC
(Mary Hayward)	3,000		NRCC
	5,000		NPCEN
	2,000		CENNY
	3,000	16,000	NRSC
		<u>23,500</u>	

Note: Another source giving the names of the 109 contributors of \$10,000 or more in the 1952 campaign states that Mr. & Mrs. E.T. Weir contributed a total of \$27,665 (vs. the \$21,000 shown above).

1954-Contrbtns. of \$1,000 or more:18,000

1955-Contrbtns. of \$1,000 or more:11,000

1956- Contributions of \$500 or more:

Mrs. W. Bicknell, Jr.	1,000		L
	500	1,500	L
G.W. Humphrey	500		L
	500	1,000	L
Mrs. R.L. Ireland	1,000	1,000	L
G.H. Love	2,000		RCCC
	1,000		L
	2,000	5,000	L
T.E. Millsop	2,500		RNC
	750		RCCC
	1,000	4,250	L
Mrs. T.E. Millsop	2,500	2,500	RNC
(Frances W.)			
E.T. Weir	3,000		RNC
	3,000		RSCC
	3,000		RCCC
	2,000	11,000	L
		<u>26,250</u>	

Note: E.T. Weir died in June 1957.

1958-Contrbtns. of \$1,000 or more: 4,000

1959- Contrbtns. of \$900 or more: 2,000

1960- Contributions of \$500 or more:

Mrs. G.W. Humphrey (10/31)	1,000	1,000	ITV
(Louise Ireland)			
G.H. Love	(6/21) 1,000		RAL
	(10/28) 2,000		VNL
	(11/1) 1,000	4,000	ITV
Mrs. G.H. Love	(10/28) 1,000	1,000	VNL
W.H. Moore	(4/19) 1,000		VNL
	(10/5) 500	1,500	NYR
T.W. Millsop	(10/31) 500	500	VNL
		<u>8,000</u>	

Contributor	Date	Am't	Total	Recipient
<u>1961- Contrbtns. of \$500 or more:</u>				9,000
<u>1962- Contrbtns. of \$500 or more:</u>				10,500
<u>1963- Contrbtns. of \$500 or more:</u>				4,500

1964- Contributions of \$500 or more:

G.M. Humphrey	(2/14)	1,000		RCC
	(3/7)	1,500		RNFOC
	(9/21)	3,000		RCCE*
	(9/21)	3,000		RNFOC*
	(9/21)	3,000		CGM*
	(9/21)	3,000		RTC*
	(10/1)	1,000	15,500	NRSC
Mrs. G.M. Humphrey	(3/7)	1,500	1,500	RNFOC
Miss K. Ireland				
(daughter of R.L.)	(9/30)	3,000	3,000	RTC*
R.L. Ireland	(9/21)	3,000		CGM*
	(9/21)	3,000		RTC*
	(9/21)	3,000		RCCE*
	(10/1)	1,000	10,000	NRSC
G.H. Love	(7/9)	500	500	RAL
Mrs. G.H. Love	(5/1)	500		RAL
	(9/21)	1,000		RTC*
	(9/29)	500	2,000	RAL*
T.E. Millsop	(9/24)	5,000	5,000	RNFOC*
W.H. Moore	(4/15)	1,000	1,000	NRCC
			<u>38,500</u>	

* Indicates contributions to Goldwater campaign committees. Note the increased amounts of donations over past years.

Note 1: 72 firms placed full page ads in the 1964 Republican Nat'l Convention Program; of these, 47 (or 61%) also placed ads in the Democratic Party's convention program. Typical rates ranged from \$3,500 for a full page in black and white to \$5,000 for a full color page. Both the Nat'l Steel Corp. and the M.A. Hanna Co. and Hanna Mining Co. placed full page ads in the Republican program and did not place them in the Democratic program.

Note 2: Among the list of 130 individuals (including wives) who contributed \$10,000 or more in 1964 to the nat'l political campaign appear Mr. and Mrs. G.M. Humphrey who gave \$17,000 to the Republican Party and R.L. Ireland, who gave \$10,000 to the same party.

1965- Contrbtns. of \$500 or more: 10,510

1966- Contrbtns. of \$500 or more: 6,500

1967- G.M. Humphrey and his wife are listed among the 71 people reported to have contributed \$5,000 or more in 1967 to the political campaign.

KEY TO ABBREVIATIONS OF POLITICAL CAMPAIGN COMMITTEES

CENNY - Citizens for Eisenhower-Nixon, New York City.	RCCC - Republican Congressional Campaign Committee.
CGM - Citizens for Goldwater-Miller, Wash., D.C.	RCCE - Republican Campaign Committee, Wash., D.C.
ITV - Independent Television Committee, Wash., D.C.	RFCAC - Republican Finance Committee for Allegheny Co., Pittsburgh, Pa. (for its successor, see RAL)
L - indicates local or state Republican Party organization.	RNC - Republican National Committee, Wash., D.C.
NPCEM - National Professional Committee for Eisenhower-Nixon.	RNFOC - Republican National Finance Operations Committee, Washington, D.C.
NRCC - National Republican Congressional Committee, Washington, D.C.	RP - Republican Party (no specific organization named).
NRSC - National Republican Senatorial Committee, Washington, D.C.	RSCC - Republican Senatorial Campaign Committee.
NYR - United Republican Finance Committee for the State of New York, New York City.	RTC - TV for Goldwater-Miller Committee, Wash., D.C.
PENN - Republican State Committee of Pennsylvania.	SD - South Dakota Republican Central Committee.
RAL - Republican Finance Committee of Allegheny Co., Pittsburgh, Pennsylvania.	URFC - United Republican Finance Committee for Metropolitan New York
RCC - National Republican Citizens Committee; in 1964, changed name to Republican Citizens Committee of the United States, Washington, D.C.	VNL - National Volunteer for Nixon-Lodge Finance Committee, New York City.

SOURCES FOR CAMPAIGN CONTRIBUTIONS CHART

Listed below are various Congressional Quarterly (CQ) publications and congressional committee reports which have, in different ways (none of which have been totally consistent for the years 1944-67), organized campaign contributions data reported to the House Clerk and Senate Secretary under the provisions of the Corrupt Practices Act. These sources are suggested as valuable tools for researchers.

- 1944 - "Tabulation of Contributions by Individuals of \$500 or More to Political Committees," Appendix IX, Report of Special Committee to Investigate Presidential, Vice-Presidential and Senatorial Campaign Expenditures in 1944, Senate, 79th Congress, Report #101, March 15, 1945, pp. 151-241.
- 1950 - "1950 Political Contributions Totals," CQ Weekly Report, April 27, 1951, pp. 611-628.
- 1952 - "List of Big Contributors," CQ Weekly Report, October 2, 1953, pp. 1205-1208.
 - "109 Contributions of \$10,000 or More to the 1952 Campaign," CQ Almanac, 1956, p. 704.
 - "Officials of the 100 Largest U.S. Corporations Making Known Contributions of \$500 or Over in 1952," Exhibit 2, 1956 Presidential and Senatorial Campaign Contributions and Practices, Hearings Before the Subcommittee on Privileges and Elections of the Committee on Rules and Administration, Senate, 84th Congress, Part II, October 8, 9, & 10, 1956, p. 465. (This source has useful data on both the 1952 and 1956 campaigns.)
- 1954 - "Campaign Donations of \$1,000 or More," CQ Almanac, 1955, pp. 748-756.
- 1955 - "Donations of \$1,000 or More," CQ Weekly Report, February 17, 1956, pp. 177-182.
- 1956 - "Individuals Contribute \$11 Million in Amounts of \$500 or More," CQ Weekly Report, February 8, 1957, pp. 229-263.
 - "1956 Election Donations of \$5,000 or More," CQ Weekly Report, February 8, 1957, pp. 226-228.
- 1958 - "State Breakdown of \$1,000 Donations in 1958," CQ Almanac, 1959, pp. 815-821.
- 1959 - "State Breakdown of \$900 or More Contributions in 1959," CQ Almanac, 1960, pp. 816-824.
- 1960 - "Campaign Contributions of \$500 or More Reported for 1960," CQ Special Report, Part II supplementing Weekly Report for June 30, 1961, pp. 1067-1106.
- 1961 - "Campaign Contributions of \$500 or More Reported for 1961," CQ Special Report, Part I supplementing Weekly Report for July 26, 1963, pp. 1290-1303.
- 1962 - "Campaign Contributions of \$500 or More Reported for 1962," Ibid., pp. 1198-1231.
- 1963 - "Campaign Contributions of \$500 or More in 1963," CQ Weekly Report, July 3, 1964, pp. 1388-98.
- 1964 - "Campaign Contributions of \$500 or More for 1964," CQ Weekly Report Special Report, January 21, 1966, pp. 79-149.
 - "Contributions of \$10,000 or More in 1964," Ibid., pp. 67-69.
 - "Republican Program Advertisers," Ibid., p. 64.
- 1965 - "Campaign Contributions of \$500 or More for 1965," CQ Weekly Report, December 2, 1966, pp. 2958-2977.
- 1966 - "Campaign Contributions of \$500 or More for 1966," CQ Special Report, Part I of two parts of Weekly Report, August 11, 1967, pp. 1399-1436.
- 1967 - "Contributions of \$5,000 or More in 1967," CQ Weekly Report, July 5, 1968, pp. 1680-81.

decision and approved the contract on January 16, 1953, a week before Humphrey assumed his post.

A congressional investigation conducted by Senator Symington at the suggestion of the Kennedy administration later revealed the extortionate profits M.A. Hanna made as a result of the contract. The congressmen found Hanna's profits on sales over a six year period were 57.4%.¹¹

FOOTNOTES:

NOTE: There is no ascertainable relationship between George Humphrey and the Hubert Humphrey family.

¹ Most of the documentation for the above analysis is from: *Marcus Alonzo Hanna; His Life and Work*, Herbert Croly, Archon Books, 1965 (originally published by Macmillan in 1912).

² *The Making of the President 1964*, Theodore H. White, Atheneum, 1965, p. 69.

³ It is instructive to examine the contrasting ideologies of the spokesman of the Hanna fortune—G.M. Humphrey, who backed Taft—and of the spokesmen of the Rockefeller fortune—John J. McCloy and Richard Aldrich (former Board Chairmen of Chase Manhattan Bank) who backed Dewey and Eisenhower, in light of the development of their respective enterprises. For the companies on which M.A. Hanna and John D. Rockefeller based their fortunes had similar origins; both exploited raw materials with great profit potential and both were founded in Cleveland within a decade of each other by boyhood schoolmates. Yet their rates of growth were quite dissimilar. Rockefeller carried out a policy of mergers and amalgamation in the 1870's whereas Humphrey undertook such a policy for the Hanna enterprise only in the 1920's and 30's. The early formation of the Standard Oil Trust enabled overseas expansion as early as the 1890's to secure foreign sources and markets for oil. The Hanna enterprises began to expand abroad to secure ore sources and markets only within the last decade.

⁴ Eisenhower was a frequent guest at quail-shoots on Humphrey's Georgia plantation. The two also often golfed together at the exclusive Laurel Valley Golf Club in Pennsylvania which

Humphrey's business associate George Love organized in 1959 with Ben Fairless of U.S. Steel.

⁵ *Suite 3505, The Story of the Draft Goldwater Movement*, F. Clifton White, Arlington House, 1967, pp. 342-3.

⁶ *What Happened to Goldwater: The Inside Story of the 1964 Republican Campaign*, Stephen Shadegg, Holt, Rinehart and Winston, 1965, p. 127.

⁷ For the story of the CIA in Iran, see *The Invisible Government*, D. Wise and T.B. Ross, Random House, 1964.

⁸ "Number Two Job in the State Department," *The New York Times Magazine*, E.B. Lockett, October 31, 1954.

⁹ *The New York Times*, November 7, 1964.

¹⁰ George Humphrey also had close ties to the World Bank as a result of serving as a member of its Board of Governors while Secretary of the Treasury.

¹¹ For a more detailed account of this scandal, see "Humphrey of Hanna," *Despoilers of Democracy*, Clark Mollenhoff, Doubleday, 1965, pp. 74-91.

ADDENDA

In February 1969 Hanna Mining Co. announced a preliminary agreement to merge St. Joseph Lead Co. into Hanna's mineral mining complex. St. Joseph Lead is the largest U.S. producer of lead, supplying about one-third of the nation's output.

For documentation of how Hanna's "most important single investment," the Iron Ore Co. of Canada, was the sole beneficiary of a special tax regulation issued by the Under Secretary of the Treasury in the last days of the Johnson administration, see *The Cleveland Plain Dealer* series by Sanford Watzman, April 27 & 28, 1969. The regulation saved the Iron Ore Co. of Canada from \$10 to \$20 million in taxes.

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