

Oil

Big oil collides with a family fortune

The Rockefellers turn on the source of their wealth

Philip Delves Broughton



John D Rockefeller © Getty

NOVEMBER 26, 2016 by: **Philip Delves Broughton**

The Rockefeller name remains synonymous with the capitalist bludgeon of John D Rockefeller and Standard Oil, the 19th century monopoly that created one of the greatest fortunes in history. But, deep into the fifth generation, the money is still gushing along with a conscience and swagger rarely found in [money this old \(http://next.ft.com/content/5144467e-8ee3-11e6-a72e-b428cb934b78\)](http://next.ft.com/content/5144467e-8ee3-11e6-a72e-b428cb934b78).

It pops up in the unlikeliest places. The phenomenon of farm-to-table dining was nurtured and popularised at the Stone Barns Center for Food and Agriculture in Tarrytown, New York, funded by the Rockefellers and created out of their former dairy farm. Through [Venrock \(http://www.venrock.com/portfolio/\)](http://www.venrock.com/portfolio/), their venture capital firm, the Rockefellers have funded companies such as Intel and Apple —

and more recently [Nest Labs \(http://next.ft.com/content/90b8714a-7c99-11e3-b514-00144feabdco\)](http://next.ft.com/content/90b8714a-7c99-11e3-b514-00144feabdco), which was sold to Google for \$3.2bn, and the [Dollar Shave Club \(http://next.ft.com/content/fc1ddc32-54d1-11e6-9664-e0bdc13c3bef\)](http://next.ft.com/content/fc1ddc32-54d1-11e6-9664-e0bdc13c3bef), which Unilever bought recently for \$1bn.

One of the greatest thrills of the Metropolitan Museum of Art in New York is the Michael C Rockefeller wing, housing art from Africa, Oceania and Central and South America. Michael was a scholarly collector of primitive art, who died at the age of 23 on an expedition to Netherlands New Guinea in 1961.

Summa in 1901.

Now, the Rockefeller Family Fund, one of several family charities, is using the [New York Review of Books](https://www.nybooks.com/articles/2016/12/08/the-rockefeller-family-fund-vs-exxon/) (<https://www.nybooks.com/articles/2016/12/08/the-rockefeller-family-fund-vs-exxon/>) to describe its latest mission: fighting Big Oil. David Kaiser, a fifth-generation Rockefeller, and Lee Wasserman, director of the fund, allege in an essay that [ExxonMobil](http://markets.ft.com/data/equities/tearsheet/summary?s=us:XOM) (<http://markets.ft.com/data/equities/tearsheet/summary?s=us:XOM>) is guilty of “morally reprehensible conduct”, putting profits above what it knows to be the truth about climate change.

[ExxonMobil](https://www.ft.com/topics/organisations/Exxon_Mobil_Corp) (https://www.ft.com/topics/organisations/Exxon_Mobil_Corp) is a direct descendant of Standard Oil, which was broken up in 1911 after it was declared a monopoly. So the Rockefellers’ attack, Messrs Kaiser and Wasserman accept, represents a “turning against the company where most of the Rockefeller family’s wealth was created”.

It has certainly aroused the wrath of ExxonMobil, which despite the fall in oil prices remains among the most valuable companies in the world. An ExxonMobil spokesman has accused Rockefeller charities of “funding a conspiracy against us”. If not a conspiracy, it is at the very least a concerted push.

The Rockefeller Family Fund and the [Rockefeller Brothers Fund](http://next.ft.com/content/74b82046-5449-11e6-9664-e0bdc13c3bef) (<http://next.ft.com/content/74b82046-5449-11e6-9664-e0bdc13c3bef>) — which have both divested their investments in fossil fuel producers — helped fund a report by a team from Columbia University’s Graduate School of Journalism into what Exxon and other US oil companies knew about climate science and when. What the reporters found was ugly.

The oil companies’ behaviour struck the Rockefeller Family Fund as similar to that of tobacco companies, which knew of the links between smoking and cancer as early as 1953. But rather than admitting it, to the cost of their business, they chose to create a phoney debate over the science and drag it out for years.

The same has been true, they allege, for ExxonMobil. Despite knowing about the links between burning fossil fuels and climate change since the 1970s, it has spent millions of dollars funding campaigns allegedly to cast doubt on scientific claims linking them.

The charges have prompted investigations and threats of investigation into ExxonMobil by several

state attorneys-general, and the Securities and Exchange Commission is investigating how the company values its assets. A decreasing appetite for fossil fuels would lower the estimated value of its reserves. This is now well beyond a PR problem for ExxonMobil. It cuts right to the heart of its business.

What makes this such a rich tale is the nature of the combatants. Standard Oil grew through intimidation, deceit and abuse. But the emerging oil industry of the 1870s was no kindergarten. And John D Rockefeller by no means the only bully. Just the craftiest.

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Time and fortunes have healing powers. Few remember the surly, petulant [Bill Gates](https://www.ft.com/topics/people/Bill_Gates) ([https](https://www.ft.com/topics/people/Bill_Gates)

[://www.ft.com/topics/people/Bill_Gates](https://www.ft.com/topics/people/Bill_Gates)) of 1998, testifying to government lawyers who charged Microsoft with monopolistic behaviour. Today, Mr Gates is a revered philanthropist, who received the Medal of Freedom from President Barack Obama this week.

The Rockefellers of today have benefited from the same process. The descendants of John D have used their money for all kinds of interesting and untainted purposes. ExxonMobil, by contrast, remains in a problematic industry, riven by conflicts between profit and the common good. It is easy to see why the engineers of ExxonMobil do not like being lectured to by soft-palmed rentiers. Their work is harder than collecting dividends from a trust fund.

But more than 100 years ago, Ida Tarbell, a progressive journalist who exposed many of Standard Oil's worst practices, wrote after

discovering the company had stolen documents from its rivals: “There was a littleness about it that seemed utterly contemptible compared to the immense genius and ability that had got into the organisation.”

ExxonMobil’s aggressive response to the Rockefellers has that same littleness about it. A company with such power and organisational might would do better to co-operate with an enemy so agile and capable of fighting back.

The writer is author of ‘What They Teach You at Harvard Business School’

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