

From *Bodega* to *Supermercado*: Nelson A. Rockefeller's Agro-Industrial Counterrevolution in Venezuela, 1947-1969

Shane Hamilton, University of Georgia
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The arrival of American supermarkets in Venezuela in 1949 was intended to spark an instantaneous passage into modern consumer capitalism. "It was hard," according to Bernardo Jofre, a consultant for the International Basic Economy Corporation (IBEC), "for Venezuelans to realize the importance of modernizing the retail food stores and operating them on the basis of greater sales volume and less profit margin." Long accustomed to the "classical 'casa de abastos' or 'bodega,'" Venezuelans were, according to Jofre, ill prepared to foresee the revolutionary "benefits offered them" by American-style supermarkets. Those benefits were envisioned by Nelson A. Rockefeller when he founded IBEC shortly after World War II. Supermarkets would, Rockefeller believed, transform Venezuela from a petroleum-dependent autarky with a restive peasantry into a reliable U.S. ally with a diversified economy and a solidly middle-class electorate. By 1956, Venezuela was home to eight American-operated *supermercados*, and according to Jofre's report to IBEC headquarters, it could "truthfully be said that the modern supermarkets are displacing the old fashioned 'bodegas.'" The decline of the *bodega*, for Jofre, symbolized the decline of a Venezuelan political economy marked by political radicalism, rampant inequality, and antagonistic relations with the United States. The rise of the supermarket portended a Venezuelan future of broadly shared prosperity, stable democracy, and cooperative relations with North American capitalists and diplomats.¹

Nelson Rockefeller was an internationalist, moderate Republican, and scion of the most recognizable business family in the United States. In 1947 he pooled \$2 million in personal and

¹ Bernardo Jofre to H. W. Bagley, Sep. 11, 1956, Rockefeller Archive Center, Sleepy Hollow, NY (hereafter RAC), International Basic Economy Corporation Records (hereafter IBEC), J Series, Microfilm Reel J-65.

family capital to create IBEC. Founded on the optimistic notion that a corporation could turn handsome profits while improving social welfare on a global scale, IBEC would score its greatest successes from the late 1940s through the 1960s with a chain of Venezuelan supermarkets. These supermarkets were deeply politicized entities. Supermarkets, Rockefeller and his IBEC colleagues imagined, would reach backward into the small-scale localized agriculture of countries such as Venezuela, forcing rapid adoption of technological systems for cheapening food for urban populations. The power of American capital, brought to bear on high food prices, would silence political leftists who demanded the ouster of "Yanqui Imperialistas." As Rockefeller would declare in the mid-1950s, "it's hard to be a Communist with a full belly." In contrast to the oft-touted "supermarket revolution" that swept the United States after the 1930s, IBEC's supermarkets were intended as forces of counter-revolution in Cold War Latin America.²

In its counter-revolutionary aims, the IBEC supermarket project was both similar and markedly different from other better-known plans for "development" that emerged after World War II. The "birth of development," according to historian Amy Staples, entailed the postwar formation of international institutions such as the United Nations Food and Agriculture Organization, staffed by well-intentioned technical experts who worked "to better the lives of other human beings whom they had never met or known, for no other reason than the desire to improve the human race." Indeed, according to Staples, development experts "derived no

² International Basic Economy Corporation, Press Release, Jan. 10, 1947, RAC, RG 4, Nelson A. Rockefeller Papers, Series B, Box 14, Folder 143. "Full belly" quote is from J. C. Moffett, *American Supermarkets in Milan or Sunflowers Grow in Italy*, report to Maxwell Graduate School, Syracuse University, NY, Jan. 15, 1960, RAC, IBEC, Microfilm Series IBEC, 9. General histories of IBEC include: Wayne G. Broehl, Jr., *The International Basic Economy Corporation* (Washington, DC, 1968); Darlene Rivas, *Missionary Capitalist: Nelson Rockefeller in Venezuela* (Chapel Hill, 2002); Kenneth D. Durr, *A Company with a Mission: Rodman Rockefeller and the International Basic Economy Corporation, 1947-1985* (Rockville, MD, 2006).

monetary profit from their work."³ Nelson Rockefeller's IBEC was similarly staffed by internationalists with the best of intentions, but profit was its *raison d'être*. Development without profit, for Rockefeller, was no development at all.

As Rockefeller saw it, the post-World War II moment offered an unprecedented opportunity to reconceptualize the nature of profit. In the classical Anglo-American economic vision, profit was inseparable from social welfare. In Andrew Carnegie's famous 1889 essay "Wealth," for instance, the windfall profits accrued by industrial capitalists were the necessary and logical result of managerial success in bringing basic comforts to average workers. Industrialization brought enormous inequality of wealth, admitted Carnegie, but when "the poor enjoy what the rich could not before afford," profit and social welfare were one and the same.⁴ According to Nelson Rockefeller, however, this nineteenth-century vision no longer applied in a world wracked by the devastation of two world wars and a global depression. "The record of the last century," Rockefeller explained to a Brazilian business group in 1948, "shows that capital then went almost invariably to the area promising greatest profit. Today this is not enough. Today capital must go where it can produce the most goods; render the greatest services; meet the most pressing needs of the people."⁵ Like Carnegie, Rockefeller believed firmly in the power of both capital and philanthropy. In contrast with Carnegie, however, Rockefeller sought to merge philanthropy with capital, and do so on a global scale.

What Rockefeller and his colleagues at IBEC liked to call "enlightened capitalism" emerged from their reaction to global economic conditions at the end of World War II. Much

³ Amy L. S. Staples, *The Birth of Development: How the World Bank, Food and Agriculture Organization, and the World Health Organization Changed the World, 1945-1965* (Kent, Ohio: Kent State University Press, 2006), 1.

⁴ Andrew Carnegie, "Wealth," *North American Review*, Jun. 1889, 654.

⁵ Nelson A. Rockefeller, Speech before American Chamber of Commerce, Sao Paulo, Brazil, Sep. 16, 1948, Rockefeller Archive Center, Sleepy Hollow, NY, RG 4, Nelson A. Rockefeller Papers, Series A, Box 146, Folder 1586.

like the internationalists who founded the International Monetary Fund, the World Bank, and the United Nations, Rockefeller was convinced that permanent peace could be achieved by linking antifascist politics with a broad vision of economic security for the citizens of the world—"freedom from want," in Franklin Roosevelt's famous war-era phrase. Unlike the diplomats, economists, and social scientists who established multilateral institutions in the wake of World War II in an effort to establish what Elizabeth Borgwardt calls a "New Deal for the world," however, Rockefeller was convinced that the modern corporation, driven by the profit motive, was the institution with the most power to build a postwar world free from hunger and want.⁶

Satisfying hunger was both a profitable business, Rockefeller declared, and the key means by which an "enlightened" capitalist could build a more secure world. In equating hunger with political and economic insecurity, Rockefeller's vision prefigured elements of the Food for Peace and Green Revolution programs of the 1950s and 1960s. Much like the promoters of Food for Peace and the Green Revolution, IBEC executives effectively worked, under the propagandistic umbrella of altruistic humanitarianism, to extend and bolster the power of U.S. agribusiness in the global economy. Unlike surplus-dumping schemes or genetic-modification programs aimed at boosting crop yields, however, IBEC's strategies were *explicitly* engaged in transforming the Cold War food marketplace through profit-oriented private enterprise. Indeed, there was an admirable intellectual honesty in Rockefeller's forthright declaration of his intent to profit from "modernizing" Latin American food economies. And perhaps most importantly, IBEC's strategies for agro-industrial development were not guided by technocratic notions of pushing more agricultural commodities into an abstract marketplace, but were instead aimed at moving specific foodstuffs into the actual market baskets of carefully targeted consumers—

⁶ Elizabeth Borgwardt, *A New Deal for the World: America's Vision for Human Rights* (Cambridge, MA: Harvard University Press, 2005).

consumers who were targeted as much for their ability to pay for those foodstuffs as for the geopolitical implications of their purchases.⁷

In the case of IBEC's Venezuelan supermarkets, the results of Rockefeller's efforts were mixed. By the mid-1960s, the company had established more than two dozen thriving, profitable supermarkets in a Latin American country that had operated no supermarkets prior to IBEC's arrival. But simultaneous efforts to establish industrialized agriculture supplying the country's basic food needs failed summarily. By the end of the 1960s, the once-altruistic IBEC was on its way to being transformed into a multinational agribusiness firm dedicated to profit for profit's sake. By the end of the 1960s, those profits were to be gained primarily through non-farm value-added processing on the consumer end of the food chain, rather than via on-farm agricultural development. Ultimately, IBEC's operations in Venezuela marked the birth of a form of agricultural development that, although it was anomalous in its own time, would take deeper root in the post-1960s world. Late-century transnational corporations such as Archer-Daniels Midland ("Supermarket to the World") and Wal-Mart (currently the world's largest food retailer) would ultimately pick up where IBEC left off, as they sought rapid transformations of food supply chains to feed the maws of the modern "global supermarket."⁸

Nelson Rockefeller's involvement in the politics of U.S. business in Latin America began in 1935. A visit to Venezuela in that year "changed his life," convincing him to return home to

⁷ My reading of both the "Food for Peace" programs and the "Green Revolution" has been influenced primarily by: Kristin L. Ahlberg, *Transplanting the Great Society: Lyndon Johnson and Food for Peace* (Columbia: University of Missouri Press, 2008); Nick Cullather, *The Hungry World: America's Cold War Battle against Poverty in Asia* (Cambridge, MA: Harvard University Press, 2010).

⁸ David Burch and Geoffrey Lawrence, eds., *Supermarkets and Agri-food Supply Chains: Transformations in the Production and Consumption of Foods* (London: Edward Elgar, 2007); Lori Ann Thrupp, *Bittersweet Harvests for Global Supermarkets: Challenges in Latin America's Agricultural Export Boom* (Washington, DC: World Resources Institute, 1995).

New York and take a crash course in Spanish. He returned to Venezuela in 1937 as director of the Creole Petroleum Corporation, a division of Standard Oil of New Jersey (founded by his grandfather, John D. Rockefeller). Ambitious politically as well as in the business world, Nelson Rockefeller began formulating plans for "developing" Latin American commercial relations with the United States.⁹ His plans took a more urgent tone after 1938, when Mexico nationalized its petroleum production, setting a precedent for potential disruption of U.S. investments in Latin American oil refining. In 1939 Rockefeller began an ill-fated attempt to build a hotel complex in Venezuela to spur non-petroleum related economic diversification in that country. Soon thereafter he wrote President Franklin D. Roosevelt, insisting that sustained U.S. investment in Latin American economies would ensure the success of Roosevelt's "Good Neighbor Policy." In response, Roosevelt appointed Rockefeller coordinator of the Office of Inter-American Affairs. During the war, the office pumped U.S. money into food provisioning and health services to keep Latin American countries in the Allies' corner.¹⁰

Under Rockefeller's leadership, the Office of Inter-American Affairs sought to put into action the key tenets of Henry Luce's vision of an "American Century." Luce, the publisher of *Time*, *Life*, and *Fortune* magazines, famously called upon Americans to move from isolationism to internationalism in a 1941 essay, declaring the need to "[share] with all people ... our Bill of Rights [and] our magnificent industrial products, our technical skills." Doing so, America would "[lift] the life of mankind from the level of the beasts to what the Psalmist called a little lower than the angels."¹¹ To persuade Americans of the need to defeat fascism on foreign shores, Luce sketched a bold picture of the nation's destiny—a vision in which economic abundance and

⁹ "The Rocky Roll," *Time*, Oct. 6, 1958, 17.

¹⁰ "Nelson Aldrich Rockefeller," Oct. 1948, RAC, RG 4-A, Box 14, Folder 85; Durr, *Company with a Mission*, 8-9; Rivas, *Missionary Capitalist*, 35-67.

¹¹ Henry Luce, "The American Century," *Life*, Feb. 17, 1941, 64, 65; Alan Brinkley, *The Publisher: Henry Luce and His American Century* (Cambridge, MA: Knopf, 2010).

democratic idealism seamlessly merged. Bringing U.S. "technical skills" to bear on problems of poverty, particularly rural poverty, was furthermore a familiar field for Nelson Rockefeller, as his father's philanthropic Rockefeller Foundation pioneered the deployment of American agricultural scientists to foster rural modernization, first in the U.S. South and then in various Latin American countries.¹² Operating in Venezuela during World War II, the Office of Inter-American Affairs drew on the Rockefeller Foundation model, sending a staff of American agricultural scientists into Venezuelan fields to coax farmers into producing more milk, potatoes, wheat, and vegetables—products that were primarily imported rather than domestically produced and thus especially prone to escalating prices under wartime conditions of scarcity.¹³

By 1944, however, the Venezuelan staff of the Office of Inter-American Affairs decided that boosting agricultural production alone would not bring food prices down for urban consumers. Venezuela had little transportation or distribution infrastructure to connect even its most productive farms with consumers. Oranges produced in the Valley of Montalban in 1944, for instance, were left to rot in orchards because the cost of transporting them to urban markets far outweighed the price (\$3 per thousand) offered by wholesalers—this, at a time when oranges sold in Caracas for \$33.33 per thousand.¹⁴ Nelson Rockefeller, aware of such instances, learned from his experience in the Office of Inter-American Affairs that if the "American Century" were to take root in Latin America after the war, modern techniques of food distribution would have to be closely coupled to efforts to ramp up farm production.

¹² Tore Olsson, "Green Revolutions: The American South, Mexico, and the Twentieth-Century Remaking of the Rural World" (Ph.D. dissertation, University of Georgia, in progress); Jonathan Harwood, "Peasant Friendly Plant Breeding and the Early Years of the Green Revolution in Mexico," *Agricultural History* 83 (Summer 2009): 384-410; Nick Cullather, *The Hungry World: America's Cold War Battle against Poverty in Asia* (Cambridge, MA: Harvard University Press, 2010), 11-71.

¹³ "Venezuela," n.d. (1942?), National Archives II, College Park, MD, RG 229, Records of the Office of Inter-American Affairs, Entry 147, Records of the Dept. of Basic Economy, Food Supply Division, Project Files, Box 1693, Folder 9; Nelson A. Rockefeller to Diogenes Escalante, Jun. 12, 1943, *ibid.*; .

¹⁴ "Food Production Program in Venezuela," Feb. 15, 1944, *ibid.*, Folder 11.

Building supermarkets in Venezuela after war's end was thus in some ways a logical extension of Rockefeller's wartime experiences in Latin America. Yet Rockefeller's interest in supermarkets was sparked primarily through happenstance. Since his earliest days at the helm of Creole Petroleum in Venezuela, Rockefeller fretted about the possible impacts of communist agitation on U.S. diplomatic and business relations in Latin America.¹⁵ After World War II, the apparent threat of communism took on added force. As *New York Times* reporter W. H. Lawrence noted in a December 1946 article that Rockefeller's staff clipped for his personal files, the "economic ills of Latin America, basic and temporary, have made that area a fertile field for Communist agitation."¹⁶ Venezuela's postwar reformist party, Acción Democrática, responded to leftist pressures by imposing steep taxes on foreign oil companies, including those in which the Rockefellers maintained significant investments. To stave off further impositions on the oil companies, Rockefeller convinced the petroleum firms to pony up \$15 million to help Acción Democrática and President Rómulo Betancourt confront a growing food crisis in Venezuela.¹⁷

The result, in May 1947, was the formation of a subsidiary of IBEC, the Venezuelan Basic Economy Corporation (VBEC). Half of VBEC's capitalization came from the oil companies and half from the Venezuelan government. Like its parent company, VBEC was a profit-oriented corporation with a social mission. Its certificate of incorporation declared that VBEC would "promote the economic development of Venezuela, and particularly its agricultural economy, to increase the production and availability of goods, things and services useful to the

¹⁵ C. J. Bauer, Report to the Board of Directors of the Creole Petroleum Corporation, Nov. 4, 1937, RAC, RG 4, Series A, Box 66, Folder 564; C. J. Bauer, Report to the Directors of the Creole Petroleum Corporation, Mar. 2, 1938, *ibid.*, Folder 565.

¹⁶ "Communism," Dec. 1946, RAC, RG 4-L, Box 52, Folder 475, quoting W. H. Lawrence, "Rise of Reds in Americas Traced to Low Pay-High Profit Economy," *New York Times*, Dec. 31, 1946, 1.

¹⁷ Kenneth J. Kadow and John R. Camp to Nelson A. Rockefeller (hereafter NAR) and Board of Directors of IBEC, "Preview of the Venezuelan Program," Jan. 14, 1947, RAC, RG 4-A, Box 145, Folder 1580; NAR, Memorandum re Arrangements Following Trip to Venezuela, Feb. 7, 1947, RAC, RG 4-B, Box 14, Folder 144; NAR, Report on Trip to Venezuela, Jun. 27, 1947, RAC, RG 4-B, Box 27, Folder 270; Romulo Betancourt to NAR, Jun. 26, 1947, *ibid.*, Box 10, Folder 92.

lives or livelihood of its people, and thus to better their standards of living."¹⁸ Supermarkets, VBEC's organizers quickly decided, would play a crucial role in achieving these goals. A February 1947 press release touting the proposed company declared that "It is the general impression of the mission that food supplies at more reasonable prices can be made available by improving methods of food distribution."¹⁹ The lessons learned in Venezuela under the Office of Inter-American Affairs were applied to VBEC's formation, as Rockefeller and his aides were determined to introduce "improvements in warehousing, transportation, and marketing facilities" and not just boost agricultural production at the farm level.²⁰

Although VBEC's food-based mission was formed in the midst of specifically Venezuelan politics, it nonetheless conformed to Rockefeller's emerging vision of development. Rockefeller believed it possible to raise the living standards of Latin American peoples through technological guidance rather than redistribution of wealth. He was particularly encouraged, for instance, by "Point IV" of President Harry S Truman's 1949 inaugural address, which called for U.S. corporate investment in the economies of poor nations throughout the world. Rockefeller informed a congressional committee considering the Point IV proposals in September 1949 that the power of American capitalism, properly applied, could provide a path for aggressive achievement of U.S. geopolitical goals in the emerging Cold War. As he put it, "How can we get more buying power in the hands of the other peoples of the world? How can we help them get more dollars without just giving it to them?" The answer lay, according to Rockefeller, in "increasing the availability of capital, technical and scientific knowledge, and managerial

¹⁸ Certificate of Incorporation, Venezuela Basic Economy Corporation, May 15, 1947, RAC, RG 4-B, Box 10, Folder 92; Durr, *Company with a Mission*, 19.

¹⁹ Venezuela Basic Economy Corporation, Press Release, Feb. 10, 1947, RAC, RG 4-B, Box 14, Folder 143, 1, 2.

²⁰ IBEC Policy Committee Meeting Minutes, Feb. 4, 1947, RAC, RG 4-B, Box 12, Folder 116.

experience."²¹ In contrast to the Truman administration's containment policies, Rockefeller envisioned outright victory on the Cold War battlefield. On the other hand, in contrast to the jingoistic wing of his own Republican Party, Rockefeller sought that victory through efforts to improve the diets, health, and happiness of citizens of developing countries while cultivating opportunities for U.S. investors to reap profits.

Rockefeller's enthusiasm for Truman's Point IV plans led him to be appointed chairman of Truman's Advisory Board on International Development in 1950. From that position, Rockefeller solicited the input of major U.S. business interests, such as the National Foreign Trade Council, on how best to "stimulate the maximum effective participation of private enterprise and investment abroad."²² Compiling the results in a report, "Partners in Progress," that laid the blueprint for implementing Point IV, Rockefeller's committee announced that America's business leaders were prepared to wage economic warfare against "Soviet imperialism" by "join[ing] forces in an economic offensive to root out hunger, poverty, illiteracy, and disease." "Freedom," concluded the report, "has little meaning to a man who is starving."²³ Truman's Point IV proposals, Rockefeller wrote in the journal *Foreign Affairs* in 1951, "sparked an electric response," encouraging U.S. capitalists to sense that democratic ideals coupled with Yankee technology would eliminate the "ancient enemies [of] hunger, misery, and despair."²⁴ In short, Rockefeller's anticommunist internationalist politics were simultaneously driven by an abiding faith in the beneficence of American capitalism and an abhorrence of isolationism and militarism.

²¹ House Committee on Foreign Affairs, *International Technical Cooperation Act of 1949 ("Point IV" Program), Part I, Hearings*, 81st Cong., 1st sess., Sep. 27, 28, 30, Oct. 3-7, 1949, 79.

²² Nelson A. Rockefeller to Robert F. Loree, Dec. 13, 1950, Hagley Museum and Library Archives, Wilmington, DE, National Foreign Trade Council, Inc. Records, Series III, Box 10, Folder 7.

²³ International Development Advisory Board, *Partners in Progress: A Report to the President*, March 1951, Hagley Museum and Library Archives, Wilmington, DE, National Foreign Trade Council, Inc. Records, Series III, Box 10, Folder 10.

²⁴ Nelson A. Rockefeller, "Widening Boundaries of National Interest," *Foreign Affairs* 29 (Jul. 1951): 523.

In some ways Rockefeller's approach resembled that of a more liberal thinker like Mordecai Ezekiel. Ezekiel was an influential New Deal agricultural economist who, along with other New Dealers who moved into the international realm during and after World War II, played a key role in establishing the postwar Food and Agriculture Organization with the goal of feeding a hungry world. Yet unlike Ezekiel, who in 1945 penned an essay extolling both the Tennessee Valley Authority and the Soviet Union's five-year plans as models of government-directed agro-industrial development, Rockefeller sought to stave off hunger and build up global purchasing power through the power of private capital, not centralized government planning.²⁵

Supermarkets seemed an ideal vehicle for advancing Rockefeller's broader political agenda on a world stage. The centralized buying power of American-style supermarkets was the linchpin of VBEC planners' visions for driving down Venezuelan food costs. As development consultant Kenneth J. Kadow informed Rockefeller in March 1947, one of the core problems of the "backward countries of the world" was reliance on "generally antiquated methods and equipment in nearly all phases of agriculture." To further VBEC's goals of spearheading "'enlightened capitalism' or 'American democracy'" in Venezuela, Kadow suggested a three-pronged attack on its "antiquated" agriculture: first, introduce service industries such as warehousing and agronomical research; second, push "the industrialization of agriculture for the conversion of bulky inexpensive raw materials into finished or semi-finished high priced consumer goods"; and third, develop model farms to demonstrate the benefits of "modernization, mechanization and industrialization of agricultural production."²⁶

²⁵ Mordecai Ezekiel, "A Physical Plan for a World of Plenty," *Free World*, Jan. 1945, 27-30, Franklin D. Roosevelt Presidential Library and Museum, Hyde Park, NY, Mordecai Ezekiel Papers, Box 38, Folder 15.

²⁶ Kenneth J. Kadow to NAR and Berent Friele, Mar. 14, 1947, RAC, RG 4-B, Box 12, Folder 122, 2-3. Prior to the war, Kadow had worked as a plant pathologist at the University of Delaware; during the war, he worked for the Office of Inter-American Affairs in Brazil, where he directed technical assistance for commercial farmers. After the war he worked as a development consultant for Stettinius Associates, a New York firm established by former Secretary of State Edward R. Stettinius, Jr., to promote development in Liberia. See Kenneth J. Kadow, "Attacking

The next month, Rockefeller received another scouting report emphasizing the need for supermarkets to spur industrialization of Venezuelan agriculture. Dwight H. Mahan informed VBEC executives that most Venezuelan consumers purchased their food from small merchants located in large open markets. Operating *bodegas* no larger than 400 square feet, retailers generally carried less than \$1,000 worth of stock. Because of the "small stocks and very moderate sales," these food store proprietors had to "take high markups to earn a living." With little capital and no consolidated buying power, merchants could exercise no leverage over their supply chains. There were no commission houses for buying fresh produce, no American-style marketing cooperatives for farmers. In short, Mahan declared, the marketing end of Venezuela's food economy was "primitive" and in dire need of modernization. Without consolidated retail and wholesale facilities, Mahan explained, farmers would have little incentive to intensify production and expand food supply; consequently, food prices would remain high.²⁷

IBEC executive Stacy May took the lead in formulating plans for using the American supermarket model as a tool for profitable agricultural development. May was an economist who headed the U.S. Bureau of Research and Statistics of the War Production Board during World War II. His work centered on the theoretical implications of increasing raw material production, especially agricultural production, for economies in crisis. During the war, for instance, May informed the Academy of Political Science that the industrial demands of military mobilization could not be met without simultaneous attention to the food needs of civilian populations.²⁸ But for all his experience in wartime government service and his adroit use of statistical methods to

Brazil's Food Problems," *Agriculture in the Americas* 5 (Mar. 1945): 53-55; W. C. Brister to F. C. Owen, Mar. 31, 1948, NARA-II, RG 229, Entry 146, Box 1676, Folder B-4; Rodney Carlisle, "The 'American Century' Implemented: Stettinius and the Liberian Flag of Convenience," *Business History Review* 54 (Summer 1980): 175-91.

²⁷ Dwight H. Mahan, "Report on Food Conditions in Venezuela," Apr. 1947, RAC, RG 4-B, Box 14, Folder 140.

²⁸ Stacy May, "Butter, Guns or Both," *Proceedings of the Academy of Political Science* 19 (Jan. 1942): 383-9.

address core political concerns, May had little sense of the day-to-day operations of actual businesses. So May turned to Clarence Francis, who had overseen the rise of General Foods since its incorporation in 1922 into one of the world's largest producers and marketers of branded, packaged convenience foods. Francis informed May that an American-style food distribution system in Venezuela could be "an extraordinarily profitable venture." Francis suggested that May contact other leaders in the American food industry to garner insight into how U.S. businesses had successfully lowered food prices, including Seeman Brothers (a major food wholesale outfit) and the National Tea and First National supermarket chains.²⁹

May took Francis's advice, but continued to stamp his own theoretical gloss and wartime experience on VBEC's plans for centralized food distribution facilities. In April 1947, May wrote a lengthy letter to John Camp, a forester and veteran of the Rockefeller-funded Institute of Inter-American Affairs who served as the initial head of operations for VBEC, explaining the importance of radically transforming Venezuela's food supply chains. As May explained to Camp, Venezuela's economy "paralleled, in many ways, the war-time economy of the United States," with full employment, high wages, and high demand for limited consumer goods. Petroleum refineries pumped money into the economy, much as U.S. wartime spending boosted industrial production and workers' wages. Production of basic goods from food to shelter failed to keep pace, however, causing rampant inflation. The key to stimulating production of basic food products, May explained to Camp, was "vigorous competition" in the food distribution field. To initiate this competition, May proposed that VBEC should start by providing centralized food procurement for oil companies—firms employing many North Americans already accustomed to supermarket-style food products. Food costs for oil employees would decrease, which according to May would have the added benefit of relieving labor union

²⁹ Stacy May to NAR, Berent Friele, and Morrison G. Tucker, Apr. 29, 1947, RAC, RG 4-B, Box 14, Folder 140.

demands for higher wages. Procuring food for the oil companies' commissaries would furthermore provide "sufficient volume [of sales] to allow us to set up a really efficient wholesale procurement and distribution system" that would form the basis of a supermarket retailing system for the Venezuelan domestic market. "Above all," May proclaimed, the food procurement approach would give VBEC "definite goals and specific location—factors for our entire program for increasing agricultural production."³⁰

In one stroke, it seemed, an American-style food distribution system would stabilize Venezuela's overheated economy, quell union militancy, and introduce Venezuelan shoppers to the economies and conveniences of modern-day living provided by self-serve supermarkets. Furthermore, May and other IBEC executives hoped that focusing on food distribution and lowering food costs would defuse Venezuelan protests that Rockefeller had a hidden agenda. One editorialist declared in a March 1947 Caracas newspaper, for instance, that Rockefeller's secret goal was to buy up local farmlands and "convert agricultural production into another political weapon ... of British-American imperialism."³¹ Or as Bernardo Jofre suggested in 1947, the upcoming Venezuelan election might turn in part on claims that "Betancourt has sold the basic economy of the country to Yankee imperialism."³² Supermarket-style food distribution, IBEC's planners believed, offered a politically savvy method for fending off such attacks on U.S. oil interests or on the reformist Betancourt administration.

These plans went into action in the summer of 1947, as VBEC formed a subsidiary dedicated to building an American-style food distribution network in Venezuela. *Compañía Anónima Distribidora de Alimentos (CADA)* was headed by Puerto Rican-born Anthony B.

³⁰ Stacy May to John R. Camp, Apr. 1, 1947, RAC, International Basic Economy Corporation Records, J Series (hereafter IBEC-J), Microfilm Reel J-81.

³¹ Jose Martin, "Rockefeller, No! Reforma Agraria, Si!," *El Popular*, Mar. 28, 1947, 16, English translation in RAC, RG 4-B, Box 14, Folder 143.

³² Bernardo Jofre to Francis A. Jamieson, Jul. 29, 1947, RAC, RG 4-B, Box 14, Folder 143.

Toro, who had established the Tom Thumb chain of supermarkets in Dallas, Texas, in 1945. The original plans for CADA called for new food distribution centers in the Venezuelan capital of Caracas as well as the oil refining cities of Maracaibo and Puerto la Cruz. In the oil centers, CADA would at first focus solely on wholesaling endeavors, providing the petroleum firms' commissaries with local and imported foodstuffs. In Caracas, however, CADA would establish retail food stores, intending "to obtain more direct leverage on the price of food to the consumer, with a view to keeping prices as low as possible." CADA's original plan acknowledged that much of the early business volume would depend on imports from the United States, but it was hoped that contracts with local farmers would stimulate the agricultural production of farmlands surrounding the major urban centers.³³

CADA was an ambitious project that immediately confronted enormous challenges. Most importantly, CADA's planners were overly optimistic about the "revolutionary" potential of supermarkets in a non-U.S. context. They failed to acknowledge the dense network of technological infrastructure, scientific research, and government policymaking that had sowed the seeds of agricultural industrialization in the United States; supermarkets alone had not been responsible for the dramatic changes in U.S. agriculture after 1930. This is not to say that VBEC's planners were unaware of the importance of mechanized agriculture, genetically modified hybrid seeds, scientifically selected animal breeds, or synthetic fertilizers and pesticides as the bases of America's vast agricultural productivity. In fact, VBEC also formed a subsidiary to foment a productivity revolution in Venezuelan agriculture—Productora Agropecuaria Compañía Anónima (PACA)—which established four giant farms "to undertake

³³ Stacy May, Memorandum, "Interview with Anthony B. Toro, Jr.," Jul. 19, 1947, RAC, RG 4-B, Box 14, Folder 140; Anthony B. Toro to NAR, Mar. 30, 1949, *ibid.*, Box 8, Folder 84, 4.

production of farm staples with modern equipment and farming methods."³⁴ The barriers to industrialization of agriculture in Venezuela, however, were legion for both CADA and PACA.

Dwight Mahan's spring 1947 report on the farm and food economy of Venezuela highlighted some of the major challenges CADA and PACA would face. Geography was one. The two largest cities, Caracas and Maracaibo, were located far from the best farmlands of Venezuela. Transportation was extraordinarily expensive. As Mahan put it, "there are no railroads worth mention," and truckers charged exorbitant rates for overland transport. The oil companies relied heavily on expensive air freight for butter and meat from the livestock-producing regions of southeastern Venezuela, more than 400 miles away. Many foodstuffs traveled even farther. Mahan estimated that the country produced "probably less than one half" of its own basic food commodities. Absentee landowners lived in cities while their diseased cattle produced miniscule quantities of milk, while small-scale farmers produced coffee, sugar cane, and pineapples without machinery or access to credit.³⁵ A group of consultants from Cargill—one of the world's largest transnational grain-trading firms, based in the U.S. Midwest—echoed Mahan's observations in a July report to IBEC's directors. Farming in Venezuela, they declared, was "incredibly backward, almost biblical," and reliant on ancient technologies: "fire, stick, and hoe." To the horror of the Cargill representatives, Venezuelan farmers did not even practice systematic seed selection of open-pollinated corn—let alone use the scientifically pollinated hybrid strains responsible for enormous yield boosts in the U.S.³⁶

³⁴ Press Release, Jan. 16, 1948, RAC, RG 4-A, Box 145, Folder 1581.

³⁵ Mahan, "Report on Food Conditions in Venezuela," 4-5.

³⁶ "Cargill Report," Jul. 23, 1947, RAC, RG 4-B, Box 24, Folder 252.

Neither Mahan nor the Cargill consultants could fathom legitimate ecological, economic, and social reasons for Venezuela's farmers to practice this seemingly haphazard agriculture.³⁷

Everyone involved in the project tended to view Venezuela's landscape as a blank slate upon which the Midwestern U.S. farm could be inscribed with the proper application of American know-how and capital. The PACA farms were, according to VBEC's operational manager John Camp, "set up on the basis of a mixed farming enterprise with field crops, livestock, etc., worked out on a diversified basis such as we have in the United States." Camp believed this approach clearly superior both to the small-scale agriculture of local farmers and to the hyper-extractive monocropping practiced by U.S. corporations in Latin America such as the United Fruit Company. A diversified Midwestern-style farm, Camp assured IBEC executives, was the "type that could best be copied by Venezuelans."³⁸ Optimistic about airlifting Iowan agricultural methods into Venezuela, PACA's managers immediately set about plying their fields and pastures with several tons of synthetic fertilizer.³⁹ IBEC technical consultant Robert P. Russell declared that all the Venezuelan acreage should be doused with the synthetic herbicide 2-4D, which American farmers had used to achieve "major yield increases." Russell held a master's degree in chemical engineering from the Massachusetts Institute of Technology. Before becoming the chief of Development for Standard Oil, he worked during the war to develop improved flamethrowers and incendiary bombs. Given his abiding interest in the chemical cutting edge, he was especially "gratif[ied] to learn that PACA plans large scale field trials of

³⁷ Several important studies in recent years have challenged the mid-twentieth century assumption that "modern" (U.S.) agriculture was clearly superior to "traditional" practices prior to the Green Revolution; see especially Angus Wright, *The Death of Ramón Gonzalez: The Modern Agricultural Dilemma*, Rev. ed. (Austin, TX, 2005); Akhil Gupta, *Postcolonial Developments: Agriculture in the Making of Modern India* (Durham, 1998).

³⁸ John R. Camp to Ted Watson, Mar. 8, 1948, RAC, IBEC-R, Microfilm Reel R-94.

³⁹ Robert P. Russell to NAR, Apr. 1, 1948, RAC, IBEC-R, Microfilm Reel R-94.

DDT, Toxaphene, and benzene hexachloride."⁴⁰ Petrochemicals were assumed to be responsible for America's dramatic increase in farm productivity at mid-century, and so were seen as essential to success in Venezuela (see **Figure 1**).



Figure 1: Pesticides being sprayed on a PACA onion farm in Venezuela. *American Magazine*, Sep. 1949, 29.

Experience repeatedly showed, however, that chemical warfare did not guarantee American-style productivity. Despite initial optimism, PACA's monthly reports to IBEC headquarters began to read like Old Testament listings of plagues. In the summer of 1948, army worms attacked PACA's planting of 2500 acres of corn. Five power dusters and two chemical sprayers roved the fields for "a quick application of poison." After the third spraying of DDT, the army worms retreated—but in the meantime, the "necessity for concentrating all manpower and equipment to fight worms" prevented application of the desired amount of fertilizer.⁴¹ Heavy

⁴⁰ Robert P. Russell to Ted Watson, Apr. 26, 1948, RAC, IBEC-R, Microfilm Reel R-94; Press Release, Jul. 26, 1947, RAC, RG 4-B, Box 14, Folder 143.

⁴¹ C. T. Watson, "Brief Report on PACA Activities," Jul. 20, 1948, RAC, IBEC-R, Microfilm Reel R-94, 1.

rains drowned plants. Virulent weed growth prevented effective harvesting by machine. Yields were abysmal, and PACA reported massive monetary losses. "To say that we were upset," VBEC manager Morrison Tucker informed IBEC executives, "is to put it mildly."⁴² Tucker was particularly annoyed to notice, in January 1949, that "one of our neighbors (Sr. Camacho) was doing what looked like a better job" than PACA in developing healthy pastures—and Camacho was not applying any chemical fertilizer or pesticide. Other evidence of "Venezuelan know-how" further impressed Tucker. Local farm operations, for instance, employed individuals who understood that the climate and soils of tropical agriculture were different from those of Iowa—and who could speak Spanish. PACA's original management, Tucker noted, "had never been in the tropics, ... apparently paid no attention to the local technical advice offered it, and could not speak the language."⁴³

Executives at IBEC's New York headquarters turned to outside consultants for help in understanding PACA's miseries. In 1949, the Venezuelan farms were visited by Charles F. Seabrook. Seabrook, the so-called "Henry Ford of Agriculture," owned an industrial vegetable farm in southern New Jersey that produced most of the frozen vegetables for General Foods' Birds Eye brand in the late 1940s. After touring PACA's farm operations, Seabrook wrote a blistering report to Nelson Rockefeller, noting that managers had spent ridiculous sums of money to assemble a "weird assortment" of tractors, harvesters, and other farm machines. The lack of standardization meant that "more than 50% of your equipment is frequently out of operations,"

⁴² Robert P. Russell to IBEC Executive Committee, Feb. 21, 1949, RAC, RG 4-B, Box 7, Folder 70, 1, 2; M. G. Tucker to William F. Machold, Nov. 10, 1948, RAC, IBEC-R, Microfilm Reel R-94, 1.

⁴³ Morrison G. Tucker, Memorandum, "Venezuelan Field Visits with DuPont Representatives," Jan. 7, 1949, RAC, IBEC-R, Microfilm Reel R-94, 4, 17.

Seabrook informed Rockefeller. Without a radical change in management, Seabrook suggested, the farms were doomed to failure.⁴⁴

The on-the-ground reality of PACA's operations contrasted starkly with IBEC's public pronouncements. Robert Russell published a glowing report on PACA's work in the September 1949 issue of *American Magazine*, announcing that the Venezuelan farm project was engendering an "economic revolution" (see **Figure 2**). Venezuelan peasants were "tossing out ox-old methods of producing, storing, and distribution food, substituting in their stead the latest scientific and marketing techniques imported from the United States." It was, Russell declared without irony, a "Revolution, the American Way," a successful campaign of "selling industrial democracy" to Venezuelan peasants.⁴⁵



Figure 2: Robert P. Russell (right) and farm supervisor Robert Rena observing PACA farming practices, where, according to Russell, "Yankee know-how increases crop yields." *American Magazine*, Sep. 1949, 28.

⁴⁴ C. F. Seabrook to NAR, Mar. 12, 1949, RAC, IBEC-R, Microfilm Reel R-95. On Seabrook, see Shane Hamilton, *Trucking Country*, 118-19.

⁴⁵ Robert P. Russell, "Revolution, the American Way," *American Magazine*, Sep. 1949, 28, 121.

Such hubris made for impressive copy but bad farming. PACA's farm managers relied on techniques developed in an American industrial agriculture context, rather than turn to local producers for insights. Through 1951 and 1952, PACA continued to face the reality that farming in Venezuela was entirely unlike farming in Iowa. Heavy rains in early 1951 drowned pastures and washed away workers' mud houses. In tropical conditions, weeds thrived even when repeatedly doused with the DuPont chemical company's latest offerings. IBEC's directors, exasperated with appalling losses, decided to liquidate PACA in 1953. Although VBEC would continue to invest in efforts to boost dairy production and to industrialize chicken production in Venezuela, the attempt to rapidly ramp up grain, beef, and vegetable production was an unmitigated failure.⁴⁶

There was a deep, generally unacknowledged problem at the heart of PACA's efforts to summarize industrialize Venezuelan agriculture. Blinded by a deep-seated faith in the power of "free enterprise," PACA's managers fundamentally misread the history of the U.S. industrial agriculture model upon which they based their approach. As historians of U.S. agriculture have forcefully argued, the twentieth-century transformation of American farms was due in no small part to the heavy-handed interventions of U.S. government agencies and technical experts. Capital and technology were essential to the industrialization of American agriculture, but their application was guided at every stage by the actions of bureaucrats and scientists in the U.S.

⁴⁶ H. A. Von Wald to E. G. Van Wagner, Feb. 17, 1951, RAC, IBEC-R, Microfilm Reel R-94, 1; Aubrey Graves, "Private Point 4 Growing in Venezuela," *Washington Post*, Sep. 19, 1954, B1, RAC, IBEC-J, Microfilm Reel J-65; , Annual Report, 1953, RAC, IBEC-J, Microfiche 0700-20-01.

Department of Agriculture, farm bloc Congressmen, and technical experts in the land-grant university and federal extension complex.⁴⁷

In Venezuela, despite friendly relations with the Betancourt regime, IBEC confronted a state ill-prepared to implement either a "high modernist" or a "low modernist" agenda on the nation's farm fields.⁴⁸ The country's Ministry of Agriculture only became an independent federal agency in 1936, while the U.S. Department of Agriculture had been actively building its institutional capacity since 1862. Venezuela's oil wealth allowed the Ministry of Agriculture to fund impressive laboratories and experimental farms staffed by research scientists, but little effort was made by ministers of agriculture to translate such research into practical applications in the field.⁴⁹ As an American member of the Office of Inter-American Affairs noted in a wartime survey, the "so-called experiment stations" in Venezuela did "not have a coordinated program of work," kept no systematic records on their scientific research, and made little effort to introduce their book-farming methods to actual farmers.⁵⁰ The Rockefeller Foundation—with which Nelson Rockefeller had only minimal connections—briefly funded a single obscure geneticist and four fellowships for promising young Venezuelan agronomists in the 1940s, hoping to introduce the U.S. experiment-station model of research. Even that limited program was canceled in 1949 due to lack of results.⁵¹ Without a strong state apparatus for promulgating methods of industrial agriculture to the countryside, PACA imported its own technical experts

⁴⁷ See especially Deborah K. Fitzgerald, *Every Farm a Factory: The Industrial Ideal in American Agriculture* (New Haven: Yale University Press, 2003).

⁴⁸ On "high modernist" agricultural industrialization projects, see James C. Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven: Yale University Press, 1998). On "low modernism," see Jess Gilbert, "Agrarian Intellectuals in a Democratizing State: A Collective Biography of USDA Leaders in the Intended New Deal,," in *The Countryside in the Age of the Modern State: Political Histories of Rural America*, ed. Catherine McNicol Stock and Robert D. Johnston (Ithaca: Cornell University Press, 2001), 213-39.

⁴⁹ Romuldo J. Blas to F. E. Dominy, Apr. 23, 1943, NARA-II, RG 229, Entry 147, Box 1693, Folder 9.

⁵⁰ F. E. Dominy, "Venezuela," Dec. 26, 1942, NARA-II, RG 229, Entry 147, Box 1693, Folder 9.

⁵¹ Hebe M. C. Vessuri, "Foreign Scientists, the Rockefeller Foundation and the Origins of Agricultural Science in Venezuela," *Minerva* 32 (Sep. 1994): 267-96.

from the United States, but the expense of a robust technical staff serving just four farms clearly outweighed the benefits.⁵² Farming the "American Way" in the twentieth-century United States was built upon an elaborate state infrastructure dedicated to making every farm a factory. The "free enterprise" vision of American agriculture that inspired PACA could not be replicated in Venezuela. Indeed, it had never existed in the first place.

It was left to CADA's supermarket builders, then, to push the agro-industrialization project forward in Venezuela. Although CADA supermarkets would prove to be the single most profitable component of IBEC's diverse portfolio in the 1950s, in the late 1940s they repeatedly fell short of expectations. In March 1949 Anthony Toro, manager of supermarket operations for CADA, wrote to Nelson Rockefeller with a sober report. Early plans for CADA had assumed that its wholesale operations would, through volume buying from local food producers, spur greater volume of production while streamlining distribution to local retailers.⁵³ Instead, Toro noted in 1949, "the greater part of the food" purchased by CADA was coming not from local sellers, but from Seeman Brothers and other giant U.S. grocery wholesalers. Rather than eliminating middlemen from the Venezuelan food supply chain, CADA was functioning merely as "another local wholesaler and importer of foods with no greater volume than several of the local wholesalers." Up to eighty percent of CADA's foodstuffs were U.S. imports.⁵⁴

Dependence on imports was a sticky political problem. For one, it required Nelson Rockefeller to cash in many of his chits in Washington to convince the U.S. Departments of State and Agriculture to permit massive exports of U.S. foodstuffs to a single corporation in

⁵² Robert P. Russell to Merrill W. Abbey, Nov. 15, 1948, RAC, IBEC-J, Microfilm Reel J-81.

⁵³ Venezuela Basic Economy Corporation, Project Proposal, Compania Anonima Distribuidora de Alimentos (CADA), Jul. 28, 1947, RAC, RG 4-B, Box 16, Folder 154.

⁵⁴ Toro to Rockefeller, Mar. 30, 1949, RAC, RG 4-B, Box 8, Folder 84, 1; Durr, *Company with a Mission*, 28.

Venezuela. VBEC's demands for a special export license in 1948 would have doubled U.S. food exports to Venezuela, threatening U.S. trade relations with other Latin American countries and thus infuriating the State Department. The Department of Agriculture, meanwhile, refused to let VBEC export as much meat as they wanted at a time of tight U.S. meat supplies. High domestic meat prices were constant political headaches for the Truman administration's agricultural policymakers.⁵⁵

Venezuelan politics made CADA's reliance on imports doubly damning. As Nelson Rockefeller well knew, the mere mention of "Rockefeller" in Venezuela evoked images of ruthless "Yanqui" capitalist exploiters bent on economic imperialism. The continuing power of anti-Rockefeller sentiment was confirmed by a letter delivered in late 1948 to Rockefeller by Armando Capriles, the head of Venezuelan operations of the Chicago meatpacking firm Armour & Co. According to Capriles, a "bad atmosphere" had arisen among local wholesalers and retailers who sensed that CADA intended to drive both them and their Venezuelan suppliers out of business by importing U.S. food products. Such a "bad atmosphere" posed particular problems for the Rockefeller enterprises in November 1948, the month in which Marcos Pérez Jiménez orchestrated a coup that placed a military junta in charge of Venezuela's government for the next ten years. A November 1948 editorial program on Maracaibo's Radio Mara declared that the Rockefeller enterprises sought to make Venezuela "into an immense farm of economic slaves," while Venezuela's central bank labeled Rockefeller "public enemy no. 1" for allowing CADA to purchase most of its goods from the U.S. in dollars rather than from Venezuelan merchants in

⁵⁵ NAR to U.S. Department of Commerce, Feb. 21, 1948, RAC, IBEC-J, Microfilm Reel J-82; Stacy May to NAR and Thomas S. Gates, Jr., Mar. 16, 1948, *ibid.*; Stacy May to Morrison G. Tucker, Apr. 28, 1948, *ibid.*; Stacy May to John Q. Adams, Jul. 7, 1948, *ibid.* The price of meat remained one of the central political issues in U.S. domestic politics from World War II well into the 1950s; see Hamilton, *Trucking Country*, chapters 3 and 4; Meg Jacobs, "How About Some Meat?: The Office of Price Administration, Consumption Politics, and State Building from the Bottom Up, 1941-1946," *Journal of American History* 84 (Dec 1997): 910-41.

local currency.⁵⁶ In 1947, VBEC's planners had believed that wholesaling would provide a soft landing on Venezuelan soil for American food distribution practices. By the end of 1948 it was clear, however, that wholesaling alone was not going to achieve the expected results.

In the summer of 1949, the new head of VBEC, William Coles, shifted CADA's focus from wholesaling to retailing. Rather than attempt to build a food distribution network piecemeal, CADA would henceforth plunge headfirst into the world of American-style supermarketing. Facing political attacks as well as "increasing losses, rising costs, and static sales," CADA would need "drastic revisions in ... financing," while Anthony Toro would be given power to "do everything possible" to build supermarkets in Caracas.⁵⁷ Coles also called on another American supermarket manager to implement the plans—Richard Provost. The son of a Kansas supermarket owner, Provost had spent three years working with his flamboyant uncle, Kansas entrepreneur Dick Boogaart, setting up nine groceries in Mexico.⁵⁸ Fluent in Spanish yet all-American in his approach to supermarket management, Provost oversaw the opening of the first VBEC supermarket in Maracaibo in December 1949, adding to the supermarkets already in operation in Caracas under Toro's management. The Maracaibo supermarket immediately enjoyed flourishing sales.⁵⁹

Sales were helped by the fact that the supermarket was opened on the Avenida Bella Vista in a quite affluent section of Maracaibo. As IBEC executives would discover over the next decade, their supermarkets—whether in Venezuela, Brazil, Argentina, Peru, or Italy—tended to perform best in affluent areas, especially areas with significant populations of North Americans

⁵⁶ Flor Brennan, Memorandum, "Material Left by Mr. Armando Capriles with NAR," Nov. 17, 1948, RAC, IBEC-J, Microfilm Reel J-83, 1, 2.

⁵⁷ W. F. Coles to NAR, Jun. 27, 1949, RAC, RG 4-B, Box 32, Folder 302, 1.

⁵⁸ "'Automercado' Center Opens in Las Mercedes," *Caracas Journal*, Nov. 3, 1954, 8, RAC, IBEC-J, Microfilm Reel J-68; "Kansan Helps Venezuelans Make Changes," *Wichita Beacon*, Mar. 7, 1968, *ibid.*, Microfilm Reel J-83. Boogaart would become IBEC's point-man in establishing supermarkets in Italy in the mid-1950s; see Scarpellini, "Shopping American Style."

⁵⁹ William F. Coles to John E. Lockwood, Jan. 6, 1950, RAC, IBEC-J, Microfilm Reel J-65.

already accustomed to self-service shopping.⁶⁰ One of the Caracas supermarkets, located in the ritzy Las Mercedes district, provided 208 parking spots for automobiles that only affluent residents of Caracas could afford.⁶¹ The supermarket was prominently featured in the magazine *Progressive Architecture* for its luxurious modernist aesthetic (see **Figure 3**). For North American managerial employees of the oil companies of Maracaibo and Caracas, as well as for affluent urban Venezuelans, Toro's and Provost's supermarkets offered the amenities and the gendered norms that U.S. consumers had come to expect in their suburban shopping experiences: air conditioning, a "phalanx of meat counters" carrying prewrapped meats, "even frozen-whipped potatoes for the woman who has not the time ... to whip up a dish herself."⁶² The fact that average Venezuelans were not the main shoppers at VBEC's supermarkets was underscored in 1951 when one store raffled off a new Ford. The automobile was won by a woman from Denmark who had spent only three months in Venezuela—enough time, apparently, to purchase 13 raffle tickets.⁶³

⁶⁰ "Report on the Activities of C.A. Todos, Year 1949," Mar. 11, 1950, RAC, IBEC-J, Microfilm Reel J-65; W. D. Bradford to IBEC Executive Committee, "Proposed Supermarket and Shopping Center, Lima, Peru," Nov. 4, 1954, RAC, RG 4-B, Box 8, Folder 79; W. D. Bradford to IBEC Investment Committee, "Proposed Supermarket and Shopping Center—Sao Paolo," Feb. 15, 1956, RAC, RG 4-B, Box 8, Folder 77; Bernardo Jofre to Francis A. Jamieson, Dec. 16, 1953, *ibid.*, Folder 79; "IBEC Realty Company, Inc.," Mar. 20, 1962, RAC, IBEC-J, Microfilm Reel J-10; De Grazia, *Irresistible Empire*, 407-8.

⁶¹ IBEC Supermarket Division--Venezuela, Aug. 10, 1957, RAC, RG 4-B, Box 8, Folder 81.

⁶² "'Automercado' Center Opens in Las Mercedes," *Caracas Journal*, Nov. 3, 1954, 3, 8, RAC, IBEC-J, Microfilm Reel J-68.

⁶³ Excerpt from VBEC Progress Report, Aug. 1 to Aug. 31, 1951, RAC, IBEC-J, Microfilm Reel J-65.



Figure 3: The interior of the Las Mercedes supermarket. *Progressive Architecture*, Oct. 1955, 116.

Even with affluent customers forming their core market, however, VBEC's Maracaibo supermarkets—operating under the name TODOS (Spanish for "everything" or "everyone")—gained "public acceptance ... beyond all expectations," with prices running about ten percent lower than competitors'.⁶⁴ Most promising from the standpoint of VBEC's broader political objectives, the TODOS supermarkets were forcing local grocers to operate on thinner margins (albeit "unhappily").⁶⁵ Although CADA took a net loss for the 1950 fiscal year, its sales of nearly \$5 million heartened IBEC executives in New York, as did TODOS's net profit of \$282,000 on sales of \$3.2 million.⁶⁶ Particularly impressive were TODOS's low operating expenses, which rang in at almost half those of comparable U.S. supermarkets, thus allowing the stores to garner

⁶⁴ William D. Bradford to John E. Lockwood, Jan. 6, 1950, RAC, IBEC-J, Microfilm Reel J-65.

⁶⁵ Excerpt from VBEC Progress Report, Jun. 15-Jul. 15, 1950, *ibid.*

⁶⁶ IBEC Annual Report, 1950, RAC, IBEC-J, Microfiche 0700-20-01, 7, 8.

profits even though gross margins compared unfavorably to those of U.S. supermarkets on most items.⁶⁷

For the supermarkets to achieve long-term success, however, they would have to develop centralized buying power to drive down purchasing costs and gross margins. As U.S. supermarket executives had learned in the mid-1930s, mass sales and rapid turnover of stock depended on a reliable, high-volume supply chain, which in turn depended on large warehouse capacity. A large warehouse, whether owned by an independent wholesaler or by the retailer itself, required a minimum of five retail stores—and ideally ten to twelve stores—in order to keep goods flowing steadily out the warehouse door and thus minimizing costly "dead time" as products sat idle.⁶⁸ The imperative to expand the supermarket operations was thus built into the business model, and VBEC quickly poured capital into building new stores in Caracas and Maracaibo. By 1956, VBEC operated eight supermarkets in Venezuela. All were turning steady profits on remarkably high sales volumes.⁶⁹

Those profits accrued in part because, by 1956, the supermarkets had successfully tapped local sources for a majority of their purchases. In 1953, only half of TODOS's sales involved locally produced items, mainly "canned goods, paper products, dairy foods, fresh fruits and vegetables, staples, fish, and meats."⁷⁰ But by 1956, IBEC treasurer J. W. Hisle noted that he was "surprised that there are so many items which we are now purchasing locally because of their availability." Less than six percent of TODOS goods, in fact, were then imported from the U.S.⁷¹ IBEC's 1957 annual report to investors declared that nearly all of the Venezuelan supermarkets'

⁶⁷ Louise S. Bingham to Wallace D. Bradford, Sep. 26, 1950, RAC, IBEC-J, Microfilm Reel J-65.

⁶⁸ William H. Meserole, *Streamlined Wholesale Grocery Warehouses* (Washington, 1945), 3; Robert Purcell to W. B. Dixon Stroud, May 31, 1958, RAC, IBEC-IBEC, Microfilm Reel 7; Hamilton, *Trucking Country*, 120-1.

⁶⁹ IBEC Annual Report, 1956, RAC, IBEC-J, Microfiche 0700-20-01.

⁷⁰ "'Automercado' Center Opens in Las Mercedes," 1.

⁷¹ J. Wayne Hisle to R. A. Agostini, Nov. 2, 1956, RAC, IBEC-J, Microfilm Reel J-65, 1; Richard A. Agostini to J. W. Hisle, Oct. 23, 1956, *ibid.*

most popular items—rice, meat, poultry, and lard—were being procured from Venezuelan producers. Meanwhile, "substantial amounts of fruits, vegetables, eggs, and other items" were also being purchased within Venezuela. The original goal of providing "incentive to agriculture, the livestock industry, and food processing plants in Venezuela" to boost production seemed well under way.⁷²

But if the rapid expansion of supermarkets seemingly marked the success of IBEC's operations in Venezuela, it also highlighted continuing political animosity over the potential inequities presented by adoption of American-style capitalism in a Latin American context. To be sure, the TODOS and CADA supermarkets were popular with consumers who liked the clean, well-lit stores and their low prices. Julio Ramos, a popular columnist for *El Universal* (a relatively conservative, middle-class newspaper), announced in 1956 that VBEC's efforts to "produce meat, milk, potatoes, corn, and rice so as to bring to the people the basic foods at low prices ... could not be more generous nor more plausible."⁷³ Ramos was clearly responding to widespread grumbling about the American supermarkets, however. Bernardo Jofre, IBEC's itinerant ear-to-the-ground consultant on political conditions in Latin American countries, reported in 1957 that he had heard members of the Caracas Chamber of Commerce plotting a "campaign against growth of the IBEC [supermarket] chain." The Chamber of Commerce members were convinced that Rockefeller's enterprise intended to create a "monopoly" in Venezuelan food distribution. Jofre assured IBEC's executives in New York such claims were baseless; altogether IBEC accounted for "a drop in the bucket" of food sales, with public markets

⁷² IBEC Annual Report, 1957, RAC, IBEC-J, Microfiche 0700-20-01, 5.

⁷³ Francis A. Jamieson to NAR and David Rockefeller, Jun. 7, 1956, RAC, RG 4-A, Box 148, Folder 1617, 2.

in the city of Caracas alone accounting for five times the volume of sales of all of IBEC's supermarkets in Venezuela combined.⁷⁴

Venezuelan opponents of the supermarkets had legitimate reasons to worry, however. IBEC was quickly expanding its operations, and the more stores the company built the greater its sales volumes and hence the greater its profits. By 1960, IBEC subsidiaries operated 17 supermarkets in Venezuela. Steadily increasing sales provided IBEC with its most reliable cash cow.⁷⁵ By 1960, the company was the largest retailer in the country, outperforming Sears Roebuck by \$1.2 million in annual sales.⁷⁶ In 1961, IBEC's Venezuelan supermarkets made sales of \$34.6 million, with "greater than expected" profits.⁷⁷

That same year, however, witnessed the first of a series of violent attacks on IBEC supermarkets in Venezuela. A bomb went off in the Las Mercedes shopping center in Caracas in February 1961, causing significant physical damage but no bodily harm.⁷⁸ By November 1962, when CADA operated 21 supermarkets in Venezuela, guerilla fighters hijacked one of the firm's trucks, took the truck up to a hillside hideout, and distributed the food Robin Hood-style. According to Dick Provost, "there must have been one helluva banquet in the barrio that evening," as the truck was filled with a "sufficient supply of wines" and imported foods.⁷⁹ In September 1963, a year in which CADA reported record profits, six members of the leftist Armed Forces of National Liberation held up 17 supermarket employees, forced them to disrobe, and set fire to a storage room. A month later, a bomb again exploded at the Las Mercedes shopping center. This "campaign of terror," IBEC executives believed, was aimed at

⁷⁴ Francis A. Jamieson to Stroud, Levy, Bradford, Jan. 22, 1957, RAC, RG 4-B, Box 8, Folder 81; Bernardo Jofre to Francis A. Jamieson, Jan. 16, 1957, *ibid.*

⁷⁵ IBEC Annual Report, 1960, RAC, IBEC-J, Microfiche 0700-20-01.

⁷⁶ Wallace, "Private Point Four," 13.

⁷⁷ IBEC Annual Report, 1961, RAC, IBEC-J, Microfiche 0700-20-01.

⁷⁸ R. O. Provost to W. D. Bradford, Feb. 15, 1961, RAC, IBEC-J, Microfilm Reel J-68; "Blast in Venezuela," *New York Times*, Feb. 15, 1961, 8.

⁷⁹ R. O. Provost to David Haweeli, Nov. 7, 1962, *ibid.*, Microfilm Reel J-83.

"discrediting the government of Rómulo Betancourt," who had returned to power in 1959 after wresting control from the conservative dictator Marcos Pérez Jiménez. Although Betancourt pursued populist reforms including redistributing lands to small farmers and joining OPEC to boost Venezuela's petroleum revenues, Betancourt's administration actively persecuted communists, who responded with violent protest.⁸⁰

Even after Betancourt vacated the presidency in 1964, attacks on IBEC's supermarkets continued. In April 1965, protestors armed with machine guns and stones attacked several of CADA's 24 locations to protest U.S. Marines landing troops in the Dominican Republic. Several teenagers hijacked a CADA truck in Caracas, and after opening the truck outside the city limits and finding it empty, riddled it with machine-gun fire out of frustration.⁸¹ At least for some Venezuelans by the mid-1960s, IBEC's supermarkets represented something more sinister than mere collusion between Betancourt and well-meaning North American capitalists. The supermarkets, it seemed, were symbols of unwanted U.S. imperialism.

The strongest hostility came not from armed young revolutionaries, however, but from Venezuelan business elites. A group of influential Venezuelan businessmen, including many grocery wholesalers, formed the Pro-Venezuela Association in 1962 to denounce foreign capitalist intervention. The group specifically targeted IBEC's supermarkets for using "discriminatory maneuvers" to prioritize sales of processed foods produced by non-Venezuelan owned companies.⁸² Pro-Venezuela convinced the national legislature in April 1965 to consider outlawing foreign capitalists from operating any food business. In response, Dick Provost met with Alejandro Hernandez, president of the group. Hernandez declared that foreign firms were

⁸⁰ IBEC Newsletter, Sep.-Oct. 1963, *ibid.*, Microfilm Reel J-68.

⁸¹ IBEC Newsletter, Apr./May/Jun. 1965, *ibid.*, Microfilm Reel J-83.

⁸² "Pro-Venezuela Launches Attack on 'Automercado,'" *Caracas Daily Journal*, Nov. 15, 1962, RAC, IBEC-J, Microfilm Reel J-68.

taking over the economy, intending to leave Venezuelans with "only the flag and the national anthem." Provost noted the irony, however, that the "wives [of Pro-Venezuela's members] all shop in our stores and enjoy both the conveniences and the economies."⁸³ Not everyone enjoyed the economies of IBEC's supermarkets, however. In November 1966, four CADA supermarkets were attacked—two by drive-by shootings, two by bombs.⁸⁴ IBEC's managers began considering sloughing off the CADA supermarkets, which seemed to be "at or near the peak of efficiency and effectiveness" and thus ripe for sale. Nonetheless, despite the ongoing protests, IBEC had increased its sales in 1966 by 20 percent over the previous year, with profits up by ten percent, and was operating 29 stores in Venezuela.⁸⁵

By 1966, with Nelson's son Rodman Rockefeller now at the helm of IBEC, the legacies of the experiment in spreading "enlightened capitalism" in Venezuela seemed mixed. The supermarkets begun in Venezuela had proven remarkably profitable, inspiring similar projects in Brazil, Peru, Argentina, Puerto Rico, and Italy. On the other hand, the company's efforts to introduce American-style agricultural practices in tandem with American-style retailing had proven largely unsatisfactory; PACA's attempts to recreate Midwestern chemical-dependent farms in the Venezuelan countryside had failed miserably. The supermarkets had established a strong market presence as buyers of local foodstuffs, but they had not developed anything like the centralized buying power deployed by American supermarkets in their efforts to dramatically transform agricultural production. The little buying power the Venezuelan supermarkets *had* been able to consolidate had fomented violent protests against "Yanqui Imperialistas," undermining the central political project of promoting pro-American consumer culture in the

⁸³ John Anderson to Robert W. Purcell, Apr. 6, 1965, *ibid.*, Microfilm Reel J-83; Richard O. Provost to Donald E. Meads, May 12, 1965, *ibid.*

⁸⁴ IBEC Newsletter, Oct./Nov./Dec. 1966, *ibid.*

⁸⁵ William R. B. Atkin to Rodman C. Rockefeller, Aug. 19, 1966, *ibid.*, Microfilm Reel J-43; IBEC Annual Report, 1966, *ibid.*, Microfiche 0700-20-01.

Latin American republic. In 1966, Rodman Rockefeller redoubled his determination to expand IBEC's supermarket endeavors—but rejected his father's idealistic vision of doing so as part of a comprehensive plan for agricultural development. As an IBEC Food Group planning report announced in 1966, "we are very conscious of the need for growing profit," and the profitable operations of the supermarkets indicated that "clearly the growth potential is relatively greater at the processing and distribution end" of the food chain—not on the production side.⁸⁶

IBEC executives embarked on the supermarket project in Venezuela convinced by the American rhetoric of supermarkets as "consumers' agents" that united the freedom of choice embedded in political democracy with the abundance of goods associated with mid-twentieth-century American consumer capitalism. Yet IBEC's top executives, VBEC's managers, and the operational staff of CADA, PACA, and TODOS never fully acknowledged how much the American system of supermarketing depended upon U.S. government-subsidized industrial agriculture. Unable to summarily industrialize Venezuela's agricultural production through mechanization or chemical spraying alone, the would-be Americanizers fell back upon more limited goals—rapidly turning over stocks of frozen foods, prepackaged meat, fresh produce, and branded canned goods in well-lit, air-conditioned stores. Despite their profitability in the 1950s and 1960s, IBEC's supermarkets were ultimately sold off in 1975-76 to Latin American investors in order to stanch rapid capital losses at the parent company.⁸⁷

By all of Nelson Rockefeller's measures for successfully introducing "enlightened capitalism" to Latin America, then, IBEC's Venezuelan project would seem a remarkable failure. Even so, IBEC's efforts to deploy supermarkets as an opening wedge for the "American Century" may have established an important pattern for later imitators. Indeed, IBEC's focus on

⁸⁶ Food Products Group, Report to the IBEC Board of Directors, Dec. 13, 1966, RAC, IBEC-J, Microfilm Reel J-43, 6.

⁸⁷ Durr, *Company with a Mission*, 192-7.

developing the consumer end of Venezuela's food economy provided a marked contrast to the more dramatic Green Revolution development projects that uprooted whole swaths of Asian and Latin American farmlands on the premise of "shocking" Third World agriculture into dependence on U.S. based agribusiness firms.⁸⁸ As explored in chapter 7, IBEC's focus on capturing profits at the consumer end of the developing world's food chain would, by the 1990s, become a widely adopted practice. In the wake of late-century neoliberal restructuring, less developed nations around the globe would witness the rapid penetration of their food economies by multinational supermarket firms including Carrefour and Walmart.

Understanding how the IBEC Venezuelan experiment served as a bridge from Cold War development thinking to post-Cold War neoliberalism, however, requires deeper exploration of the ways in which American supermarkets were deployed, both rhetorically and figuratively, as weapons in what I call the Cold War "Farms Race" between the United States and the Soviet Union. That is the subject of the next chapter, which traces the divergent responses to the 1957 "Supermarket U.S.A." exhibit in socialist Yugoslavia and to the 1959 American National Exhibition in Moscow.

⁸⁸ Nick Cullather, "Miracles of Modernization: The Green Revolution and the Apotheosis of Technology," *Diplomatic History* (Apr. 2004): 227-254.