

## THANKS FOR THE MEMORIES

# Famous New Yorker Raskob a desert regular

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While no longer the tallest, arguably the most recognizable skyscraper in the world is the Empire State Building. That the iconic building exists at all is truly remarkable and is due to a quintessential New Yorker, John Jacob Raskob.

Raskob was a figure of impressive organizational skills and was considered a financial wizard, serving simultaneously as vice president of finance for both DuPont de Nemours and Company and General Motors. In the latter capacity, Raskob created the innovative and groundbreaking General Motors Acceptance Corporation, the pioneer in automotive credit that for the first time allowed customers the opportunity to buy cars on installment directly from dealers.

Raskob's time at General Motors came to an end in 1928 when he was offered the national chairmanship of the Democratic Party by his old friend and Democratic nominee for president, Alfred E. Smith. When Raskob's boss at General Motors, the very Republican Alfred P. Sloan, heard of the offer he demanded that Raskob make a choice, either General Motors or the Democrats. Raskob chose the latter, serving as DNC chairman from 1928 to 1932.

As one of the nation's wealthiest men, Raskob had the means to build the world's tallest skyscraper. The roaring 20s made everything seem possible and then the Stock Market Crash of 1929 threw the economy and the country into chaos.

Just two months before the crash, Raskob opined for Ladies Home Journal in a piece entitled "Everybody Ought to be Rich." He suggested every American could become wealthy by investing \$15 per month in common stocks, at a time when average American's weekly salary was between \$17 to \$22. "Suppose a man marries at the age of twenty-three and begins a regular savings of fifteen dollars a month — and almost anyone who is employed can do that if he tries. If he invests in good common stocks and allows the dividends and rights to accumulate, he will at the end of twenty years have at least eighty thousand dollars... I am firm in my belief that anyone not only can be rich but ought to be rich."

The ensuing stock market crash caused Raskob, and the particularly ironic title of the article, to be ridiculed and reviled (yet his concept is fully embraced today).

Raskob so believed in the Empire State Building that despite the crash he invested his immense fortune into its construction. The mammoth project teetered on the very edge of financial disaster and threatened to take Raskob down with it. Against staggering odds, Raskob called in every favor he had, and managed to bring the unprecedented project to completion. According to Time Magazine, the building required 3,439



Two dapper New York gents, Samuel Untermyer, left, and John Jakob Raskob strike a stylish pose on the steps of The Willows, Feb. 9, 1934. COURTESY OF THE PALM SPRINGS HISTORICAL SOCIETY

workers and only one year and 45 days to build (the feat is even more impressive when compared to how long building projects take today).

The building opened in the spring of 1931 with Raskob's dear friend Al Smith in attendance alongside then-Governor Franklin Roosevelt whom Raskob would come to detest. The country was slipping deeper into the Depression and the building would languish for the next decade, being referred to as the "Empty State Building." But after the herculean task of completing the project, Raskob deserved a holiday.

From the time of his first visit to Palm Springs, Raskob fell under the spell of the desert. He had come originally to visit his friend and fellow New Yorker Samuel Untermyer at his home, The Willows. Soon he began returning regularly whenever his business allowed, generally traveling via his plush private rail car, the Skipaway. The relaxing atmosphere of Palm Springs had a visible effect on the normally shy Raskob to such a degree he began making news, not by huge corporate or political dealings, but by his heretofore unknown

skill at dancing contests at the El Mirador Hotel. The hotel's tower was the tallest, most iconic, building in the desert for many years, and naturally appealed to Raskob.

Understanding the allure of the West, Raskob invested in precious metal mining in Nevada and New Mexico, ranching, pesticides, the aeronautical industry, and in a vast tract of desert land.

The Desert Sun took note, "It is reported that the old well at the new Desert Springs development, across the desert north of Palm Springs, has been cleaned out by workmen and found to contain a goodly amount of water. It is also reported that workmen are at this time starting to put down another well on the property... The property adjoins the 2500 acres owned by John J. Raskob...north of Garnet and U.S. Highway 99." Raskob's extensive holdings of "hot water bearing lands" would eventually become Desert Hot Springs.

"Road crews are grading streets and a well is being drilled on the upper end of a 2500-acre tract north of Garnet, which was purchased last year by John J. Raskob, General Motors executive and former National Democratic Committee chairman. This newspaper was unable to contact Mr. Raskob yesterday, who is a guest at El Mirador Hotel in Palm Springs. It is reported he is planning to develop his land into one of the finest and most exclusive residential districts on the desert, with all utilities underground so that there will be no poles to mar the landscape. It is also said there will be architectural restrictions, and only large estates, so that residents may have privacy."

Tony Burke, publicity man at the El Mirador and aspiring realtor, brokered the huge purchase and was forever grateful to Raskob, whom he described as "a diminutive gentleman physically but a giant of industry." Burke thought Raskob charming and visionary. He initiated plans "for large estates linked by paved roads lined with lampposts, with utilities underground. This was a revolutionary concept for any locale outside a big city...provide elegant desert homes, on spacious estates for the wintertime use of big corporation executives from the East. Regrettably, the plan was dropped when his arch political enemy, Mr. Roosevelt was elected president. Raskob vowed he would not advance any project while that man is in the White House."

Raskob continued to visit the village of Palm Springs. The newspaper is littered with mentions of his whereabouts and activities. "John Raskob, briskest of village walkers, quick-striding along the street and very natty sartorially in a brown outfit..." As most New Yorkers seem to rush about, the description was fitting of the most quintessential of New Yorkers and builder of the most iconic of New York skyscrapers.

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