











MR. JOHN D. ROCKEFELLER AT THE AGE OF EIGHTEEN.



## PREFACE

Probably in the life of every one there comes a time when he is inclined to go over again the events, great and small, which have made up the incidents of his work and pleasure, and I am tempted to become a garrulous old man, and tell some stories of men and things which have happened in an active life.

In some measure I have been associated with the most interesting people our country has produced, especially in business – men who have helped largely to build up the commerce of the United States, and who have made known its products all over the world. These incidents which come to my mind to speak of seemed vitally important to me when they happened, and they still stand out distinctly in my memory.

Just how far any one is justified in keeping what he regards as his own private affairs from the public, or in defending himself from attacks, is a mooted point. If one talks about one's experiences, there is a natural temptation to charge one with traveling the easy road to egotism; if one keeps silence, the inference of [vi] wrong-doing is sometimes even more difficult to meet, as it would then be said that there is no valid defence to be offered.

It has not been my custom to press my affairs forward into public gaze; but I have come to see that if my family and friends want some record of things which might shed light on matters that have been somewhat discussed, it is right that I should yield to their advice, and in this informal way go over again some of the events which have made life interesting to me.

There is still another reason for speaking now: If a tenth of the things that have been said are true, then these dozens of able and faithful men who have been associated with me, many of whom have passed away, must have been guilty of grave faults. For myself, I had decided to say nothing, hoping that after my death the truth would gradually come to the surface and posterity would do

strict justice; but while I live and can testify to certain things, it seems fair that I should refer to some points which I hope will help to set forth several much-discussed happenings in a new light. I am convinced that they have not been fully understood.

All these things affect the memories of men who are dead and the lives of men who are living, and it is only reasonable that the public should [vii] have some first-hand facts to draw from in making up its final estimate.

When these Reminiscences were begun, there was of course no thought that they should ever go so far as to appear between the covers of a book. They were not prepared with the idea of even an informal autobiography, there was little idea of order or sequence, and no thought whatever of completeness.

It would have been a pleasure as well as a satisfaction to dwell with some fulness upon the stories of daily and intimate companionship which existed for so many years with my close partners and associates, but I realize that while these experiences have always been to me among the great pleasures of my life, a long account of them would not interest the reader, and thus it happens that I have but mentioned the names of only a few of the scores of partners who have been so active in building up the business interests with which I have been associated.

J.D.R.

*March, 1909.*

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## CHAPTER I

### Some Old Friends

Since these Reminiscences are really what they profess to be, random and informal, I hope I may be pardoned for setting down so many small things.

In looking back over my life, the impressions which come most vividly to my mind are mental pictures of my old associates. In speaking of these friends in this chapter, I would not have it thought that many others, of whom I have not spoken, were less important to me, and I shall hope to refer to this subject of my early friends in a later chapter.

It is not always possible to remember just how one first met an old friend or what one's impressions were, but I shall never forget my first meeting with Mr. John D. Archbold, who is now a vice-president of the Standard Oil Company.

At that time, say thirty-five or forty years ago, I was travelling about the country visiting the point where something was happening, [4] talking with the producers, the refiners, the agents, and actually getting acquainted.

One day there was a gathering of the men somewhere near the oil regions, and when I came to the hotel, which was full of oil men, I saw this name writ large on the register:

*John D. Archbold, \$4.00 a bbl.*

He was a young and enthusiastic fellow, so full of his subject that he added his slogan, "\$4.00 a bbl.," after his signature on the register, that no one might misunderstand his convictions. The battle cry of \$4.00 a barrel was all the more striking because crude oil was selling then for much less, and this campaign for a higher price certainly did attract attention—it was much too good to be true. But if Mr. Archbold had to admit in the end that crude oil is not worth "\$4.00 a bbl.," his enthusiasm, his energy, and his splendid power over men have lasted.

He has always had a well-developed sense of humour, and on one serious occasion, when he was on the witness stand, he was asked by the opposing lawyer:

"Mr. Archbold, are you a director of this company?"

"I am."

[5]

"What is your occupation in this company?"

He promptly answered, "To clamour for dividends," which led the learned counsel to start afresh on another line.

I can never cease to wonder at his capacity for hard work. I do not often see him now, for he has great affairs on his hands, while I live like a farmer away from active happenings in business, playing golf, planting trees; and yet I am so busy that no day is long enough.

Speaking of Mr. Archbold leads me to say again that I have received much more credit than I deserve in connection with the Standard Oil Company. It was my good fortune to help to bring together the efficient men who are the controlling forces of the organization and to work hand in hand with them for many years, but it is they who have done the hard tasks.

The great majority of my associations were made so many years ago, that I have reached the age when hardly a month goes by (sometimes I think hardly a week) that I am not called upon to send some message of consolation to a family with whom we have been connected, and who have met with some fresh bereavement. Only recently I counted up the names of the early associates who have passed [6] away. Before I had finished, I found the list numbered some sixty or more. They were faithful and earnest friends; we had worked together through many difficulties, and had gone through many severe trials together. We had discussed and argued and hammered away at questions until we came to agree, and it has always been a happiness to me to feel that we had been frank and aboveboard with each other. Without this, business associates cannot get the best out of their work.

It is not always the easiest of tasks to induce strong, forceful men to agree. It has always been our policy to hear patiently and discuss

frankly until the last shred of evidence is on the table, before trying to reach a conclusion and to decide finally upon a course of action. In working with so many partners, the conservative ones are apt to be in the majority, and this is no doubt a desirable thing when the mere momentum of a large concern is certain to carry it forward. The men who have been very successful are correspondingly conservative, since they have much to lose in case of disaster. But fortunately there are also the aggressive and more daring ones, and they are usually the youngest in the company, perhaps few in number, but impetuous and convincing. [7] They want to accomplish things and to move quickly, and they don't mind any amount of work or responsibility. I remember in particular an experience when the conservative influence met the progressive—shall I say?—or the daring side. At all events, this was the side I represented in this case.

### ARGUMENTS VERSUS CAPITAL

One of my partners, who had successfully built up a large and prosperous business, was resisting with all his force a plan that some of us favoured, to make some large improvements. The cost of extending the operations of this enterprise was estimated at quite a sum—three million dollars, I think it was. We had talked it over and over again, and with several other associates discussed all the pros and cons; and we had used every argument we could command to show why the plan would not only be profitable, but was indeed necessary to maintain the lead we had. Our old partner was obdurate, he had made up his mind not to yield, and I can see him standing up in his vigorous protest, with his hands in his pockets, his head thrown back, as he shouted "No."

It's a pity to get a man into a place in an [8] argument where he is defending a position instead of considering the evidence. His calm judgment is apt to leave him, and his mind is for the time being closed, and only obstinacy remains. Now these improvements had to be made—as I said before, it was essential. Yet we could not quarrel with our old partner, but a minority of us had made up our minds that we must try to get him to yield, and we resolved to try another line of argument, and said to him:

"You say that we do not need to spend this money?"

"No," he replied, "it will probably prove to be many years before such a sum must be spent. There is no present need for these facilities you want to create, and the works are doing well as they are—let's let well enough alone."

Now our partner was a very wise and experienced man, older and more familiar with the subject than some of us, and all this we admitted to him; but we had made up our minds, as I have said, to carry out this idea if we could possibly get his approval, and we were willing to wait until then. As soon as the argument had calmed down, and when the heat of our discussion had passed, the subject was brought up again. I had thought of a new way to approach it. I said:

[9]

"I'll take it, and supply this capital myself. If the expenditure turns out to be profitable the company can repay me; and, if it goes wrong, I'll stand the loss."

That was the argument that touched him. All his reserve disappeared and the matter was settled when he said:

"If that's the way you feel about it, we'll go it together. I guess I can take the risk if you can."

It is always, I presume, a question in every business just how fast it is wise to go, and we went pretty rapidly in those days, building and expanding in all directions. We were being confronted with fresh emergencies constantly. A new oil field would be discovered, tanks for storage had to be built almost over night, and this was going on when old fields were being exhausted, so we were therefore often under the double strain of losing the facilities in one place where we were fully equipped, and having to build up a plant for storing and transporting in a new field where we were totally unprepared. These are some of the things which make the whole oil trade a perilous one, but we had with us a group of courageous men who recognized the great principle that a business cannot be a great success that does not fully and [10] efficiently accept and take advantage of its opportunities.

How often we discussed those trying questions! Some of us wanted to jump at once into big expenditures, and others to keep to

more moderate ones. It was usually a compromise, but one at a time we took these matters up and settled them, never going as fast as the most progressive ones wished, nor quite so carefully as the conservatives desired, but always made the vote unanimous in the end.

### THE JOY OF ACHIEVEMENT

The part played by one of my earliest partners, Mr. H.M. Flagler, was always an inspiration to me. He invariably wanted to go ahead and accomplish great projects of all kinds, he was always on the active side of every question, and to his wonderful energy is due much of the rapid progress of the company in the early days.

It was to be expected of such a man that he should fulfil his destiny by working out some great problems at a time when most men want to retire to a comfortable life of ease. This would not appeal to my old friend. He undertook, single handed, the task of building up the East Coast of Florida. He was not satisfied to plan a railroad from St. Augustine to Key [11] West—a distance of more than six hundred miles, which would have been regarded as an undertaking large enough for almost any one man—but in addition he has built a chain of superb hotels to induce tourists to go to this newly developed country. Further than this, he has had them conducted with great skill and success.

This one man, by his own energy and capital, has opened up a vast stretch of country, so that the old inhabitants and the new settlers may have a market for their products. He has given work to thousands of these people; and, to crown all, he has undertaken and nearly completed a remarkable engineering feat in carrying his road on the Florida Keys into the Atlantic Ocean to Key West, the point set out for years ago.

Practically all this has been done after what most men would have considered a full business life, and a man of any other nationality situated as he was would have retired to enjoy the fruits of his labour.

I first knew Mr. Flagler as a young man who consigned produce to Clark & Rockefeller. He was a bright and active young fellow full of vim and push. About the time we went into the oil business Mr. Flagler established himself [12] as a commission merchant in the

same building with Mr. Clark, who took over and succeeded the firm of Clark & Rockefeller. A little later he bought out Mr. Clark and combined his trade with his own.

Naturally, I came to see more of him. The business relations which began with the handling of produce he consigned to our old firm grew into a business friendship, because people who lived in a comparatively small place, as Cleveland was then, were thrown together much more often than in such a place as New York. When the oil business was developing and we needed more help, I at once thought of Mr. Flagler as a possible partner, and made him an offer to come with us and give up his commission business. This offer he accepted, and so began that life-long friendship which has never had a moment's interruption. It was a friendship founded on business, which Mr. Flagler used to say was a good deal better than a business founded on friendship, and my experience leads me to agree with him.

For years and years this early partner and I worked shoulder to shoulder; our desks were in the same room. We both lived on Euclid Avenue, a few rods apart. We met and walked [13] to the office together, walked home to luncheon, back again after luncheon, and home again at night. On these walks, when we were away from the office interruptions, we did our thinking, talking, and planning together. Mr. Flagler drew practically all our contracts. He has always had the faculty of being able to clearly express the intent and purpose of a contract so well and accurately that there could be no misunderstanding, and his contracts were fair to both sides. I can remember his saying often that when you go into an arrangement you must measure up the rights and proprieties of both sides with the same yardstick, and this was the way Henry M. Flagler did.

One contract Mr. Flagler was called upon to accept which to my surprise he at once passed with his O.K. and without a question. We had concluded to purchase the land on which one of our refineries was built and which was held on a lease from John Irwin, whom we both knew well. Mr. Irwin drew the contract for the purchase of this land on the back of a large manila envelope that he picked up in the office. The description of the property ran as such contracts usually

do until it came to the phrase "the line runs south to a mullen stalk," etc. [14] This seemed to me a trifle indefinite, but Mr. Flagler said:

"It's all right, John. I'll accept that contract, and when the deed comes in, you will see that the mullen stalk will be replaced by a proper stake and the whole document will be accurate and ship-shape." Of course it turned out exactly as he said it would. I am almost tempted to say that some lawyers might sit at his feet and learn things about drawing contracts good for them to know, but perhaps our legal friends might think I was partial, so I won't press the point.

Another thing about Mr. Flagler for which I think he deserves great credit was that in the early days he insisted that, when a refinery was to be put up, it should be different from the flimsy shacks which it was then the custom to build. Every one was so afraid that the oil would disappear and that the money expended in buildings would be a loss that the meanest and cheapest buildings were erected for use as refineries. This was the sort of thing Mr. Flagler objected to. While he had to admit that it was possible the oil supply might fail and that the risks of the trade were great, he always believed that if we went into the oil business at all, we should do the work as well as we knew [15] how; that we should have the very best facilities; that everything should be solid and substantial; and that nothing should be left undone to produce the finest results. And he followed his convictions of building as though the trade was going to last, and his courage in acting up to his beliefs laid strong foundations for later years.

There are a number of people still alive who will recall the bright, straightforward young Flagler of those days with satisfaction. At the time when we bought certain refineries at Cleveland he was very active. One day he met an old friend on the street, a German baker, to whom he had sold flour in years gone by. His friend told him that he had gone out of the bakery business and had built a little refinery. This surprised Mr. Flagler, and he didn't like the idea of his friend investing his little fortune in a small plant which he felt sure would not succeed. But at first there seemed nothing to do about it. He had it on his mind for some days. It evidently troubled him. Finally he came to me and said:

"That little baker man knows more about baking than oil refining, but I'd feel better if we invited him to join us—I've got him on my conscience."

[16]

I of course agreed. He talked to his friend, who said he would gladly sell if we would send an appraiser to value his plant, which we did, and then there arose an unexpected difficulty. The price at which the plant was to be purchased was satisfactory, but the ex-baker insisted that Mr. Flagler should advise him whether he should take his pay in cash or Standard Oil certificates at par. He told Mr. Flagler that if he took it in cash it would pay all his debts, and he would be glad to have his mind free of many anxieties; but if Mr. Flagler said the certificates were going to pay good dividends, he wanted to get into and keep up with a good thing. It was rather a hard proposition to put up to Mr. Flagler, and at first he declined to advise or express any opinion, but the German stuck to him and wouldn't let him shirk a responsibility which in no way belonged to him. Finally Mr. Flagler suggested that he take half the amount in cash and pay 50 per cent. on account of his debts, and put the other half in certificates, and see what happened. This he did, and as time went on he bought more certificates, and Mr. Flagler never had to apologize for the advice he gave him. I am confident that my old partner gave this affair as much time and thought as he did [17] to any of his own large problems, and the incident may be taken as a measure of the man.

### THE VALUE OF FRIENDSHIPS

But these old men's tales can hardly be interesting to the present generation, though perhaps they will not be useless if even tiresome stories make young people realize how, above all other possessions, is the value of a friend in every department of life without any exception whatsoever.

How many different kinds of friends there are! They should all be held close at any cost; for, although some are better than others, perhaps, a friend of whatever kind is important; and this one learns as one grows older. There is the kind that when you need help has a good reason just at the moment, of course, why it is impossible to extend it.

"I can't indorse your note," he says, "because I have an agreement with my partners not to."

"I'd like to oblige you, but I can explain why at the moment," etc., etc.

I do not mean to criticize this sort of friendship; for sometimes it is a matter of temperament; and sometimes the real necessities are such that the friend cannot do as he would like to do. As I look back over my friends, I can [18] remember only a few of this kind and a good many of the more capable sort. One especial friend I had. His name was S.V. Harkness, and from the first of our acquaintance he seemed to have every confidence in me.

One day our oil warehouses and refinery burned to the ground in a few hours—they were absolutely annihilated. Though they were insured for many hundred thousands of dollars, of course, we were apprehensive about collecting such a large amount of insurance, and feared it might take some time to arrange. That plant had to be rebuilt right away, and it was necessary to lay the financial plans. Mr. Harkness was interested with us in the business, and I said to him:

"I may want to call upon you for the use of some money. I don't know that we shall need it, but I thought I'd speak to you in advance about it."

He took in the situation without much explaining on my part. He simply heard what I had to say and he was a man of very few words.

"All right, J.D., I'll give you all I've got." This was all he said, but I went home that night relieved of anxiety. As it turned out, we received the check of the Liverpool, London & Globe Insurance Company for the full [19] amount before the builders required the payments; and while we didn't need his money, I never shall forget the whole-souled way in which he offered it.

And this sort of experience was not, I am grateful to say, rare with me. I was always a great borrower in my early days; the business was active and growing fast, and the banks seemed very willing to loan me the money. About this time, when our great fire had brought up some new conditions, I was studying the situation to see

what our cash requirements would be. We were accustomed to prepare for financial emergencies long before we needed the funds.

Another incident occurred at this time which showed again the kind of real friends we had in those days, but I did not hear the full story of it until long years after the event.

There was one bank where we had done a great deal of business, and a friend of mine, Mr. Stillman Witt, who was a rich man, was one of the directors. At a meeting, the question came up as to what the bank would do in case we wanted more money. In order that no one might doubt his own position on the subject, Mr. Witt called for his strong-box, and said:

"Here, gentlemen, these young men are all [20] O.K., and if they want to borrow more money I want to see this bank advance it without hesitation, and if you want more security, here it is; take what you want."

We were then shipping a large quantity of oil by lake and canal, to save in transportation, and it took additional capital to carry these shipments; and we required to borrow a large amount of money. We had already made extensive loans from another bank, whose president informed me that his board of directors had been making inquiries respecting our large line of discounts, and had stated that they would probably want to talk with me on the subject. I answered that I would be very glad of the opportunity to meet the board, as we would require a great deal more money from the bank. Suffice it to say, we got all we wanted, but I was not asked to call for any further explanations.

But I fear I am telling too much about banks and money and business. I know of nothing more despicable and pathetic than a man who devotes all the waking hours of the day to making money for money's sake. If I were forty years younger, I should like to go into business again, for the association with interesting and quick-minded men was always a [21] great pleasure. But I have no dearth of interests to fill my days, and so long as I live I expect to go on and develop the plans which have been my inspiration for a lifetime.

During all the long period of work, which lasted from the time I was sixteen years old until I retired from active business when I was