

THE WRITING AND RECEIVING OF BUSINESS HISTORY, A DISCUSSION

WRITING THE HISTORY OF STANDARD OIL COMPANY (NEW JERSEY)

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In asking me to participate in this discussion, Professor Hidy suggested that I review briefly from my own experience and observations the project to write the history of the Standard Oil Company (New Jersey). He advised me particularly to consider the origin of the undertaking and the problems associated with its completion.

As to origins, it began with a letter I received in June, 1944, from the head of the Public Relations Department of the Company. Referring to an article of mine in the Spring Issue of the Harvard Business Review, Mr. Freyermuth wrote me that he would like to review certain aspects of the article; some men in the Company were interested. A week later, he and an associate spent a day at the Harvard Business School talking with Professor Gras and myself.

It was by mere chance that I had written the article. Because of a dearth of materials in wartime, the editor of the Review had asked me to write an article on business history for the next issue. Having then recently read an address by Dr. Stanley Pargellis, I started my article with a point which he had stressed. Dr. Pargellis, stating that there was widespread misrepresentation of the history of business by historians and others writing on American history, urged that, "because history is of enormous importance in shaping public opinion today, it is essential that it be true and not distorted or false history." With this statement as an introduction, I surveyed briefly, as I saw it, the unsatisfactory condition of business history and the reasons for it, and then considered what would be required to improve our knowledge of the process whereby the business system had developed. I especially emphasized the need for well-documented histories of representative business concerns. I drew on the experience and thinking of the history department at the Harvard Business School and of the school itself as to learning from business about business - learning from what in the early years of the school was called the laboratory of business.

Our discussion with the Jersey men on that day in June, 1944, ranged widely. The visitors made it clear that there

was an interest within their company in having its history written. We discussed the objectives of such an undertaking, its value as a contribution to the history of American business, arrangements and procedures that might be workable, and values and standards that would be essential to such a project's success. The company men agreed with Professor Gras that, before any definite plans or proposals could be made, it would be necessary to make an extensive survey of extant company records.

Arrangements for such a survey soon followed, and it got under way early in 1945. It became my responsibility to make the survey. An assistant from our school and I spent many months in the offices of the parent company in New York City and of a number of affiliates in the East, South, and Southwest. We listed series of records in company offices and vaults and noted their time-range and general contents. The resulting descriptive inventory of records totaled about 350 typed pages.

At the same time Gras and I were learning about the company in other ways. He had many interviews in New York. He talked with officers and with others in various departments and lines of work - even with a messenger in the parent company who had been with the company since 1901. I interviewed a similar range of officers and other employees of affiliates which I visited. Typed reports of our interviews totaled about 700 pages. All these discussions were essentially explorations of the past, but I believe the whole process served to inform both company men and ourselves as to the basic requirements for the success of such an undertaking. Undoubtedly, the cooperation which we later received on all levels in the many companies owed much to these preliminary discussions. Altogether, we learned much about the companies and their industry, and about this organization which somehow meshed so many diverse interests and operations into a unified whole. These explorations of the past and present were exciting and challenging, but they were also sobering because of what they revealed of the complexity of the possible undertaking.

The conclusion at the end of the survey was that the records were adequate and that the company's officers and executives were interested in having an objective history written. We ourselves, however, had doubts about undertaking the project. Did we have the resources to carry it out successfully? What would the opportunity costs be in terms of planned writing we would have to leave undone? Gras expressed

some concern about his health. These doubts had to be weighed against the possible opportunity to do a kind of study that we believed should be done to help fill in a serious gap in our knowledge of American business history. Gras, in fact, had for several years been trying to interest a certain large, integrated company in having some aspects of its history written, but without success. After considering how the project might be handled, and gaining the assurance of several qualified individuals to serve as authors if the decision was to have the history written, it was decided to make a proposal to the company.

Gras accordingly drew up a plan. This called for the writing of three primarily factual volumes on the history of Standard Oil Company (New Jersey) from its beginnings to 1950 and a brief summary volume placing the company's history in its larger historical setting. It also proposed that arrangements be made for writing the history of two affiliates. The manuscripts on the parent company were to be completed within seven years. An author-research assistant team would be set up for each of the three primary volumes. Gras and I should have over-all responsibility, he as the senior member of the team; if one of us were incapacitated, the other should choose a successor. On its part, the company should allow unrestricted access to all its records and interviews with its employees, current and retired. Also, the company should have chapters read by qualified personnel to suggest corrections or improvements, but the use of such suggestions should be left to the authors to decide. Gras and I should work with the authors to see that the coverage was adequate and that generalizations and interpretations were well substantiated. The company was to make a gift in advance to Harvard University in the amount designated by Gras.

The amount proposed was based on a budget drawn up by Gras. It provided for a team of one or two authors and research assistants for each of the primary volumes and an estimate to cover the final volume. The time budgeted for each of the primary volumes was three years with a possible brief extension. Estimates were also made for the cost of administration, travel, supplies, and other foreseeable needs. A sum was added for purchasing copies of the volumes, to be distributed to members of the Business Historical Society, and also for assisting in the financing of the publication of several studies in business history that were then being written under the direction of the history department at the Harvard Business School.

Because of later difficulties, it is important to note the rationale behind the three-year period planned for each primary volume. First of all, Gras had become convinced that it would be impractical for authors to take more than three years out of their careers in teaching or business, an important consideration in getting authors to participate in the project. Accordingly, the coverage of each volume was planned so as to make completion possible within that length of time. A strategic consideration was to have the volumes deal principally with central administration (policy, planning, control, and finance) and only in a minor way with operations. In addition, the volumes were each to cover a period of time sufficiently short to be done in three years, the volumes to end in 1911, 1927, and 1950, respectively. The writing of volumes on affiliates, if any, was to be arranged separately with the affiliates themselves.

Late in the winter of 1946, Gras made a proposal to the company in accordance with the above plans and estimates. About a year later, the company decided to accept the proposal. During this interval, however, complications had risen on our side.

Harvard authorities had had second thoughts about the matter and had decided that, because of the size of the project and other considerations, the Harvard Business School could not sponsor so large an undertaking involving only one company. The alternative then decided upon was a non-profit corporation. This change made a difference to the company. What assurance would there be that, under a board of trustees, the project might not come under the control of individuals outside our own group? Gras's reply was that the project would be headed by individuals experienced in researching the history of business: Gras, Larson, Charles W. Moore, and Ralph W. Hidy in that order.

My relationship to the undertaking was also altered by this change in sponsorship. The original plan was that I should spend five years on the Jersey Standard history, after which Gras would have retired from Harvard and would take responsibility for directing the work to its completion. But, under Harvard rules, faculty leaves could not be granted for more than three consecutive years. Hence, it was decided that Gras would retire in 1950, and I would then return to Harvard.

Still further complications arose. About the time the company made its decision, the person who a year earlier had tentatively agreed to serve as author of the third volume was

offered an endowed chair in a university. By that time, also, the planned back-up man for this volume had accepted an offer in business. Gras then turned to Charles S. Popple. He had already begun to work on writing the history of Standard Oil Company (New Jersey) in World War II, but he agreed to join us after completing that volume. In the meantime, Humble Oil & Refining Company, an affiliate, had decided to have its history written, and Kenneth W. Porter agreed to head that project at the end of the school year.

After the company made its decision in 1947, we proceeded to organize a non-profit corporation, the Business History Foundation, Inc., in the state of New York. When the organization had been completed, with Gras as president, Chairman Abrams of the company confirmed by letter the company's decision and sent a check in the proposed amount.

Final arrangements were at once made with authors. Ralph and Muriel Hidy, with an assistant, started research in company records. Mrs. Knowlton and an assistant began work on volume 2; George Gibb, the second author, did not formally participate for about two years because he had to complete a study at Harvard. I was made editorial director of these first two volumes; I was also to do research and writing from 1911 on the foreign producing affiliates, principally in Latin America.

The work went forward smoothly; the company facilitated our research in every way. We were assigned offices and had full access to vaults and files and to personnel for interviews. Our relations with company personnel were friendly but formal. The records were rich. We interviewed individuals on all organizational levels who had long been with parent company or affiliates. Our enthusiasm ran high. Whenever we met, we talked about what we were finding and the questions raised. We had regular group meetings focused on some particular topic or problem. It was an interesting and stimulating experience in group research.

As the research and writing progressed, however, it became clear that these volumes could not be completed within three years. They might have been completed in that time if it had been feasible to follow the original plan to deal principally with central administration. But, because of the close interrelationship and interdependence of top administration and operations, this plan proved unworkable. The Hidys, the first to write chapters, set the pattern for research and

writing in greater depth. Consequently, when the three years were over, the manuscript for volume 1 was not finished.

The end of the first three years in 1950 brought changes in our staff. Ralph Hidy, his original term having expired, accepted an offer of a university post. I returned to Harvard, but I continued to serve unofficially as reader of the chapters for the first two volumes. Gras retired from Harvard and transferred to the Foundation. He continued to direct the authors of volume 3 and the Humble study. He also started to write the final volume, with Mrs. Knowlton as his part-time assistant.

Work continued to go forward on all the volumes. Ralph Hidy spent summers on volume 1 and whatever time he could spare during the school year from his duties at New York University. Muriel Hidy stayed on for several more years. Mrs. Knowlton and her assistant did most of the research for volume 2; Gibb did most of the writing. After a short extension of his three-year contract, he returned to Harvard, but he continued to carry the principal responsibility for completing the manuscript. Both manuscripts were progressing well but were considerably behind the budgeted schedule.

The Humble history and volume 3 ran into serious difficulties. The first versions of both proved too narrow in their coverage. It had been assumed that the author of volume 3, with more than the usual research assistance, could handle that assignment in three years. That assumption, however, was based on inadequate knowledge of pre- and post-World War II developments and problems - that is, the revolutionary changes in the company and its industry in the late 1920s and the 1930s and the unusual problems the company had to deal with after the war. The author of the Humble history drew principally on a large collection of administrative records for research within the company. This collection was rich and broad in its coverage as long as the officers were managers of, or close to, operations. But these records were less satisfactory after the company expanded to the point where the management of operations became more demanding and the advancing technology required more specialization. The result of this dependence on central records was that the manuscript dealt only incidentally with Humble's notable technological advances that were basic to its progress in the 1930s and after. Nor did it deal with the company's leadership both within the Jersey group and the industry in advancing science and engineering with respect to exploration and production. It also overlooked, in large part, Humble's contribution to

the conservation movement with respect to oil production. In 1951, when research in Humble's departmental records was urged, Gras estimated that such broader research and writing would take at least five more years, which in the circumstances he considered out of the question.

The year 1953 brought something of a crisis. Gras's health, which had been deteriorating for some time, took a bad turn. He had retired as president of the Foundation in 1952. This next year he gave up his responsibility for the two volumes and ceased altogether to participate in the Foundation's work. About the same time, the two authors accepted offers to return to their former careers, one to a university teaching position and the other to business. They already had worked for a short time beyond their original term, but it had become clear that much more would be required to complete the manuscripts.

The Foundation, with the companies' help, took steps to see that the work went on. Standard Oil Company (New Jersey) made gifts to the Foundation to finance further work, as Humble did later. I was again made editorial director and, as such, was responsible for overseeing the carrying out of whatever plans were made. Later, after a review of the situation, I was given the job of completing the Humble study, the assumption being that I could get short-term leaves from Harvard as needed.

The publication of Pioneering in Big Business in 1955 gave us much-needed encouragement and positive evidence of accomplishment, as the publication of The Resurgent Years again did in 1956. Mrs. Knowlton transferred to volume 3 as soon as she had finished her work on the second volume. She did a prodigious amount of research on this later volume and wrote drafts of many chapters. Before accepting an offer of what proved to be a permanent position as historian and archivist with the Federal Reserve Bank of New York, she had done the major work on the volume through the 1930s and also some research and writing beyond that decade. In the meantime, year after year, Harvard allowed me to take leave for several months to do research at Humble headquarters in Houston. Whatever other time I could spare, including summers, I worked at home, principally on writing. Professor Porter read chapters as I sent them to him. The History of Humble Oil & Refining Company was published in 1959.

When the Humble study was out of the way, I began to devote whatever time I could spare, partly on leave from

Harvard, to research on volume 3. After Mrs. Knowlton left in 1961 and I retired from Harvard, I for many years worked alone on the project. Dr. Popple's death left me without any help from him, but Mrs. Knowlton read chapters and sent me suggestions. The manuscript went to press early in 1969. New Horizons was published early in 1971. There are no plans for writing a summary volume.

Looking back over these many years, how can our difficulties be explained? No doubt we wasted some time. Some of us did too much research; some did not do enough. None of us had ever faced such vast collections of records, and none had ever worked on so unfamiliar and complex a subject. To decide on the proper scope of the research in advance was difficult, if not impossible. Always conscious of working against time, we tended to draft chapters before we were really ready to do so. Clearly, some mistakes were made in planning: the time, funds, and personnel required were underestimated. In terms of oil-well drilling, we had not foreseen how complex were the structures through which we had to drill, nor, indeed, all the "fishing-jobs" we had to do. Perhaps our basic error was that firm plans were made for a project which for the historian was essentially an exploration of relatively unknown territory and which, because of its size, at best involved unusual risks.