

RECEIVING THE HISTORY OF STANDARD OIL COMPANY (NEW JERSEY)

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Since I do not know enough about the usual conditions and the usual attitudes of those who "receive" Business History, I do not feel able to generalize broadly on this subject. Yet I can draw on the experience I had, to my good fortune, with Standard Oil Company (New Jersey) to participate in a discussion of one important business history of one important business unit.

As it happened, Professor Larson and I were each involved in our very different ways with one aspect or another of the agreement between the Business History Foundation, Inc. and Standard Oil Company and with the resulting preparation of the three volumes. The third of these three volumes, New Horizons, covers the period from 1927 to 1950. When it was published in 1971, it completed the job the Business History Foundation started in 1947.

I want to make clear at once that the successful completion of this big job is due in large part to the years of hard work which Professor Larson put into the demanding job. I cannot do better than to quote five sentences by Professor Hidy, president of the Business History Foundation, in the foreword of New Horizons:

After the death of Professor Gras the full burden of editing and revising all manuscripts fell upon Professor Larson. The trustees of the Business History Foundation called on her to fuse early drafts of chapters to her own research and writing to produce a unified, balanced Volume III. She has borne the responsibility steadily and has given unstintingly of her time and energy. Without her devotion to the task, the trustees would have had great difficulty in meeting their obligation to produce this study. They gratefully acknowledge their debt to her and take pride in presenting this result of the joint efforts of the three authors.

I would like to associate myself with Professor Hidy's complimentary comments.

An important hurdle which Professor Larson had to surmount was that Volume III, unlike Volumes I and II, covers a period (1927 to 1950) about which a large number of employees (including me) considered themselves first-class experts because they were active employees at the time. Many of them had intimate contact with one or another of the important developments during the period. Of course, the fallible memories of humans and the great size and complexity of "the Jersey Company," as it is called familiarly, would have militated against the development of real experts of any breadth, but that did not stop a lot of employees from making the claim.

The first sentence of the text of the third volume reads: "In the long history of Standard Oil Company (New Jersey) the year 1927 marks an important turning point." (I have to admit that it was only a coincidence that 1927 was the year when they hired me.) The prologue of the past did indeed have great influence on the persistent problems to be faced from 1927 forward.

The heritage from the first quarter of this century provided many of the reasons why Jersey came to feel they would do well to make records and personnel available to competent researchers. The dissolution of the old Standard Oil combination as a result of the 1911 Supreme Court decision left the parent company, Standard Oil Company (New Jersey), with a fine body of loyal employees, able leadership, large refining plants, an effective marketing organization in limited parts of the U.S. and abroad, but with only very restricted access to owned and controlled supplies of crude oil. The company took a long time to get over the severe distortions resulting from the dissolution. The decades of the teens, the twenties, and the thirties were filled for Jersey with vigorous efforts to redress great imbalances in the functional structure of the organization and to meet the severe competition of other rapidly growing units in the industry such as Royal-Dutch-Shell, British Petroleum, Gulf, Texaco, as well as other offshoots of the old, original Rockefeller organization such as Standard Oil Company of New York, Standard Oil Company of California, Standard Oil Company (Indiana), and so on. The Jersey organization worked so hard and so effectively on needed fiscal and technological rearrangements that they seemed to have insufficient time left to pay adequate attention to the important field of public relations. They paid a heavy price for this omission.

In 1942, as explained very well by Professor Larson in her Chapter 15 in Volume III, the Jersey Company made the front

pages far more than they wished to! In the early days of the formal U.S. participation in World War II, as a result of charges made at hearings of a Senate Committee investigating threatened shortages of rubber, the company was reported in the press as having committed treason. The severe crisis for the company precipitated by this most unfair accusation lasted a long time, but its solution brought new attention to the field of public relations. One of the many elements in the new attitude had to do with uneasiness engendered by the fact that in most U.S. libraries the only reference work on the oil industry was the very unfriendly book by Ida M. Tarbell, The History of the Standard Oil Company, first published as a book in 1904. Mr. Frank W. Abrams, a director from 1940 through 1953 and Chairman of the Board beginning in 1946, reasoned that the situation could not be hurt and might be helped by having another reference work about the Jersey Company on library shelves.

Abrams did not have plain sailing in getting the Board of Directors' approval for the expenditures to be involved in the "new look" in the Jersey Company on public relations matters. But the crisis was severe and the realization strong that it was vital for the Company to improve greatly its reputation. Eugene Holman, the chief executive from 1944 through 1953, and Robert T. Haslam, the director to whom responsibility for guiding the new public relations program was assigned, joined Abrams in seeking the necessary Board approvals for the expenditures needed to back up the expanded staff and the much increased activity in the field of public relations. With some understandable hesitation the Board finally accepted the strong recommendations of Abrams, Haslam and Holman.

One of the important added undertakings was the acceptance of a "proposal of N.S.B. Gras and Henrietta M. Larson of the Harvard Graduate School of Business Administration for writing a history of the Company." The agreement stipulated that the Company would allow "unrestricted access to all its records with full freedom to publish therefrom and should make a monetary gift to the research organization that would manage the project." Thus as Professor Larson has described, began the big job the Business History Foundation undertook in studying and writing about the Jersey Company and in publishing their results. The beginnings of the first proposal in 1945 to the publishing of the third volume covered a period of about twenty-five years. Perhaps the length of this period was a measure of the complexities of the task.

I suppose my opinion of the usefulness to the Standard Oil Company of its published history to 1950 is necessarily so subjective as to be only of highly questionable value. Even so, I would like to give it: I think my predecessors on the Board were right when they concluded they would do well to make the agreement with the Business History Foundation, and it is clear to me that the availability on library shelves of Pioneering in Big Business, The Resurgent Years, and New Horizons is a lot better for the Jersey Company and for anyone interested in it than having Ida Tarbell's History of the Standard Oil Company as the only reference work about the industry.