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TITAN

THE LIFE OF JOHN
D. ROCKEFELLER, SR.

RON CHERNOW



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VINTAGE BOOKS

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*To my brother, Dr. Bart Chernow,
who pulled me back, at the last moment, from the brink,
and to the lovely Valerie*

Two men have been supreme in creating the modern world: Rockefeller and Bismarck. One in economics, the other in politics, refuted the liberal dream of universal happiness through individual competition, substituting monopoly and the corporate state, or at least movements toward them.

—*BERTRAND RUSSELL Freedom Versus Organization, 1814 to 1914*

Something in the nature of J. D. Rockefeller had to occur in America, and it is all to the good of the world that he was tight-lipped, consistent and amazingly free from vulgar vanity, sensuality and quarrelsomeness. His cold persistence and ruthlessness may arouse something like horror, but for all that he was a forward-moving force, a constructive power.

—*H. G. WELLS The Work, Wealth and Happiness of Mankind*

When history passes its final verdict on John D. Rockefeller, it may well be that his endowment of research will be recognized as a milestone in the progress of the race. . . . Science today owes as much to the rich men of generosity and discernment as the art of the Renaissance owes to the patronage of Popes and Princes. Of these rich men, John D. Rockefeller is the supreme type.

—*WINSTON CHURCHILL St. Louis Post-Dispatch, July 8, 1936*

Rockefeller, you know, is reputed the richest man in the world, and he certainly is the most powerfully suggestive personality I have ever seen. A man 10 stories deep, and to me quite unfathomable. Physionomie de Pierrot (not a spear of hair on head or face) flexible, cunning, quakerish, superficially suggestive of naught but goodness and conscientiousness, yet accused of being the greatest villain in business whom our country has produced.

—*WILLIAM JAMES in a letter to Henry James January 29, 1904*

Acclaim for RON CHERNOW's TITAN

A New York Times Book Review Editors' Choice
A Business Week Best Business Book of the Year
A Time Magazine Book of the Year
An Economist Best Biography of the Year

"Splendid . . . a blue chip biography." —*Newsweek*

"Ron Chernow's portrait of Rockefeller, an eccentric on a heroic scale as well as a genius, is convincing. . . . This is the best biography of the man so far."
—*The Washington Post Book World*

"What a story! An outstanding business biography." —*The New York Observer*

"A triumph of research, understanding and elegant writing." —*Houston Chronicle*

"With uncanny timing, Ron Chernow has written a captivating biography of one of the most famous men in American business history. . . . Business needs more books like *Titan*. —*Newsday*

"Good biographies are hard to find and great ones even rarer. . . . A thoughtful and balanced approach to one of the most significant and controversial lives of the past century . . . spellbinding." —*The Seattle Times*

"A masterful synthesis of research and writing . . . an extraordinary achievement in biography." —*The New Republic*

"It's a thrill to read a biography as good as this one! Ron Chernow's *Titan* is a triumph, a brilliant, riveting, and monumental portrait of a fascinating human being and his age." —Robert A. Caro

"Chernow has written the definitive biographies of two other legendary financial dynasties. . . . Now, with his Rockefeller biography, he has completed an extraordinary trilogy about the towering figures of twentieth

century commerce.” —*Vanity Fair*

“By the time Chernow is finished, the old guy seems utterly human . . . and oddly appealing. . . . A timeless parable of our civilization.” —*San Francisco Chronicle*

“You can read the book as a sympathetic portrait of a complex man, a business history, a legal battle, or simply as a great yarn.” —*Business Week*

“It is hard to imagine a better biography of Rockefeller being written. . . . An enthralling biography of an enthralling person.” —*Chicago Tribune*

“A monumental and mesmerizing biography . . . a fascinating yarn, capturing a man who insisted he could serve God and Mammon.” —*The San Diego Union-Tribune*

“A richly textured and engagingly lively portrait. . . . It is a remarkable story and Chernow tells it with confidence and clarity . . . probably the last word on a genuine titan.” —*Daily News*

“Rockefeller lived one of the great American lives, and Chernow has provided him with one of the great American biographies.” —*The Sunday Times* (London)

“In this splendid biography, justice is finally done to [Rockefeller’s] memory.” —*The Plain Dealer*

“Stunning. . . . Mr. Chernow has confirmed his reputation as a great business historian.” —*The Financial Times*

“A worthy biography of a truly titanic figure.” — *The Economist*

“Chernow’s detailed picture of this ‘implausible blend of sin and sanctity’ is a scrupulously balanced, frequently fascinating and humanizing portrait of a figure of seemingly superhuman energy and ambition.” — *People*

“Altogether splendid.” —*American Heritage*

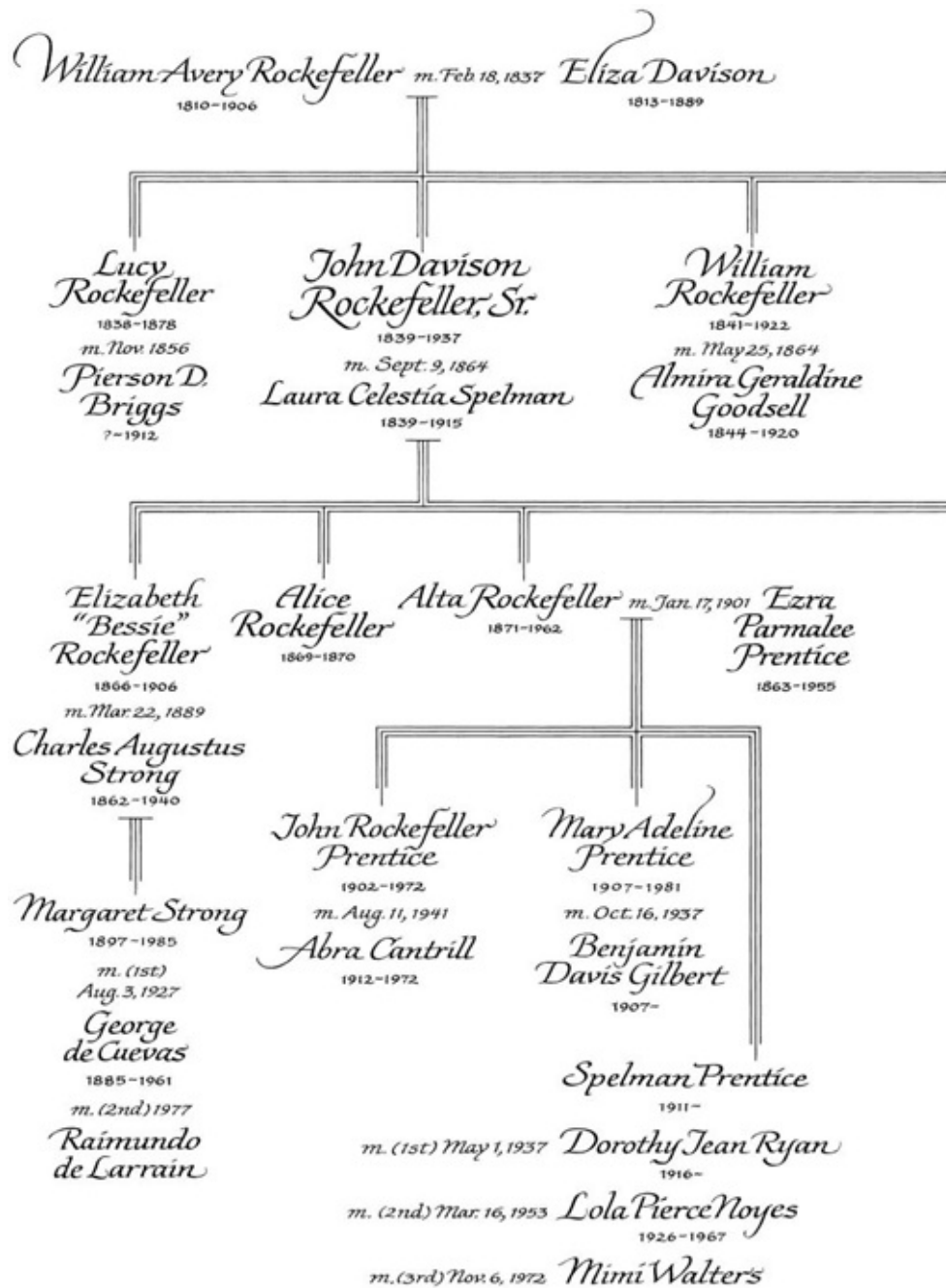
“Sweeping. . . . Chernow lays out the [Rockefeller] conundrum superbly, delineating the forces that shaped this man and the ways he responded to them.” —*USA Today*

“[Ron Chernow is] America’s best business biographer.” — *Fortune*

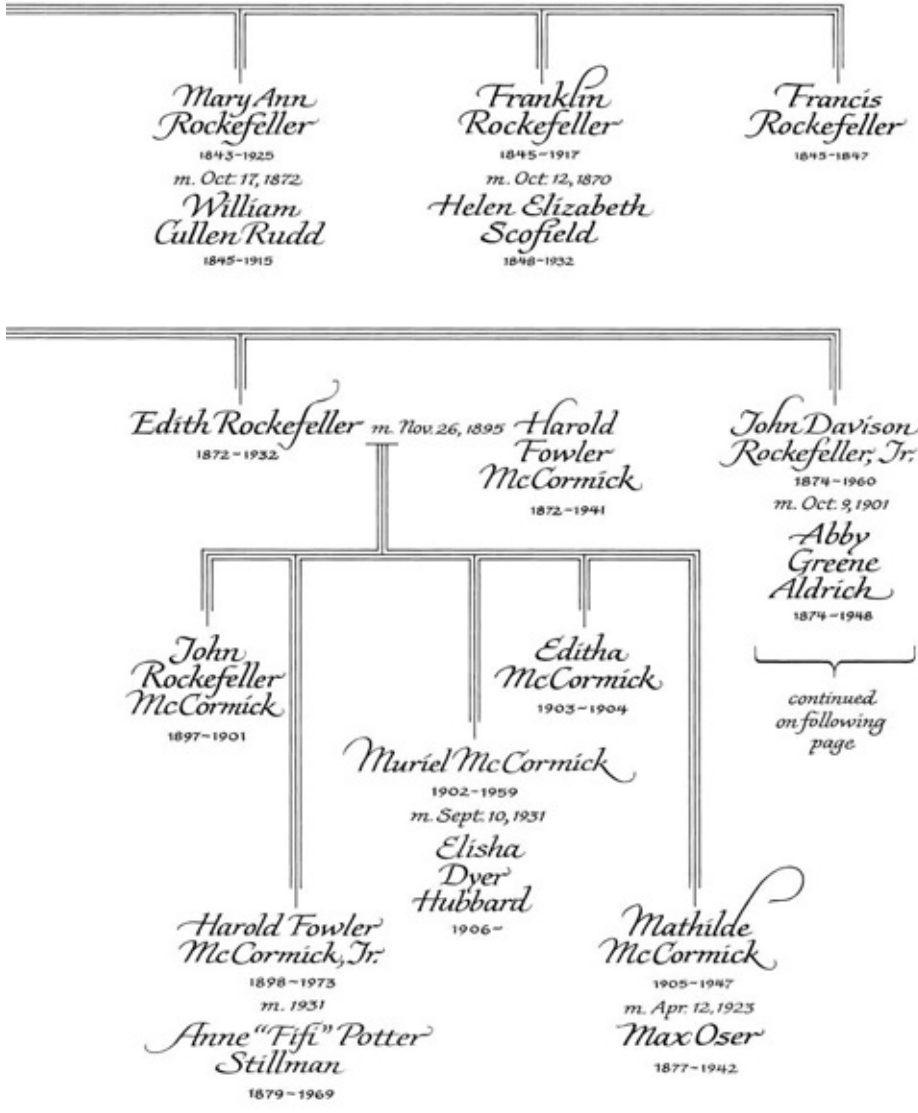
“Ron Chernow’s splendid biography of John D. Rockefeller Sr. will stand out as one of the best books of the year. He again proves himself remarkably facile with a huge amount of information. . . . I’d be hard pressed to find a page that isn’t interesting. . . . Chernow succeeds brilliantly.” — *Detroit Free Press*

“Powerful, meticulously researched. . . . Chernow encompasses better than any writer before him the powerful contradictions and polarities in Rockefeller’s character. *Titan* . . . is one of the richest and most rewarding biographies of an American magnate.” —*St. Petersburg Times*

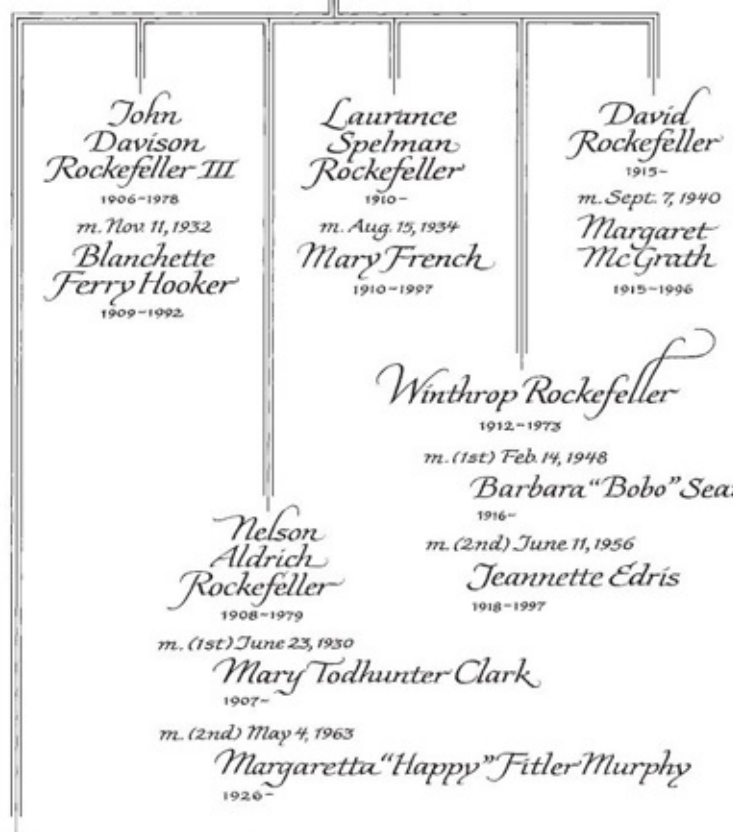
“[No biographer] has been as skilled, or as exhaustive, as Ron Chernow.” —
The Philadelphia Inquirer



DESCENDANTS OF
William & Eliza Rockefeller



John Davison Rockefeller, Jr.
 1874-1960
 m. (1st) *Abby Greene Aldrich*
 Oct. 9, 1901 1874-1948
 m. (2nd) *Martha Baird Allen*
 Aug. 15, 1951 1895-1971



Abby "Babs" Rockefeller
 1903-1976
 m. (1st) *David H. Milton*
 May 14, 1925 1900-1976
 m. (2nd) *Irving H. Pardee*
 Oct. 3, 1946 1892-1949
 m. (3rd) *Jean Mauzé*
 Apr. 23, 1953 1903-1974

FOREWORD

The life of John Davison Rockefeller, Sr., was marked to an exceptional degree by silence, mystery, and evasion. Even though he presided over the largest business and philanthropic enterprises of his day, he has remained an elusive figure. A master of disguises, he spent his life camouflaged behind multiple personae and shrouded beneath layers of mythology. Hence, he lingers in our national psyche as a series of disconnected images, ranging from the rapacious creator of Standard Oil, brilliant but bloodless, to the wizened old codger dispensing dimes and canned speeches for newsreel cameras. It is often hard to piece together the varied images into a coherent picture.

This has not been for lack of trying. Earlier in the century, Rockefeller inspired more prose than any other private citizen in America, with books about him tumbling forth at a rate of nearly one per year. As he was the most famous American of his day, his statements and actions were reported and analyzed minutely in the press. Yet even in his heyday of popular interest, he could seem maddeningly opaque, with much of his life unfolding behind the walls of his estates and the frosted-glass doors of his office.

Rockefeller often seems to be missing from his own biographies, flitting through them like a ghostly, disembodied figure. For the principal muckrakers, such as Henry Demarest Lloyd and Ida Tarbell, he served as shorthand for the Standard Oil trust, his personality submerged in its machinations. Even in the two-volume biography by Allan Nevins, who strove to vindicate Rockefeller's reputation, Rockefeller vanishes for pages at a time amid a swirl of charges and countercharges. The attention paid to the depredations of Standard Oil has tended to overshadow everything else about Rockefeller's life. H. G. Wells defended this biographical approach: "The life history of Rockefeller is the history of the trust; he made it, and equally it made him . . . so that apart from its story it seems hardly necessary to detail his personal life in chronological order."¹ So steadfastly have biographers clung to this dated view that we still lack an account of our foremost nineteenth-century industrialist that explores his inner and outer worlds and synthesizes them into a fully rounded portrait.

For all the ink provoked by Rockefeller, his biographies have been marred by a numbing repetition. Whatever their political slant, they have, on the whole, followed the same chronology, raked over the same disputes about his business methods, rehashed the same stale anecdotes. One has the impression of sitting through the same play over and over again, albeit from slightly different seats in the theater. Some of this derives from our shifting conception of biography. With the exception of *John D.*, a slender volume by David Freeman Hawke published in 1980, the Rockefeller biographies were all published before mid-century and betray a Victorian reticence about private matters. Whatever their merits as business reportage, they betray minimal post-Freudian curiosity. They touch only glancingly, for instance, on the story of Rockefeller's father, a bigamist and snake-oil salesman, who so indelibly shaped his son's life. Even the exhaustive Nevins showed scant interest in Rockefeller's marriage or his three daughters. The feminist concerns of our own day have recently produced two books—Bernice Kert's *Abby Aldrich Rockefeller* and Clarice Stasz's *The Rockefeller Women*—that have begun to pry open this hermetically sealed family world. Rockefeller's social life beyond the office—his friendships, hobbies, sports, et cetera—has suffered from equally conspicuous neglect. Other matters that warrant investigation include Rockefeller's political views and theory of trusts, his attitude toward public relations, his stewardship of his investments beyond Standard Oil, his transfer of money to his children and his dynastic ambitions, his persistent fascination with medicine, and the imprint he left upon the many philanthropies he endowed. There has also been a remarkable lack of curiosity about the forty-odd years that he spent in retirement, with some biographers omitting those decades altogether. Yet it was during those decades that John D. Rockefeller, Jr., both perpetuated and radically modified his father's legacy, a subject to which I devote considerable attention.

When Random House proposed that I write the first full-length biography of Rockefeller since Allan Nevins's in the 1950s, I frankly balked, convinced that the subject had been exhausted by writers too eager to capitalize on his fame. How could one write about a man who made such a fetish of secrecy? In the existing literature, he came across as a gifted automaton at best, a malevolent machine at worst. I couldn't tell whether he was a hollow man, deadened by the pursuit of money, or someone of great depth and force but with eerie self-control. If the former was true, I would respectfully decline; in the unlikely case that the latter proved true—well, then I was intrigued.

To settle the matter, I spent a day at the Rockefeller Archive Center in

Sleepy Hollow, New York, the repository of millions of family documents. When I told the curators of my misgivings and explained that I couldn't write about Rockefeller unless I heard his inner voice—the “music of his mind,” as I phrased it— they brought me the transcript of an interview privately conducted with Rockefeller between 1917 and 1920. It was done by William O. Inglis, a New York newspaperman who questioned Rockefeller for an authorized biography that was never published. As I pored over this seventeen-hundred-page verbatim transcript, I was astonished: Rockefeller, stereotyped as taciturn and empty, turned out to be analytic, articulate, even fiery; he was also quite funny, with a dry midwestern wit. This wasn't someone I had encountered in any biography. When I returned home, I told Ann Godoff, my editor at Random House, that I was now eager to do the book.

To delve into the voluminous Rockefeller papers is to excavate a lost continent. Yet even with such massive documentation, I had the frustrating sense, early in my research, that I was confronting a sphinx. Rockefeller trained himself to reveal as little as possible, even in private letters, which he wrote as if they might someday fall into the hands of a prosecuting attorney. With his instinctive secrecy, he excelled at employing strange euphemisms and elliptical phrasing. For this reason, the twenty thousand pages of letters that Rockefeller received from his more outspoken business associates proved a windfall of historic proportions. Written as early as 1877, seven years after Standard Oil's formation, they provide a vivid portrait of the company's byzantine dealings with oil producers, refiners, transporters, and marketers, as well as railroad chieftains, bank directors, and political bosses. This panorama of greed and guile should startle even the most jaundiced students of the Gilded Age. I was also extremely fortunate to have access to the papers of five distinguished predecessors, all of whom left behind complete research files. I combed through the abundant papers of Ida Tarbell at the Drake Well Museum in Titusville, Pennsylvania, Henry Demarest Lloyd at the State Historical Society of Wisconsin, and Allan Nevins at Columbia University, in addition to those of William O. Inglis and Raymond B. Fosdick (the author of the official biography of John D. Rockefeller, Jr.) at the Rockefeller Archive Center. These collections contain a vast number of contemporary interviews and other materials that were only partly used by their authors.

Like many moguls of the Gilded Age, Rockefeller was either glorified by partisan biographers, who could see no wrong, or vilified by vitriolic critics, who could see no right. This one-sidedness has been especially harmful in the

case of Rockefeller, who was such an implausible blend of sin and sanctity. I have tried to operate in the large space between polemics and apologetics, motivated by the belief that Rockefeller's life was of a piece and that the pious, Bible-thumping Rockefeller wasn't simply a cunning façade for the corporate pirate. The religious and acquisitive sides of his nature were intimately related. For this reason, I have stressed his evangelical Baptism as the passkey that unlocks many mysteries of his life. Those who would like to see Rockefeller either demonized or canonized in these pages will be disappointed.

This seems an auspicious time to resurrect Rockefeller's ghost. With the fall of trade barriers and the vogue for free-market economics, the world is now united by a global marketplace that touches five billion souls, with many countries just emerging from Marxist or mercantilist systems and having their first taste of capitalism. The story of John D. Rockefeller transports us back to a time when industrial capitalism was raw and new in America, and the rules of the game were unwritten. More than anyone else, Rockefeller incarnated the capitalist revolution that followed the Civil War and transformed American life. He embodied all its virtues of thrift, self-reliance, hard work, and unflagging enterprise. Yet as someone who flouted government and rode roughshod over competitors, he also personified many of its most egregious vices. As a result, his career became the focal point for a debate about the proper role of government in the economy that has lasted until the present day.

PRELUDE:

POISON TONGUE

“Reading this book brings back to my mind facts and situations that I had forgotten for years,” John D. Rockefeller mused. “It digs up things long past and dead, so that they stand before me once more alive. I am glad of it, very glad of it.”¹

For months, Rockefeller had listened to his authorized biographer read aloud from Henry Demarest Lloyd’s *Wealth Against Commonwealth*, a savage account of his career published in 1894. Now retired and in his late seventies, the world’s richest man had reluctantly agreed to reminisce behind closed doors. Starting in 1917, for an hour each morning, Rockefeller fielded questions while slumped in an easy chair or reclining on a lounge in his bedroom at Kykuit, a Georgian mansion set amid the woodland beauty of Westchester County’s Pocantico Hills. Serene in his conscience, convinced that God had blessed his career and that the court of history would acquit him, Rockefeller had submitted to this exercise only to please his son, who wanted to cleanse the family name of all controversy. As Rockefeller reminded his appointed Boswell, the affable William O. Inglis, a newspaperman recruited from Rockefeller’s old nemesis, the *World*, but “for the urgent request of my son, who is not familiar with this history . . . I would never have taken the time and the trouble to make any refutation to these questions.”²

Despite his initial hesitation, Rockefeller couldn’t resist the invitation to relive his turbulent early years in the petroleum industry, and he warmed to the giant task of remembrance. During hundreds of hours of interviews, spanning a three-year period, he revisited the past and spoke his mind freely. At times, he evoked his life in the dulcet tones of a preacher addressing a brotherhood of kindred souls. At other moments, he was dryly sardonic or brutally funny about his critics—though all the while, as a good Christian, he tried to suppress vengeful feelings toward them.

Before Inglis’s wondering eyes, the old man was rejuvenated by the flood tide of memory, and his voice deepened from the high, breathy pitch of age to

the mellow baritone of early adulthood. His step grew springy and lithe as he paced the floor, recounting the glorious struggles of his career. Far from dodging controversy, Rockefeller suggested a novel structure for this retrospective talk: Inglis would read passages from Rockefeller's two chief antagonists, Henry Lloyd and Ida Tarbell (whose influential broadside had been published in the early 1900s), and Rockefeller would refute them, paragraph by paragraph. Having dismissed their indictments as beneath his dignity, he hadn't deigned to read them when they first appeared. Now, in a measure of his feisty selfconfidence, he decided to tackle the toughest charges point-blank. "I was averse for eight months to say anything in response to these foolish writers," he noted, "but now that I've gotten into it I find it interesting."³ And once John D. Rockefeller, Sr., set his mind to something, he brought awesome powers of concentration to bear.

As Rockefeller undertook this extended defense, he clearly believed that he had been vindicated in the time since these journalists had blackened his reputation in the early 1900s and made him America's most hated businessman. "All of those in the business today are doing business along the modern lines, following the plans which we were the first to propose," he said with pride.⁴ Public bitterness toward him had waned, he believed, and opposition to his petroleum empire was "practically nil and has been for many years, and it has ceased to be popular to raid the Standard Oil Company."⁵ Indeed, the American public during World War I appreciated the industrial strength conferred by the Standard Oil companies, and Rockefeller imagined, with some justice, that his compatriots now viewed him as a public benefactor, not as a corporate buccaneer. The huge philanthropies he had endowed in recent years had also mitigated public animosity toward him.

As always with Rockefeller, the pregnant silences in the interview spoke as eloquently as the words. Coached by his publicist, Ivy Lee, Rockefeller eschewed such loaded terms as *trust*, *monopoly*, *oligopoly*, or *cartel* when referring to Standard Oil and preferred to speak of "cooperation." He expressed scorn for the textbook world of free markets evoked by Adam Smith: "What a blessing it was that the idea of cooperation, with railroads, with telegraph lines, with steel companies, with oil companies, came in and prevailed, to take the place of this chaotic condition in which the virtuous academic Know-Nothings about business were doing what they construed to be God's service in eating each other up."⁶ During the three-year interview, Rockefeller never once alluded to his most stinging setback: the federal

government's 1911 dismemberment of Standard Oil into dozens of constituent companies. Annulling the Supreme Court verdict by a trick of memory, Rockefeller talked of Standard Oil as if the old monolith still stood unscathed.

Of all the poses he assumed, perhaps the hardest to maintain was that he bore no grudges against his detractors. He peppered his talk with references to his forgiving nature. "The representatives of the Standard Oil Company cherish most kindly and brotherly feelings even toward those who abused them most, and are ready to lay it to their weakness and ignorance and whatever else was controlling them."⁷ Furthermore: "And to those who have uttered against them harsh words, we cherish no resentment. 'To err is human, to forgive divine.'"⁸ And, even more conciliatory: "And I rejoice also that we are charitable and sweet-spirited to these jealous, small men who made it the business of their lives to try to pull us down because their vision did not extend beyond the ends of their noses."

Over time, however, the sacerdotal tone began to falter. Rockefeller couldn't conceive of a genuinely principled objection to his career and increasingly resorted to ad hominem attacks, deriding his critics as croakers, howlers, grumblers, complainers, blackmailers, pirates, spoiled children, whiners, adventurers, wolves, and freebooters. Clearly, the allegations rankled, especially those of Ida Minerva Tarbell, whose cool, clear-eyed investigative prose had turned his name into a byword for corporate greed. With golf cronies, Rockefeller had poked fun at her, calling her "Miss Tarbarrel," but this was a transparent attempt to draw the sting from her words.

During the marathon interview, Inglis saw Rockefeller's iron poise and self-mastery crumble only twice and both times, significantly, in responding to Tarbell. The first time came when he read aloud her charge that in 1872 the thirty-two-year-old Rockefeller had taken over the Cleveland refineries by threatening to crush rivals who refused to join his cartel. Now, 1872 had been the starting point of his relentless march toward supremacy in oil. If that year was tainted, then everything was. Inglis recorded a graphic account of Rockefeller's reaction to Tarbell's allegation:

"That is absolutely false!" exclaimed Mr. Rockefeller so loudly that I looked up from the notes. As he spoke he jumped up from the big chair in which he was reclining and walked over to my table. His face was flushed and his eyes were burning. It was the first time I had ever seen him show any but pleasant feeling, and there could be no doubt that he was aflame with anger and resentment. His voice rang out loud and clear. He did not beat the desk with his fist, but stood there with his hands clenched, controlling himself with evident effort. He could not immediately regain his balance. "This is absolutely

false!” he cried, “and no man was told that by me or by any of our representatives. You may put that down once and for all. That statement is an absolute lie!”⁹

After this outburst, Rockefeller’s emotions subsided, but the insinuation stung. Later, he and Inglis roamed over the hills and golf fairways of his vast estate; “How ridiculous all that talk is!” he exclaimed. “It’s twaddle, poisonous twaddle, put out for a purpose. As a matter of fact, we were all in a sinking ship, if existing cut-throat competition continued, and we were trying to build a lifeboat to carry us all to the shore. You don’t have to threaten men to get them to leave a sinking ship in a lifeboat.”¹⁰ The purchase of his competitors’ firms had not been the benevolent act that Rockefeller suggested, but he had a powerfully selective memory.

Rockefeller reserved his most bitter epithets for another passage, where Tarbell dealt with the touchiest matter in his personal life: the character of his colorful, raffish father, William Avery Rockefeller. In July 1905, she had capped off her serial history of Standard Oil with a two-part “Character Study” of Rockefeller filled with venomous portrayals of his father, an itinerant peddler of patent medicines who had led a shadowy, vagabond life. William Avery Rockefeller had been the sort of fast-talking huckster who thrived in frontier communities of early-nineteenth-century America, and Tarbell amply reported his misdemeanors. At one point in her blistering portrait, she said, “Indeed he had all the vices save one—he never drank.”¹¹

This thrust against his dead father probed some buried pain, some still-festering wound inside Rockefeller, and he suddenly erupted with explosive fury. “What a wretched utterance from one calling herself a historian,” he jeered, speculating, quite incorrectly, that Tarbell had been embittered by the failure of her series to dent the Standard Oil empire. “So she turned to this miserable fabrication, with all the sneers, all the malice, all the sly hintings and perversions of which she is master, and with more bitterness than ever attacked my father.”¹² Momentarily, Rockefeller couldn’t regain his self-control: His famous granite composure had utterly broken down. And for one of the few times in his life, he let forth a torrent of intemperate abuse. Spluttering with rage, he railed against “the poison tongue of this poison woman who seeks to poison the public with every endeavor . . . to cast suspicion on everything good, bad, or indifferent appertaining to a name which has thus far not been ruined by her shafts.” Aware that he had, uncharacteristically, let down his guard, Rockefeller soon checked himself and restored the old pose of philosophic calm, reassuring Inglis in soothing

tones, “After all, though, I am grateful that I do not cherish bitterness even against this ‘historian,’ but pity.”¹³ The titan had regained his dignity, and he made sure that his tightly fitted mask never slipped again in front of his authorized biographer.



The earliest known photographs of William Avery and Eliza Davison Rockefeller. (Courtesy of the Rockefeller Archive Center)

CHAPTER 1

The Flimflam Man

In the early 1900s, as Rockefeller vied with Andrew Carnegie for the title of the world's richest man, a spirited rivalry arose between France and Germany, with each claiming to be Rockefeller's ancestral land. Assorted genealogists stood ready, for a sizable fee, to manufacture a splendid royal lineage for the oilman. "I have no desire to trace myself back to the nobility," he said honestly. "I am satisfied with my good old American stock."¹ The most ambitious search for Rockefeller's roots traced them back to a ninth-century French family, the Roquefeuilles, who supposedly inhabited a Languedoc château—a charming story that unfortunately has been refuted by recent findings. In contrast, the Rockefellers' German lineage has been clearly established in the Rhine valley dating back to at least the early 1600s.

Around 1723, Johann Peter Rockefeller, a miller, gathered up his wife and five children, set sail for Philadelphia, and settled on a farm in Somerville and then Amwell, New Jersey, where he evidently flourished and acquired large landholdings. More than a decade later, his cousin Diell Rockefeller left southwest Germany and moved to Germantown, New York. Diell's granddaughter Christina married her distant relative William, one of Johann's grandsons. (Never particularly sentimental about his European forebears, John D. Rockefeller did erect a monument to the patriarch, Johann Peter, at his burial site in Flemington, New Jersey.) The marriage of William and Christina produced a son named Godfrey Rockefeller, who was the grandfather of the oil titan and a most unlikely progenitor of the clan. In 1806, Godfrey married Lucy Avery in Great Barrington, Massachusetts, despite the grave qualms of her family.

Establishing a pattern that would be replicated by Rockefeller's own mother, Lucy had, in her family's disparaging view, married down. Her ancestors had emigrated from Devon, England, to Salem, Massachusetts, around 1630, forming part of the Puritan tide. As they became settled and gentrified, the versatile Averys spawned ministers, soldiers, civic leaders, explorers, and traders, not to mention a bold clutch of Indian fighters. During the American Revolution, eleven Averys perished gloriously in the battle of

Groton. While the Rockefellers' "noble" roots required some poetic license and liberal embellishment, Lucy could justly claim descent from Edmund Ironside, the English king, who was crowned in 1016.

Godfrey Rockefeller was sadly mismatched with his enterprising wife. He had a stunted, impoverished look and a hangdog air of perpetual defeat. Taller than her husband, a fiery Baptist of commanding presence, Lucy was rawboned and confident, with a vigorous step and alert blue eyes. A former schoolteacher, she was better educated than Godfrey. Even John D., never given to invidious comments about relatives, tactfully conceded, "My grandmother was a brave woman. Her husband was not so brave as she." ² If Godfrey contributed the Rockefeller coloring—bluish gray eyes, light brown hair—Lucy introduced the rangy frame later notable among the men. Enjoying robust energy and buoyant health, Lucy had ten children, with the third, William Avery Rockefeller, born in Granger, New York, in 1810. While it is easy enough to date the birth of Rockefeller's father, teams of frazzled reporters would one day exhaust themselves trying to establish the date of his death.

As a farmer and businessman, Godfrey enjoyed checkered success, and his aborted business ventures exposed his family to an insecure, peripatetic life. They were forced to move to Granger and Ancram, New York, then to Great Barrington, before doubling back to Livingston, New York. John D. Rockefeller's upbringing would be fertile with cautionary figures of weak men gone astray. Godfrey must have been invoked frequently as a model to be avoided. By all accounts, Grandpa was a jovial, good-natured man but feckless and addicted to drink, producing in Lucy an everlasting hatred of liquor that she must have drummed into her grandson. Grandpa Godfrey was the first to establish in John D.'s mind an enduring equation between bonhomie and lax character, making the latter prefer the society of sober, tight-lipped men in full command of their emotions.

The Rockefeller records offer various scenarios of why Godfrey and Lucy packed their belongings into an overloaded Conestoga wagon and headed west between 1832 and 1834. By one account, the Rockefellers, along with several neighbors, were dispossessed of their land in a heated title dispute with some English investors. Another account has an unscrupulous businessman gulling Godfrey into swapping his farm for allegedly richer turf in Tioga County. (If this claim was in fact made, it proved a cruel hoax.) Some relatives later said that Michigan was Godfrey's real destination but that

Lucy vetoed such a drastic relocation, preferring the New England culture of upstate New York to the wilds of Michigan.

Whatever the reason, the Rockefellers reenacted the primordial American rite of setting out in search of fresh opportunity. In the 1830s, many settlers from Massachusetts and Connecticut were swarming excitedly into wilderness areas of western New York, a migration that Alexis de Tocqueville described as “a game of chance” pursued for “the emotions it excites, as much as for the gain it procures.”³ The construction of the Erie Canal in the 1820s had lured many settlers to the area. Godfrey and Lucy heaped up their worldly possessions in a canvas-topped prairie schooner, drawn by oxen, and headed toward the sparsely settled territory. For two weeks, they traveled along the dusty Albany-Catskill turnpike, creeping through forests as darkly forbidding as the setting of a Grimms’ fairy tale. With much baggage and little passenger space, the Rockefellers had to walk for much of the journey, with Lucy and the children (except William, who did not accompany them) taking turns sitting in the wagon whenever they grew weary. As they finally reached their destination, Richford, New York, the last three and a half miles were especially arduous, and the oxen negotiated the stony, rutted path with difficulty. At the end, they had to lash their exhausted team up a nearly vertical hillside to possess their virgin sixty acres. As family legend has it, Godfrey got out, tramped to the property’s peak, inspected the vista, and said mournfully, “This is as close as we shall ever get to Michigan.” So, in a memorial to dashed hopes, the spot would forever bear the melancholy name of Michigan Hill.

Even today scarcely more than a crossroads, Richford was then a stagecoach stop in the wooded country southeast of Ithaca and northwest of Binghamton. The area’s original inhabitants, the Iroquois, had been chased out after the American Revolution and replaced by revolutionary army veterans. Still an uncouth frontier when the Rockefellers arrived, this backwater had recently attained township status, its village square dating from 1821. Civilization had taken only a tenuous hold. The dense forests on all sides teemed with game— bear, deer, panther, wild turkey, and cottontail rabbit—and people carried flaring torches at night to frighten away the roaming packs of wolves.

By the time that John D. Rockefeller was born in 1839, Richford was acquiring the amenities of a small town. It had some nascent industries— sawmills, gristmills, and a whiskey distillery—plus a schoolhouse and a

church. Most inhabitants scratched out a living from hardscrabble farming, yet these newcomers were hopeful and enterprising. Notwithstanding their frontier trappings, they had carried with them the frugal culture of Puritan New England, which John D. Rockefeller would come to exemplify.

The Rockfellers' steep property provided a sweeping panorama of a fertile valley. The vernal slopes were spattered with wildflowers, and chestnuts and berries abounded in the fall. Amid this sylvan beauty, the Rockfellers had to struggle with a spartan life. They occupied a small, plain house, twenty-two feet deep and sixteen feet across, fashioned with hand-hewn beams and timbers. The thin soil was so rocky that it required heroic exertions just to hack a clearing through the underbrush and across thickly forested slopes of pine, hemlock, oak, and maple.

As best we can gauge from a handful of surviving anecdotes, Lucy ably managed both family and farm and never shirked heavy toil. Assisted by a pair of steers, she laid an entire stone wall by herself and had the quick-witted cunning and cool resourcefulness that would reappear in her grandson. John D. delighted in telling how she pounced upon a grain thief in their dark barn one night. Unable to discern the intruder's face, she had the mental composure to snip a piece of fabric from his coat sleeve. When she later spotted the man's frayed coat, she confronted the flabbergasted thief with the missing swatch; having silently made her point, she never pressed charges. One last item about Lucy deserves mention: She had great interest in herbal medicines and home-brewed remedies prepared from a "physic bush" in the backyard. Many years later, her curious grandson sent specimens of this bush to a laboratory to see whether they possessed genuine medicinal value. Perhaps it was from Lucy that he inherited the fascination with medicine that ran through his life, right up to his creation of the world's preeminent medical-research institute.

By the time he was in his twenties, William Avery Rockefeller was already a sworn foe of conventional morality who had opted for a vagabond existence. Even as an adolescent, he disappeared on long trips in midwinter, providing no clues as to his whereabouts. Throughout his life, he expended considerable energy on tricks and schemes to avoid plain hard work. But he possessed such brash charm and rugged good looks—he was nearly six feet tall, with a broad chest, high forehead, and thick auburn beard covering a pugnacious jaw—that people were instantly beguiled by him. This appealing façade, at least for a while, lulled skeptics and disarmed critics. It wasn't

surprising that this nomad did not accompany his parents on their westward trek to Richford but instead drifted into the area around 1835 in his own inimitable fashion. When he first appeared in a neighboring hamlet, he quickly impressed the locals with his unorthodox style. Posing as a deaf-mute peddler selling cheap novelties, he kept a small slate with the words “I am deaf and dumb” chalked across it tied by a string to his buttonhole. On this slate, he conversed with the locals and later boasted how he exploited this ruse to flush out all the town secrets. To win the confidence of strangers and soften them up for the hard sell, he toted along a kaleidoscope, inviting people to peer into it.⁴ During his long career as a confidence man, Big Bill always risked reprisals from people who might suddenly unmask his deceptions, and he narrowly escaped detection at the home of a Deacon Wells. The deacon and his daughter, a Mrs. Smith, pitied the poor peddler who knocked on their door one Saturday and sheltered him in their home that night. The next morning, when they invited him to church, Big Bill had to resort to some fancy footwork, for he always shied away from crowds where somebody might recognize him and expose his imposture. “Billy told [the deacon] in writing that he liked to go to church, but that his infirmity caused him to be stared at, so that he was abashed and would not go,” recalled a towns-man. “He really feared that he might be exposed by someone.”⁵ Seven months later, after the deacon and Big Bill had both moved to Richford, Mrs. Smith spotted the erstwhile deaf-mute at a social gathering and marveled at his miraculous recovery of speech. “I see that you can talk better than when I saw you last,” she said. Big Bill smiled, unfazed, his bravado intact. “Yes, I’m somewhat improved.”⁶ When he arrived in Richford, the local citizens immediately got a taste of his fakery, for he wordlessly flashed a slate with the scribbled query, “Where is the house of Godfrey Rockefeller?”⁷

Since he usually presented false claims about himself and his products, Bill worked a large territory to elude the law. He was roving more than thirty miles northwest of Richford, in the vicinity of Niles and Moravia, when he first met his future wife, Eliza Davison, at her father’s farmhouse. With a flair for showmanship and self-promotion, he always wore brocaded vests or other brightly colored duds that must have dazzled a sheltered farm girl like Eliza. Like many itinerant vendors in rural places, he was a smooth-talking purveyor of dreams along with tawdry trinkets, and Eliza responded to this romantic wanderer. She was sufficiently taken in by his deaf-and-dumb humbug that she involuntarily exclaimed in his presence, “I’d marry that man if he were not deaf and dumb.”⁸ Whatever tacit doubts she might have harbored when

she discovered his deceit, she soon succumbed, as did other women, to his mesmerizing charm.

A prudent, straitlaced Baptist of Scotch-Irish descent, deeply attached to his daughter, John Davison must have sensed the world of trouble that awaited Eliza if she got mixed up with Big Bill Rockefeller, and he strongly discouraged the match. In later years, Eliza Rockefeller would seem to be a dried-up, withered spinster, but in late 1836 she was a slim, spirited young woman with flaming red hair and blue eyes. Pious and self-contained, she was the antithesis of Bill and probably found him so hypnotic for just that reason. Who knows what gloom hung around her doorstep that was dispelled by Bill's glib patter? Her mother had died when Eliza was only twelve—she had dropped dead after taking a pill dispensed by a traveling doctor—and Eliza was raised by her older sister, Mary Ann, leaving Eliza deprived of maternal counsel.

On February 18, 1837, despite the express opposition of John Davison, this most improbable couple—Bill was twenty-seven, Eliza twenty-four—were wed at the home of one of Eliza's friends. The marriage was a favorite gossip item among the Richford townspeople, who tended to spy guile on Bill's part. Compared to the Davisons, the Rockefellers were poor country folk, and it is very likely that Bill was entranced by reports of John Davison's modest wealth. As early as 1801, the frugal Davison had acquired 150 acres in Cayuga County. In John D.'s words, "My grandfather was a rich man—that is, for his time he was counted rich. In those days one who had his farm paid for and had a little money beside was counted rich. Four or five or six thousand was counted rich. My grandfather had perhaps three or four times that. He had money to lend."⁹

Most Richford residents believed that Big Bill's meeting with Eliza was less a random encounter than a premeditated bid to snare her father's money. A notorious cad who regarded every pretty young woman as a potential conquest, Bill had at least one serious romance that antedated his wooing of Eliza. As Ralph P. Smith, a longtime Richford resident, recalled, "Billy was unmarried when he came here, and it was supposed that he would marry Nancy Brown, who was his housekeeper, but he broke with her, settling a sum said to have been about \$400 on her when he concluded to win the daughter of the rich John Davison, over at Niles, on the outskirts of Moravia."¹⁰ The story is corroborated by John D.'s cousin, Mrs. John Wilcox, who said, "Nancy Brown, of Harford Mills, was a beautiful girl, remarkably beautiful.

William fell in love with her. She was poor. William would have money. Eliza Davison's father was to give her \$500 when she married; so William married her."¹¹

This marriage, consummated under false pretenses, fused the lives of two highly dissimilar personalities, setting the stage for all the future heartache, marital discord, and chronic instability that would so powerfully mold the contradictory personality of John D. Rockefeller.

When Bill brought his bride back to the Richford house he'd built half a mile from his parents' place, Eliza must have pondered the wisdom of her father's disapproval: Life promised to be hard and flinty in this rough-hewn homestead. Surviving photos of John D. Rockefeller's birthplace show a plain clapboard house set on a treeless slope, outlined bleakly against the sky. The rude dwelling looked like two attached boxcars, the austere simplicity broken only by a small awning over one door. However primitive the exterior, the snug house was solidly built out of timber from local forests. The main floor had two bedrooms and a living room, topped by a low sleeping loft and attic storage room; the little attached building served as a barn and woodshed. (This bucolic birth site of the future kerosene king was probably lit by sperm oil or tallow candles.) The grounds were much more ample than the house, as the fifty-acre lot included an apple orchard and a trout-filled stretch of Owego Creek, which bubbled along the bottom of the property.

Before long, Big Bill roughly disabused Eliza of any high-flown romantic notions she might have had about matrimony. Far from renouncing his girlfriend, Nancy Brown, he brought her into the cramped house as a "housekeeper" and began having children, alternately, by wife and mistress. In 1838, Eliza gave birth to their first child, Lucy, followed a few months later by Nancy's first illegitimate daughter, Clorinda. On the night of July 8, 1839, Bill and Eliza again summoned the midwife, this time to deliver a boy, who came into the world in a bare front bedroom measuring eight by ten feet. This child, born during Martin Van Buren's presidency and destined to become the country's foremost capitalist, would survive into the second term of Franklin D. Roosevelt's New Deal. Like many other future magnates—Andrew Carnegie (born in 1835), Jay Gould (1836), and J. Pierpont Morgan (1837)—he was born in the late 1830s and would therefore come to maturity on the eve of the post-Civil War industrial boom. Several months after John's birth, Nancy Brown gave birth to a second daughter, Cornelia, which meant that Bill, lord of his own harem, managed to sire four children under one roof in

just two years. Thus, the fiercely moralistic John Davison Rockefeller (appropriately named after Eliza's sober father) was sandwiched tightly between two illegitimate sisters, born into a situation steeped in sin.

Eliza couldn't have felt very comfortable with her in-laws. In general, the Rockefellers were a hard-drinking hillbilly clan, sociable and funny, fond of music, liquor, and uproarious good times, and adhering to a coarse frontier morality. As the strong matriarch, Lucy was the conspicuous exception, and Eliza drew close to her while frowning upon many of her more dissipated in-laws. During the Richford period, Bill's younger brother, Miles Avery Rockefeller, deserted his wife and decamped to South Dakota with Ella Brussee, a young woman who had done domestic work for Eliza. In a move that prefigured a future stratagem for Bill, Miles entered into a bigamous marriage with Ella and adopted his middle name as his new surname. Such re-created lives were common at a time when America had a vast, unmapped frontier and numerous sanctuaries from the law.

For a callow farm girl fresh from home, Eliza proved unexpectedly tolerant of Nancy Brown. Contrary to what one might expect, she pitied this intruder, perhaps considering the cramped ménage à trois fit punishment for having flouted her father's advice. As her niece observed, "Aunt Eliza loved her husband and she liked poor Nancy. But Aunt Eliza's brothers came down and made William put Nancy away."¹² In this period of Eliza's marriage, Mr. Davison is conspicuous by his absence, leaving one to wonder whether he had temporarily washed his hands of his disobedient daughter or whether, cowed by guilt and embarrassment, she had hidden her troubles from him. By one account, when Nancy grew quarrelsome after Bill's marriage, he seized the chance to expel his shrewish mistress from the packed household. Heeding the pleas from the Davisons, he posted Nancy and the two daughters to live with her parents in nearby Harford Mills. Family legend claims that Bill, who had a weak but not entirely dormant conscience, secretly deposited clothing bundles on her doorstep. Fortunately, the years with Bill didn't blight Nancy's life, for she married a man named Burlingame, bore other children, and furnished her first two daughters with a respectable upbringing.¹³ From the skimpy documentary evidence, we know that Clorinda died young while Cornelia grew up into a tall, smart, attractive schoolteacher with a telling resemblance to Big Bill. Sometimes he acceded to her demands for money, but there were strict limits to Bill's generosity, and he would rebuff her when she became too clamorous. Cornelia married a man named Sexton and remained in the Richford area, but only a few local residents and Rockefeller

relatives knew that she was John D.'s half-sister.¹⁴ To her credit, Cornelia never tried to cash in on her kinship with the world's richest man, perhaps because it would unavoidably have advertised her illegitimacy. It is impossible to determine whether Rockefeller ever knew of the existence of his two illegitimate half-sisters.

The Nancy Brown affair wasn't the only indignity visited upon Eliza, for she was often abandoned by Bill during her three cheerless years in Richford. He remained a restless and defiant individualist who preferred life beyond the pale of society. Early in the marriage, he stayed put for a while, operating a small sawmill on Michigan Hill and dealing in salt, fur, horses, and timber, but he soon resumed the footloose life of a peddler, his trips cloaked in unfathomable mystery. Like a fugitive, he would depart furtively under cover of night and return after dark, weeks or months later, flinging pebbles at the window to signal his return. To tide over his family in his absence, he arranged for credit at the general store. "Give my family anything they want while I'm away," he instructed Chauncey Rich, whose father, Ezekiel, had founded Richford, "and when I come back I'll settle."¹⁵ Never knowing when this credit might be canceled, Eliza became extremely frugal and drilled her children in thrifty maxims such as "Willful waste makes woeful want."

When Bill returned home, a sudden, smiling apparition, he would be riding new horses, wearing fine clothes, and brandishing a thick wad of crisp bills. Before going to see Eliza, he would pay off Chauncey Rich so that he could confidently tell her everything was now squared away at the store. His seductive charm melted away whatever hostility his absence had aroused; it took time before his extended absences and repeated betrayals burned the romance out of her system, leaving a residue of stoic resignation. For the moment, whatever her anxieties or loneliness, she seemed girlishly lovelorn during his trips, still smitten with her flimflam man. "Just look at that moon!" she once sighed to a cousin when Bill was on the road. "Is William, miles and miles away, perhaps looking at it, too, at this moment? I do hope he is."¹⁶

On the road, Bill improvised ever more fanciful ways to make money. A crack shot, he made the circuit of shooting contests, often bringing home prize money. A glad-handing huckster, he sold rings and other knickknacks at fantastic markups. Mostly, though, he styled himself a "botanic physician" or "herbal doctor"—euphemisms faithfully parroted by some Rockefeller descendants. At a time when physicians still resorted to bleeding, blistering, and violent purgatives, and many rustic areas lacked access to medical care,

such traveling salesmen filled a vacuum. Nevertheless, in William Avery Rockefeller one clearly detects the blarney and easy conviviality of the mountebank. Sometimes he peddled bottles of home-brewed elixir or patent medicines bought from druggists, but he scored his greatest success with natural medicines culled from Lucy's physic bush. Though his mother had a sincere interest in herbal remedies, Bill would grossly distort or exaggerate their properties. For instance, he harvested small, purplish berries from her garden that resembled small pills and would hawk them to farmers' wives as a sovereign remedy for stomach troubles. His sales pitch went even further, for, as a Richford neighbor reported many years later, "he would warn them solemnly that they must not be given to a woman in a delicate condition, for they would surely cause abortion. Thereupon he would sell his pills at a high price. They were perfectly harmless, and he broke no law in selling them. He had remarkable imagination." ¹⁷

The midnight rambles and peculiar commerce of William Rockefeller mystified the Richford citizenry. He both fired and troubled the imagination, generating so much gossip and speculation that they christened him Devil Bill. Rumors raced periodically through town that he was a gambler, a horse thief, a desperado. Though he seemed to operate on the edge of the law, people were delighted by his bluff humor and tall tales, if dismayed by his treatment of his family. "When he finally succeeded as a peddler he would dress up like a prince and kept everyone wondering," said one town resident who participated in the guessing game about Bill's manifold sources of income. "He laughed a great deal and enjoyed the speculation he caused. He was not a drinking man and treated his family well when he was home, but everyone knew that he neglected the family by leaving them to shift for themselves for long months at a time."¹⁸ He frustrated those neighbors who ached for his comeuppance. After one prolonged absence of several months, when Eliza's bill at Chauncey Rich's topped a thousand dollars, the scuttlebutt said that Devil Bill had been arrested. Instead, like a country squire, he came trotting into town in a magnificent carriage, seated behind a team of splendid horses, diamonds glittering in his shirtfront. At the general store, he made a point of settling the tab with large bills. After such trips, Bill gathered friends and family around the dinner table and, while wolfing down heaps of food, would regale them with picaresque tales of his adventures among the western settlers and Indians. Devil Bill had a knack for weaving his experiences into spellbinding narratives, making Eliza and the children vicarious partners in his travels. As the chief casualty of Bill's peregrinations, Eliza received sympathy from her neighbors, who felt she was being abused

by her husband. Yet she remained loyal to him, declined many opportunities to denigrate him, and carried herself with considerable dignity.¹⁹

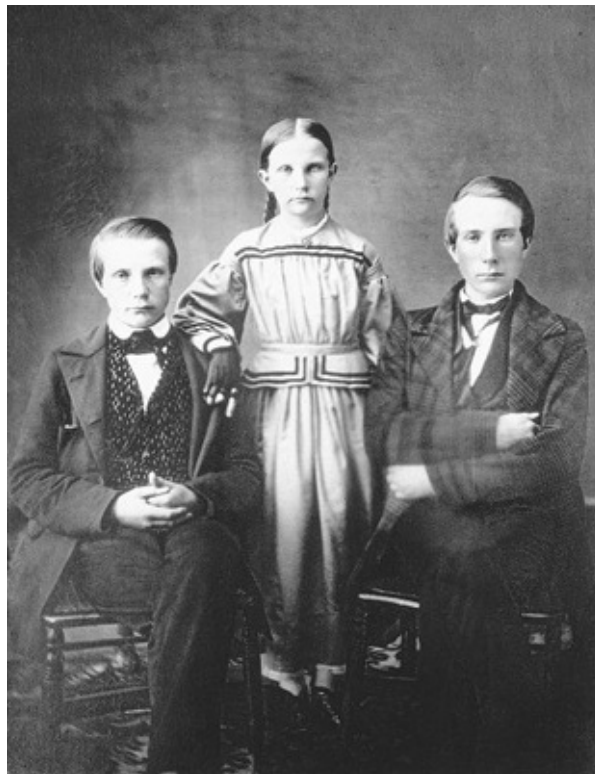
However overblown the frequent biographical claims about John D. Rockefeller's impoverished childhood have been, several people testified to the family's squalor in Richford. "I do not remember ever to have seen more pitifully neglected children," one neighbor observed. "Their clothing was old and tattered, and they looked dirty and hungry."²⁰ It was a measure of Eliza's desperation that she sought relief in the home of her brother-in-law, Jacob Rockefeller, a bawdy, jolly, not infrequently besotted man. An oft-told tale about Jacob recounted how he won a five-dollar bet by staying sober during an entire trip to town.²¹ Jacob's kindly wife became a second mother to the two toddlers, Lucy and John, darning their clothes and knitting them mittens from woolen homespun.

In this nightmarish situation, Eliza seemed to draw strength from adversity. One Richford native praised her as "a most excellent woman, but one who bore too heavy a burden at that time properly to look after her children. Her husband was away for long periods, and she had to look after their farm of sixty acres and try to make it pay their expenses. She did not know at what time the shopkeepers of the village might shut down on her credit, and she worked very hard."²²

When John D. later evoked his idyllic, sunlit boyhood in upstate New York, he blotted out Richford from these reveries. Just three when he left there, he retained only a few hazy memories of the place. "I remember very clearly the brook that ran near the front of the house and how careful I had to be to keep far away from it. I remember my mother vaguely at Richford and my grandmother, who lived half a mile or so up the hill."²³ One notes that Rockefeller's earliest memory was associated with caution and that he edited out the absentee father and inebriated grandfather while retaining the strong, enduring mother and grandmother. He always possessed an unusual, self-protective capacity to suppress unpleasant memories and keep alive those things that fortified his resolve.

As best we can tell, Rockefeller knew nothing of Nancy Brown and the seamy side of Richford existence, yet he carried through life a vague sense of an infernal place. "I shudder to think of what I should have been if I had remained in Richford all my life," he later confided. "There were many men

who hunt a little, fish a little, and drink whiskey a little, and only attain a little success in life, and all for the lack of a little religion.”²⁴ Of his family’s decision to leave Richford, Rockefeller offered an economic explanation that probably served as the standard cover story of his childhood: stingy soil. “The country there is beautiful,” Rockefeller would say, “but the settlers wasted their energy in trying to get the stumps out of the ground, and trying to make crops grow in the poor soil.”²⁵ The true reason, of course, was Eliza’s horror at the town’s low moral tone, as reflected by its single church; she was probably also eager to remove the children from the influence of her boisterous, drunken Rockefeller in-laws and expose them to the steadier Davisons. By no coincidence, the Rockefellers moved to Moravia, three miles from the Davison farm, where Eliza could enjoy her father’s presence during her husband’s habitual absences.



John D. Rockefeller, right, at age thirteen, with brother William, eleven, and sister Mary Ann, nine. (Courtesy of the Rockefeller Archive Center)

CHAPTER 2

Fires of Revival

When the Rockefellers moved thirty miles north from Richford to Moravia, they progressed from a backward, frontier settlement to a more sedate community with neat frame houses in the town center. Settled by the United Brethren in Christ—an evangelical denomination that later merged with the United Methodist Church—Moravia was already a stronghold of temperance and antislavery sentiment and boasted a hotel, general store, cotton mill, and Congregational church. Even today, Moravia is a quaintly authentic piece of Americana, with graceful, shady streets that have a companionable feel and houses with wide, friendly verandas.

The Rockefellers lived on the rural outskirts north of town. Around 1843, Bill put down a thousand dollars for a ninety-two-acre parcel of grassy upland that gently sloped down to Owasco Lake, one of the most picturesque of the Finger Lakes. He enlarged an existing house until it contained seven or eight rooms favored with superb views, framed by tall pines, of the bright blue lake set against a backdrop of wooded hills on the far shore. Barns stood across the road, and a smokehouse out back enabled the family to cure ham and bacon. For John D., this two-story clapboard house was a scene of enchantment and became his enduring emblem of pastoral beauty. In the summertime, he loved to pull yellow perch from the cold, clear lake, and even winters captivated him in spite of the bitter cold. The Rockefeller children slept in an unplastered upstairs room that was heated only by a stovepipe rising from the kitchen; snow flurries and sharp winter squalls pressed through cracks in the walls. “How the wind used to roar among the hemlocks by the shore of the lake!” Rockefeller remembered dreamily in his late seventies.¹ In the predawn dark, the children were often awakened by the sharp chopping of woodcutters or the squeal of sleds on hard-packed snow. Eliza would stand at the foot of the stairs and call up to her eldest son, “Come, my son; time to get up and milk your cow!”² To warm his feet in the dim, cold barn, John always stood on the steaming earth just vacated by the cow he was milking.

The first three Rockefeller children—Lucy, John, and William—had been born in Richford. Now, in 1843, with Big Bill again on the road during

months of her pregnancy, Eliza gave birth to a second daughter, Mary Ann; two years later, twins arrived. The boy, Frank, was healthy, but Frances was sickly from birth and received some seventy visits from a local doctor before she died just short of her second birthday. Eliza tried to protect the seven-year-old John D. from this first lacerating brush with death, but it remained engraved on his memory. When he visited Moravia as an old man in his eighties, he pointed to a field and explained that “when Frances was buried I was sent over to that field to pick stones, so that I should not know.”³ He later exhibited an unacknowledged dread of death, and Eliza was perhaps the first to intuit it.

In Moravia, William Avery Rockefeller acted like a strange amalgam of solid citizen and engaging ne'er-do-well. As in Richford, the townsfolk goggled as he sped by on swift horses, decked out in smart clothes, and his prodigal spending sometimes fostered the impression that he was the town's richest man. Mary Ann later dismissed the “ridiculous” stories of their childhood poverty. “We always had plenty to eat and wear, and every reasonable kind of comfort. We were not rich, of course—far from it; but we had enough to eat and use and save—always.”⁴ Moravia was the golden period of John's boyhood when his father briefly aspired to gentility. One neighbor even labeled Bill “about the most notable man in the community.”⁵ Since the region was rich in pristine pine forests, he organized a legitimate and quite successful logging business. Before dawn, guided only by starlight and lanterns, he and his work gangs carted logs to the lakeside by bobsled, then floated them up to Auburn, situated at the lake's northern tip. In a sudden burst of civic spirit, Bill helped to select the site for the town school by counting the revolutions of his buggy wheels as he drove through town, then placing the school at the exact middle of the community; he persuaded local taxpayers to pay for it at a time when many people still thought families should educate their children at home. With the resourceful, go-getter attitude later transmitted to his son, Bill also stocked Owasco Lake with pickerel and even headed the local temperance committee. “That's the kind of man he was,” boasted John D. “He'd get a thing done while his neighbors were beginning to talk about it.”⁶ The Moravia period revealed an important truth about Bill: He had an underlying craving for respectability and probably didn't plan to spend his whole life as a floating charlatan, preying on the gullible.

Bill never deigned to dirty his hands with farmwork, of course, which he

considered beneath his dignity. He hired a railroad worker named Hiram Odell to work the farm and look after his family during his still-frequent wanderings. As Bill instructed him, “Their mother ain’t strong enough to manage ’em and they need some managing. Do just what you think is right for ’em.”⁷ While Odell cultivated the garden in his spare time, Eliza assigned chores to the children. Drawing a string across the garden one day, she told the two oldest boys, “John, you take care of this side of the string, and, Will, this side is yours.”⁸ In contrast to his father’s disdain for manual labor, John—always a self-styled son of the common people—gloried in the rigors of country life, which, he came to believe, toughened him for later industrial struggle. His frugal boyhood hardened an already stoic nature and made him proof against later adversity.

There was enough economic activity in the America of the 1840s to stimulate the fancy of any future mogul. Banks sprang up everywhere, canals crosshatched the countryside, steamboats plied the rivers, railroads and telegraphs welded together the first national markets. Territorial expansion was in the air: Texas was annexed in 1845, and war with Mexico seemed inevitable. Though only dimly aware of such distant developments, John D. Rockefeller already seemed a perfect specimen of *homo economicus*. Even as a boy, he bought candy by the pound, divided it into small portions, then sold it at a tidy profit to his siblings. By age seven, encouraged by his mother, he was dropping gold, silver, and copper coins that he earned into a blue china bowl on the mantel. John’s first business coup came at age seven when he shadowed a turkey hen as it waddled off into the woods, raided its nest, and raised the chicks for sale. To spur his enterprise, Eliza gave him milk curds to feed the turkeys, and the next year he raised an even larger brood. As an old man, Rockefeller said, “To this day, I enjoy the sight of a flock of turkeys, and never miss an opportunity of studying them.”⁹

Despite Rockefeller’s roseate memories, early photos of him tell a much more somber tale. His face was grim, expressionless, lacking boyish joy and animation; the skin is drawn, the eyes blank and devoid of luster. To other people, he often seemed abstracted, and they remembered him with a deadpan face trudging along country roads, lost in thought, as if unraveling deep problems. “He was a quiet boy,” said one Moravia resident. “He seemed always to be thinking.”¹⁰ In many respects, John was forgettable and indistinguishable from many other boys. When he later dazzled the world, many former neighbors and classmates struggled to summon up even a fuzzy

image of him. He was a slow learner but patient and persistent and, like J. P. Morgan and Jay Gould, exhibited a terrific head for math. "I was not an easy student, and I had to apply myself diligently to prepare my lessons," said Rockefeller, who described himself accurately as "reliable" but not "brilliant."¹¹ For thirty weeks per year (rural children needed time off for farm chores), he attended the one-room schoolhouse established by his father, a spare white building with a pitched roof and windows adorned with dark shutters. Discipline was harsh and exacting: When students misbehaved, the teacher menacingly held a slate over their heads. If Rockefeller didn't excel in class, it might have been in part because he lacked the bright boy's exhibitionism, the yearning for gold stars; always inner-directed and indifferent to the approval of others, he was therefore free of a certain boyish vanity.

With the benefit of hindsight, we can see that there was something extraordinary about the way this stolid boy pinpointed goals and doggedly pursued them without any trace of childish impulsiveness. When playing checkers or chess, he showed exceptional caution, studying each move at length, working out every possible countermove in his head. "I'll move just as soon as I get it figured out," he told opponents who tried to rush him. "You don't think I'm playing to get beaten, do you?"¹² To ensure that he won, he submitted to games only where he could dictate the rules. Despite his slow, ponderous style, once he had thoroughly mulled over his plan of action, he had the power of quick decision.

Although he was generally grave and devoted much time to books, music, and church, he had a sly wit, the sort that curled up unexpectedly around the edges of a sentence. As his sister-in-law said, "He had a quick sense of humor, though one might say he was soberly mirthful. His appreciation was keen, but I do not recall him as ever laughing loudly. But I do remember the quick lighting up of his eyes, and the dimples that showed in his cheek when he heard or saw anything amusing."¹³ His sister Mary Ann remembered him as an inveterate tease. "He would plague us all with his jokes, always with a straight, solemn face."¹⁴ Rockefeller always had a droll sense of fun, but it was often obscured behind a mask of gravity.

John D. Rockefeller was drawn to the church, not as some nagging duty or obligation but as something deeply refreshing to the soul. The Baptist church of his boyhood provides many clues to the secrets of his character. As a young

man, he was raised on a steady diet of maxims, grounded in evangelical Protestantism, that guided his conduct. Many of his puritanical attitudes, which may seem antiquated to a later generation, were merely the religious commonplaces of his boyhood. Indeed, the saga of his monumental business feats is inseparable from the fire-and-brimstone atmosphere that engulfed upstate New York in his childhood. Even his father, wont to flirt with the devil's company, knew many hymns by heart and urged his children to go to church; he once offered John five dollars to read the Bible cover to cover, thus creating an early, unintentional association between God and money. Always an iconoclastic, outlaw spirit, Bill never actually joined a church—that would have been going too far—so John identified religion with his beloved mother, who found in the Bible a balm for her troubled spirit.

John attended a Sunday school a short distance from their hilltop house and remembered the teacher as a formerly profane man who had repented and become an earnest Christian. The boy saw religion less as a system of otherworldly rewards than as a means for moral reformation on earth. Since Bill was often away, Eliza coaxed a Presbyterian neighbor into dropping off her and the children at the Baptist church on Sunday mornings. As the family huddled together in a pew, Eliza encouraged the children to drop pennies into the collection plate; Rockefeller later cited his mother's altruism as the genesis of his philanthropy. Early in life, he learned that God wanted his flock to earn money and then donate money in a never-ending process. "I was trained from the beginning to work and to save," Rockefeller explained. "I have always regarded it as a religious duty to get all I could honorably and to give all I could. I was taught that way by the minister when I was a boy."¹⁵ The low-church Baptists didn't prohibit the accumulation of wealth but did oppose its vain, ostentatious display, setting up a tension that would be threaded throughout Rockefeller's life.

While the first Baptist church had been founded by Roger Williams in Rhode Island in 1639, the denomination didn't flourish until the so-called Great Awakening that began around 1739. This upsurge of religious fervor gathered force following the tour of the eastern seaboard by the charismatic English Methodist evangelist George Whitefield. In open fields, amid much weeping, shrieking, fainting, and guilty writhing on the ground, masses of people were converted to Christianity or had their sagging faith restored. This period of rabid emotion spurred fantastic growth among Baptists, who believed in voluntary immersion and a public confession of faith from adherents. More than one hundred new Baptist churches sprang up in New

England alone. With their lay leaders and autonomous congregations, the Baptists were ideally suited to frontier areas and the democratic ethos of the colonists. Recruited from the common people, often unpaid and poorly educated, Baptist ministers ventured into the hinterlands where other clergymen feared to tread. Because they opposed religious establishments and owed no allegiance to supervisory bishops or a central church hierarchy, they could start up a church in any creek or hollow. They emerged as a major religious force by the close of the eighteenth century.

A Second Great Awakening aroused New England and the mid-Atlantic states to a new pitch of religious fever from 1800 to the late 1830s. This protracted movement peaked around 1830, when the revival fires blazed so hotly that Rochester and other sections of upstate New York and Ohio were dubbed the Burned-Over District. When revivalists—of whom Charles Grandison Finney was the most celebrated—arrived in a town, they held prayer meetings that often lasted through the night. These theatrical spectacles, marked by dramatic outpourings of emotion, featured hardened sinners who sat on the “anxious bench” as townspeople publicly urged them to repent. When they saw the light, the guilty parties often burst into tears and knelt in prayer. Preachers tried to reach people through vivid appeals to hope and fear, invoking heavenly bliss and burning lakes of hellfire. One popular evangelist, Jacob Knapp, described tormented sinners crawling up the sides of burning pits while devils with pitchforks, perched on the rim, sadistically prodded them back down into the flames. The revival movement was self-perpetuating, for the saved were expected to rescue others from Satan’s clutches. They would go door-to-door, trying to flush sinners from their homes until the entire town was caught up in passionate, hysterical emotion.

Several aspects of this revival movement are worth noting because they are so strikingly reflected in Rockefeller’s life. In the late 1820s, militant evangelicals in Rochester agitated against smoking, dancing, card playing, billiards, and the theater, while boycotting stores that opened on the Sabbath. As Rockefeller said, “Going back . . . to my early business days and boyhood, the Baptists I knew listened to their consciences and their religious instructions, not only did not dance in public places but did not dance anywhere and did not even concede the reputability of dancing. . . . The theater was considered a source of depravity, to be shunned by conscientious Christians.”¹⁶ Because liquor was considered a satanic brew, a believer couldn’t make it, sell it, or offer it to guests, and a temperance pledge became a standard component of accepting Christ into one’s life. In his boyhood,

Rockefeller internalized an abiding sense that the professing Christian had to be a soldier armed against all secular temptation and must never stray far from godly circles.

Departing from strict Calvinism, Baptist evangelicals clung to the egalitarian view that *all* errant souls could be saved, not just a small, predestined elect, and they actively engaged in evangelism and missionary work. Rockefeller was brought up to believe that nobody was ever irretrievably lost, that people were free agents who could be redeemed by an act of will—a self-reliant outlook that stamped his conservative political views. His Baptist upbringing also predisposed him to follow the cult of perpetual self-improvement that played so prominent a role in nineteenth-century American culture. Finney, for instance, was a Presbyterian who exhorted his listeners to pursue perfection in their earthly lives.

Rockefeller entered the Baptist Church at a fateful moment. In May 1845, in a schism over the issue of slaveholders serving as missionaries, Baptist delegates from nine southern states seceded from the national body to create the Southern Baptist Convention. Northern Baptists fervently believed that abolitionism was consistent with their opposition to ecclesiastical hierarchy, their populist spirit, and their broad-based campaign to purge sin from society. The Second Great Awakening had explicitly linked personal conversion with community reform, spawning political activism. During the colonial period, Americans had liberally consumed demon rum, but the new evangelical emphasis on social uplift helped to foster a national temperance movement in the 1820s and 1830s. For Rockefeller, an apolitical man, the church narrowed his social life but widened his vision, providing a bridge to larger social concerns and ultimately preparing him for the world of philanthropy.

If John D. believed, despite the flamboyant antics of Devil Bill, that he had enjoyed a homespun boyhood out of a Currier & Ives print, it was largely due to the compensating influence of Eliza and the church. Her hardships tapped some deep reserve of strength and wisdom in the simple country woman with the spare face, quiet ways, and steady blue-gray eyes. “Mother was wonderful,” said Mary Ann. “She managed the family and the house and did it all so easily.”¹⁷ Though Eliza dutifully read the Bible, her few surviving missives reveal an extremely rudimentary education; she misspelled the most elementary words, writing *herd* for *heard*, *plesant* for *pleasant*, and *ben* for *been*. (John was a faultless speller and grammarian.) All but a stranger to grammar, she sometimes wrote letters that consisted of a single run-on

sentence.

It is hard not to be stirred by Eliza's uncomplaining bravery in steadily tending five children in the face of her husband's erratic, irresponsible ways. When Bill was on the road, she never knew where he was, what he was doing, or when he might surface again. Though she had Hiram Odell, and her father lived just across Owasco Lake, Eliza was often alone with the children at night in a town on the fringe of a wilderness. As she thumbed her Bible and puffed on a corn cob pipe, she must have worried about roving thieves. One of Rockefeller's favorite stories reveals her coolheaded response to danger:

Mother had whooping cough and was staying in her room so that we should not catch it. When she heard thieves trying to get at the back of the house and remembered that there was no man to protect us, she softly opened the window and began to sing some old Negro melody, just as if the family were up and about. The robbers turned away from the house, crossed the road to the carriage house, stole a set of harness and went down the hill to their boat at the shore.¹⁸

From such early experiences, John D. took away a deep, abiding respect for women; unlike other moguls of the Gilded Age, he never saw them in purely ornamental terms.

Born in 1813, Eliza had grown up in the shadow of the Second Great Awakening and was never lax about discipline. While Devil Bill dispensed gifts to the children, Eliza, by default, meted out punishment and tried to subdue the wild Rockefeller streak in her children. A kindred spirit, John accepted her stern country justice when she drew out the birch switch, strapped him to the apple tree, and "laid on Macduff," as she styled it. "On those occasions I made my protests, which she heard sympathetically and accepted sweetly—but [she] still laid on, explaining that I had earned the punishment and must have it," Rockefeller recalled. "She would say, 'I'm doing this in love.'"¹⁹ She typically erred on the side of severity. Once, while punishing John for misbehavior at school, he started to plead his innocence. "Never mind," she interrupted, "we have started in on this whipping, and it will do for the next time."²⁰ Rockefeller told a tale of his adolescence that highlighted his mother's grim discipline. They then lived in Owego, and she had forbidden him to ice-skate on the Susquehanna River, but the lure of a moonlit night overwhelmed the better judgment of John and his brother William. They were gliding along the river when they heard the desperate

cries of a young boy who had fallen through the ice. Pushing a pole to the flailing boy, John and William fished him from the water and saved his life. When they returned home, Eliza hailed their courage, then promptly got down to business. “We thought we should be left off without punishment,” said Rockefeller, “but mother gave us a good tanning, nevertheless.”²¹

Where William and Frank had their father’s broad face and high forehead, John had Eliza’s narrow face, piercing eyes, and sharp chin and a personality that conformed more to the Davison pattern. He also had his mother’s slow metabolism and ability to bear a large burden for long periods in an unruffled way. Many neighbors testified that the unflappable Eliza never lost her temper, never raised her voice, never scolded anyone—a style of understated authority that John inherited. From his mother he learned economy, order, thrift, and other bourgeois virtues that figured so largely in his success at Standard Oil. Forced to pay a heavy penalty for her impetuous decision to marry Devil Bill, Eliza trained her children to reflect coolly before making decisions; her frequent admonition “We will let it simmer” was a saying John employed throughout his business career.

For a woman of Eliza’s intense pride and religiosity, it must have been hard to endure the unaccountable absences of her gallivanting husband, and she drew closer, of necessity, to her oldest son, who struck her as precocious and prematurely wise. She saw qualities in him still invisible to the world at large. Because she confided in him and gave him adult responsibilities, he matured rapidly and acquired unusual confidence; it must have flattered his pride that he served as a surrogate father and was so vital to the family’s survival. His relations with his siblings seemed more paternal than fraternal, and he often instructed them. As he put it, “I know that in my own case I have been greatly helped by the confidence imposed in me since early boyhood.”²² Of course, this boyhood responsibility took its toll on John D., who experienced little of the spontaneous joy or levity of youth. Growing up as a miniature adult, burdened with duties, he developed an exaggerated sense of responsibility that would be evident throughout his life. He learned to see himself as a reluctant savior, taking charge of troubled situations that needed to be remedied.

Until he came to appraise him through more mature eyes, John idolized his father. A man capable of Paul Bunyan–esque feats, William Avery Rockefeller possessed the dash and virility that every young boy dreams of in a father. “I come of a strong family, men of unusual strength, a family of

giants,” Rockefeller stated later in life.²³ “What a bright smile my father had. Everybody liked him. ‘Uncle Billy,’ they called him.”²⁴ By all accounts, Bill was a man of abundant talents. He was such a superb athlete that he could stand beside a fence and jump over it backward; such an amazing ventriloquist that he could create half a dozen characters talking at once; such a legendary animal trainer that he once taught tricks to a pet bear he had won in a shooting competition; and such a skillful hypnotist that he was darkly rumored to “throw a mist” around person and beast alike.²⁵

If the children associated Eliza with discipline, they identified Bill with laughter, plenty, and good times. He was the ideal hunting and fishing buddy, a crack shot who could bring down small birds in flight. Mesmerized by guns, he kept a splendid set of clean, well-oiled rifles (including one with a telescopic sight) in the Moravia house. Taking aim at a pine tree while standing in a meadow, he would toss off rapid shots until the bark was shredded by bullets. When selling patent medicines, his marksmanship served him extremely well, for he would use it to draw a crowd in strange towns. Setting up a manikin with a clay pipe in its mouth, he retreated to a distance of two hundred paces, shot the pipe to smithereens, then offered a ten-dollar bill to anybody in the crowd who could match his prowess.

Lively and fun-loving, Bill created infectious merriment wherever he went. As his son noted, “He always wanted something going on in the house, singing or music of some sort.”²⁶ He was nothing if not shrewd and used his talents to further his enjoyment. One day, he heard of a violin virtuoso who had been clapped in the town jail for drunkenness. The offender was given a choice: Either he could pay a hundred-dollar fine or serve a hundred days in jail, with each day served reducing the fine by a dollar. Unable to muster the hundred dollars, Bill let the musician stew for thirty-five days, then bailed him out for sixty-five dollars, taking his violin in exchange. For decades, Bill cherished this rich-toned, concert-quality instrument, which he would bow at waist level, like a country fiddler. It was undoubtedly from the Rockefeller side of the family that John inherited his lasting love of music.

With Owasco Lake always shimmering through the window, many of John D.’s dearest memories of Moravia centered upon fishing with Bill, who was prone to do outrageous things in the boat. During one lake outing, the middle brother, William, then a fat little boy unable to swim, made the mistake of grumbling about the heat. “Then cool off,” said his father, who plucked up the

flabbergasted boy by the waistband and pitched him headlong into the water. When William sank straight to the bottom, Big Bill dived overboard, retrieved him, then tried to teach him to swim. As John said of the incident, looking on the bright side, “He was always training us to meet responsibilities and take care of ourselves.”²⁷

It would be wrong (if highly tempting) to see William Avery Rockefeller as simply some blithe, hedonistic spirit, for he was moralistic in his own way. He was a militant temperance advocate—alcohol having ruined his father, Godfrey—and he fiercely reproached John and William when he caught them smoking in the barn. “When, after my brother had reached the age of 40 years my father learned that he smoked, tears came into his eyes,” said John, who liked to focus on his father’s virtuous side as a convenient way to sidestep his vices.²⁸

In no area did Bill impress his eldest son more—or did his eldest son prove more impressionable—than in the magical realm of money. Big Bill had an almost sensual love of cash and enjoyed flashing plump rolls of bills. “John D. Rockefeller inherited his shrewdness and love of money from his father,” remarked one of Bill’s companions. “The old man had a passion for money that amounted almost to a craze. I never met a man who had such a love of money.”²⁹ Exhibiting a small-town, populist mistrust of banks—a mistrust he would pass along to John, who later kept Standard Oil free from the talons of Wall Street financiers—Bill stashed away his money at home. As one neighbor recalled, “He had money, lots of it. He kept it in a bureau drawer. There I’ve seen it, ones, twos, threes (we had three-dollar bills then), fives, tens, twenties, and fifties, all corded like wood and the bundles tied with twine, the stacks filling the drawer.”³⁰ According to legend, he also had a four-gallon pail brimming with gold pieces, though it probably concealed base metal beneath the glittering surface. Once, at a family gathering, Bill disappeared for a time, then suddenly burst forth from his room with a patchwork tablecloth crafted from banknotes of varying denominations. This was part of his obsessive need to project a big-shot image to conceal the pettiness of his accomplishments. Neither as a boy nor a man did John find anything pathological about his father’s money madness, suggesting that he shared the same blind spot. After he had made his gargantuan fortune, he said admiringly of his father, “He made a practice of never carrying less than \$1,000, and he kept it in his pocket. He was able to take care of himself, and was not afraid to carry his money.”³¹

The bane of John's boyhood wasn't poverty so much as chronic worry about money, and it is easy to see how cash came to seem like God's bounty, the blessed stuff that relieved all of life's cares. After the family spent anxious weeks or months running up credit bills and waiting for Father's return, Bill would abruptly materialize, a jolly Santa Claus, swimming in lucre. He would compensate for his long absence by extravagant shows of generosity with his children. For John, money became associated with these brief but pleasurable interludes when the mercurial father was at home and the Rockefellers functioned as a true family.

During the early Moravia years, Big Bill began to train his eldest son in business matters, dispatching him at age eight or nine to evaluate and buy cord-wood for the house. "I knew what a cord of good solid beech and maple wood was," said Rockefeller. "My father told me to select only the solid wood and the straight wood and not to put any limbs in it or any punky wood."³² Of all the lessons John absorbed from his father, perhaps none surpassed in importance that of keeping meticulous accounts. This was a matter of necessity, for Bill's wayward life forced his family to husband their credit and closely monitor their often precarious financial situation.

When it came to business ethics, Bill was a most curious compound, extremely honorable one moment, a sharpster the next. To his son, he tacitly conveyed the message that commerce was a tough, competitive struggle and that you were entitled to outwit the other fellow by any means, fair or foul. He tutored John in a sharp, relentless bargaining style that the latter made famous. (A most unorthodox bargainer, Bill once bid a thousand dollars less for a farm than the owner was asking; to settle matters, he suggested they shoot at a target. Bill won and got his thousand-dollar discount.) As a traveling mountebank, selling dubious cures to credulous rural folk, Bill took a dim view of people's intelligence and didn't hesitate to exploit their naive trust.

As a boss, Bill patented his own queer style of managing people. During his respectable time in the lumber business, he paid his men well and promptly and was said by his son to be very popular. Yet he had a habit of hiring workers for a spell, informing them politely, "I don't need you any longer," then hiring them again a few days later—what he proudly dubbed his "policy of firing and hiring over." If this made him sound like a less-than-lovable boss, his son applauded the unsettling tactic. "It kept the men up on tip-toe; no stagnation among them."³³ Oddly enough, John described his

father as “most liberal and kindly with his employees, yet eminently practical and keen and wide-awake and resourceful.”³⁴ This was one of many areas where he seemed to embroider the truth about Big Bill. Would the people he fired and hired again have described Bill as “liberal and kindly”?

John D. Rockefeller portrayed his father as a paragon of business virtue, and if this was mostly an effort to cover up the shady side of Bill’s life, it had a grain of truth. Bill paid his debts punctually and believed implicitly in the sacredness of contracts, taking great pains in writing them up. As John observed, “He was very scrupulous to carry out his contracts, particular[ly] that they were clearly understood and carefully drawn, that is, committed to writing. And the training he gave me along those lines was very valuable, has proven so in all my life.”³⁵ In his business career, John D. Rockefeller was accused of many sins, but he took pride in paying his debts promptly and abiding strictly by contracts. He was also accused of mixing the lawless and the honorable, of ignoring ethical niceties, in a manner reminiscent of his father.

Whether John D. Rockefeller ultimately followed his father’s unscrupulous craft or his mother’s stern respectability in steering Standard Oil is the question that weighs most heavily on his historical reputation. Bertrand Russell once said of Rockefeller, “What he said, what he thought, and what he felt, came from his mother, but what he did came from his father, with the addition of a great caution generated by early unpleasantness.”³⁶ The issue is much more complicated than that, but there’s no doubt that Rockefeller’s achievement arose from the often tense interplay between the two opposing, deeply ingrained tendencies of his nature—his father’s daring and his mother’s prudence—yoked together under great pressure.

Given the paucity of hard evidence about Bill’s affairs in Moravia, one is led to rake over the rich folklore he left behind. In 1927, a carpenter turned author named Charles Brucher published a book entitled *Joshua: A Man of the Finger Lakes Region*, a thinly disguised roman à clef about William Avery Rockefeller. The privately printed 130-page book has become something of a collector’s item, with copies sometimes fetching hundreds of dollars. The protagonist is one William Rockwell, a.k.a. Big Bill, and the author brazenly mingles fact and fiction by reproducing an actual photo of Rockefeller’s father in the front. *Joshua* professes, redundantly, to be a “true story taken from life” and gathers lore about Devil Bill that was still titillating the town gossips in the 1920s. Much of its store of legend came from Melvin

Rosekrans, whose father, Joshua, had locked horns with Big Bill in the 1840s. The book presents a slanted, hyperbolic portrait of Bill's career, a compendium of his presumed misdeeds, yet enough details tally with documentary material from other sources that it merits review.

According to this potboiler, the "masterful and self-confident" Big Bill became "the terror of the Finger Lakes region," whose "evil influence would be felt in every household for miles around." Eliza makes a cameo appearance as "a sad-faced little woman" kept ignorant of the true reasons for her husband's mysterious trips: "She was always opposed to 'Big Bill's' roving disposition and his evil minded tendencies."³⁷ If she suspected wrongdoing, she kept it to herself to spare the children. That the fictional Eliza earned the sympathy of the community jibes with what we know of the real Eliza's Moravia life.

The book narrates how Rockwell fell in with a bunch of desperadoes who stole horses and delivered them to the notorious Loomis Brothers gang. (This grave, unsubstantiated charge shadowed Bill in all three New York towns he lived in.) Another equally grave charge in the book concerns Dr. William Cooper, a cousin of the novelist James Fenimore Cooper. Dr. Cooper disliked Bill and refused to deal with him. The book asserts that Rockwell once coerced at gunpoint a reluctant Dr. Cooper to treat Eliza and that somebody afterward took potshots at the doctor through the blinds of his living-room window, narrowly missing him. Rockwell is further portrayed as an unconscionable philanderer, who lures pretty girls with a secret love potion and tries to seduce a young woman working in his house. He openly squires his girlfriends around Moravia in his carriage and takes them rowing on the lake, notwithstanding Eliza's dismay. "The poor, long suffering little woman knew the failings of her dashing mate. She was overpowered by his master mind and had long since become resigned to her fate."³⁸ The diabolical Bill is even accused of palming off counterfeit bills.

At first, the locals were so petrified of the rough-and-tumble Rockwell that they didn't dare to confront him. Yet *Joshua* ends as a tale of justice triumphant as Bill's gang is disbanded by an irate citizenry. In a climactic courtroom scene, it is proved that Rockwell had paid a black man ten dollars to steal rafting chains in order to smuggle logs across Owasco Lake. His luck having run out, Bill flees the courtroom, though another gang member serves time in Auburn prison for horse theft. When last seen in the book, Big Bill has shifted operations to Owego, where horses again begin to disappear

suspiciously. In a shameless bit of press agency that Bill himself would have savored, Brutcher ends by promising a sequel, adding, “Negotiations are pending for the filming of this gripping story and its early appearance on the silver screen is assured.”³⁹

In the early 1900s, when Ida Tarbell dispatched a research assistant to upstate New York, he picked up the same allegations of horse theft that flavor the pages of *Joshua*. Horses were said to have begun vanishing after Big Bill moved first to Richford and later to Moravia. “It became noised about the neighborhood that ‘Old Bill’s gang’ were the horse thieves,” reported Tarbell’s assistant.⁴⁰ In 1850, three of Bill’s cronies—Caleb Palmer, Charles Tidd, and a man named Bates—were arrested for stealing mares. After Tidd turned state’s evidence, he provided the testimony that was used to incarcerate Palmer and Bates. It must be stressed that no court records actually connect Bill with the crime and that biographer Allan Nevins, after much examination, branded the horse-thieving charges “ridiculous.”⁴¹ Yet the anecdotal evidence can’t be so easily dismissed. Tarbell’s assistant noted, “Everyone I talked with in Moravia declares that ‘Old Bill’ was the head of the gang.” John Monroe Palmer, son of one of the jailed culprits, fingered Bill as the mastermind of the “underground horse railroad.” “Rockefeller was too smart to be caught,” he griped. “He ruined my father, and then left him in the lurch.”⁴²

Another tale circulating in upstate New York at the turn of the century contended that Bill had corrupted the village youth by teaching them how to gamble. One ancient resident, Hiram Alley, recalled that the village boys would pay Bill five dollars to instruct them in card tricks so they could then fleece other boys. John D. never commented on allegations against his father but, having never touched cards in his life, scoffed at this particular libel. “If my father had been a gambler, I would have known something about cards, wouldn’t I?”⁴³

Clearly, Devil Bill had a suggestive personality that made imaginations run riot, and some of the stories about him were likely embellished. Yet one charge left behind a more convincing paper trail. Beginning with Nancy Brown in Richford, Eliza had always employed a young woman to assist with the housework, and in Moravia she had a tall, pretty young woman helper named Anne Vanderbeak. On July 26, 1849, according to papers filed at the Auburn Court House, William Avery Rockefeller was indicted for assaulting

Anne Vanderbeak on May 1, 1848, and “then and there violently against her will feloniously did ravish and carnally know” her.⁴⁴ The rape indictment deepens suspicions that Bill was more than just a charming, flirtatious rogue.

The aftermath of the indictment was inconclusive, and the whole affair has been obscured by a heavy fog of speculation. Bill never appeared in court, never went to trial, and was never arrested. Everybody who has examined the case has tripped over the same set of questions. Why was the indictment handed down more than a year after the supposed rape? (One feminist scholar has helpfully noted the formidable obstacles placed in the way of women pressing rape charges in those days.)⁴⁵ Why did the prosecuting attorney never endorse the indictment? Why didn’t anybody set off in hot pursuit of Bill when he fled from Cayuga County? And why did Anne Vanderbeak let the matter lapse? Once again, a handful of oral histories suggest a tangled skein of local intrigue. Bill had seduced a young woman named Charlotte Hewitt, whose brothers, Earl and Lew, loathed him for it. One Hewitt brother sat on the jury that indicted Big Bill, leading some to see it as a trumped-up charge, a vendetta by the brothers. Ida Tarbell’s assistant devised another theory: “I believe the indictment was quashed, possibly on the understanding that he was to leave the county. This was not unusual procedure in those days.”⁴⁶

The scandal ended whatever tentative truce Bill had struck with John Davison, who had long rued the day when Bill Rockefeller first bewitched his sensible daughter. During the Moravia period, Davison had patched up relations with Bill and lent him almost \$1,000 in two installments, one in August 1845, the other in October 1846. Now the rape indictment shattered their still tenuous relationship—lending greater credence to the charge. When Bill informed Davison of the accusation and asked him to post bail, Davison gruffly replied that he was “too old a man to go bail for anyone.” Taken aback, Bill replied bitterly that he would leave the county and never see him again. Worried about his two outstanding loans, Davison went straight to court, claimed his son-in-law planned to defraud his creditors, and sued him for \$1,210.75.⁴⁷ For Eliza and her offspring, it must have been a thoroughly humiliating moment when the sheriff and two neighbors came to appraise their property and attached all their movable goods in the name of John Davison. Davison also modified his will, placing Eliza’s inheritance in the hands of trustees, in all likelihood to keep it safely beyond the eager grasp of his son-in-law.

During the second half of 1849, Bill abandoned his family and gaddled about the countryside to reconnoiter new towns. In the spring of 1850, the same year Nathaniel Hawthorne published *The Scarlet Letter*, Bill resettled his family in Owego, near the Pennsylvania border. As a fugitive from justice, he might have wanted to be near the state line whenever trouble loomed. Though only ten at the time and probably ignorant of what had happened—it's hard to imagine Eliza confiding such scandalous things to a young boy—John later ridiculed the rape charge and mocked the idea of his father fleeing justice. “If [my father] left ‘under compulsion’ . . . I should have known something about it. There was nothing of the sort. We moved over to Owego, and if he were fleeing from justice that wasn't very far away.”⁴⁸ John's later tendency to minimize the disgrace probably had several causes, ranging from filial piety to shrewd public relations; he knew people bent upon proving his own immorality wanted to buttress their case by first tarnishing his father. One must also note his penchant for denial, his potent capacity to filter out uncomfortable thoughts, especially about his father, just as he later deflected criticism of his questionable business behavior. John D. Rockefeller drew strength by simplifying reality and strongly believed that excessive reflection upon unpleasant but unalterable events only weakened one's resolve in the face of enemies.

At some point in his boyhood, however, possibly after the flight from Moravia, John's reverence for his father did begin to be intermingled with more hostile, unexpressed feelings. (One writer of a wildly psychoanalytic bent has even suggested that Rockefeller's icy self-control was a reaction to repressed fantasies of murdering his father.)⁴⁹ In later years, scores of John D.'s friends and associates noted that Big Bill was a taboo topic that they broached at their peril, one on which John maintained a thoroughgoing silence. As one early biographer remarked, “From the beginning to the end of his career, he has made secrecy respecting his father and stealth respecting paternal visits a matter of religious observance.”⁵⁰

We cannot tell when Rockefeller first felt shame about his father, but this emotion was so consequential for his entire development that we must pause briefly to consider it. In the towns of John's boyhood, Bill was an engaging but notorious character who prompted interminable speculation about his travels and sources of income. A boy with such a father needed to screen out malicious gossip and cultivate a brazen indifference to community opinion. This bred in him a reflexive habit of secrecy, a fear of the crowd, a deep

contempt for idle chatter and loose tongues that lasted a lifetime. He learned to cultivate a secretive style and a defiant attitude toward strangers. Perhaps out of a self-protective instinct, Bill taught his children to be wary of strangers and even of himself. When John was a child, Bill would urge him to leap from his high chair into his waiting arms. One day, he dropped his arms, letting his astonished son crash to the floor. “Remember,” Bill lectured him, “never trust anyone completely, not even me.” Somewhat later, walking with his boys through Cleveland, he warned them to ignore the pell-mell rush of people to fires and parades. “Never mind the crowd,” he told them. “Keep away from it. Attend to your own business.”⁵¹ Eliza also must have inoculated the children’s minds against talebearers and told them not to discuss family matters with other people. The boy who faced down the vicious talk of neighbors would be extremely well prepared to walk unscathed and even defiant through the turbulent controversies that later surrounded his life.

For all the uncertainty of their lives, the Rockefellers, in their restless, driven odyssey across the southern tier of New York, enjoyed a sense of upward mobility as they journeyed from Richford to Moravia to Owego, with each town larger, more prosperous, and more hopeful than its predecessor. The county seat of Tioga County, located south of Richford and west of Binghamton, Owego sits astride a broad, beautiful bend of the Susquehanna River. Decidedly more cosmopolitan than anything young John D. had experienced before, it was a refined village with genteel homes along Front Street that vouchsafed glimpses of a finer life. The incorporated village of Owego had an imposing courthouse, a well-stocked library, a renowned school, and other nascent hints of culture. For a country town of seventy-two hundred people, it also boasted a disproportionate number of resident writers and artists.

Perhaps because his sojourn there was shorter, Rockefeller never developed quite the same fond attachment to Owego as to Moravia, but he retained pleasing associations with it. “What a beautiful place Owego is!” he once exclaimed. “How fortunate we were to grow up there, in a beautiful country, with good neighbors, people of culture and refinement, kind friends.”⁵² With amusement, he recalled how Owego had exploded his provincial boyhood. “Down at the railroad station one day I saw a Frenchman! Think of that—a real, live Frenchman. And he wore a mustache—the first I ever saw.”⁵³ On June 1, 1849, shortly before the Rockefellers arrived, the Erie Railroad had

first puffed into Owego, thousands of spectators packing the hillsides to cheer the train as it slid into the station amid a burst of ceremonial cannonades and pealing church bells. “Railroad trains were known even when I was a boy but they were few, short and sooty,” Rockefeller said of the conveyances that would figure so largely in his own exploits.⁵⁴ In small towns like Owego, the railroad ended isolated, self-contained economies, absorbing them into regional and national markets while also sharpening their inhabitants’ appetites for material goods and inviting them to seek their fortunes in distant cities.

The Rockefellers lived three miles east of town in an area of soft, bucolic meadows and riverine groves. Of the two frame houses they occupied during their time in Owego, the second was smaller, suggesting that Bill and Eliza needed to retrench as they grappled with financial problems. The second house—more a cottage than a farm—had a fine view of the winding, muddy Susquehanna, with the wooded silhouette of Big Island (later Hiawatha Island) in the foreground, ringed by a curtain of blue hills in the distance. In these snug quarters, John shared a bed with brother William. “It was a small house,” John reminisced years later, “but a dear good house.”⁵⁵

Bill might have chosen Owego because it had signal business advantages for someone who dabbled in the lumber business. During freshets, log rafts were easily floated down the Susquehanna River, and several lumber mills, in consequence, had sprung up in the town. It might also be significant that on September 27, 1849, right before the Rockefellers moved to Owego, an appalling conflagration had consumed 104 downtown buildings, the blaze sparing only three stores, a disaster that presaged a booming lumber business as the town was rebuilt. Finally, the town had a reputation as a mecca for self-styled doctors. As one Owego resident recalled, “After the Civil War, there were a dozen of them living here.”⁵⁶

During the three Owego years, Bill’s escapades seemed even more bizarrely unpredictable than before. His appearances in town were brief and infrequent, however memorable to the gaping natives. “He was the best-dressed man for miles around,” said a close neighbor. “You never saw him without his fine silk hat.”⁵⁷ Now in her late thirties, Eliza was losing her youthful bloom and developing the hard, thin face that told of her many trials. Many townsfolk recalled her as a sweet, fine, dignified lady who called on neighbors in the afternoon, always clad in a black silk dress that looked like

widow's weeds. Everybody commended her unsparing discipline, neat appearance, and commanding presence. For all her travails, she didn't seem as forlorn as she had in Richford and Moravia, as if growing more accustomed to the burden that she bore and more reconciled to Bill's absences.

Once the swaggering, autocratic husband, Bill had now been irredeemably exposed as a scoundrel and was demoted in Eliza's esteem. Her disillusionment with her handsome husband might have simplified matters in the household. "It was she who brought up the family," said one observer, "for even when he was at home the father did not interfere with her discipline. And it was discipline."⁵⁸ Another neighbor termed her "an unusually clear-minded and capable Christian mother. Perhaps her discipline might seem very strict or even severe today, but, although she made them obey her and kept them all busily employed, the children all loved her as she loved them."⁵⁹ She wasn't a mother to be trifled with. Once, while sick in bed, she discovered that John had neglected to perform a task for her, and judgment was swift: She sent him to the Susquehanna to select a willow switch. With the quiet cunning that would become a pronounced trait of his nature, he nicked the switch in several places with his knife, so it would bend and crack after the initial blows. Eliza wasn't deceived. "Go and get another switch," she instructed him, "and see that it is not slashed this time."⁶⁰

Eliza must have found the religious atmosphere in Owego suitably wholesome. One of John's imperishable images of Owego was of standing behind the house and hearing the dutiful Eliza praying aloud in an upstairs bedroom. The local Baptists were enterprising evangelists, and every winter they marched scores of reformed sinners down to the frozen Susquehanna, carved out openings in the ice, and baptized them. Every Sunday, neighbors picked up Eliza and the children and drove them to a Baptist church in the village. Inspired by a Sunday-school class on forgiveness, the children initiated a custom that suggests how religion permeated their lives. Each night, when they got into bed, they turned to their siblings and said, "Do you forgive me all I have done to you today?"⁶¹ By the time they fell asleep, the air had been cleared of all recriminations or festering anger.

In Owego, Eliza increased her dependence on John, as if training him to be everything Bill wasn't. Like his mother, John seemed stronger without Bill, able to escape his shadow and forge a separate identity. His manifold duties habituated him to a heavy workload. When not attending school, he cut wood,

milked the cow, drew well water, tended the garden, and went on shopping expeditions while also supervising his younger siblings in their mother's absence. "I was taught to do as much business at the age of ten or eleven as it was possible for me to do," he later noted.⁶²

As the stand-in for Bill, he kept a tight rein on the family budget and learned to appraise the world shrewdly. Once he spent three days helping a local farmer dig potatoes for 37

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Throughout his life, John D. Rockefeller, Sr., reacted in a vitriolic manner to accusations that he had lusted after money as a child and yearned to be fabulously rich. Doubtless embarrassed, he contested insinuations that he was motivated by greed instead of a humble desire to serve God or humanity. He preferred to portray his fortune as a pleasant accident, the unsought by-product of hard work. Yet stories surface of Rockefeller daydreaming about money in Owego when he was only in his early teens. One day, strolling by the Susquehanna with a friend, he blurted out: "Some day, sometime, when I am a man, I want to be worth a-hundred-thousand-dollars. And I'm going to be, too—some day."⁶⁴ Nearly identical accounts come from so many sources that one is forced to conclude he had conveniently expunged such memories. Given his father's panting ardor for money, it would have been strange had he *not* been bewitched by gold.

There was nothing unusual about Rockefeller's boyhood dreams, for the times were feeding avaricious fantasies in millions of susceptible schoolboys. Antebellum America was a place of high adventure and unbounded opportunity for industrious young men. Following the war with Mexico, huge chunks of land—Texas, New Mexico, and upper California—were annexed to the country in early 1848. That same year, gold was discovered at John Sutter's sawmill in California, triggering a mad westward rush of ninety thousand prospectors. Just as the Rockefellers were moving from Moravia to Owego, hordes of frantic men swarmed across the continent, sailed around South America, or slogged across the Isthmus of Panama, hell-bent to reach California. The pandemonium foreshadowed the petroleum craze in western Pennsylvania a decade later. Though the gold rush proved a snare and a delusion for most miners, the occasional success stories nonetheless inflamed the popular imagination. Mark Twain singled out the California gold rush as the watershed event that sanctified a new money worship and debased the

country's founding ideals.

Before he left Owego, John secured a first-rate education, then a rarity in rural America, where few children attended secondary school. At first, the Rockefeller children went to a schoolhouse a short walk from their house; due to the family's straitened circumstances, a friendly neighbor purchased their textbooks. In August 1852, John and William entered Owego Academy, which had been founded in 1827 and was unquestionably the finest secondary school in that part of New York. Topped by a tall steeple, fenced in by lovely parkland, the three-story brick school building must have awed the still-rustic Rockefeller boys. Presiding over the academy was an able Scot, Dr. William Smythe, who made the students hone their verbal skills by writing fortnightly essays and delivering speeches on assigned themes; the linguistic skills mastered at Owego became evident in Rockefeller's concise business letters. The school produced many eminent graduates, including Thomas C. Platt, later the "Easy Boss" who ran the New York Republican machine, and Washington Gladden, the preacher who issued some of the most scorching screeds directed against Standard Oil.

Many of the 350 pupils came from affluent urban families, and John later lauded this exposure to city boys, saying it was "bound to benefit country boys."⁶⁵ The school charged a steep tuition of three dollars per term, suggesting that Bill's medical road show was finally prospering after two years in Owego. John never expressed resentment at being, by academy standards, a poor boy. When a photographer came to shoot class pictures, John and William were excluded because their suits were too shabby. Other boys might have smarted, but John always prized his daguerreotypes of his fellow scholars, later insisting, "I would not part with this collection for any money."⁶⁶ In Eliza Rockefeller's household, one didn't morbidly dwell on slights but kept one's sights fixed on the practical goals ahead. John never aspired to popularity at the school. It was as if, after the inordinate attention that his father attracted, John wanted to be quiet and inconspicuous and blend into the crowd.

While many well-to-do students boarded at the school, the Rockefeller boys undertook a three-mile hike to school every morning and, like many students, wandered barefoot down the dusty lanes in warm weather. This long trek led John past fine, imposing homes with well-trimmed lawns facing the Susquehanna River. With his slow, deliberate pace, he often set out early and reflected in an unhurried manner as he walked, his eyes always fixed on the

ground ahead. Not averse to taking shortcuts, however, he sometimes sat by the roadside and asked passing teamsters for a lift.

John was a plodding, lackluster student, with no discernible trace of brilliance, and only one aspect of school life truly seemed to intrigue him. Every Saturday, the principal demonstrated the newfangled devices then revolutionizing American business, and John was riveted by displays of a telegraph instrument (invented by Samuel F. B. Morse in 1837), galvanic batteries, and other modern contrivances. Such things captured his mind more than the rousing social issues raised by Harriet Beecher Stowe in *Uncle Tom's Cabin*, which was published in 1852 in horrified response to the Fugitive Slave Law of 1850.

To the extent that the Rockefeller children had difficulties with schoolwork, it stemmed from the chaotic situation at home. For five growing, energetic children, their small cottage was noisy and cramped. Each evening, Eliza packed her brood off to a teenage neighbor named Susan La Monte, who tutored them and ensured that they completed their homework. She remembered William and Frank as typically mischievous boys, kicking and teasing each other, while John was oddly self-possessed, already a boy-man, a model of adult decorum. "I have no recollection of John excelling at anything. I do remember he worked hard at everything; not talking much, and studying with great industry. . . . There was nothing about him to make anybody pay especial attention to him or speculate about his future." ⁶⁷

An 1852 photo of the Rockefeller children shows John, age thirteen, William, eleven, and Mary Ann, nine, sitting in the inky gloom of a photo studio. They are a cheerless trio as they stare blankly into the camera. Wearing a plaid suit, and with his hair neatly brushed back from a wide forehead, John has a long, impassive face, and his expression is inscrutable. William has a softer, rounder face, and his garments—including a polka-dotted vest and a watch chain—suggest his father's more outgoing personality. Mary Ann wears the plain dress of a farm girl, her hair in pigtailed and parted down the middle. Although the group portrait suggests middle-class respectability, its somber mood—which also must owe something to the slower photography of the day—discloses something less than the idyllic boyhood John liked to evoke.

The drudgery of daily life was often leavened by play as John had his first chances to flirt with young ladies, and he exhibited flashes of droll wit. One

afternoon, at a Sunday picnic—he was perhaps twelve—he passed a group of young ladies seated before heaps of food and observed, “Remember, girls, if you eat slowly, you can eat more!”⁶⁸ Rockefeller was intensely aware of the opposite sex yet, knowing of his father’s history, kept his impulses under tight control. Susan La Monte saw a sensitivity in the boy that escaped casual observers; she was struck by “his great admiration of beauty. There was a little girl going to school near our home, a pretty little thing named Freer, with red cheeks and bright eyes and a sweet face. In after years Mr. Rockefeller would ask for her, and when she was left a widow in distress he aided her with a modest pension.”⁶⁹ Susan La Monte saw that the boy’s eerie self-discipline concealed a deep fund of emotion, and she remembered the ceremony of grief he went through when one of her sisters died. “On the day she died John came to our house and stretched out on the ground and would not go away. He was so sorry that he would not go away, but lay there all day.”⁷⁰ Such stories reveal a sensitivity in Rockefeller that would always be there but that would later be studiously concealed behind the polished façade of the hard-driving businessman.



Margaret Allen, who first met William Avery Rockefeller in the early 1850s, while she was still in her teens. (Courtesy of the Rockefeller Archive Center)

CHAPTER 3

Bound to Be Rich

As a roving salesman, William Avery Rockefeller was fast becoming a relic of an earlier America when markets were extended not by new methods of communication or transportation but by the salesman simply covering more ground. A magnetic pull lured Big Bill even farther west, away from the burgeoning cities and industries of the eastern seaboard and toward remote hamlets on the American frontier. In early 1853, the Rockefellers were again uprooted and swept along in the whirlwind of Bill's life when he took them by train to a prairie town in Ohio called Strongsville, about a dozen miles southwest of Cleveland. At this juncture, Bill quietly began to distance himself from his dazed family, having formed a new romantic attachment that proved far deeper than earlier infidelities and that finally severed his familial ties.

Where Eliza and the children had at least enjoyed their own homes in Richford, Moravia, and Owego, retaining some modicum of dignity, Bill now dumped them at the home of his sister and brother-in-law, Sara Ann and William Humiston, paying his relatives three hundred dollars a year to board his clan. To his hapless family, this must have seemed, after all their wanderings, terribly unfair. Their lives had always been uncommonly restless, but now they were castoffs, pariahs in a strange new Ohio town, tumbling back down the social ladder they had so arduously climbed.

The six Rockefellers were squashed into a small house with six or seven Humistons, even though Bill seems to have been flush with cash at the time. Years later, Billy Humiston insisted that Devil Bill was considered rich, that he gave out loans at hefty rates, kept three or four fine guns, stocked a rich wardrobe, and sported diamond rings and a gold watch—all of which suggested that the abrupt move to Ohio was less a matter of financial stringency than of personal convenience.¹ The Humistons greatly admired Eliza for her excellent business head and thrifty money management, but enormous tension was bottled up in the overcrowded Humiston household. Billy junior later portrayed his cousins William and Frank as very rowdy and John as a prig. “John was just such a boy as he is a man—sanctimonious and

precise.”² Fortunately for all concerned, the Rockefellers soon moved out and took up residence on a small farm at the edge of Strongsville.

By now Big Bill had relinquished all interest in lumber and other settled trades and had permanently assumed the persona of the rambling doctor or “botanic physician,” as he was soon listed in the Cleveland directory. In the first year after he deposited his family in Strongsville, Bill returned only three or four times, but, by a curious fluke, the townspeople learned a good deal about his fraudulent activities on the road. One day, a Strongsville resident, Joe Webster, checked into a hotel in Richfield, Ohio, and was stunned to see a sign in the lobby trumpeting the news, “Dr. William A. Rockefeller, the Celebrated Cancer Specialist, Here for One Day Only. All cases of cancer cured unless too far gone and then can be greatly benefited.” Soon after, with the smooth vaudevillian patter employed by so many patent-medicine vendors, Bill collected a crowd outside the hotel. Standing up in his buggy, his sign propped against the wheels, a showman in a silk hat, black frock coat, and dark red beard, he presented himself as Doc Rockefeller and offered full-fledged cancer cures for the extremely steep price of twenty-five dollars; those strapped for cash could purchase cheaper bottles of medicine. When Webster approached him afterward, Bill wasn’t abashed and bragged that he had lately been “doctoring” as far afield as Iowa and was buying up land there. After Webster returned to Strongsville and told of his startling discovery, word quickly got around town and everybody thereafter referred to their shadowy, footloose neighbor as Doc Rockefeller—doubtless with some mirth. The moniker stuck.

In the fall of 1853, after eight months in Strongsville, Big Bill decided that the time had come for John and William to resume their educations, so he drove them into Cleveland and settled them as boarders with a Mrs. Woodin on Erie Street, where they paid a dollar a week for room and board. John was penalized by the Cleveland schools because his family had moved around so much. In the sole extant reference to the matter, he wrote in 1923, “I had just come from New York State and recall my humiliation in being obliged to remain one term in the old Clinton Street School—I had been for several years in the Owego Academy . . . and supposed I should go at once into the High School instead of the Grammar School.”³ For this proud boy, the demotion must have been one of many small but wounding indignities suffered during these anxious years.

When John finally entered high school (later called Central High School) in

1854 at the age of fifteen, it was still a modest, one-story affair, shaded by trees and standing behind a clean white picket fence; it would receive a much fancier new building in 1856. Operating on the progressive theory of free education for boys and girls, the school enjoyed a superb reputation. Since it stressed composition, John had to submit essays on four topics to advance to the next grade: “Education,” “Freedom,” “The Character of St. Patrick,” and “Recollections of the Past.” At a time when America was deeply split over the question of extending slavery to new territories—the Kansas-Nebraska Act was passed in May 1854—these writings exhibit Rockefeller as a young democrat and confirmed abolitionist. In “Freedom,” he branded it a “violation of the laws of our country and the laws of our God that man should hold his fellow man in bondage.” Unless slavery was curbed speedily, he prophesied, it “will end in the ruin of our country.”⁴ America would only progress, he believed, with an educated citizenry. “In former times when learning was confined to the monks and priests, then it was that the world stood still, and it was not until the people were educated and began to think for themselves that it progressed.”⁵ Such views on abolitionism and universal literacy echoed those of northern Baptist evangelicals who scorned political no less than ecclesiastical despotism. As a self-made man, Rockefeller would always deplore aristocracies and priesthoods as effete, reactionary foes of true progress, defenders of privilege against enterprising commoners.

Rockefeller expressed himself with great clarity and precision. (Schoolmates called him “John D.” because he signed his essays this way.) He also excelled as a debater, demonstrating that beneath his reserved manner he could articulate his thoughts forcefully. He began one speech with the line “I’m pleased although I’m sad,” and this gambit so tickled his fellow students that they nicknamed him “Old Pleased-Although-I’m-Sad.”⁶ He bore another, equally doleful nickname, “the Deacon,” and it says much about his preferences that he actually *liked* this sobriquet. As his future sister-in-law, Lucy Spelman, said, “He was a studious boy, grave, reserved, never noisy or given to boisterous play.”⁷ Rockefeller frequently hugged his slate to his chest, a pose that hinted at his guarded nature.

However private or solitary, John D. always had his quota of friends. One close chum was Mark Hanna, the descendant of well-to-do grocers and commodity brokers and later a U.S. senator and Republican Party boss. Another friend, Darwin Jones, who formed a boyhood triumvirate with them, recalled the sharply etched contrast between Hanna and Rockefeller. “Mark

was of the virile type, always active and took part in almost all forms of athletics, while John Rockefeller was reserved, studious, though always pleasant. No matter what the excitement, John retained his quietude and smiled on all occasions.”⁸ In future years, Rockefeller cringed when Mark Hanna was quoted posthumously as describing him as “sane in every respect save one—he is money mad!”⁹ As at Owego Academy, classmates in Cleveland remembered Rockefeller voicing the fervent wish to be worth a hundred thousand dollars someday.

John’s boyhood gravity pleased many adults but unsettled others, who found something queer and unnatural about him. One high-school teacher described him, with patent distaste, as “the coldest blooded, the quietest and most deliberate chap.”¹⁰ Even as a teenager, Rockefeller demanded to be treated with adult dignity. In recollecting the school principal, Dr. Emerson E. White, Rockefeller mentioned only his behavior toward him: “Mr. White was a gentleman. He treated me like a gentleman—and treated all the boys so.”¹¹ Rockefeller was sensitive about adults who behaved in a high-handed fashion toward him. Having assumed so much responsibility at home, he now thought of himself as a mature person. Bill had set him up with his own bank account, and his life was far more independent than those of his classmates.

This tough, self-possessed boy had no tincture of rebellion in his makeup. Seeing his education solely in utilitarian terms, he studied hard but showed no intellectual playfulness. “I was very sedate and earnest,” he said, “preparing to meet the responsibilities of life.”¹² Once again, he displayed a fantastic mind for numbers. “Arithmetical problems most attracted him,” said Lucy Spelman, “for he had been taught at home to keep accurate account of his gains and losses.”¹³

Perhaps the most surprising dimension of John D.’s early adolescence was his deep absorption in music. He even briefly aspired to be a musician and practiced the piano for up to six hours a day, driving Eliza mad with the racket while they still lived in Owego. The piano was then the symbol of a decorous middle-class home and his playing might have hinted at his genteel aspirations. For a man who would distrust other art forms as vaguely subversive, encouraging ungovernable emotions and pagan sensuality, music provided him with an artistic medium that he could wholeheartedly enjoy with church approval.

For the teenage boy, Mrs. Woodin's boardinghouse was an education in itself. Her daughter, Martha, was several years older than John and William, and they engaged in lively, heated discussions on many topics, with the bright, outspoken Mrs. Woodin often joining in. The most controversial topic was lending money at interest. In an extremely peculiar arrangement, John, age fifteen, was already lending small sums to his father at interest; never sentimental when it came to business, he simply charged his father what the traffic would bear—a practice Bill probably applauded enthusiastically. According to Rockefeller, Mrs. Woodin was “violently opposed to loaners obtaining high rates of interest, and we had frequent and earnest arguments on the subject.”¹⁴ It was typical of Rockefeller that this question of business method and morality occupied his attention far more than the esoteric matters found in schoolbooks.

As if embarrassed by his peripatetic family life, Rockefeller tended to oversimplify the chronology of his early years, especially when speaking of his adolescence. After a year in Strongsville, John claimed, his family moved to Parma, about seven miles south of Cleveland, then into their own house in Cleveland proper. In fact, he omitted a critical two-step Cleveland detour before the shift to Parma, as can be gleaned from a revealing anecdote told by his school principal, Dr. White: “One day in 1854 a tall, angular boy came to me and said that his widowed mother and two sisters were coming to Cleveland to live and he wished my help in finding a temporary home for them.” The good-natured White invited the Rockefellers to move in with him and his new bride, and John “liked the idea and always insisted that it was a happy time for his mother.”¹⁵

Two words leap from the story—*widowed mother*. It seems of some psychological significance that the first recorded instance of Rockefeller's capacity to lie came in an effort to hush up his father's existence—in fact, to bury him alive. Since Bill popped up in Cleveland three or four times a year, it took a certain cheek for his son to invent this story. The small episode acquires added interest when one notes that more than thirty years later, when Eliza died before Bill did, John instructed the preacher to describe her as a widow at the funeral. Further, despite the principal's gracious response, it must have been perfectly dreadful for John, as a teenager, to go on a begging mission to find temporary lodgings for his family.

When Bill reappeared, he moved his family to a house on Perry Street in downtown Cleveland, rented from a Mr. O. J. Hodge, who remembered John

as “an unassuming youth who showed none of the hilarity often seen in boys of that age. Usually he sat quietly in his chair listening to what was being said.”¹⁶ As had been true since the Richford days, Bill was scrupulous about making timely rent payments. “Never was rent—\$200 for a year—paid more promptly, nor did I have in all respects a better tenant,” said the landlord.¹⁷ Before the year was out, Bill had resettled his family on a ten-acre, creek-side farm in Parma while John returned to Mrs. Woodin, who had relocated first to Saint Clair Street and then to Hamilton Street.

A contemporary photo of John with his two sisters and two brothers, all of them unsmiling, is again drenched in a mortuary gloom. Now a tall, thin boy who weighed about 140 pounds, John had tidily brushed light brown hair and clothes that were always clean and presentable. He later laughed at his solemn boyhood demeanor: “From fourteen years of age to twenty-five I was much more dignified than I am now,” he said with truth in his seventies.¹⁸ In Strongsville and Parma, Eliza fretted about the ubiquitous taverns in town and worked hard to shield her children from illicit entertainments. She must have been especially alarmed as her eldest son approached that perilous rite of passage, first love. Interestingly, John D. reenacted his father’s penchant for dalliances with the domestic help. In Strongsville, Eliza hired a household assistant, a pretty young farmer’s daughter named Melinda Miller, who did chores for the family and shared their meals. When the Rockefellers moved to Parma, Melinda resumed working for them, and John, a year younger than she, often came out from Cleveland to take walks with her. Rumors soon drifted about town that John had taken away the girl’s virginity. Whatever the truth, the Millers raised an unholy ruckus about the romance. In one of the less prophetic judgments in parental history, they argued that they didn’t want their daughter to throw herself away on a young man with such poor prospects. According to legend, one of Melinda’s parents came to fetch her by buggy to break up the liaison. Eventually, she married young Joe Webster, whose father had discovered Big Bill’s doctor act.¹⁹ From the standpoint of Rockefeller’s career, the failure of this relationship was fortunate, for he ended up with a woman of much greater social standing and intellectual attainment, who would provide him with the strong, stable home life and religious certitude that he craved.

At this point, we need to sketch in some events in William Avery Rockefeller’s life in the early 1850s, for his behavior began to shade over from the eccentric to the quasi-pathological. A man of multiple disguises, he

had always been fond of assuming names; even when he first arrived in Richford, he had told some people that his name was Rockafellow. During the Owego years, Bill occasionally appeared in surrounding towns and presented himself as an eye-and-ear specialist named Dr. William Levingston. We know now that by the time he transplanted his family to Ohio, he was leading a full-blown double life as both Dr. William A. Rockefeller and Dr. William Levingston, the latter name appropriated from the town of his father's birth, Livingston, New York. While this second name probably began as a simple alias to shield his family from his shady practices, it hardened in the early 1850s into a separate identity away from home. Bill's traveling partner in his later years attributed Bill's use of the pseudonym to the fact that he was practicing medicine without a license or diploma and always feared retribution from indignant local doctors, who instigated legal proceedings against him on several occasions.²⁰

In the last gasp of his lumber career, Bill had ventured north into Canada in the early 1850s, buying up fine walnut and ash and selling it at a handsome profit to timber mills. After he moved to the town of Niagara, Ontario (almost certainly without his family's knowledge), he began to canvass the surrounding countryside as a traveling doctor. "Dr. Levingston" was a blatant quack, but he partially believed his own bombast and had enough success stories to deceive his patients and perhaps even himself. As his future partner said, "He had not studied medicine in any college. But he was a natural healer and had great skill. He had great fame in Canada and northern New York."²¹

Devil Bill had an unerring instinct for spotting those pretty, docile, long-suffering women who would patiently endure his escapades. Around 1852, with his oblivious family still in Owego, he met a lovely, gentle teenage girl in Norwich, Ontario, named Margaret Allen. Bill was then forty-two and Margaret about seventeen, or only four years older than John D. By a small oversight, Dr. Levingston neglected to mention his other life as Doc Rockefeller, to say nothing of his wife and five children, and he wooed Margaret like a lusty bachelor. Bill was an expert confidence man, and Margaret's trusting family was totally fooled. "He was a steady, temperate man of good habits, kind hearted, sociable and well liked by everybody," said Margaret's sister of this jolly wooer. "He was a famous marksman and loved to hunt. He was fond of a good story."²² Doc Levingston was clearly more popular with the Allens than Doc Rockefeller had been with the Davisons, and Bill was tempted to start afresh with an adoring, innocent young woman,

supported by a friendly family. On June 12, 1855, he married Margaret Allen in Nichols, New York, just south of Owego, and started a clandestine life as a bigamist that would persist for the rest of his days.

One can plausibly argue that every time Bill moved his family to another town, it related to his secret philandering, and that he probably relocated his family in Cleveland because Ontario lay just across Lake Erie. True to his earlier behavior, Bill didn't take up permanent residence with Margaret at first. To initiate her into his capricious ways, he started out by visiting her in Ontario once a year and staying with her credulous family. He didn't plan, at the outset, to desert his original family, and for a time in the 1850s Bill continued to tread a tightrope between his old and new wives, neither of whom knew of the existence of the other.

It seems likely that Bill's second marriage had immediate repercussions in the life of his oldest son. All along John had planned to attend college, with Eliza fortifying his resolve in the hope that he would someday become a Baptist minister. Then he received a letter from his father that dispelled his dreams. As he recalled, "My father . . . conveyed an intimation that I was not to go [to college]. I felt at once that I must get to work, find a situation somewhere."²³ Rockefeller never clarified why he dropped out of high school around May 1855, just two months shy of commencement exercises on July 16, but Bill's second marriage on June 12 supplies the missing piece of the puzzle. About to enter into his second marriage, Bill must have been drastically scaling back on firstfamily expenditures, albeit without disclosing the reason for the sudden urgency. As John said, "There were younger brothers and sisters to educate and it seemed wise for me to go into business."²⁴ Bill was eager to groom his eldest son as the surrogate father who would care for Eliza during his longer absences.

Never a great believer in book learning, Bill probably derided a college degree as a costly indulgence at a time when people didn't equate it with enhanced income. Young men on the make were more likely to attend so-called business colleges or to take correspondence courses to supplement their education. Following his father's suggestion, John paid forty dollars for a three-month course of study at E. G. Folsom's Commercial College, a chain college with branches in seven cities. The Cleveland branch occupied the top floor of the Rouse Building, the town's premier office building, which overlooked the Public Square. It taught double-entry bookkeeping, clear penmanship, and the essentials of banking, exchange, and commercial law—

the sort of purposeful courses that appealed to John. By the time his studies ended in the summer of 1855, he had turned sixteen and was ready to flee the traumas of his family life by focusing his energies on a promising business situation.

Perhaps no job search in American history has been so mythologized as that begun by sixteen-year-old John D. Rockefeller in the sweltering Cleveland of August 1855. Although he was a rural boy, his family hadn't been full-time farmers, and this must have made it easier for him to escape from his small-town, agricultural past and enter the new market economy. Though times were tough, the boy set out with no modest ambition as he pored over the city directory, identifying those establishments with high credit ratings. Already endowed with instinctive respect for big business, he knew exactly what he wanted. "I went to the railroads, to the banks, to the wholesale merchants," he later said. "I did not go to any small establishments. I did not guess what it would be, but I was after something big."²⁵ Most of the businesses he visited lay in a bustling area known as the Flats, where the Cuyahoga River twisted through a clanging, roaring landscape of lumber mills, iron foundries, warehouses, and shipyards before emptying into Lake Erie, which was crowded with side-wheel steamboats and schooners. His quest had a touch of callow grandiosity. At each firm, he asked to speak to the top man—who was usually unavailable—then got straight to the point with an assistant: "I understand bookkeeping, and I'd like to get work."²⁶

Despite incessant disappointment, he doggedly pursued a position. Each morning, he left his boardinghouse at eight o'clock, clothed in a dark suit with a high collar and black tie, to make his rounds of appointed firms. This grimly determined trek went on each day—six days a week for six consecutive weeks—until late in the afternoon. The streets were so hot and hard that he grew footsore from pacing them. His perseverance surely owed something to his desire to end his reliance upon his fickle father. At one point, Bill suggested that if John didn't find work he might have to return to the country; the thought of such dependence upon his father made "a cold chill" run down his spine, Rockefeller later said.²⁷ Because he approached his job hunt devoid of any doubt or self-pity, he could stare down all discouragement. "I was working every day at my business—the business of looking for work. I put in my full time at this every day."²⁸ He was a confirmed exponent of positive thinking.

With almost thirty thousand inhabitants, Cleveland was a boomtown that would have thrilled any young man avid for business experience. It had drawn many transplants from New England who had brought along the Puritan mores and Yankee trading culture of their old hometowns. While the streets were largely unpaved and the town lacked a sewage system, Cleveland was expanding rapidly, with immigrants pouring in from Germany and England as well as the eastern seaboard. The plenty of the Midwest passed through this commercial crossroads of the Western Reserve: coal from Pennsylvania and West Virginia, iron ore from around Lake Superior, salt from Michigan, grain and corn from the plains states. As a port on Lake Erie and the Ohio Canal, Cleveland was a natural hub for transportation networks. When the Cleveland, Columbus and Cincinnati Railroad arrived in 1851, it created excellent opportunities for transport by both water and rail, and nobody would more brilliantly exploit these options than John D. Rockefeller.

For all the thriving waterfront commerce, the job prospects were momentarily bleak. “No one wanted a boy, and very few showed any overwhelming anxiety to talk with me on the subject,” said Rockefeller.²⁹ When he exhausted his list, he simply started over from the top and visited several firms two or three times. Another boy might have been crestfallen, but Rockefeller was the sort of stubborn person who only grew more determined with rejection.

Then, on the morning of September 26, 1855, he walked into the offices of Hewitt and Tuttle, commission merchants and produce shippers on Merwin Street. He was interviewed by Henry B. Tuttle, the junior partner, who needed help with the books and asked him to return after lunch. Ecstatic, Rockefeller walked with restraint from the office, but when he got downstairs and rounded the corner, he skipped down the street with pure joy. Even as an elderly man, he saw the moment as endowed with high drama: “All my future seemed to hinge on that day; and I often tremble when I ask myself the question: ‘What if I had not got the job?’”³⁰ In a “fever of anxiety,” Rockefeller waited until the noon-day meal was over, then returned to the office, where he was interviewed by senior partner Isaac L. Hewitt. Owner of a good deal of Cleveland real estate and a founder of the Cleveland Iron Mining Company, Hewitt must have seemed a mighty capitalist indeed. After scrutinizing the boy’s penmanship, he declared, “We’ll give you a chance.”³¹ They were evidently in urgent need of an assistant bookkeeper, since they told Rockefeller to hang up his coat and go straight to work, without any mention

of wages. In those days, it wasn't unusual for an adolescent to serve an unpaid apprenticeship, and it was three months before John received his first humble, retroactive pay. For the rest of his life, he would honor September 26 as "Job Day" and celebrate it with more genuine brio than his birthday. One is tempted to say that his real life began on that day, that he was born again in business as he would be in the Erie Street Baptist Mission Church. All the latent dynamism that had been dormant during his country youth would now quicken into robust, startling life in the business world. He was finally liberated from Big Bill, the endless flight from town to town, the whole crazy upside-down world of his boyhood.

Poised on a high stool, bent over musty ledger books at Hewitt and Tuttle, the new clerk could gaze from the window and watch the busy wharves or canal barges drifting by on the Cuyahoga River a block away. Though his day began at dawn, in an office lit dimly by whale-oil lamps, this mercantile world never struck him as arid or boring but "was delightful to me—all the method and system of the office."³² Work enchanted him, work liberated him, work supplied him with a new identity. "My duties were vastly more interesting than those of an office boy in a large house today," he later said.³³ The mature Rockefeller liked to dub himself "just a man of figures," and he found nothing dry or soporific about the tall ledgers.³⁴ Having helped Eliza keep the books, he enjoyed a head start. "As I began my life as a bookkeeper, I learned to have great respect for figures and facts, no matter how small they were. . . . I had a passion for detail which afterward I was forced to strive to modify."³⁵

Business historians and sociologists have stressed the centrality of accounting to capitalist enterprise. In *The Protestant Ethic and the Spirit of Capitalism*, Max Weber identified "rational bookkeeping" as integral to capitalism's spirit and organization.³⁶ For Joseph Schumpeter, capitalism "turns the unit of money into a tool of rational cost-profit calculations, of which the towering monument is double-entry bookkeeping."³⁷ It thus seems fitting that John D. Rockefeller, the archetypal capitalist, betrayed a special affinity for accounting and an almost mystic faith in numbers. For Rockefeller, ledgers were sacred books that guided decisions and saved one from fallible emotion. They gauged performance, exposed fraud, and ferreted out hidden inefficiencies. In an imprecise world, they rooted things in a solid empirical reality. As he chided slipshod rivals, "Many of the brightest kept their books in such a way that they did not actually know when they were

making money on a certain operation and when they were losing.”

When Hewitt and Tuttle assigned Rockefeller to pay the bills, he went at this task with an undisguised zeal, a precocious virtuosity, and “attended [to it] with more responsibility than the spending of my own funds.”³⁸ He closely reviewed the bills, confirming the validity of each item and carefully adding up the totals. He pounced on errors of even a few cents and reacted with scornful amazement when the boss next door handed his clerk a lengthy, unexamined plumbing bill and blithely said, “Please pay this bill.”³⁹ Rockefeller was appalled by such cavalier indifference, having just caught the same firm in an overcharge of several cents. One suspects that this stickler for detail taught Hewitt and Tuttle a thing or two about economy. “I recall that there was one captain who was always putting in claims for damages to shipments and I decided to investigate. I examined all the invoices, bills of lading and other documents and found this captain had presented entirely unwarranted claims. He never did it again.”⁴⁰ In all probability, the boy’s orderly nature reflected a need to govern potentially unruly emotions, an exaggerated reaction to his disorderly father and helter-skelter childhood.

Besides writing letters, keeping books, and paying bills, young Rockefeller also served as a one-man collection agency for Hewitt’s rental properties. Although patient and polite, he displayed a bulldog tenacity that took people by surprise. Sitting outside in his buggy, pale and patient as an undertaker, he would wait until the debtor capitulated. He dunned people as if his life depended upon it, an experience apparently laced with considerable anxiety. “How many times I have dreamed now and then up to recent years that I was trying to collect those bills!” he marveled fifty years later. “I would wake up exclaiming: ‘I can’t collect So-and-So’s account!’ ”⁴¹ One explanation for his anxiety is that his flight from his distressing family life was still tenuous, and failure at work would mean reverting to reliance on his father. Another explanation is that while he was persistent, he was also extremely slow; as at school, some people thought him a rather dim-witted dolt who would never rise in the world, and he had to prove himself to naysayers.

However modest an operation, Hewitt and Tuttle was an excellent training ground for an aspiring young businessman, for it exposed Rockefeller to a broad commercial universe. Before the Civil War, most businesses still confined themselves to a single service or product. Hewitt and Tuttle, in contrast, traded a wide array of commodities on commission. Though it had

started out dealing in foodstuffs, it had pioneered in importing iron ore from Lake Superior three years before Rockefeller was hired. The firm relied upon the railroad and the telegraph, the two technologies then revolutionizing the American economy. As Rockefeller remarked, “My eyes were opened to the business of transportation”—no small thing, given Standard Oil’s subsequent controversial relations with the railroads.⁴² Even a simple consignment of Vermont marble to Cleveland required complex calculations of the relative costs of railroad, canal, and lake transportation. “The cost of losses or damage had to be somehow fixed between these three different carriers, and it taxed all the ingenuity of a boy of 17 to work out this problem to the satisfaction of all concerned, including my employers.”⁴³ No business experience was ever wasted upon Rockefeller.

On the last day of 1855, Hewitt handed Rockefeller \$50 for three months of work, or slightly more than 50 cents a day. Effective immediately, Hewitt announced, the assistant bookkeeper would have his wages boosted sharply to \$25 a month or \$300 per year. Oddly, Rockefeller felt guilty about the raise: “I felt like a criminal.”⁴⁴ Again, one has a hunch that he was jubilant but feared, out of religious scruples, his own greed. Accumulating money was one thing, Rockefeller knew, but outwardly coveting it was another.

In many ways, John D. Rockefeller exemplified the enterprising young businessman of his era. Thrifty, punctual, industrious, he was a fervent adherent of the gospel of success. He could have been the hero of any of the 119 inspirational tracts soon to be penned by Horatio Alger, Jr., books that bore such sonorous titles as *Strive and Succeed*, *Luck and Pluck*, *Brave and Bold*, and *Bound to Rise*. This last title, in fact, echoed Rockefeller’s ecstatic boast to an older businessman one day: “I am bound to be rich—bound to be rich—BOUND TO BE RICH!” He was said to have punctuated this refrain by several smart, emphatic whacks on his companion’s knee.⁴⁵ And John D. didn’t become demonstrative about too many topics.

Though Rockefeller steadfastly denied these stories of his boyhood obsession with money, he related the following story of his time at Hewitt and Tuttle:

I was a young man when I got my first look at a banknote of any size. I was clerking at the time down on the Flats here. One day my employer received a note from a down-State bank for \$4,000. He showed it to me in the course of

*the day's business, and then put it in the safe. As soon as he was gone I unlocked the safe, and taking out that note, stared at it with open eyes and mouth, and then replaced it and double-locked the safe. It seemed like an awfully large sum to me, an unheard of amount, and many times during the day did I open that safe to gaze longingly at the note.*⁴⁶

In this story, one can almost feel the erotic charge that the banknote aroused in the boy, the way it cast a hypnotic trance over him. One is reminded of how Big Bill bundled his bills, stored them away, then enjoyed peeking at his hidden treasure. This lusting after money is the more striking in a phlegmatic young man who claimed never to struggle with disruptive impulses. "I never had a craving for tobacco, or tea and coffee," he once stated flatly. "I never had a craving for anything."⁴⁷

If motivated by greed more than he ever cared to admit, Rockefeller also derived a glandular pleasure from work and never found it cheerless drudgery. In fact, the business world entranced him as a fount of inexhaustible wonders. "It is by no means for money alone that these active-minded men labor—they are engaged in a fascinating occupation," he wrote in his memoirs, published in 1908–1909. "The zest of the work is maintained by something better than the mere accumulation of money."⁴⁸

Because American culture encouraged—nay, glorified—acquisitive behavior, there was always the possibility that it might be taken to extremes and people would end up enslaved by their greed. As a result, children were taught to monitor and supervise their behavior. In his posthumously published *Autobiography*, Benjamin Franklin describes how he drew up a little moral ledger that allowed him, at a glance, to track his virtues and vices every day. Many people in the mid-nineteenth century kept such journals to enforce thrift and also objectify their moral performance. Adolescents kept diaries larded with pep talks, exhortations, inspirations, and warnings. Andrew Carnegie wrote hortatory memos to himself, while William C. Whitney kept a small notebook of little homilies. A contradictory impulse was at work: People were spurring themselves to excel but also trying to curb their insatiable appetites in the new competitive economy.

John D. Rockefeller took such internal monitoring to an advanced stage. Like a good Puritan, he scrutinized his daily activities and regulated his desires, hoping to banish spontaneity and unpredictability from his life. Whenever his ambition was about to devour him, his conscience urged

restraint. Since he worked a long day at Hewitt and Tuttle, business threatened to become an overwhelming compulsion. Starting work each day at 6:30 A.M., he brought a box lunch to the office and often returned after dinner, staying late. One day he decided to throttle this obsession. “I have this day covenanted with myself not to be seen in [the office] after 10 o’clock P.M. within 30 days,” he wrote to himself.⁴⁹ It is telling that the young man made such a pledge to himself and equally revealing that he found it impossible to obey.

No less than his business life, Rockefeller’s private life was ruled by bookkeeping entries. Since he found numbers so clean and soothing in their simplicity, he applied the business principles of Hewitt and Tuttle to his own personal economy. When he started working in September 1855, he paid a dime for a small red book, anointed Ledger A, in which he minutely recorded his receipts and expenditures. Many of his young contemporaries kept such record books but seldom with such exacting care. For the remainder of his life, Rockefeller treated Ledger A as his most sacred relic. Producing it before Bible classes more than fifty years later, he became almost tearful and trembled as he thumbed its pages, so potent were the emotions it evoked. At a Bible class of the Fifth Avenue Baptist Church in 1897, a deeply moved Rockefeller held the book aloft and intoned, “I haven’t seen this book for twenty-five years. You couldn’t get it from me for all the modern ledgers in New York and what they all would bring in.”⁵⁰ The book rested in a safety-deposit vault, like some priceless heirloom.

As Ledger A confirms, Rockefeller was now self-supporting and entirely free of his father, spending half his income for his lodging with Mrs. Woodin and for a washerwoman. He took pride in memories of this threadbare adolescence. “I could not secure the most fashionable cut of clothing. I remember I bought mine then from a cheap clothier. He sold me clothing cheap such as I could pay for and it was a great deal better than buying clothes I could not pay for.”⁵¹ He was long puzzled by one lapse from strict economy: He bought a pair of fur gloves for \$2.50 to replace his customary woolen mittens and, at age ninety, was still clucking his tongue over this shocking extravagance. “No, I can’t say to this day what caused me to waste that \$2.50 on regular gloves.”⁵² Another expense pregnant with interest for the mature Rockefeller was his purchase of an illuminant called camphene for eighty-eight cents per gallon. Thanks to massive economies of scale, Standard Oil eventually sold a superior illuminant, kerosene, for five cents a gallon—

something Rockefeller was wont to recall when people later accused him of gouging the populace.

In one critical respect, Rockefeller didn't exaggerate the value of Ledger A, for it spoke authoritatively to the question of whether he was a rapacious man who later misused charity to cleanse a "tainted" fortune. Here Ledger A speaks with a firm and unequivocal voice: Rockefeller was fantastically charitable from boyhood. During his first year on the job, the young clerk donated about 6 percent of his wages to charity, some weeks much more. "I have my earliest ledger and when I was only making a dollar a day I was giving five, ten, or twenty-five cents to all these objects," he observed.⁵³ He gave to the Five Points Mission in a notorious lower Manhattan slum, as well as to "a poor man in church" and "a poor woman in church."⁵⁴ By 1859, when he was twenty, his charitable giving surpassed the 10 percent mark. Despite a pronounced tilt toward Baptist causes, he gave early hints of an ecumenical bent, contributing money to a black man in Cincinnati in 1859 so he could buy his wife out of slavery. The next year, he gave to a black church, a Methodist church, and a Catholic orphanage.

The clerk's philanthropic gifts were as salient as his business talents. It testifies to Rockefeller's deeply paradoxical nature that he was smitten by a \$4,000 banknote but equally entranced by an 1855 book entitled *Extracts from the Diary and Correspondence of the Late Amos Lawrence*. A wealthy New England textile manufacturer, Lawrence gave away more than \$100,000 in a planned, thoughtful fashion. "I remember how fascinated I was with his letters," said Rockefeller, who might have gotten from Lawrence his later habit of handing out freshly minted money to people. "Crisp bills! I could see and hear them. I made up my mind that, if I could manage it, some day I would give away crisp bills, too."⁵⁵ However rare and admirable such thoughts are in a teenage boy, we must note that it was again a case of money exerting a magical effect upon his mind. He saw that money could bring majesty in the moral as well as secular sphere, which excited him more than fancy estates or clothes.

As if he knew he would someday be rich and had to prepare for the appointed hour, the assistant bookkeeper became a perceptive observer of the businessmen around the port and noted their avoidance of ostentation. For instance, he tremendously admired a shipping merchant named L. R. Morris and was struck "by the way he walked, the way he looked, quite unaffected by his great riches. I saw other wealthy men, and I was glad to see that they

went about their business without any display of power or money. Later I saw some who wore rich jewels and luxurious clothes. It seemed unfortunate that they were led into such lavish style.” If Rockefeller kept to a Quakerish sobriety of dress and later resisted the vulgar display of the Vanderbilts and other Gilded Age moguls, with their elaborate mansions and yachts, it had something to do with his Baptist beliefs, but also with the plain, understated style of the wealthy Cleveland businessmen he studied so attentively at a formative stage of his life.

Like innumerable young people before him, Rockefeller turned to the church for all-encompassing answers to intractable family problems. He possessed a sense of calling in both religion and business, with Christianity and capitalism forming the twin pillars of his life. While Charles Darwin’s *Origin of Species* began to chip away at many people’s faith after it was published in 1859, Rockefeller’s religion remained of the simple, undeviating sort. When challenges to orthodoxy arose in later decades, he stuck by the spiritual certainties of his boyhood. Because of his father’s often unscrupulous behavior, the young clerk was ripe for fiery denunciations of sin and the talk of personal salvation and moral reformation that were then staples of Baptist discourse. From the beginning, his Baptist faith served as a powerful instrument to control forbidden feelings and check his father’s unruly nature within him. After the constant flux of his childhood, he yearned to be rooted in a church that would act as his substitute family but without the shameful aspects of his real one.

While John and William boarded with Mrs. Woodin and her daughter, Martha, the four of them began to attend a poor, struggling church nearby called the Erie Street Baptist Mission Church. Organized three years earlier by the well-heeled First Baptist Church, the mission church was a spare white building with a belfry and tall narrow windows, standing in a flat, treeless space. Several religious revivals had rolled through Cleveland in the 1850s, and the Erie Street Baptist Mission Church was created in the aftermath of a revival meeting that lasted 150 consecutive nights.

The church gave Rockefeller the community of friends he craved and the respect and affection he needed. Having studied in Deacon Alexander Sked’s Bible class, Rockefeller was recruited to the church by Sked, a florist by trade, a poetical Scot who loved to spout psalms and prophecies and seemed to know the whole Bible by heart. Born in Scotland in 1780, Sked arrived in America in 1831 and moved to Cleveland four years later. During services, he

would lift his hands in supplication to God, his face shining with fervor. This pious, elderly man served as a mentor to Rockefeller, who sought him out to report the good news when he got his job at Hewitt and Tuttle, an encounter that produced an unexpected snub that Rockefeller never forgot. “Before I went away, he remarked that he liked me pretty well, but that he had always liked my brother William better. I could never think why he said that. I did not hold it against him, but it puzzled me.”⁵⁶

In the fall of 1854, after making a personal confession of faith, John was immersed in the baptismal basin by Deacon Sked and became a full-fledged church member. Never a snob, Rockefeller was proud of being “brought up in a mission church.”⁵⁷ Notwithstanding his worldly ambition, he didn’t seek social shortcuts to success by joining a prosperous congregation or a high-church denomination. As a loner and outsider, he was drawn by the warm fellowship of the faithful and liked the egalitarian atmosphere of the Erie Street church, which gave him the opportunity to associate, as he put it, with “people in the most humble of circumstances.”⁵⁸ A central tenet of Baptism is the autonomy of individual congregations, and the mission churches, which weren’t dominated by established families, were the most democratic of all. The Erie Street church was populated by salesmen, shop assistants, railroad conductors, factory workers, clerks, artisans, and others of extremely modest means. Even in its later, fancier incarnation as the Euclid Avenue Baptist Church, the membership remained more plebeian than patrician. In his later years, Rockefeller declared, with heartfelt warmth, “How grateful I am that these associations were given to me in my early boyhood, that I was contented and happy with . . . the work in the church, with the work in the Sunday school, with the work with good people—that was my environment, and I thank God for it!”⁵⁹

Instead of merely attending services, Rockefeller performed numberless tasks in the church. While still in his teens, he became a Sunday-school teacher, a trustee, and an unpaid clerk who kept the board minutes in his own hand. Free of false pride, he delighted even in menial chores, and one woman in the congregation left this vivid vignette of his ubiquitous presence:

In those years . . . Rockefeller might have been found there any Sunday sweeping out the halls, building a fire, lighting the lamps, cleaning the walks, ushering the people to their seats, studying the bible, praying, singing, performing all the duties of an unselfish and thorough going church member. .

. . . He was nothing but a clerk, and had little money, and yet he gave something to every organization in the little, old church. He was always very precise about it. If he said that he would give fifteen cents, not a living soul could move him to give a penny more, or a penny less. . . . He studied his Bible regularly and diligently, and he knew what was in it. ⁶⁰

One notes his proprietary feeling about the church, how lovingly he tended it. In some respects, he acted as a volunteer janitor, sweeping the austere chapel, washing the windows, replenishing the candles in wall sconces or stoking the corner base burner with wood. On Sundays, he rang the bell to summon people to prayer and kindled the fire and then, to economize, snuffed out all the candles save one as people filed from the service. "Save when you can and not when you have to," he instructed others and urged them to wear their good Sunday clothing to work as a sign of their Christian pride.⁶¹ Besides Friday evening prayer meetings, he went to services twice on Sunday and was always a conspicuous figure in a straight-backed pew, kneeling and leading the congregation in prayer. He prized the special intensity of feeling that Baptists brought to their faith, which provided an emotional release lacking elsewhere in his life. With a ripe baritone voice, refined by singing lessons at church, he boomed out hymns with deep joy. His favorite, "I've Found a Friend," portrayed Jesus in tenderly familiar terms: "I've found a Friend; oh, such a Friend! / He bled, he died to save me."⁶²

In a world full of snares to entrap the unsuspecting pilgrim, Rockefeller tried hard to insulate himself from all temptation. As he later saw it, "a boy must ever be careful to avoid the temptations which beset him, to select carefully his associates and give attention as well to his spiritual and . . . mental and material interests."⁶³ Since evangelicals abstained from dancing, cards, and theater, Rockefeller restricted his private life to church socials and picnics, where he could play blindman's buff and engage in other innocent pastimes. As a model Baptist, he was sought after by the young ladies. "The girls all liked John immensely," said one congregant. "Some of them came dangerously near to being in love with him. He was not especially attractive in his person and his clothes were strenuously plain and well worn. He was thought much of by these spiritual minded young women because of his goodness, his religious fervor, his earnestness and willingness in the church, and his apparent sincerity and honesty of purpose."⁶⁴

Over lemonade and cake at church socials, Rockefeller developed a close

attachment to a pretty young woman named Emma Saunders, who chafed that John wouldn't broaden his social activities and insisted upon confining their dating to the church. For Rockefeller, the church was more than a set of theological positions: It was a fellowship of virtuous, like-minded people, and he always hesitated to stray too far from its protective embrace.

Though generally reserved, Rockefeller developed convivial habits in church that lingered for life, and it bothered him when people marched off right after the Sunday service. "There ought to be something that makes the church homelike," he insisted. "Friends should be glad to see each other and to greet strangers."⁶⁵ Even in later years, when huge swarms of people congregated at the church door to glimpse the world's richest man, he would still clasp people's hands and bask in the glow of familial warmth. The handshake acquired symbolic meaning for him, for it was "the friendly hand extended to the man who doesn't know that he is wanted [that] brings many a one into the church. This early feeling about handshaking has stayed with me. All my life, I have enjoyed this thing that says: 'I am your friend.'"⁶⁶

Just as Rockefeller was sensitive to condescending treatment in the business world, he couldn't stand it in the religious realm either. Since mission churches weren't self-financing, Rockefeller and other trustees had to submit to patronizing advice from the mother church. "This strengthened our resolve to show them that we could paddle our own canoe."⁶⁷ While Rockefeller's religious faith ran strong, he was most involved in the temporal affairs of the church, which he thought should be run like a tidy business. He soon had a chance to defend the church's solvency when it fell behind on interest payments on a \$2,000 mortgage held by a deacon. One Sunday, the pastor announced from the pulpit that this creditor threatened to foreclose on the church and that they had to raise \$2,000 very fast to survive. As the stunned congregation filed out, they found Rockefeller stationed at the door, buttonholing people and asking them to pledge specific amounts. "I pleaded, urged, and almost threatened. As each one promised, I put his name and the amount down in my little book, and continued to solicit from every possible subscriber."⁶⁸ Perhaps nothing in his early life so foreshadowed his unswerving pursuit of business goals. "The plan absorbed me," he admitted. "I contributed what I could, and my first ambition to earn money was aroused by this and similar undertakings in which I was constantly engaged."⁶⁹ In a matter of months, he had raised \$2,000 and saved the church. By age twenty, he had emerged as the second most important member of the congregation,

surpassed only by the preacher.

With a mostly spartan country education and scant exposure to big-city culture, John D. Rockefeller's mind was largely furnished with precepts and phrases from his Baptist fundamentalist church. Throughout his life, he extracted from Christianity practical lessons for living and emphasized the utility of religion as a guide in mundane affairs. Over time, the American public would wonder how he squared his predatory bent with his religion, yet much that was preached in the church of his youth—at least as Rockefeller saw it—encouraged his moneymaking predilections. Far from placing obstacles in his path, the religion he encountered seemed to applaud him in his course, and he very much embodied the sometimes uneasy symbiosis between church and business that defined the emerging ethos of the post-Civil War American economy.

Rockefeller never wavered in his belief that his career was divinely favored and asserted bluntly, “God gave me my money.”⁷⁰ During the decades that he taught Sunday-school classes, he found plenty of scriptural evidence to buttress this claim. (Of course, his critics would cite many contrary quotations, warning of the pernicious influence of wealth.) When Benjamin Franklin was a boy, his father had pounded into his head the proverb “Seest thou a man diligent in his business? He shall stand before kings,” and Rockefeller often presented this text to his class. Martin Luther had exhorted his congregation, “Even though [your work] seems very trivial and contemptible, make sure you regard it as great and precious, not on account of your worthiness, but because it has its place within that jewel and holy treasure, the Word and Commandment of God.”⁷¹ Many eminent nineteenth-century theologians took the Calvinist view that wealth was a sign of God's grace and poverty a telltale sign of heavenly disfavor. Henry Ward Beecher, calling poverty the fault of the poor, proclaimed in a sermon that “generally the proposition is true, that where you find the most religion you find the most worldly prosperity.”⁷²

As to why God had singled out John D. Rockefeller for such spectacular bounty, Rockefeller always adverted to his own adherence to the doctrine of stewardship—the notion of the wealthy man as a mere instrument of God, a temporary trustee of his money, who devoted it to good causes. “It has seemed as if I was favored and got increase because the Lord knew that I was going to turn around and give it back.”⁷³ Rockefeller said this in his late

seventies, and one wonders whether the equation between moneymaking and money giving only entered his mind later. Yet even as a teenager, he took palpable pleasure in distributing money for charitable purposes, and he insisted that from an early date he discerned the intimate spiritual link between earning and dispensing money. “I remember clearly when the financial plan—if I may call it so—of my life was formed. It was out in Ohio, under the ministration of a dear old minister, who preached, ‘Get money; get it honestly and then give it wisely.’ I wrote that down in a little book.”⁷⁴ This echoed John Wesley’s dictum, “If those who ‘gain all they can’ and ‘save all they can,’ will likewise ‘give all they can,’ then the more they will grow in grace.”⁷⁵ Rockefeller operated by such spiritual double-entry bookkeeping, with his charity serving, in time, as incontestable proof of his fortune’s purity. It might well be that his early commitment to charity gave him some inner license needed to pursue wealth with unparalleled—and at times unprincipled—vigor.

As Max Weber observed, ascetic Christianity was a matchless breeding ground for would-be businessmen. The practice of tithing, for instance, instilled habits of thrift, self-denial, and careful budgeting that were invaluable assets for any aspiring capitalist. John D. Rockefeller was the Protestant work ethic in its purest form, leading a life so consistent with Weber’s classic essay that it reads like his spiritual biography. It might be useful to note some of Weber’s aperçus that apply with especial force to Rockefeller. Weber argued that the Puritans had produced a religion that validated worldly activity, with “the making of money by acquisition as the ultimate purpose” of life.⁷⁶ They approached business in a rational, methodical manner, banishing magic from the marketplace and reducing everything to method. Because prosperity was a sign of future salvation, the elect worked with special diligence to reassure themselves of God’s favor. Even those who amassed great wealth continued to labor, since they worked, ostensibly, for God’s glory, not for their own aggrandizement. The church didn’t want to be in the position of promoting greed, so it circumvented this problem by legitimating the pursuit of money if channeled into a calling—that is, the steady dedication to a productive task. Once a person discovered his calling, he was supposed to apply himself with all-consuming devotion, the money thus acquired being deemed a sign of God’s blessing.

One by-product of the emphasis on a calling was that Puritans relegated activities outside the religious and economic sphere to a lesser order of

importance. The believer wasn't supposed to search for pleasure beyond the sheltered confines of family, church, and business, and the gravest sins were wasting time, indulging in idle chatter, and wallowing in luxurious diversions. Bent on making money, the good Puritan had to restrain his impulses instead of gratifying them. As Weber remarked, "Unlimited greed for gain is not in the least identical with capitalism, and is still less in spirit. Capitalism *may* even be identical with the restraint, or at least a rational tempering, of this irrational impulse."⁷⁷ That is, the man who would be rich must be thrifty. People had to regulate their lives, Weber argued, so that self-abnegation could bring forth plenty. A fateful contradiction lay at the heart of this Puritan culture, for the virtues of godly people made them rich, and these riches, in turn, threatened to undermine that godliness. As Cotton Mather declared of the Plymouth colony in the 1690s, "Religion begot prosperity, and the daughters devoured the mother."⁷⁸ This contradiction posed a central dilemma for John D. Rockefeller and his descendants, who would struggle tirelessly against the baneful effects of wealth.

Of the four principal groups of ascetic Protestants analyzed by Weber, we should note, the Baptists alone rejected predestination and therefore couldn't construe wealth as an infallible sign of God's favor. On the other hand, as Weber pointed out, certain Baptist tenets prepared its adherents to prosper in the marketplace. Abhorring religious idolatry, demoting sacraments as a means to salvation, Baptism fostered a rational outlook that was well suited to advancement in capitalist society. Rockefeller was convinced that he had a God-given talent for making money, was obligated to develop it, and was liberally rewarded by God—all compatible with Baptist doctrine. For this reason, he found religion far more of a spur than a hindrance to his ambitions. Where others saw him as an anomaly in a denomination that always welcomed working people and harbored a faint distrust of the rich, he never saw any such contradiction.

Before leaving Rockefeller's early Baptist indoctrination, we should note that the economic climate of his adolescence must have deepened his religious convictions. In 1857, while he was still at Hewitt and Tuttle, America fell into an economic slump. The proximate cause was the end of the Crimean War in 1856, which dealt a blow to American farmers who had profited from the war. On a more profound level, the crisis capped a decade of frantic speculation in railroad securities and land, stoked by heavy borrowing. As five thousand businesses failed and hundreds of thousands of workers were idled, the exuberant boosterism of the 1850s was suddenly and

dramatically quelled.

As happened in the Great Depression of the 1930s, people were shocked that an effervescent economy could stall so woefully. As one contemporary observer put it, “It seems indeed strange that in the very midst of apparent health and strength . . . the whole country . . . should suddenly come to a dead stop and be unable to move forward—and that we should suddenly wake up from our dreams of wealth and happiness, and find ourselves poor and bankrupt.”⁷⁹ A wave of hysterical breast-beating ensued, with President James Buchanan insisting that the crisis came “solely from our extravagant and vicious system of paper currency and bank credits, exciting the people to wild speculations and gambling in stocks.”⁸⁰

Rather than blaming the business cycle, many evangelical Christians interpreted the downturn as divine punishment for a society grown lax, worldly, and dissolute. One Boston reformer descried redeeming features in the slump, hoping it would “teach good and much needed lessons . . . and will reduce all things here to a more sober, sound, and healthy condition.”⁸¹ The mood of national self-flagellation prompted a religious upsurge known as the Businessmen’s Revival. In 1857, businessmen gathered in many cities for lunchtime prayer meetings where they publicly swore off drink and other indulgences. During this massive outpouring of repentance, evangelical churches recruited tens of thousands of new members. The shift from euphoria to depression in the business sphere—mirrored by a shift from sin to salvation in the religious sphere—probably strengthened Rockefeller’s innate conservatism as a fledgling businessman while bolstering his already deep-seated Baptist inclinations. As he said, “What a school—the school of adversity and stress—to train a boy in!”⁸²

Whatever the general misery caused by the 1857 panic, William Avery Rockefeller’s medical road show thrived that year, and he briefly managed to support and juggle two marriages. In the spring of 1856, Bill had surfaced again in Cleveland, rooming with John and William at Mrs. Woodin’s while scouting out a permanent home for his family. He was residing intermittently with Margaret Allen’s family in Ontario, posing as Dr. William Levingston, and now had to make some final disposition before he deserted his first wife and children for good. When he found a roomy brick house for rent at 35 Cedar Street, equipped with such luxuries as indoor toilet and bathroom, he brought Eliza and the children in from Parma. John and William moved out of

Mrs. Woodin's place and were reunited with their family. At this point, Bill decided that John should contribute to the family upkeep and pay him the same rent he had given to Mrs. Woodin.

In 1857, Bill decided to build for his family a substantial brick house on Cheshire Street in downtown Cleveland, a farewell gift that would enable him to abscond with a clear conscience. "In 1857 my father told me to build a house," said John D., giving the story a positive gloss. "It was a lesson in self-reliance. He handed me the money, told me the sort of house he wanted and left all the details of the business to me. I drew plans, got the material, found a builder, and built the house."⁸³ Did Bill regard this as some final test, a crash course in business for John, before he abandoned his family to the tender mercies of chance? As he warned his son, "I shall be away and must rely on your judgment."⁸⁴ Or perhaps Bill just wanted to be spared the inconvenience of doing it himself.

Rockefeller was justifiably proud of his feat of superintending this house, a bravura performance for a boy of eighteen with an already demanding schedule at Hewitt and Tuttle. As if he had been doing nothing but construction work all his life, he solicited estimates from eight contractors and selected the lowest bidder. He reviewed the plans, negotiated the contracts, and settled the bills with implicit confidence in his judgment. In fact, so closely did he supervise the contractors, so zealously did he outbargain them, that they lost money on the project. If Bill was testing his son's ability, he passed with flying colors.

By one account, a dispute arose as to whether John would pay rent at the new house. He presumably felt that, having built the structure, he had earned the right to occupy it free of rent, but Devil Bill laid down his own arbitrary rules and overrode Eliza's protests. "You bought your time, didn't you?" he told John. "What you're getting now is your own, ain't it? Well, you have to pay me board."⁸⁵ Once again, one marvels at Bill's barefaced cheek no less than his son's fortitude in the face of repeated provocations.

Now that the Rockefellers were reconstituted in Cleveland, John was deputized as the new paterfamilias, as Bill again exited from the scene, setting up house in Philadelphia with Margaret Allen sometime in the late 1850s. For several more years, Bill was weirdly enmeshed in John's affairs and for five decades continued to materialize, like a burly, smiling genie, at odd intervals. But from this point forward, the gap between Bill's two lives and two wives

began to widen into an unbridgeable chasm. By an exquisite (and, for Bill, surely excruciating) irony, this scheming, selfish, money-mad charlatan turned his back on his family just as his eldest son began to amass the largest fortune in history. John D. Rockefeller inhabited a stoic universe in which it was considered a sign of strength and mental health to banish your cares and forge ahead instead of morbidly dwelling on your parents' failings. But if John nursed vengeful feelings toward Bill, it must have been secretly gratifying to him that his father left at the very dawn of his triumph and forfeited any claim to his wealth.

Eliza probably never knew that after she'd raised his five children, Bill had traded her in for a much younger woman, but she was now better equipped to withstand his loss than she had been a few years earlier. When John Davison died on June 1, 1858, he left her an annuity that lasted through 1865, when she inherited the principal. With two sons drawing income—William was now working under John as a bookkeeper at Hewitt and Tuttle—and with occasional assistance from Bill, Eliza could muddle through on her own. She especially relied upon her eldest son, the wunderkind who seemed capable of anything and who was as steady and trustworthy as her husband had been feckless and mercurial. Eliza was now in her mid-forties, and photos show a prim, sad, gaunt woman. Divorce wasn't an option for a devout nineteenth-century woman, and her giddy fling with the handsome young peddler had left her imprisoned in a premature widowhood. Bill had been her sole chance, her crazily squandered bid to escape from rural tedium, and the misbegotten marriage left both her and her eldest son with a lifelong suspicion of volatile people and rash actions.

In his trilogy of Frank Cowperwood novels, his fictionalized version of the life of the Chicago traction magnate Charles Yerkes, Theodore Dreiser described the uncanny perspicacity about his bosses that distinguished the adolescent Cowperwood in his first job as a clerk in a grain-commission business. "He could see their weaknesses and their shortcomings as a much older man might have viewed a boy's."⁸⁶ The remark aptly captures the coolly critical eye with which Rockefeller sized up his elders at Hewitt and Tuttle. He was respectful toward his superiors but never awed by them and was always aware of their shortcomings. For the record, he professed great respect for Isaac Hewitt, twenty-five years his senior, but he was much more caustic in private, referring to him as a "disgruntled" man, forever entangled in litigation.

Despite his youth, Rockefeller soon came to feel that he was being underpaid. When Tuttle quit in January 1857, Rockefeller was elevated to chief bookkeeper, performing, at the age of seventeen, all the tasks formerly discharged by the departed partner. Where Tuttle had earned \$2,000 a year as partner, Rockefeller was given only \$500, and this vexing inequity was only slightly mitigated when Hewitt raised him to \$600 a year by 1858. With the same preternatural confidence evident in his campaign to pay off the church mortgage or oversee the Cheshire Street house, the boy began to trade for his own account, making small but successful forays into flour, ham, and pork. Soon, this adolescent businessman was cutting something of a figure on the Cleveland docks, where he was always addressed as Mr. Rockefeller.

A variety of factors conspired to bring about his departure from Hewitt's firm. Though his salary grated on him, he waited until the economy snapped back from the 1857 downturn before making his move. In charge of the books, he could see that the firm had nearly been bankrupted by the slump and faced a bleak future—a suspicion confirmed by the fact that Hewitt shrewdly kept his extensive real-estate holdings segregated from his stake in the commission house. Big Bill, who always liked to play the freelance banker, had given a thousand-dollar loan to Hewitt, and when John informed him of the concern's precarious state, he barged into the office and demanded (and got) immediate repayment from Hewitt.

John D. Rockefeller wasn't one to dawdle in an unprofitable concern. His career had few wasted steps, and he never vacillated when the moment ripened for advancement. When he asked Hewitt for an \$800 salary, his cash-strapped boss dithered for weeks before deciding he could go no higher than \$700. Later, Rockefeller claimed he would have stayed if Hewitt had matched his demand, but added, "even then I was preparing, getting ready for something big."⁸⁷ While he and Hewitt were bickering in early 1858, an attractive opportunity arose that settled the issue. Rockefeller had befriended a young Englishman, twenty-eight-year-old Maurice B. Clark, who worked down the street at a produce house called Otis, Brownell. They had been classmates at E. G. Folsom's Commercial College and were also neighbors on Cheshire Street. According to Clark, Rockefeller already had "the reputation of being a young bookkeeper of more than ordinary ability and reliability," and Clark proposed that they form a new partnership for buying and selling produce, with each partner investing an initial \$2,000—an amount equal to \$36,000 in 1996 dollars.⁸⁸ Amazingly enough, Rockefeller had saved \$800, equivalent to a year's salary, in less than three years on the job, but he still fell

considerably short of Clark's figure.

As he brooded over how to raise the money, he was informed by his father that he had always intended to give each of his children \$1,000 at age twenty-one, and he now offered to advance John the money. "But, John," he added, lest his son expect miracles, "the rate is ten." ⁸⁹ Having just retrieved a thousand dollars from Hewitt, Bill might have been looking for a high return on these idle funds. John knew his father far too well to plead for a gift and accepted the 10 percent loan, which was higher than the prevailing rate. So on April 1, 1858, backed up by this borrowed money, John D. Rockefeller left Isaac Hewitt and joined the new partnership of Clark and Rockefeller at 32 River Street. At eighteen, he was catapulted to a partner's rank in a commission house. "It was a great thing to be my own employer," said Rockefeller. "Mentally I swelled with pride—a partner in a firm with \$4,000 capital!"⁹⁰ The moment was fraught with meaning for him, and after his first day at work he went back to the Cheshire Street house, fell to his knees, and implored the Lord to bless his new enterprise.

Rockefeller never regretted his apprenticeship at Hewitt and Tuttle and, like many self-made men, lavished a retrospective tenderness on his early years. If anything, he drenched the whole experience in a sentimental syrup that only grew thicker and sweeter with time. Even in 1934, at age ninety-five, Rockefeller tried to rally one grandson with tales of his heroic initiation at Hewitt and Tuttle, his stirring baptism in business. "Oh how blessed the young men are who have to struggle for a foundation and a beginning in life. I shall never cease to be grateful for the three and a half years of apprenticeship and the difficulties to be overcome, all the way along."



John D. Rockefeller in his early twenties. (Courtesy of the Rockefeller Archive Center)

CHAPTER 4

Baptism in Business

When the sign reading “Clark and Rockefeller” was hoisted atop the warehouse at 32 River Street, the local business community warmly greeted the new arrivals. The Cleveland Leader wrote, “As experienced, responsible and prompt businessmen, we recommend their house to the favorable consideration of our readers.”¹ In this first partnership, success seemed to come quickly and easily to Rockefeller. With a booming traffic in meat, grain, and other foodstuffs circulating through the Great Lakes, he and Clark nimbly bought and sold carloads of produce. As the firm’s ambitious circular stated, they were prepared to deal in “grain, fish, water, lime, plaster, coarse fine solar and dairy salt.”² The fledgling firm weathered just enough perils to lend, retrospectively, nostalgic charm to this maiden period. Two months after opening for business, the partners had to cope with a severe frost that damaged midwestern crops. Having contracted to buy a large shipment of beans, they wound up with a big, semispoiled batch, strewn with dirt and rubbish. “When we were not needed in the office we used to go out to the warehouse, my partner and I, and sort out those beans.”³ This setback didn’t detract from the firm’s overall performance, for by year’s end it had netted a highly respectable \$4,400, tripling the income that John had made during his last year at Hewitt and Tuttle.

But because of the bean fiasco, John had to turn again, however grudgingly, to Big Bill for a rescue loan. To excel in commodities, it was imperative to offer generous financing, and Clark and Rockefeller advertisements trumpeted to prospective clients that they were “prepared to make liberal advances and consignments of produce, etc.”⁴ With his son, Bill often liked to play sadistic money games and then defended his knavish behavior by citing some warped, pedagogical purpose. As he bragged to a Strongsville neighbor, “I trade with the boys and skin ’em and I just beat ’em every time I can. I want to make ’em sharp.”⁵ John was by now resigned to the bizarrely commercial character of his dealings with his father, and in his memoirs he even idealized Bill’s lending maneuvers as teaching him valuable lessons. “To my father I owe a great debt in that he himself trained me to practical ways.

He was engaged in different enterprises; he used to tell me about these things, explaining their significance; and he taught me the principles and methods of business.”⁶

As John knew, his father’s style as a banker followed a grimly manic pattern of conviviality giving way to Scrooge-like severity. “Our relations on finances were a source of some anxiety to me, and were not quite so humorous as they seem now as I look back on them,” Rockefeller allowed, permitting a smidgen of anger to show.⁷ When Bill offered a 10 percent loan, the real motive was something other than altruism, for he had an infuriating habit of calling in loans at the least opportune time. “Just at the moment when I required the money most he was apt to say, ‘My son, I find I have got to have that money,’ ” John D. recalled in his memoirs. “ ‘Of course, you shall have it at once,’ I would answer, but I knew that he was testing me, and that when I paid him, he would hold the money without its earning anything for a little time and then offer it back later.”⁸ About this continuing psychodrama, Rockefeller later said, in another fleeting moment of candor, “he would never know how angry I felt beneath the surface.”⁹

An intimate, critical perspective on the perverse relations between Rockefeller and his father comes from George W. Gardner, who joined Clark and Rockefeller as a partner on April 1, 1859. Having worked with Clark at Otis, Brownell, he was evidently invited into the firm to shore up its capital. Scion of an elite Cleveland family, cut from a different cloth than the self-made men of Rockefeller’s early years, Gardner later served as mayor of Cleveland and commodore of the Cleveland Yacht Club. With Gardner’s arrival, Rockefeller’s name was dropped from the firm’s title, and the new partnership was styled Clark, Gardner and Company, the ostensible and quite cogent reason being that Gardner’s name would entice more clients. Rockefeller always felt uneasy about venting anger or making an egotistical show of protest, and he pretended to accept this demotion with equanimity. “Maurice Clark was very pleasant about it,” he later insisted. “And he said, ‘Never mind. It won’t be very long—before many years you’ll be doing better than any of us.’ Yes, he was very nice about it. I made no objection.”¹⁰ Yet this stinging blow rankled, as he later admitted. “I considered this a great injustice to me as I was an equal partner and Gardner brought in only his share of the capital, but I thought it best to submit.”¹¹ It says much about Rockefeller that he thought it unseemly and unchristian to confess to such understandable feelings of injured pride.

Rockefeller was bound to clash with Gardner and Clark, for he was a Roundhead among Cavaliers and approached his work with unflagging, humorless energy. “Your future hangs on every day that passes,” he admonished himself.¹² “Long before I was twenty-one men called me, ‘Mr Rockefeller,’ ” he recalled. “Life was a serious business to me when I was young.”¹³ The only time he showed any youthful gaiety was when sealing a lucrative deal. Like the resident moral overseer, he felt contempt for Clark and Gardner’s easygoing ways and irreverent spirit, and they found this young killjoy both a welcome and grating presence in the office.

Afraid that any levity would diminish their chances of getting loans, the twenty-year-old sought to stifle the excesses of his older partners. When Gardner and three friends purchased a \$2,000 yacht, Rockefeller roundly condemned this extravagance. One Saturday afternoon, Gardner was about to escape from the office for an afternoon sail when he saw Rockefeller hunched glumly over his ledgers. “John,” he said agreeably, “a little crowd of us are going to take a sail over to Put-in-Bay and I’d like to have you go along. I think it would do you good to get away from the office and get your mind off business for a while.” Gardner had touched an exposed nerve and, as he recounted years later to a reporter, his young partner wheeled on him savagely. “George Gardner,” he sputtered, “you’re the most extravagant young man I ever knew! The idea of a young man like you, just getting a start in life, owning an interest in a yacht! You’re injuring your credit at the banks—your credit and mine. . . . No, I won’t go on your yacht. I don’t even want to see it!” With that, Rockefeller leaned back over his account books. “John,” said Gardner, “I see that there are certain things on which you and I probably will never agree. I think you like money better than anything else in the whole world, and I do not. I like to have a little fun along with business as I go through life.”¹⁴

Later on, Rockefeller learned to camouflage his business anxiety behind a studied calm, but during these years it was often graphically displayed. Clark remembered one daring venture when the firm wagered its entire capital on a large grain shipment to Buffalo. With foolish, atypical imprudence, Rockefeller suggested that they skip the insurance and pocket the \$150 premium; Gardner and Clark reluctantly acquiesced. That night, a terrible storm blew across Lake Erie, and when Gardner came to the office the next morning, a frightfully pale Rockefeller paced the floor in agitation. “Let’s take out insurance right away,” he said. “We still have time—if the boat hasn’t

been wrecked by now.” Gardner ran off to pay the premium. By the time he got back, Rockefeller was waving a telegram announcing the ship’s safe arrival in Buffalo. Whether unnerved by the episode or upset at having paid the unnecessary premium, Rockefeller went home ill that afternoon.¹⁵

One suspects that Rockefeller associated the bon vivant Gardner with his father, much to Gardner’s detriment. Indeed, Gardner felt an affinity with Bill, relishing his bonhomie and outlandish humor and calling him “one of the most companionable and most likeable old men I ever knew. He would crack jokes and have more to say in one conversation than John would utter in a week.”¹⁶ Gardner was the first of many Rockefeller associates to note the unanswered questions about Bill, who returned to Cleveland at irregular intervals, invariably depositing or withdrawing huge amounts of cash from Clark, Gardner. “I wondered what business a man could be in that he would have \$1,000 to spare one month and need it the next,” said Gardner.¹⁷

Thanks to Gardner, we can date the earliest moment at which we can say with some certainty that John knew of his father’s scandalous relationship, if not of his bigamy. The firm was starting to cultivate business contacts in Philadelphia, and it occurred to Gardner that on his next trip there, he might solicit information from Bill. “So I asked John for his father’s address. He hesitated and finally said he couldn’t remember.” This immediately puzzled Gardner, who knew Rockefeller had a phenomenal memory, and he asked if he could secure the address from Eliza at lunchtime. After lunch, John never alluded to the matter, and as they prepared to leave that evening, Gardner again inquired after the address. “He flushed up and said he’d forgotten to ask for it when he went home. I pressed him no further, and never found out where his father lived.”¹⁸ When John began to fathom the depth of his father’s duplicity toward his mother, he must have inwardly reeled, and he reacted with the same repressed emotion and steadfast evasion that had served him as a boy. Already Rockefeller was treating his father as the supreme taboo subject, setting a pattern for the unremitting secrecy that would pervade Standard Oil.

Photos of Rockefeller from the Clark, Gardner period show a tall young man with a vigorous air and alert, penetrating eyes. His tightly compressed lips expressed a fierce determination and a guarded nature. Big and broad-shouldered, he had an incipient stoop that gave him a wary air. Despite his occasional, priggish blowups with Gardner, he had that sublime self-

confidence that speaks with quiet authority. Neatly dressed and well groomed, Rockefeller was the first to arrive at and the last to leave work each day. In a natural division of labor, Clark took charge of buying and selling while Rockefeller tended the books. Rockefeller seemed destined to succeed as much from his fastidious work habits as from innate intelligence. With the avidity of a zealous auditor, he liked to smoke out wrongdoing and uncover errors. Maurice Clark thought John congenial but “too exact. He was methodical to an extreme, careful as to details and exacting to a fraction. If there was a cent due us, he wanted it. If there was a cent due a customer, he wanted the customer to have it.”¹⁹ The portrait, if slightly chilling, also underscores Rockefeller’s prudish honesty during this phase of his career.

From the outset, Rockefeller had to wrestle with the demons of pride and greed. When rebuffed by a bank officer for a loan, he shot back in anger, “Some day I’ll be the richest man in the world.”²⁰ He went through the week cautioning himself with proverbs taught by Eliza, such as “Pride goeth before a fall,” and this spiritual self-scrutiny intensified with his growing wealth.²¹ When he rested his head on the pillow at night, he warned himself, “Because you have got a start, you think you are quite a merchant; look out, or you will lose your head—go steady. Are you going to let this money puff you up? Keep your eyes open. Don’t lose your balance.”²² Had Rockefeller not feared his own capacity for excess, he wouldn’t have engaged in such strenuous introspection. As he said, “These intimate conversations with myself, I’m sure, had a great influence on my life. I was afraid I could not stand my prosperity, and tried to teach myself not to get puffed up with any foolish notions.”²³ It’s easy to suppose that Rockefeller’s typically sententious style was borrowed from church and first polished by these nightly sermons that he preached to himself.

That Rockefeller led an unblemished Christian life played no small role in his business accomplishments, for he appealed to the older citizens in town. During his first year with Clark, he hired someone to look after the books while he took to the open road to drum up business, traveling widely in Ohio and Indiana. Contrary to what one might expect, Rockefeller was a smoothly persuasive salesman. Instead of brashly trying to poach clients from rivals, he modestly outlined his firm’s services. “I would go into an office and present my card and say to the man that I supposed his business connections were satisfactory, and that I did not wish to intrude upon him, but that I had a proposition that I myself believed in and believed it would be to his

advantage, that I did not expect him to decide off hand but asked him to think it over and I would see him again about it.”²⁴ Orders to handle commodity trades poured in almost faster than he could handle them. “I found that old men had confidence in me right away, and after I stayed a few weeks in the country, I returned home and the consignments came in and our business was increased and it opened up a new world for me.”²⁵

Rockefeller handled people adroitly and wasn't the cold curmudgeon of later myth. However, he was persistent, which pleased or displeased people according to taste. Previewing a problem that bedeviled the oil business, the commodity business was chronically short of railroad cars to transport flour, grain, and pork, and Rockefeller badgered one railroad official so much that the older man finally wagged a finger at him and snapped, “Young man, I want you to understand you can't make a shuttlecock of me.”²⁶ Rockefeller often related how the firm's best customer once pressed him to violate conservative business practice and advance him money before the produce or bill of lading was in hand. Though Rockefeller refused him, he still tried to keep the customer. “But he stormed about, and in the end I had the further humiliation of confessing to my partner that I had failed.”²⁷ Only afterward did Rockefeller learn that the customer's intransigence was a cunning trap set by a local banker to see whether these young men could withstand temptation and hew to their conservative principles.

For all his populist mistrust of bankers, Rockefeller owed much of his incandescent rise to their assistance. “The hardest problem all through my business career was to obtain enough capital to do all the business I wanted to do and could do, given the necessary amount of money.”²⁸ The banking system was then weak and atomized. Many Main Street banks were thinly capitalized, and they inspired so little trust that Rockefeller's firm kept spare cash in the safe. Rockefeller got his first extrafamilial loan from a kindly, benevolent old banker named Truman P. Handy, who agreed to take warehouse receipts as collateral. After getting this \$2,000 loan, John almost floated down the sidewalk. “Just think of it,” he mused, “a bank had trusted me for \$2,000! I felt that I was now a man of importance in the community.”²⁹ Handy made Rockefeller swear that he would never speculate with the \$2,000, and the young man must have sensed that he had won the first of many influential mentors in Cleveland's financial community. Besides being a bank president, the gravely proper Handy was a Sunday-school superintendent and had sounded out Isaac Hewitt on the young man's

character and habits. As Rockefeller realized, his credit rating depended upon reports of his sterling character—just as he had lectured George Gardner—and his status as a mainstay of the Erie Street Baptist Mission Church guaranteed him a friendly reception at banks. Thus, Rockefeller’s initial loan shows the close mesh of Christianity and capitalism in his early career.

Famously averse to borrowing in later years, Rockefeller was extraordinarily adept at it when he needed the capital. As Clark said, “Oh, John was the greatest borrower you ever saw!”³⁰ In bargaining with banks, Rockefeller gave evidence of his father’s wiliness and mastery of crowd psychology. If he wanted to borrow \$5,000, he let it be bruited about town that he wished to invest \$10,000. This rumor would certify his firm’s rock-solid credit while also giving bankers an added incentive to extend him a loan. Rockefeller’s need for money only grew during the Civil War, which was a bonanza for the commodity business. As a partner in a Cleveland produce house, John D. Rockefeller was strategically positioned to profit from the war, and for the rest of the century his career seemed to march in perfect lockstep with the progress of American business history.

For Rockefeller, the Civil War was principally an opportunity to pile up riches, yet he betrayed intense sympathy for the Union cause and fervently advocated abolishing slavery. As early as his 1854 high-school essay on freedom, he had railed against “cruel masters” who worked their slaves “beneath the scorching suns of the South. How under such circumstances can America call herself free?”³¹ As a teenager, he had contributed to several charities that aided blacks. At the time, his antislavery views were representative of the prevailing views in Cleveland, which had many relocated New Englanders and was a hotbed of abolitionist sentiment. With its favorable political climate and position as a big Lake Erie port, Cleveland was a stop on the Underground Railroad that transported fugitive slaves to freedom in Canada, and many of them surreptitiously boarded ships just blocks from Rockefeller’s office. When slave hunters invaded the town, abolitionist sympathizers rushed to the Stone Church on the Public Square and tolled the bell to alert the populace. In 1860, Rockefeller cast his first presidential vote for Abraham Lincoln, and on the eve of the war he attended meetings that resounded with thunderous denunciations of slavery. Abolitionist fervor was especially widespread among evangelical Christians who deplored slavery and Catholicism as twin tyrannies, and northern Baptist congregations warmly received black preachers and lecturers who spoke for the abolitionist cause.

So why didn't Rockefeller act on his keenly felt sympathies when Lincoln appealed for 75,000 volunteers after Fort Sumter's fall in April 1861? Why did he turn a deaf ear to the torchlight rallies and street-corner recruiters swarming through Cleveland that spring? "I wanted to go in the army and do my part," Rockefeller said. "But it was simply out of the question. We were in a new business, and if I had not stayed it must have stopped—and with so many dependent on it."³² This last sentence hinted gingerly at what must have been the main reason behind his failure to serve: his father's desertion of the family and his own need to sustain it. Though the Union government offered no occupational exemptions from the draft, men were excused if they were the sole means of support for siblings, children, or parents. Though only twenty-one at the outbreak of the war, John D. was effectively in the position of a middle-aged father responsible for a family of six.

Like J. P. Morgan, Grover Cleveland, Theodore Roosevelt, Sr., and other well-heeled young men, Rockefeller hired a substitute for \$300 and ended up outfitting a small army. One morning, Levi Scofield, a captain in the Union army and a friend of Rockefeller's, marched thirty raw recruits into his River Street office. They evidently passed muster, for Rockefeller dug into his safe and handed a ten-dollar bill to each of them. "God, but he must be rich," gasped one young man, causing another to reply, "Yes, they say he is a rich man—that he is worth as much as \$ 10,000!"³³ For the first time, Rockefeller had triggered fantasies of riches. Allan Nevins has suggested that Rockefeller exaggerated when he claimed to have financed between twenty and thirty soldiers, noting that Rockefeller's ledger itemizes only \$138.09 for war purposes. Yet a historian of Rockefeller's Cleveland years, Grace Goulder, pointed out that by 1864, Rockefeller was giving about \$300 per year to substitutes and their families besides his general donations to wartime charities.

Since Rockefeller's commodity business depended upon market intelligence and a rapid flow of telegrams from various sections of the country, his office became a clubhouse for the latest battlefield bulletins. He and Maurice Clark tacked up two large, detailed maps and tracked the war's progress with rapt attention. "Our office became a great rallying-place," said Rockefeller. "We were all deeply interested. Men used to drop in often, and we followed the war keenly, reading the latest dispatches and studying the maps."

While Rockefeller's brother William also managed to duck service and

keep on working, the youngest brother, Frank, was both physically and psychologically wounded during the war. Not yet sixteen when the war started, Frank was hot-blooded and temperamental. With a wide face, broad forehead, and handlebar mustache, he was very much in his father's mold. Where John had a tidy, inner-directed nature, Frank was quick to yield to impulses both base and noble. A much better mixer than John, an outgoing backslapper, he could be kindhearted and generous toward friends.

Frank had an adolescent yearning for battlefield glory but was initially thwarted in this storybook aspiration by his family. George Gardner, who always took a jaundiced view of John, claimed that John had coldly declined his brother's request for \$75 to enlist in the Union army. In Gardner's telling, John gave his brother a tongue-lashing: "You would be a wild, foolish boy to go away and waste youthful years that you might utilize in getting a start and making money."³⁴ When John remained adamant, Gardner advanced Frank the \$75—the first of innumerable loans that Frank, professing good intentions all the while, incurred but never repaid. This altercation was the first of many rancorous feuds that poisoned relations between John and Frank through the years.

While Gardner might have accurately reported John's words, he omitted some important mitigating circumstances. Frank had already tried to slip off and furtively enlist and had been reprimanded by his father for his secrecy. "Young man," said Bill, "when you go to war you will say goodbye to the family and go out the front door in broad daylight."³⁵ (It took a certain gall for Bill to get on his high horse on the subject of secrecy and family responsibility.) Another factor probably swaying John was that Frank had already been rejected as underage and would need to resort to deception to join the army. To aid his memory, Frank now chalked the number eighteen on his soles, and when the recruiting station sergeant asked for his age, he piped up, "I'm over eighteen, sir."³⁶ In the end, John relented and paid for his brother's clothing, rifle, and accessories during his three years of military service.

As a private in the Seventh Ohio Volunteer Infantry, Frank was wounded twice during the war, at Chancellorsville and Cedar Mountain, which didn't help his already strained relations with John. It must have seemed terribly unjust to Frank that while he waded through bloody battlefields, his eldest brother was raking in the money at home. He always felt that he had paid a severe price for heroism while John was rewarded for his self-

aggrandizement. Ineffectual and full of self-pity, feeling cursed by bad luck, Frank envied his remarkable older brother, who seemed to succeed at every assignment and moved through his charmed business life with icily inexorable efficiency.

The Civil War accelerated the North's economic development, setting the stage for its postwar industrial prowess. It greatly enlarged its industrial capacity, broadening the infrastructure of railroads and telegraphs, coal mines and iron mills as the economy became more mechanized to meet the unprecedented demand for materials. Sewing machines stitched uniforms for soldiers while reapers harvested grain to feed them. As both sides swiftly conveyed huge armies from one theater of battle to the next, the railroad network had to be modernized and expanded accordingly. To encourage further development, the federal government began to provide land grants, with a dozen railroads ultimately taking title to a staggering 158 million acres. This pell-mell growth played a pivotal role in Rockefeller's career, for the proliferation of railroads enabled him to extract discounts from them by playing one off against the other.

The war's psychological impact was equally consequential as it afforded opportunities for commercial gain on a scale never seen before. The outsize profits garnered from government contracts contributed to a money delirium that long outlasted the war. The Civil War not only generated new fortunes but bred in countless people an insatiable appetite for riches. As farm boys in uniform were exposed to cities and given titillating glimpses of luxury goods and urban sophistication, consumerism received a huge impetus. Even many men who didn't enter the army abandoned farms and villages during the war and flocked to populated areas with flourishing munition plants.

The war enhanced Cleveland's strategic importance for a simple logistical reason: As North-South fighting severed freight routes on the Mississippi River, the east-west routes through the rivers and Great Lakes gained a corresponding amount of traffic. Though Rockefeller and his associates secured no lucrative government contracts, they profited from the enormous inflation in commodity prices and the general business surge. Selling mostly on commission, they dealt in numerous foodstuffs and farm implements. By 1862, their annual profits had soared to \$17,000, or almost four times what they had earned during their only prewar year. One of their 1863 advertisements listed the bountiful produce now heaped in their bulging warehouse: 1,300 barrels of salt, 500 bushels of clover seed, 800 bushels of

timothy seed, and 200 barrels of pork.

At the end of 1862, Rockefeller eliminated a major irritant when he banished George Gardner from the firm. He later obliterated all traces of Gardner from the oral and written accounts of his life, burying him forever with silence. On December 1, 1862, the *Cleveland Herald* ran the following item: "M. B. Clark and John D. Rockefeller, late of Clark, Gardner and Company, will continue the produce business under style and firm of Clark and Rockefeller, at warehouse recently occupied by Clark, Gardner and Company, Nos. 39, 41, 43, and 45 River Street." That the firm had now swelled to occupy four separate numbers on River Street attests to its runaway success. While he was still in his twenties, the Civil War had converted Rockefeller into a wealthy man, giving him the funds to capitalize on a new industry then flowering in the northwest corner of Pennsylvania. For all the substantial profits booked by Rockefeller during the war, they would prove mere pocket change compared to the profits flowing from the rivers of black gold now gushing from wells around Titusville.

CHAPTER 5

The Auction

Long before oil was struck in western Pennsylvania by Colonel Edwin Drake, it had oozed from subterranean springs into Oil Creek (the name dated from the eighteenth century), mantling the surface with an iridescent scum. The slimy liquid was so ubiquitous that it tainted well water and plagued local contractors drilling for salt. Already in the eighteenth century, the Seneca and Cornplanter Indians devised manifold uses for it, employing it for soothing skin liniment, medicine, and even war paint. To extract oil from the creek, they floated blankets or flannel rags on the water, then wrung the oil from the saturated material. Even before Drake's find, Seneca Oil had become known as a sovereign remedy for stiff joints, headaches, and other ailments. Around 1850, Samuel Kier gathered unwanted oil from his father's salt wells, bottled it in little half-pint bottles, and marketed it as Kier's Rock Oil. With a touch of the charlatan, Kier touted the all-purpose medicinal properties of this elixir, contending it would cure liver complaints, bronchitis, and consumption—and that was just for starters. One wonders whether Doc Rockefeller flogged Kier's Rock Oil from the back of his buggy.

In the 1850s, the whale fisheries had failed to keep pace with the mounting need for illuminating oil, forcing up the price of whale oil and making illumination costly for ordinary Americans. Only the affluent could afford to light their parlors every evening. There were many other lighting options—including lard oil, tallow oil, cottonseed oil, coal oil refined from shale, and wicks dipped in fat—but no cheap illuminant that burned in a bright, clean, safe manner. Both urbanization and industrialization sped the search for an illuminant that would extend day into night, breaking the timeless rhythm of rural hours that still governed the lives of farmers and city folk alike.

The petroleum industry was hatched in a very modern symbiosis of business acumen and scientific ingenuity. In the 1850s, George Bissell, a Dartmouth College graduate in his early thirties who had enjoyed a checkered career as a reporter, Greek professor, school principal, and lawyer, had the inspired intuition that the rock oil plentiful in western Pennsylvania was more likely than coal oil to yield a first-rate illuminant. To test this novel proposition, he organized the Pennsylvania Rock-Oil Company, leasing land

along Oil Creek, a tributary of the Allegheny River, and sending a specimen of local oil to be analyzed by one of the most renowned chemists of the day, Professor Benjamin Silliman, Jr., of Yale. In his landmark 1855 report, Silliman vindicated Bissell's hunch that this oil could be distilled to produce a fine illuminant, plus a host of other useful products. Now the Pennsylvania Rock-Oil Company faced a single, seemingly insurmountable obstacle: how to find sizable quantities of petroleum to turn Professor Silliman's findings into spendable cash.

It took nearly three years for Bissell's company (which soon evolved into the Seneca Oil Company) to dispatch someone to Pennsylvania to hunt for large, marketable pools of oil. To this end, an investor in the project, a New Haven banker named Townsend, enlisted a boarder in his rooming house, Edwin Drake, to travel to Titusville in December 1857. A former conductor on the New Haven Railroad, Drake was a thirty-eight-year-old widower who was solemn, rather courtly, and disabled by neuralgia of the spine. Photos present a dashing figure with a full beard, broad forehead, and bright, heavy-lidded eyes. Though he made only a nominal investment in the venture, he was dressed up with the fancy title of president to dazzle the gullible yokels and was conveniently endowed (and permanently entered the history books) with the honorific title of colonel.

When Drake arrived in Titusville, Oil Creek Valley was still an idyllic place of dense pine and hemlock forest, rich in game. In his stovepipe hat and somber black clothes, the pallid Drake formed a picturesque contrast with this wilderness setting. Despite the enticing traces of oil that stained the creek's surface, the search for significant oil deposits, without geological knowledge of underground oil structures, proved a long and frustrating one. While the locals found Drake charming and sociable and supplied with a good repertoire of stories, they also mocked him as a harebrained dreamer, seized by a wild obsession. When he tried to dig for oil, the walls caved in. Then, borrowing a method used for salt wells, he started to drill for oil. In this inhospitable setting, choked with underbrush, it was a feat just to assemble the necessary machinery and erect a strange, tall, wooden structure known as a derrick. On Sunday, August 28, 1859, Drake's folly was rewarded when oil bubbled up from a well drilled a day earlier. It was less a matter of Drake discovering oil—its existence was scarcely a secret—than of his figuring out a way to tap commercial quantities in a controlled process so that it could be pumped from the earth in systematic fashion.



Laura Celestia Spelman, always known to friends as “Cettie.” (Courtesy of the Rockefeller Archive Center)

Drake’s feat touched off pandemonium as bands of fortune seekers streamed into Titusville and its pastoral surroundings. Speculators scrambled over the greasy slopes of the creek, leasing acreage from unsophisticated, often unlettered, owners; one farmer turned down an offer of a one-quarter royalty and stubbornly held out for a one-eighth share. Pretty soon derricks sprouted everywhere along the dark, narrow valley, the drilling scarring and denuding the once lush forest slopes. Drilling was the first step in an extended production chain. Within a year of Drake’s discovery, a dozen ramshackle refineries sprang up along the creek’s steep, secluded banks. Inevitably, this tumultuous activity attracted notice in Cleveland, which had the advantage of proximity to northwest Pennsylvania. Even in those days of slow transport, one could travel from Titusville to Cleveland in a day. Several Cleveland businessmen were already refining illuminating oil from bituminous coal and were naturally interested in a rival method. On November 18, 1859, nearly three months after Drake’s find, the *Cleveland Leader* reported on the mad hubbub around Titusville, saying that “the oil springs of northern Pennsylvania were attracting considerable speculation” and that there was “quite a rush to the oleaginous locations.” Among the first Clevelanders descending upon the area was a produce merchant named James G. Hussey, who was a former boss of Rockefeller’s partner, Maurice B. Clark, and he came home with ecstatic stories about the riches to be made.

We don’t know what Rockefeller thought of Drake’s breakthrough at the time, but years later, having harvested his unparalleled fortune from oil, John

D. Rockefeller saw a large and providential design in the discovery of Pennsylvania oil, stating that “these vast stores of wealth were the gifts of the great Creator, the bountiful gifts of the great Creator.” He expressed his gratitude that “Colonel Drake and the Standard Oil Company and all others connected with this industry had the opportunity for useful work in preparing and distributing this valuable product to supply the wants of the world.”¹ As we shall see, Rockefeller always viewed the industry through this rose-tinted spiritual lens, and it materially aided his success, for his conviction that God had given kerosene to suffering mankind gave him unswerving faith in the industry’s future, enabling him to persist where less confident men stumbled and faltered.

For all his later evangelical fervor about oil, John D. Rockefeller didn’t behold its potential in a sudden revelatory flash but made an incremental transition from produce to oil. Clark and Rockefeller might have taken on consignment some of the first crude-oil shipments that reached Cleveland in early 1860, but it was the friendship between Maurice Clark and Samuel Andrews, an Englishman from Clark’s hometown in Wiltshire, that drew Rockefeller into the business. A hearty, rubicund man with a broad face and genial manner, Andrews was a self-taught chemist, a born tinkerer, and an enterprising mechanic. Arriving in Cleveland in the 1850s, he worked in a lard-oil refinery owned by yet another Englishman, C. A. Dean, and acquired extensive experience in making tallow, candles, and coal oil. Then, in 1860, Dean got a ten-barrel shipment of Pennsylvania crude from which Andrews distilled the first oil-based kerosene manufactured in Cleveland. The secret of “cleansing” oil with sulfuric acid— what we now term refining—was then a high mystery, zealously guarded by a local priesthood of practical chemists, and many curious businessmen beat a path to Andrews’s door.

An expert on illuminants enthralled by the unique properties of kerosene, Andrews was convinced it would outshine and outsell other sources of light. Finances were tight in the Andrews household—his wife took in sewing to supplement his income—but by 1862, Sam was plotting to leave Dean and strike out on his own. On the lookout for backers, he frequently dropped by the offices of Clark and Rockefeller. In another instance of the worldly advantages of his religious affiliations, Rockefeller knew Andrews and his wife from the Erie Street Baptist Mission Church. When Andrews started talking about oil refining, the dubious Clark cut short his perfervid talk: “I told him there was no chance, that John and I together did not have more than \$250 we could spare out of our business; we simply had enough working

capital, together with our credit at the banks, to enable us to make advances to consignors, paying insurance and rent. ”² Stymied by one partner, Andrews barged into Rockefeller’s office and resumed his sales pitch. Already so flush that he had invested in his first railroad stock, with cash to spare for the firm, Rockefeller was far more receptive. After one chat with Rockefeller, Andrews went back into the warehouse to badger Clark. “I started to shut him off,” recalled Clark, “but when he said, ‘Mr. Rockefeller thinks well of it,’ I impulsively replied, ‘Well, if John will go in I will.’ ”³ With becoming modesty, Rockefeller later interpreted his own role as more passive, even skeptical toward the fateful oil venture and said that Maurice Clark’s two brothers, James and Richard, were such oil enthusiasts that he had been railroaded into refining by the combined pressure of the three Clarks and Sam Andrews.

Whatever the truth, Rockefeller and Maurice Clark pledged \$4,000 for half the working capital of the new refining venture, Andrews, Clark and Co., placing the twenty-four-year-old Rockefeller squarely in the oil business in 1863, the year of the Emancipation Proclamation and the stunning Union victories at Gettysburg and Vicksburg. Of the initial \$4,000 investment, he said dryly, “It seemed very large to us, very large.” ⁴ Scarcely dreaming that oil would ever supersede their main commodity business, they considered it “a little side issue, we retaining our interest in our business as produce commission merchants.”⁵ As a commission agent distant from the oil wells, stationed at the commercial crossroads of Cleveland, Rockefeller naturally entered the industry as a refiner. As a middleman, he belonged to a new breed of people in the emerging industrial economy who traded, refined, or distributed products in the widening chasm that separated raw-material producers in the countryside from their urban consumers.

The spot chosen for the new refinery tells much in miniature about Rockefeller’s approach to business. He exercised an option on a three-acre parcel on the sloping, red-clay banks of a narrow waterway called Kingsbury Run, which flowed into the Cuyahoga River and thus provided passage to Lake Erie. A mile and a half from downtown Cleveland, it seemed at first glance an inauspicious site for the new refinery, christened the Excelsior Works. In these bucolic outskirts beyond the city limits, cows browsed peacefully, and trees still shaded the waterway. But for Rockefeller, the inconvenience was outweighed by the fact that it would soon adjoin new railroad tracks. On November 3, 1863, proudly flying the Union colors, a

gleaming locomotive of the Atlantic and Great Western Railroad pulled into a Cleveland station decked with bunting and launched a new era, giving the town access to New York City via the Erie Railroad and to a valuable direct route to the Pennsylvania oil fields. Able to ship by water or over land, Rockefeller gained the critical leverage he needed to secure preferential rates on transportation—which was why he agonized over plant locations throughout his career.

Before long, a string of other refineries had sprouted along Kingsbury Run. With a population of about 44,000, Cleveland was full of dynamic young men struggling to get ahead, and oil refining presented a rare chance to parlay a small investment into a huge fortune. It cost a pittance—as little as \$1,000, or less than the cost of opening a well-stocked store—to construct a small refinery and hire hands to run it. By mid-1863, twenty refineries operated in the Cleveland area and shipped a quarter of their kerosene abroad. At first, the profits came in so thick and fast that everybody—big and small, clever and inept—made handsome profits without the fierce winnowing of adversity, the stern lash of marketplace discipline. Rockefeller sarcastically alluded to these palmy days as “the harvest time in which such large profits were reaped by the saloon-keepers and preachers and tailors and men from all the walks of life who were fortunate enough to find an oil still.”⁶ Oil was put to myriad uses during the Civil War, treating the wounds of Union soldiers and serving as a substitute for turpentine formerly supplied by the South. Even on the battlefield, the use of kerosene refined from crude oil spread, and Ulysses S. Grant often sat in his tent, drafting dispatches by the flicker of a kerosene lamp.

Later on, Rockefeller became so embittered toward Sam Andrews that he denigrated him, quite unjustly, as the expendable figure in the Standard Oil saga. “Samuel Andrews was taken into the business as a poor workingman with little or nothing in the early stages when it was difficult to find men to cleanse the oil. . . . He had too much conceit, too much bull-headed English obstinacy and so little self-control. Was his own worst enemy.”⁷ This verdict, rendered much later, was darkly tinged by intervening events, but in the beginning Andrews enjoyed cordial relations with Rockefeller. Andrews knew nothing of business but was content to let Maurice Clark and Rockefeller mind the office while he acted as refinery boss. Reversing Rockefeller’s harsh judgment, Ida Tarbell went so far as to label Andrews “a mechanical genius” who had improved the quality of the kerosene and the

percentage of it yielded by each barrel of crude oil.⁸

In the early days, Rockefeller wasn't so detached from the practical side of refining as when his empire later grew and he withdrew into the impregnable fortress of his office. Devoid of superior airs, he was often seen at Kingsbury Run at 6:30 A.M., going into the cooper shop to roll out barrels, stack hoops, or cart out shavings, reflecting the thrift inculcated by his mother and his puritanical religious upbringing. Since a residue of sulfuric acid remained after refining, Rockefeller drew up plans to convert it to fertilizer—the first of many worthwhile and extremely profitable attempts to create by-products from waste materials. Shaped by a childhood of uncertainty, he aspired to be self-sufficient in business no less than in life and reacted to a perpetual shortage of barrels by deciding to build his own. Disgusted by a suspicious error in a plumber's bill, he told Sam Andrews, "Hire a plumber by the month. Let us buy our own pipes, joints, and all other plumbing material."⁹ The refinery also did its own hauling and loading. Such was Rockefeller's ingenuity, his ceaseless search for even minor improvements, that within a year refining had overtaken produce as the most profitable side of the business. Despite the unceasing vicissitudes of the oil industry, prone to cataclysmic booms and busts, he would never experience a single year of loss.

If Rockefeller entered the refining business with some reservations, he soon embraced it as the big, bold opportunity he had craved. Never one to do things halfway, he plunged headlong into the business, and his enthusiasm overflowed into his home life. Sharing a room with brother William, he often nudged him awake in the dead of night. "I've been thinking out a plan to do so and so," he would ask. "Now, what do you think of this scheme?"¹⁰ "Keep your ideas till morning," Will would sleepily protest. "I want to sleep."¹¹ In the predawn dark, John usually chatted with Maurice Clark and Sam Andrews at Cheshire Street, where they talked interminably of oil. As John's sister Mary Ann observed, the older men deferred to him instinctively. "They did not seem to want to go without him. They would . . . walk in and visit in the dining room while John was at breakfast." She found the infatuation with oil repugnant, screening out the dreadful carnage of the Civil War. "I got sick of it and wished morning after morning that they would talk of something else."¹²

Rockefeller leaped into oil with a zest reminiscent of his absorption in the Baptist Church. He lovingly tended his refinery much as he had swept the

chapel floor, a parallel not lost on contemporaries. Said Maurice Clark: “John had abiding faith in two things—the Baptist creed and oil.”¹³ This very old, very young man found boyish pleasure in doing business, and when he captured a large contract, he strutted and whooped with a buoyant step or cut a small comic caper. As one early associate remarked, “The only time I ever saw John Rockefeller enthusiastic was when a report came in from the creek that his buyer had secured a cargo of oil at a figure much below the market price. He bounded from his chair with a shout of joy, danced up and down, hugged me, threw up his hat, acted so like a madman that I have never forgotten it.”¹⁴ These isolated joyful outbursts only underscored the usual constriction of his personality.

Rockefeller’s overwhelming influence on the oil industry stemmed from the conflict between his overmastering need for order and the turbulent, unruly nature of the infant industry. In the overheated memories of his enemies, Rockefeller became an omnipresent bogeyman who first appeared in the Oil Regions—the name given to the area along Oil Creek that encompassed Titusville, Oil City, and Franklin—not long after Drake’s discovery. One legend, rehashed by several early biographers, was that Rockefeller went to Titusville in 1860 to represent a group of Cleveland capitalists and advised them to refrain from the business, citing the uncertain flow of oil. In truth, Rockefeller testified, “I was engaged in the business when I took the trip; that was why I took the trip, to see about a supply of oil for my refinery.”¹⁵

To reach his destination, he had to travel first by rail and then by stagecoach to penetrate the dark forests and wooded hills along Oil Creek. Despite the spot’s isolation—news of Fort Sumter’s fall took four days to arrive—so many adventurers descended upon the area that train aisles were jammed with newcomers while others squatted on the roof. It was no place for the squeamish. To reach the railroad, oil had to be carted in barrels across more than twenty miles of rough backcountry, a trade serviced by thousands of brawling, swearing teamsters with shaggy beards and slouch hats who charged extortionate rates. (The Pennsylvania barrel, equal to forty-two gallons, remains the industry standard to this day.) Sometimes oil-laden wagons stretched in interminable caravans along the rutted roads. Many barrels tipped over and smashed, making the hills treacherous. During wet seasons, the mud grew so thick that teamsters often took two horses, one to pull the other out when it invariably got stuck. Horses were routinely lashed

to death with heavy black whips as they pulled enormous loads through the black muck. Left to die by the roadside, their hides and hair were eaten away by petroleum chemicals, leaving ghastly, corroded carcasses strewn across the landscape. Transport by water was no less revolting. Oil Creek flowed into the Allegheny River, where hundreds of flatboats and steamers handled the cargo traffic. Sometimes oil barrels were loaded on barges and floated down to Pittsburgh on man-made freshets produced by suddenly releasing water stored behind floodgates. “Lots of oil was lost by the capsizing of barges and smashing of barrels in the confusion and crush of the rafts,” said Rockefeller.¹⁶ By 1863, the Allegheny, befouled with oil, actually caught fire and burned a bridge in Franklin.

Tramping the banks, Rockefeller beheld the satanic new world bequeathed by the oil boom, an idyllic valley blackened with derricks and tanks, engine houses and ramshackle huts, thickly crowded together in a crazy-quilt pattern. Boomtowns appeared briefly, witnessed frantic activity, then vanished as abruptly as they had appeared. Rockefeller saw something slapdash about the industry. “You will remember that the business in its early years was a sort of gold-field rush,” he reminisced. “Great fortunes were made by some of the first adventurers, and everything was carried on in a sort of helter-skelter way.”¹⁷ Rockefeller represented the second, more rational stage of capitalist development, when the colorful daredevils and pioneering speculators give way, as Max Weber wrote, to the “men who had grown up in the hard school of life, calculating and daring at the same time, above all temperate and reliable, shrewd and completely devoted to their business, with strictly bourgeois opinions and principles.”¹⁸

By the time Rockefeller arrived in the Oil Regions, it looked as if the oil would be more than a transient phenomenon. In September 1861, two Clevelanders brought in the Empire Well, the first mighty gusher, which rose “higher than steeples,” in the evocative words of one observer, yielding three thousand barrels of oil per day.¹⁹ To onlookers, there was something uncanny about this towering jet of oil. So fast did the Empire Well flow that its owners could scarcely find barrels to carry it off, and people came running with pails, dippers, cups, and buckets to scoop up the black gold. A sudden oil glut sent prices skidding to ten cents a barrel even as teamsters continued to charge \$3 or \$4 per barrel to ship it to the railroads. From its first days, the industry tended to oscillate between extremes: gluts so dire that prices plummeted below production costs, or shortages that sent prices skyward but raised the

even more troubling specter of the oil running dry.

Among the many tales of Rockefeller's first trip to the oil fields, one told by Franklin Breed, a Titusville producer, has a ring of authenticity. He and Rockefeller rode on horseback through the valley to reach Breed's well, then negotiated the final half mile on foot. As Breed later wrote:

*It was necessary to cross a bayou of five or six feet in width and probably four feet deep. This bayou contained sediment which the oil men took from the bottom of the tanks. This, with mud in the bayou, resembled tar. Spanning the bayou was a six inch log. . . . I was used to crossing on it but Rockefeller declared he could not walk on it. He did, however, and he fell off. . . . He looked up at me with a smile and said, "Well, Breed, you have got me into the oil business head and ears."*²⁰

In talking to the hard-bitten wildcatters, Rockefeller must have seemed standoffish and self-possessed, but he professed to enjoy their company, calling them "pleasant fellows, the same type we meet in the mining regions, jolly, good-natured, happy-go-lucky."²¹ The description is not without a note of condescension. But he listened closely to what people said and filed away as much information as he could, repeating valuable information to himself until it was memorized. There was humility in this eagerness to learn. As he said, "It is very important to remember what other people tell you, not so much what you yourself already know."²²

However stimulated by the money to be made, Rockefeller was appalled by the loose morals of a place infested with cardsharps and prostitutes and already dubbed "Sodden Gomorrah."²³ The wildcatters were so rowdy, said a visitor, that throughout the area you could hear "the slap of cards on whiskey-stained tables of grogeries."²⁴ Another visitor marveled at the universal dissipation and reported, "The orgies in Petroleum Centre sometimes eclipsed Monte Carlo and the Latin Quarter combined."²⁵ For a sober, pious Christian such as Rockefeller, this world of brawny men addicted to vice must have seemed infernal. The oilmen walked around in tall boots, leaving black footprints in the brothels, taverns, and gambling houses of Titusville and Oil City. Many flaunted their nouveau-riche excesses, wearing high silk hats, diamond stickpins, and gold watch chains. In travelers' reports, it is striking how frequently people resorted to hellish imagery to capture the mood. Rockefeller's trips to the Oil Regions must have strengthened his belief that

he stood foursquare for virtue in a godforsaken place. As an ardent temperance advocate, he was extremely uncomfortable around drinkers—perhaps one reason why he seldom visited the oil fields.

Two stories, both of uncertain authenticity, convey Rockefeller's disdain for the morals prevalent among many producers. One night in Rouseville, a local committee of vigilantes crept up to a flatboat moored to a bank and filled with ladies of easy virtue and whiskey salesmen; at the height of a bacchanal, they cut the boat loose and sent the sinners twenty miles downriver. It is said that Rockefeller "thoroughly approved" of the action.²⁶ Another story tells of the time he stayed in Franklin, where he boarded at the Exchange Hotel and liked to have bread and milk for supper. Occasionally, he donned a dingy old suit to help his men load barrels. One Sunday, an employee came rushing in to tell Rockefeller that the river was rising dangerously and might sweep away their barrels. Rockefeller, preparing for church, put on his hat with aplomb, said he had to go to prayer, and refused to attend to business. Perhaps Rockefeller really did have God on his side, for his barrels survived the flooding intact.²⁷

Drilling for oil often seemed less an industry than a lottery: Nobody knew if oil would prove a lasting benefit to mankind or an evanescent wonder. If the Oil Regions created many millionaires, they left many more paupers. Instead of building up an industry, most producers preferred to drain their wells as quickly as possible in this harum-scarum atmosphere. Under the so-called rule of capture, people could drill diagonally and siphon off a neighbor's oil, adding to their haste to pump. Rockefeller succeeded because he believed in the long-term prospects of the business and never treated it as a mirage that would soon fade. Rockefeller's first visit to Pennsylvania must also have persuaded him that he had picked the right entry point to the business. Searching for oil was wildly unpredictable, whereas refining seemed safe and methodical by comparison. Before too long, he realized that refining was the critical point where he could exert maximum leverage over the industry.

John D. Rockefeller had an unfailing knack for knowing who would help or hinder him in his career, an instinct only sharpened by time. Sensitive to patronizing behavior, he bridled when anyone tried to lord it over him, and he wanted to be dealt with as a peer even by senior men. Recoiling at what he saw as the Clark brothers' pomposity, he eventually grew as censorious of them as he had been of George Gardner. The Clarks were the first of many business partners to underrate the audacity of the quietly calculating

Rockefeller, who bided his time as he figured out how to get rid of them.

All along, crosscurrents had ruffled his relationship with Maurice B. Clark, whom he dismissed as “an ignorant, conceited Englishman.”²⁸ A tall, bluff man with a fiery temper and shadowy past, Clark had started out as a gardener in his native Wiltshire, chafing under a tyrannical boss. One day in 1847, he reared up and flattened the man. Fearing arrest, he fled to Boston as a penniless, uneducated fugitive from justice. He migrated west to Cleveland and worked as a woodchopper and teamster before entering the produce business. More of a free spirit than Rockefeller, Clark smoked, drank, and swore freely in the warehouse and showed scant religious interest. The personality profile didn’t appeal to Rockefeller, who bristled at Clark’s profanity, but he praised him as a smart, hustling businessman.

Because Rockefeller had such respect for ledgers, Clark, nearly ten years older, looked down on him as a mere clerk, a rigid, blinkered man without vision. “He did not think I could do anything but keep accounts and look after the finances,” said Rockefeller.²⁹ “You see, it took him a long time to feel that I was no longer a boy.”³⁰ He thought Clark envious of his success in soliciting business on the road, perhaps because this undercut Clark’s image of him as an expendable clerk. At first, Rockefeller swallowed his anger and stoically endured this injustice. “He tried almost from the beginning of our partnership to dominate and override me,” he said of Clark. “A question he asked several times in our discussion of business matters was, ‘What in the world would you have done without *me*?’ I bore it in silence. It does no good to dispute with such a man.”³¹ Rockefeller had no doubt who was contributing the lion’s share of business. “I was the one who made the firm’s success. I kept the books, looked out for the money.”³² As part of Rockefeller’s silent craft and habit of extended premeditation, he never tipped off his adversaries to his plans for revenge, preferring to spring his reprisals on them.

The investment in oil refining had brought Maurice’s brother James into the office, and Rockefeller came to detest him. An ex-prizefighter, James Clark was a powerful, bullying young man, and he tried to intimidate Rockefeller, who responded with great sangfroid and courage. One morning, James burst into his office and started swearing violently at Rockefeller, who put his feet up on the desk with imperturbable poise and showed no sign of upset; a fine actor, he always had masterful control of his facial muscles. When James

finished, Rockefeller said evenly, “Now James, you can knock my head off but you might as well understand that you can’t scare me.”³³ This fearless young man couldn’t be intimidated. After that confrontation, James Clark didn’t rant and bluster as much around Rockefeller, but it was clear that they were incompatible colleagues.

As with Maurice, Rockefeller quarreled with James about business methods and was dismayed by his devious side deals in oil. When James boasted about swindling a former boss or cheating people on buying trips to Pennsylvania, it must have aroused Rockefeller’s innermost suspicions, for he closely audited his partner’s expenses. Like Maurice, James smarted at Rockefeller’s self-righteousness and branded him the “Sunday-school superintendent.”³⁴ Already contemplating the future, Rockefeller wanted to be surrounded by trustworthy people who could inspire confidence in customers and bankers alike. He drew a characteristic conclusion: The weak, immoral man was also destined to be a poor businessman. “We were beginning to prosper and I felt very uneasy at my name being linked up with these speculators.”³⁵ Later on, the Clarks fully reciprocated this contempt, with James describing Rockefeller’s sole contribution to Andrews, Clark as that of a “financial manipulator” and claiming that in 1863 Rockefeller had cheated him of several thousand dollars.³⁶

If their differences had been chiefly a clash of personalities, Rockefeller’s partnership with Maurice Clark might have lasted years, but they had sharply divergent views about oil’s future and the desirable pace of expansion. Despite the Civil War, the drills never stopped in Pennsylvania, except when General Lee invaded the state and producers had to defend it. As the export business in kerosene widened, Andrews, Clark banked solid profits in refining during every year of the war. Yet prices remained as volatile as the war itself, with the supply-demand equation shifting radically each time a single spouter or gusher came in. Amid the ruthlessly competitive conditions, it was never clear where prices would settle or what constituted a normal price. The price fluctuations in a single year were staggering, veering between 10¢ and \$10 a barrel in 1861 and \$4 and \$12 in 1864. Undeterred by these extreme gyrations, both Rockefeller and Andrews wanted to borrow heavily and expand, while Clark favored a more circumspect approach.

What likely clinched Rockefeller’s decision to break from the three Clarks was that they had the votes to override him and Andrews and didn’t hesitate

to use their majority in a high-handed way. In later reminiscences, Rockefeller disclosed an incident that casts light on his relations with the Clarks: “[Maurice Clark] was very angry when I borrowed money to extend our business of refining oil. ‘Why, you have borrowed \$100,000,’ he exclaimed, as if that were some sort of offense.”³⁷ Rockefeller’s amazement seems somewhat disingenuous: It was a stupendous sum, but all Rockefeller could see was that Maurice Clark lacked his audacity. “Clark was an old grandmother and was scared to death because we owed money at the banks.”³⁸ One can forgive the Clarks if they found something overbearing about this bumptious young man who would risk all their capital, evidently without notifying them. Significantly, the Clarks were irked by both Rockefeller’s frugality *and* his prodigality—his tightfisted control of details and advocacy of unbridled expansion. Daring in design, cautious in execution—it was a formula he made his own throughout his career.

By 1865, Rockefeller, age twenty-five, decided it was time for a showdown with the Clarks. He wasn’t the sort to persist in a flawed situation, and he was now prepared to clear away the encumbrances that had thwarted his early career.

For Rockefeller, success in the oil business required a bullish, nearly glandular faith in its future. Before deciding to enter the business on a large scale, he needed one last God-given proof that the oil wouldn’t disappear—decisive evidence that came in January 1865 at a place called Pithole Creek. The nearby rocks and chasms had always emitted sulfur gas and attracted the notice of oilmen. One day, a group of eccentric producers, waving a witch-hazel twig serving as a divining rod, drilled on the spot where the twig dipped down. When a tremendous gusher spouted up days later, another madcap chapter in the oil industry commenced, with speculators, drillers, and business agents converging on the spot. Within a few months, the sleepy frontier settlement with four log cabins was transformed into a hectic little metropolis of twelve thousand people. Overnight, fifty hotels sprang up, along with a theater that seated one hundred and was lit by crystal chandeliers. So improbable was Pithole’s rise that it seemed a phantom city, a conjurer’s trick. “It was more than a city,” says one chronicler, “it was a state of postwar euphoria.”³⁹ Even by the sordid standards of the Oil Regions, it was a disreputable place. “Every other shop is a liquor saloon,” said one journalist. “It is safe to assert that there is more vile liquor drunk in this town than in any other of its size in the world.”⁴⁰

One eyewitness to the whole Pithole lunacy was an observant eight-year-old girl named Ida Minerva Tarbell, who lived ten miles away in Rouseville and saw hordes of eager men streaking to the boomtown. When her father built an oil-tank shop there, he made the fastest money of his life. Unfortunately, Pithole's ebullient heyday was short-lived, and within a few years its wells were exhausted from fire and overproduction. Before the town reverted back to sylvan peace, people began to scavenge for scrap. For \$600, Ida Tarbell's father bought the fancy Bonta House hotel, constructed a few years earlier for \$60,000, and carried off its lumber, doors, and windows to erect a home for the Tarbell family in Titusville. By 1874, the moment of its greatness having flickered, Pithole counted just six voters.

In hindsight, Pithole was a cautionary fable of blasted hopes and counterfeit dreams, renewing fears of the industry's short life span. But in January 1865, it suggested that there were many undiscovered pockets of oil, and it probably acted as a catalyst that hastened Rockefeller's break with the Clarks. This parting was vintage Rockefeller: He slowly and secretly laid the groundwork, then moved with electrifying speed to throw his adversaries off balance. That January, Maurice Clark had openly fumed when Rockefeller asked him to sign yet another note. "We have been asking too many loans in order to extend this oil business," Clark said. Undaunted, Rockefeller shot back: "We should borrow whenever we can safely extend the business by doing so."⁴¹ Trying to intimidate Rockefeller, the Clark brothers threatened to dissolve the partnership, which required the unanimous consent of all the partners.

Determined to break loose from the Clarks and the commission business, Rockefeller sounded out Sam Andrews privately and told him:

*Sam, we are prospering. We have a future before us, a big future. But I don't like Jim Clark and his habits. He is an immoral man in more ways than one. He gambles in oil. I don't want this business to be associated with a gambler. Suppose I take them up the next time they threaten a dissolution. Suppose I succeed in buying them out. Will you come in with me?*⁴²

When Andrews agreed, they shook hands on the deal.

A few weeks later, just as Rockefeller expected, he quarreled with Maurice Clark, and the latter threatened to dissolve the partnership. "If that's the way you want to do business we'd better dissolve, and let you run your own affairs

to suit yourself,” Clark warned.⁴³ Moving swiftly to implement his scenario, Rockefeller invited the partners to his home on February 1, 1865, and vigorously expounded a policy of rapid refinery expansion—a policy he knew was anathema to the Clarks. Playing right into Rockefeller’s hands, James Clark tried to browbeat him. “We’d better split up,” he declared.⁴⁴ In conformity with the partnership agreement, Rockefeller got everyone to state publicly that he favored dissolution, and the Clarks left imagining they had cowed Rockefeller. In fact, he raced to the office of the *Cleveland Leader* and placed a notice in the morning paper dissolving the partnership. The next morning, when the Clarks saw it, they were stunned. “Do you really mean it?” an incredulous Maurice Clark asked Rockefeller. He hadn’t realized before that Rockefeller had lined up Andrews on his side. “You really want to break it up?” “I really want to break it up,” replied Rockefeller, who had sounded out sympathetic bankers in the preceding weeks.⁴⁵ It was agreed that the firm would be auctioned to the highest bidder.

Even as a young man, Rockefeller was extremely composed in a crisis. In this respect, he was a natural leader: The more agitated others became, the calmer he grew. It was an index of his matchless confidence that when the auction occurred, the Clarks brought a lawyer while Rockefeller represented himself. “I thought that I could take care of so simple a transaction,” he boasted.⁴⁶ With the Clarks’ lawyer acting as auctioneer, the bidding began at \$500 and quickly rose to a few thousand dollars, then inched up slowly to about \$50,000—already more than Rockefeller thought the refining business worth. Since this auction was a turning point on his road to industrial supremacy, let us quote his account of the historic moment as he related it in his memoirs:

*Finally it advanced to \$60,000, and by slow stages to \$70,000, and I almost feared for my ability to buy the business and have the money to pay for it. At last the other side bid \$72,000. Without hesitation I said \$72,500. Mr. Clark then said: “I’ll go no higher, John; the business is yours.” “Shall I give you a check for it now?” I suggested. “No,” Mr. Clark said, “I’m glad to trust you for it; settle at your convenience.”*⁴⁷

Rockefeller knew the moment was fraught with consequences. “It was the day that determined my career. I felt the bigness of it, but I was as calm as I am talking to you now,” he told William O. Inglis.⁴⁸ He paid a lofty price for his freedom, surrendering to Clark his half interest in the commission

business along with the \$72,500. (The purchase price would be equivalent to \$652,000 today.) Yet he had captured a tremendous prize. At age twenty-five, he had won control of Cleveland's largest refinery, which could treat five hundred barrels of crude oil daily—twice the capacity of its nearest local rival—and ranked as one of the world's largest facilities. On February 15, 1865, the *Cleveland Leader* printed the following item: "Copartnership Notice—The undersigned, having purchased the entire interest of Andrews, Clark & Co. in the 'Excelsior Oil Works,' and all the stock of barrels, oil, etc., will continue the business of the late firm under the name of Rockefeller & Andrews."⁴⁹ Rockefeller savored his revenge against the Clarks, who were shocked that their junior partner had lined up, on the sly, financing for such a large deal, and Rockefeller gloated at the older men's complacent naïveté. "Then [the Clark brothers] woke up and saw for the first time that my mind had not been idle while they were talking so big and loud."⁵⁰ All of Rockefeller's Baptist contempt for vanity, show, and loose talk is condensed in that single observation. On March 2, 1865, Clark and Rockefeller was also dissolved, and Rockefeller eliminated the three fractious Clark brothers from his life forever.

For Rockefeller, the harrowing memory of the Clarks stayed with him, and he talked as if he had survived a nightmare. "The sufferings I went through in those years, the humiliation and the anguish, I have not words to describe. And I ever point to the day when I separated myself from them by paying this large bonus as the beginning of the success I have made in my life."⁵¹ It's hard to know whether Rockefeller exaggerated the Clarks' haughtiness, but the important points are that he was proud and sensitive and that their barbed words reverberated deeply in his mind. Having emerged as his own boss, he would never again feel his advancement blocked by shortsighted, mediocre men.

The demise of Clark and Rockefeller unfolded against the waning days of the Civil War. By December 1864, General Sherman had reached Savannah and swung north through the Carolinas. About two months after Rockefeller won the refining business, Robert E. Lee surrendered to Ulysses S. Grant at Appomattox Courthouse. As a town that had sheltered many runaway slaves before the war, Cleveland was especially grieved by the subsequent news of Lincoln's assassination. On April 27, the funeral train brought his body to lie in state for several hours in a special mortuary pavilion, with women in spotless white robes gathering by the railroad tracks to sing choral dirges to

the slain president.

By this point, the new firm of Rockefeller and Andrews had been installed on the second floor of a brick building on Superior Street, several blocks from the Cuyahoga River, in an office complex known as the Sexton Block. From his new command post, the young entrepreneur could stare out the window and follow the progress of barges drifting by laden with oil barrels from his refinery. Already a mature businessman, he relied on Andrews only as a technician and assumed control of all other aspects of the business. Having discarded several older partners, the young man had no real business mentors, heroes, or role models and was beholden to no one. John D. Rockefeller was not only self-made but self-invented and already had unyielding faith in his own judgment.

For all his resoluteness as a young businessman, Rockefeller tarried in settling his private life. Yet he had already fathomed his own needs and sought a woman who would be pious and loving, dedicated to the church, and strongly supportive of his career. Because of his easy, affectionate way with his mother, Rockefeller felt comfortable with women, took genuine pleasure in their company, and, unlike the caddish Bill, treated them with respect.

During his brief period at Central High School, Rockefeller had befriended two bright, literate sisters, Lucy and Laura Celestia Spelman, and taken a special fancy to Laura, or “Cettie,” as she was called. Though he still had an awkward manner with girls, the sisters saw a warm, likable side to him. Unlike most other girls at the school, the practical-minded Cettie was taking commercial courses to master business principles, and she applauded John in his storied 1855 job search. As a friend of Cettie’s later noted, “She saw that he was ambitious, and she thought that he was honest, which probably appealed to her more than anything else.”⁵² Clearly, she transmitted to John the message that his chances of winning her would be materially enhanced if his economic prospects improved.

There seems little doubt that in courting Cettie, John was held back by the disparity in their socioeconomic status, which accounts for the nine-year hiatus between their first meeting in high school and their 1864 marriage. The Spelmans were high-toned people, a blue-ribbon family living in a fine house. A friend of Laura’s recalled, “Perhaps Cettie wasn’t exactly rich and beautiful, but her father was as well off as any of the girls in our class, a member of the Ohio legislature, and somewhat known for his philanthropic

work, so—you know how those things are among children—we thought that it was strange for her to rather show a leaning toward Johnny.”⁵³ It’s easy to see what drew John to Laura aside from patent compatibility, for the Spelmans signified the respectability that had so frustratingly eluded his own family.

Civic-minded, stirred to action by social injustice, the Spelmans offered more than entrée into the local gentry and were a family of genuine substance. Born in Massachusetts, Harvey Buel Spelman, a direct descendant of the Puritans, and Lucy Henry met in Ohio and were married in 1835, giving birth to Laura Celestia on September 9, 1839. When they moved to Akron in 1841, they lived humbly at first, with Mrs. Spelman taking in washing to extend their income; Cettie, as a little girl, sometimes yanked a small red wagon around town to deliver laundry. Even when Harvey Spelman opened a dry-goods store and amassed considerable wealth, he and Lucy didn’t retreat into private pleasures but redoubled their militant reform efforts. As a member of the local board of education, Harvey Spelman spearheaded the creation of a progressive public-school system, a crusade that propelled him into the Ohio state legislature in 1849. Also busy in church causes, the Spelmans helped to found a Congregational church in Akron. Their religious beliefs buttressed their secular activism, and they were pledged to root out evil as part of both their religious and political agendas.

With his broad forehead, tufty brows, and pugnacious beard, Harvey Buel Spelman was a man of burning fundamentalist convictions and apocalyptic musings. He frequently discerned God’s hand smiting the American people for their wicked extravagance, and he issued flaming diatribes against demon rum: “The widespread and excessive use of rum is the tinder which inflames the worst passions in human nature, fosters riots, Communism and strikes, promotes ignorance, vice and crime, and more than any other cause, threatens the stability of our free institutions,” he said in 1879.⁵⁴ Lucy Henry, his dignified, industrious wife, enjoyed singing hymns and had little time for small talk, though she could be jolly with her daughters. “At any reference to the Bible, to temperance, to education, to the widening sphere of women, her eyes flashed with old-time fire, and her face was aglow with conviction,” a preacher said, with pardonable hyperbole, at her funeral.⁵⁵

As an outgrowth of their church involvement—and this was true of many evangelicals after the Second Great Awakening—Harvey and Lucy were uncompromising abolitionists and temperance activists. With their home

serving as a station on the Underground Railroad, they shepherded many slaves from Tennessee and Kentucky to freedom, and Sojourner Truth, the former slave, abolitionist, and itinerant preacher, spent several days with them. According to Cettie, the only time she ever saw her mother cooking on the Sabbath was to prepare hot meals for slaves in flight to Canada. The Spelmans felt no less ardently about drink. The crusading Mrs. Spelman not only marched in the streets but stormed the saloons, dropped to her knees in prayer, and pleaded with sinners at the bar stools to mend their ways, while Mr. Spelman carried on a parallel campaign to shut down rum shops.

The Spelmans' prosperous life in Akron ended in 1851 when Mr. Spelman's business went bankrupt, the casualty of a bank panic. The family then moved to Cleveland, where Mr. Spelman's fortunes revived, but a dark edge of economic uncertainty always shadowed the family. So while the Spelmans occupied a higher social rung than young Rockefeller, they were haunted by the prospect of economic misfortune and inclined to look favorably upon an up-and-coming suitor with a proper Christian pedigree. Cettie needed to find a husband who could safeguard her family's security, so it is not surprising that she championed John's career and eagerly coached him to succeed from the start.

It is hard to picture a young woman more perfectly suited to John D. Rockefeller's values than the sensible, cheerful Laura Celestia Spelman, who shared his devotion to duty and thrift. They ratified each other's views about the fundamentals of life. Two months younger than John, Cettie was short and slender, with a round face, dark brown eyes, and a wealth of chestnut hair parted down the middle and smoothly pulled back from her forehead. Rockefeller would never have tolerated a noisy woman, and Cettie was soft in voice and manner. Like John, though, her mild surface belied an adamant determination. She was "gentle and lovely, but resolute with indomitable will," noted her sister Lucy, better known in the family as Lute.⁵⁶ "There was a persuasion in her touch as she laid her fingers ever so gently on your arm."⁵⁷ Again like John, her geniality covered a hard core of sustained willpower. "She was full of mirth and cheer, yet . . . rather inclined to be grave and reserved," Lute recalled.⁵⁸ A paragon of self-control, she never lost her temper and lacked the skittish frivolity of youth.

Early on, John and Laura must have spotted each other as kindred souls, especially when it came to religion. Cettie so unswervingly performed her duties at church and Sunday school that even her loving sister tactfully

suggested that she went to extremes. “She was a *religieuse*. God and church came first with her. She cared little for the ‘social life,’ so called; and together she and her husband deepened and expanded their religion to cover and include every phase of life.”⁵⁹ Even in photos, one notes a Quakerish simplicity to her appearance, her black dress and lace collar evoking her Puritan ancestors. Despite her evangelical beliefs, she never imposed her views on others and preferred to instruct by example. As one high-school classmate remembered, “She exerted a strong influence upon the rest of us. For one thing she didn’t believe in dancing and theatregoing, because she did not think it was proper for church people to engage in pursuits that she considered worldly.”⁶⁰ For all that, Laura was no shallow philistine and had a wide range of interests in art, culture, and society. She played the piano for three hours daily and often accompanied John in duets, but she also had a taste for literature and poetry and could be an entertaining conversationalist.

An assiduous student, she was the valedictorian of her high-school class and her commencement speech, “I Can Paddle My Own Canoe,” was a ringing manifesto of female emancipation. (She graduated seven years after the first historic attempt by Elizabeth Cady Stanton and Lucretia Mott to organize women in Seneca Falls, New York.) From this speech, we can infer something of her adolescent values. “We may not tamely submit, and suffer ourselves to be led by any person or party, but have a mind of our own, and having once formed a decision ever abide by it.”⁶¹ This credo augured well for a woman destined to be embroiled in her future husband’s controversial career. In an outspoken statement of feminist belief, she chided men for depriving women of culture then hypocritically blaming them for their dependency. “But give woman culture—let her thread the many paths of science—allow mathematics and exact thought on all subjects to exert their influence on her mind and conventions need not trouble about her ‘proper sphere.’”⁶²

In 1856, Harvey and Lucy Spelman left Cleveland for Burlington, Iowa; the move evidently reflected renewed business hardships for Mr. Spelman, and they stayed away from Cleveland for three years. To alleviate the financial stress, Cettie and Lute stayed behind and jointly applied for teaching posts in the Cleveland public schools. Two years later, as the economic pinch eased, the two sisters spent a year at the Oread Collegiate Institute in Worcester, Massachusetts. Established in 1849, this junior college was among the first institutions of higher learning open to women. Founded by

abolitionist Eli Thayer, Oread stressed Christianity and the reading of the classics. Drawings show a picturesque, medieval-looking building on a hill, festooned with turrets, towers, and crenellations and surrounded by a stone wall. The cultural atmosphere, with its impassioned support for women's rights and black welfare, must have been highly congenial to the sisters. Among other speakers, they heard inspirational lectures given by Ralph Waldo Emerson, Wendell Phillips, Henry Ward Beecher, and John Brown. A devotee of the Protestant work ethic, Cettie even approved of the school's daily regimen, which was minutely budgeted from wake-up at 5:30 A.M. until the lights went out at 9:45 P.M. "I do not call the rules strict but am pleased with all of them," she informed her former music teacher.⁶³ At Oread, she dropped an occasional friendly note to Rockefeller, though the relationship was at this point less one of romance than of close camaraderie.

Over the years, Laura's growing commitment to religion smothered her literary bent, but at Oread she was a veritable bluestocking, writing poetry, running the literary society, and editing the campus literary magazine. In a revealing article in the *Oread Euphemia*, she wrote about three aristocracies then ruling America—an aristocracy of intellect in New England, wealth in the mid-Atlantic states, and blood in the South. In view of later events, her descriptions of Boston's intellectual preeminence or southern social decadence are less noteworthy than the vitriol she poured on the New York nouveaux riches. "In this specified portion of our glorious republic, the 'parvenu' lady, with a brain all guiltless of ever having developed an idea, attires her self in habiliments, whose *cast* (but not *style*) would admit of their being worn in the presence of royalty." After lambasting the dominion of the "almighty dollar" in the mid-Atlantic aristocracy, she concluded mordantly, "The gigantic intellect of Boston must bow to Wall St. Stocks and Bonds."⁶⁴ Such midwestern scorn for Wall Street's monied upstarts was certainly consonant with Rockefeller's beliefs. Little did the two know they would one day become synonymous with the "almighty dollar" and reside in the heart of Manhattan's swankest, most sinful precincts.

In the spring of 1859, the Spelman sisters returned to Cleveland and began to take French, Latin, piano, and voice lessons at the Cleveland Institute. That autumn, Cettie and Lute, who always moved in tandem, began to teach in the public schools, Cettie serving as a teacher and principal's assistant while Lute taught boys in the same building. Later on, Laura left no doubt of her family's straitened circumstances at the time. "I had to do [work], which was a good thing," she later told her son, "and I loved to do it, which was another good

thing.”⁶⁵ Despite a well-merited reputation as a disciplinarian, she was a popular teacher, and on her last day on the job “all the girls in her class remained after dismissal to say good-bye to her and to cry over losing her,” said one pupil. “My! how they cried.”⁶⁶

In the early 1860s, Laura was sufficiently pleased with work that she felt in no special rush to get married. All the while, John Rockefeller, with the dogged patience that would defeat scores of embattled competitors, waited determinedly in the wings. In April 1860, Laura wrote her former music teacher, “I seem to have no anxiety about leading a life of single-blessedness,” but she mentioned Rockefeller and said that “a gentleman told me not long ago, that he was in no particular rush to have me get married, but he hoped that in the multitude of my thoughts I would not forget the subject.”⁶⁷ She must have been torn when contemplating a match with Rockefeller, for teachers had to remain single, and marriage would end her career.

In 1862, Rockefeller, buoyed by his rising wealth in the produce business, began to woo Cettie in earnest, often appearing at her school at day’s end to take her home. The Spelmans then lived in a lovely area of apple groves and greenery called The Heights, and on weekends John and brother William often rode out there under the guise of watching Civil War recruits drill nearby. After the Spelmans moved to a new home in downtown Cleveland, John, often wearing boots spattered with oil from his new refinery, stopped by and took Cettie out for drives in his buckboard, and she heard with delight the details of his business. “Her judgment was always better than mine,” Rockefeller said. “She was a woman of great sagacity. Without her keen advice, I would be a poor man.”⁶⁸ There was loving exaggeration here, but in the early days of their marriage, he did bring home the books and review them with her.

Despite her constant reluctance, Rockefeller pursued her with quiet persistence; in love as in business, he had a longer time frame, a more settled will, than other people. By early 1864, with the first profits rolling in from refining, he had become a substantial person in Cleveland, cutting an impressive figure in his frock coat, silk hat, and striped trousers. He was a handsome young man, with a fine, straight nose, rather humorless mouth, and vaguely mournful visage. His mustache flowed into fluffy side-whiskers, but his hair was already receding at the temples. His eyes were steady and lucid, as if confidently scanning the horizon for business opportunities.

Later on, Rockefeller was peculiarly reluctant to divulge to his children details of his courtship, referring to the delicacy of the situation. One gathers that another man, more practiced in the arts of love, was after Laura and that by March 1864 John feared his rival might best him. The time had come to force the situation. As one person who heard the story secondhand remembered, “John D. wanted to marry her, so he went to her one day and proposed in a business-like way, just like he would make a business proposition. She accepted him in the same business-like way.”⁶⁹ One imagines the two of them smiling shyly with relief. Shortly afterward, the ascetic Rockefeller did something wholly out of character, spending a shocking \$118 for a diamond engagement ring. The splurge, one suspects, had a point: He wished to telegraph to the Spelmans that he was no longer a callow country boy but a rising young businessman who could support them in a style to which they were accustomed.

After a discreet, six-month engagement, on September 8, 1864, hard on the heels of Sherman’s march into Atlanta, John D. Rockefeller, twenty-five, married Laura Celestia Spelman, twenty-four, in the living room of the Spelman home on Huron Street. It was a small, private affair attended only by the two families. Like many things in Rockefeller’s life, it was carried out in secrecy, and the Cleveland papers printed no notice of it—very odd given the Spelmans’ prominence. It is unlikely that Big Bill attended, and John might have worried that his absence would spark curiosity about him. Having established his financial wherewithal, Rockefeller now reverted to type and spent just \$15.75 on the wedding ring, which was duly recorded in Ledger B under the rubric “Sundry Expenses.”⁷⁰ In a denominational compromise, the pastors from Laura’s Plymouth Congregational Church and John’s Erie Street Baptist Mission Church jointly officiated, though Laura henceforth switched her allegiance to the Baptists.

Refusing to deviate from routine, John worked the morning of his wedding day, visiting both his downtown office and the cooperage at the refinery. He had arranged a special luncheon for twenty-six employees, without disclosing at first the reason for the celebration. When the jovial bridegroom left for the wedding, he told the foreman facetiously, “Treat them well, but see that they work.”⁷¹ With the Swiss precision that governed his life, Rockefeller allotted exactly one month—September 8 to October 8, 1864—for a honeymoon that traced a conventional itinerary. The newlyweds started off at Niagara Falls, followed by a stay at the Saint Lawrence Hall Hotel in Montreal and the

Summit House in Mount Washington, New Hampshire. On the way home, they stopped off at Oread Collegiate Institute and met two new teachers, Sophia B. Packard and Harriet E. Giles, who would play important roles in their future.

Prior to his honeymoon, Rockefeller's travels had been limited, and the provincial young man in the tall silk hat exhibited voracious curiosity throughout the trip. While touring Niagara Falls, he peppered the guide with so many questions that the man grew distracted, ran the buggy into a ditch, and smashed a wheel. At another point, they met an old man in the roadway whom John so sedulously drained of local lore that the latter finally pleaded with weary resignation, "For God's sake if you will go with me over to that barn yonder, I will start and tell you everything I ever knew."⁷² This was the same monotonously inquisitive young man who was known as "the Sponge" in the Oil Regions.

For the first six months of their marriage, John and Laura lived with Eliza at 33 Cheshire Street; then they moved into a dignified, two-story brick house at 29 Cheshire Street. Surrounded by a white picket fence, the house had tall, graceful windows but was disfigured by an ugly portico. Even though Rockefeller now operated and partially owned the largest refinery in Cleveland, he and Laura lived frugally without house servants. Rockefeller always cherished the chaste simplicity of this early period and preserved their first set of dishes, which stirred him to wistful reflections in later years. Thus, by the end of the Civil War, John D. Rockefeller had established the foundations of his personal and professional life and was set to capitalize on the extraordinary opportunities beckoning him in postwar America. From this point forward, there would be no zigzags or squandered energy, only a single-minded focus on objectives that would make him both the wonder and terror of American business.



The rakish young Henry Morrison Flagler. (Courtesy of the Henry Morrison Flagler Museum)

CHAPTER 6

The Poetry of the Age

The period after the Civil War was the most fertile in American history for schemers and dreamers, sharp-elbowed men and fast-talking hucksters, charlatans and swindlers. A perfect mania for patents and inventions swept America, as everybody tinkered with some new contrivance. It was a time of bombastic rhetoric and outsize dreams. As always during a protracted war, millions of people postponed their lives until the ghastly bloodshed was over, then they turned to private life with newfound zeal. The sudden wealth of young businessmen such as Rockefeller fed envy among returning soldiers, who wished to emulate their good fortune. The money fever was, in part, the reaction to a war that had appealed to both the worst and the best in the national character, for Lincoln's high-minded crusade had often been debased by profiteering contractors operating behind patriotic façades. For many in the North, the high drama of preserving the union and emancipating the slaves had exhausted their capacity for altruism, leaving a residual contagion of greed.

As the banker Thomas Mellon observed of these years of unfettered growth,

It was such a period as seldom occurs, and hardly ever more than once in anyone's lifetime. The period between 1863 and 1873 was one in which it was easy to grow rich. There was a steady increase in the value of property and commodities, and an active market all the time. One had only to buy anything and wait, to sell at a profit; sometimes, as in real estate for instance, at a very large profit in a short time.¹

A new cult of opportunity sprang up, producing a generation of business leaders for whom work was the greatest adventure life afforded. As Mark Twain and Charles Dudley Warner wrote in *The Gilded Age*, "To the young American . . . the paths to fortune are innumerable and all open; there is invitation in the air and success in all his wide horizon."² Or as one character in William Dean Howells's novel *The Rise of Silas Lapham* phrased it, "There's no doubt but money is to the fore now. It is the romance, the poetry

of our age.”³ Self-made businessmen were the new demigods, and a copious self-help literature sermonized that young men who worked hard and saved could enter the millionaires’ pantheon. This new industrial boom downgraded the power of the old gentry and rural elites, substituting a new species of self-made men: economic marauders too busy making money to be overly concerned with tradition. The era of the Great Barbecue—the felicitous name coined by literary historian Vernon Parrington—was dominated by arrogant, enterprising men in railroads, shipping, and stock manipulation: Jay Cooke, Commodore Vanderbilt, Jay Gould, Daniel Drew, Jim Fisk, and many others. The age was presided over by an inept president, General Ulysses S. Grant, a small-town businessman before the war, who was enamored of the rich, no matter how frequently they tried to fleece him.

The public was divided about these colossal developments. The appetite for gain fostered new fortunes and built up the industrial infrastructure, setting the stage for American industrial preeminence, but it also unsettled people with a sense of something frightening, gigantic, and poorly understood that was drastically transforming their innocent country. The Civil War invited people to repudiate their pasts as they staked out new lives. As Grant phrased it in his memoirs, “The war begot a spirit of independence and enterprise. The feeling now is, that a youth must cut loose from his old surroundings to enable him to get up in the world.”⁴ As people took unethical shortcuts to success, the universal race for riches threatened to overthrow existing moral systems and subvert the authority of church and state.

The triumph of the North meant the ascendancy of urbanization, immigration, industrial capitalism, and wage labor over an agrarian southern economy doomed to stagnate for decades. The war markedly accelerated the timetable of economic development, promoting the growth of factories, mills, and railroads. By stimulating technological innovation and standardized products, it ushered in a more regimented economy. The world of small farmers and businessmen began to fade, upstaged by a gargantuan new world of mass consumption and production. As railroad expansion gained momentum, populating the West and culminating in completion of the first transcontinental railroad in 1869, it spawned an accompanying mania in land deals, stock promotions, and mining developments. People rushed to exploit millions of acres of natural resources that could be economically brought to market for the first time.

In short, by the end of the Civil War, the preconditions existed for an

industrial economy of spectacular new proportions. Before the war, the federal government had only twenty thousand employees and shied away from attempts to regulate business. Unlike Europe, America had no tradition of political absolutism or ecclesiastic privilege to quench entrepreneurial spirits, and the weak, fragmented political system gave businessmen room to flourish. At the same time, America had the legal and administrative apparatus necessary to support modern industry. There was respect for private property and contracts; people could get limited corporate charters or file for bankruptcy; and bank credit, while not yet plentiful, was everywhere available in a highly fragmented banking system. In time, the government redefined the rules of the capitalist game to tame trusts and preserve competition, but as John D. Rockefeller set about building his fortune, the absence of clear-cut rules probably aided, at first, the creative vigor of the new industrial economy.

Perhaps no industry so beguiled the Civil War veterans with promises of overnight wealth than the oil industry. In astonishing numbers, a ragtag group of demobilized soldiers, many still in uniform and carrying knapsacks and rifles, migrated to northwest Pennsylvania. The potential money to be made was irresistible, whether in drilling or in auxiliary services; people could charge two or three times as much as they dared to ask in the city. Ida Tarbell speculated that “this little corner of Pennsylvania absorbed a larger portion of men probably than any other spot in the United States. There were lieutenants and captains and majors—even generals—scattered all over the field.”⁵ They brought with them a military sense of organization and a bellicose competitive spirit, but they were eager for quick killings and betrayed little sense of how to fashion a stable, lasting business, providing an opening for the organization-minded Rockefeller.

The war had stimulated growth in the use of kerosene by cutting off the supply of southern turpentine, which had yielded a rival illuminant called camphene. The war had also disrupted the whaling industry and led to a doubling of whale-oil prices. Moving into the vacuum, kerosene emerged as an economic staple and was primed for a furious postwar boom. This burning fluid extended the day in cities and removed much of the lonely darkness from rural life. The petroleum industry also furnished lubricants to grease the wheels of heavy industry. Though the world oil industry was squeezed into western Pennsylvania, the repercussions were felt everywhere. In 1865, Congressman James Garfield alluded to the oil craze in a letter to a former staff officer: “I have conversed on the general question of oil with a number

of members who are in the business, for you know the fever has assailed Congress in no mild form. . . . Oil, not cotton, is King now, in the world of commerce.”⁶ Soon, John D. Rockefeller would reign as the undisputed king of that world.

In many ways, Rockefeller seemed a finely tuned instrument of the zeitgeist, the purest embodiment of the dynamic, acquisitive spirit of the postwar era. Like other Gilded Age moguls, he was shaped by his faith in economic progress, the beneficial application of science to industry, and America’s destiny as an economic leader. He steeled himself to persevere, subordinating his every impulse to the profit motive, working to master unruly emotions and striving for an almost Buddhist detachment from his own appetites and passions. “I had a bad temper,” Rockefeller said. “I think it might be called an ugly temper when too far provoked.”⁷ So he trained himself to control this temper and tried never to be guided by ego or pique.

By the end of the Civil War, the pale, trim twenty-six-year-old with the reddish gold hair and side-whiskers carried himself like a man of importance. No sooner had he formed a new firm with Sam Andrews than he was bent on expanding it. In December 1865, he and Andrews inaugurated a second refinery, the Standard Works, with brother William appointed its nominal head. The combined Excelsior and Standard Works confirmed Rockefeller as the leading Cleveland refiner at a time when the city ranked among the top refining centers. Photos of his first refineries show an unprepossessing cluster of buildings, scarcely bigger than sheds, spaced irregularly across a hillside. With hands clasped behind his back, Rockefeller paced these works, poking his head in everywhere, a perfectionist alert to the tiniest details. When he saw somebody attending to a neglected, unswept corner, he smiled and said, “That’s right, eternal vigilance!”⁸ For foreman, he recruited a man named Ambrose McGregor who was, in Rockefeller’s description, “a precise, exacting man, honest as the day but perhaps not given to cultivating people.”⁹ An imposing, bewhiskered figure, McGregor won Rockefeller’s absolute trust on all technical matters. Since the refineries stood some distance from downtown, Rockefeller and McGregor often lunched at the boardinghouse of a Mrs. Jones; the two men in their oil-soaked boots regularly offended the nostrils of other diners and were exiled to the porch.

As a self-made man in a new industry, Rockefeller wasn’t stultified by precedent or tradition, which made it easier for him to innovate. He continued

to value autonomy from outside suppliers. At first, he had paid small coopers up to \$2.50 for white oak barrels before he showed, in an early demonstration of economies of scale, that he could manufacture dry, tight casks more cheaply himself; soon his firm made thousands of blue-painted barrels daily for less than a dollar per barrel. Other Cleveland coopers bought and shipped green timber to their shops, whereas Rockefeller had the oak sawed in the woods then dried in kilns, reducing its weight and slicing transportation costs in half. And he continually extended the market for petroleum by-products, selling benzine, paraffin, and petroleum jelly in addition to kerosene.

In this early period, Rockefeller was a chronic worrier who labored under a great deal of self-imposed stress. Though not versed in the scientific side of refining, he often exercised a direct managerial role in the plant. With fluctuating market conditions, he sometimes needed to send shipments to New York with great dispatch and personally rushed down to the railroad tracks to motivate his freight handlers. “I shall never forget how hungry I was in those days. I stayed out of doors day and night; I ran up and down the tops of freight cars when necessary; I hurried up the boys.”¹⁰

At the time, refiners were tormented by fears that the vapors might catch fire, sparking an uncontrollable conflagration. Fire had already taken many lives in the industry—Edwin Drake’s well, for example, was destroyed by fire in the autumn of 1859. During the Civil War, there were so many spectacularly destructive blazes along Oil Creek that producers posted signs warning, “Smokers Will Be Shot.”¹¹ Mark Hanna, who later managed President McKinley’s campaign, recalled how one morning in 1867 he woke up and discovered that his Cleveland refinery had burned to the ground, wiping out his investment, and such fears kept refiners on tenterhooks around the clock. “I was always ready, night and day, for a fire alarm from the direction of our works,” said Rockefeller. “Then proceeded a dark cloud of smoke from the area, and then we dashed madly to the scene of the action. So we kept ourselves like the firemen, with their horses and hose carts always ready for immediate action.”¹²

Such was the perpetual fire menace posed by the new industry that refineries were soon banned within the Cleveland city limits, hastening the growth of Kingsbury Run. In those years, oil tanks weren’t hemmed in earthen banks as they later were, so if a fire started it quickly engulfed all neighboring tanks in a flaming inferno. Before the automobile, nobody knew what to do with the light fraction of crude oil known as gasoline, and many

refiners, under cover of dark, let this waste product run into the river. “We used to burn it for fuel in distilling the oil,” said Rockefeller, “and thousands and hundreds of thousands of barrels of it floated down the creeks and rivers, and the ground was saturated with it, in the constant effort to get rid of it.”¹³ The noxious runoff made the Cuyahoga River so flammable that if steamboat captains shoveled glowing coals overboard, the water erupted in flames. Each time a black cloud billowed up in the sky, people assumed another refinery had exploded, and kerosene prices soared. At least in retrospect, Rockefeller sounded philosophic about this omnipresent danger. “In those days, when the fire bell rang, we would all go to the refinery and help put it out. When the fire was burning I would have my pencil out, making plans for the rebuilding of our works.”¹⁴

Even the dread of fire paled beside recurrent worries that the Pennsylvania oil wells would dry up, with no substitute in sight. As Rockefeller noted, “It was here today and there tomorrow, and none of us knew with any certainty about the continuance of the supply, without which these investments were valueless.”¹⁵ Already by the late 1860s, stern prophecies were issued about the industry’s impending demise. There were two types of oilmen: those who thought the sudden boom an insubstantial mirage and who cashed in their profits as soon as possible; and those, like Rockefeller, who saw petroleum as the basis of an enduring economic revolution. During the salutary nightly sermons he gave himself in bed, Rockefeller often meditated on the transience of earthly wealth, especially oil, and admonished himself, “You’ve got a fair fortune. You have a good property—now. But suppose the oil fields gave out!”¹⁶ Yet the future of the oil business became an article of religious faith for him, as did the feeling that the Lord had blessed him and his enterprise. In late 1867, several days before Christmas, he just missed a train that ended up in a terrible wreck, killing many passengers, and Rockefeller at once wrote to Cettie, “I do (and did when I learned that the first train left) regard the thing as the *Providence of God*.”¹⁷

Not yet the *bête noire* of oil producers, Rockefeller frequently donned his shabby oil suit and traveled to Franklin, Pennsylvania, where he kept an office that purchased oil, saving on the cost of middlemen. The oil fever was so infectious in the Oil Regions that these trips always silenced any fugitive doubts he might have entertained about the industry’s survival. As one traveler reported after visiting Oil Creek in 1866, “Men think of oil, talk of oil, dream of oil, the smell and taste of oil predominate in all they eat and

drink.”¹⁸ These trips energized Rockefeller, who returned to Cleveland with renewed faith. As a friend recalled, “When he came back he would always have great tales to tell, and his eyes would snap as he would speak of his desires to succeed.”¹⁹

In the 1860s, nobody knew if significant oil deposits existed outside the rugged terrain of northwest Pennsylvania, so the industry had immediately taken on global proportions. Within a year of Drake’s discovery, his backers were marketing oil in London and Paris, and Europe emerged rapidly as the foremost market for American kerosene, importing hundreds of thousands of barrels yearly during the Civil War. Perhaps no other American industry had such an export outlook from its inception. By 1866, fully two-thirds of Cleveland kerosene was flowing overseas, most of it routed through New York, which became the export entrepôt for oil. At once, Rockefeller saw that he had to look beyond American shores to soak up excess production: “It seemed absolutely necessary to extend the market for oil by exporting to foreign countries, which required a large and most difficult development.”²⁰ To accomplish this, he dispatched brother William to New York City in 1866 to launch the firm of Rockefeller and Company, which would oversee the exports of their Cleveland refineries.

If William wasn’t much younger than John—“My brother is one year, one month and eight days younger than I am,” John specified with comic exactitude—he certainly had a younger brother’s deference and mentality.²¹ Already settled by this time, William had gotten married in May 1864 to Almira (“Mira”) Geraldine Goodsell, who came from a well-heeled Cleveland family with Yankee antecedents. The photos of William in his early twenties reveal a young man with thick muttonchop whiskers, clear eyes, and a broad, smooth forehead who looks more placid and less driven than his elder brother. Throughout their lives, despite their antithetical temperaments—William was bluff and friendly and freer than John in morals and manners—the brothers remained warm companions and close colleagues. William was a natural salesman who easily charmed people. Even in Pennsylvania, he was a popular figure who swapped tales with oil producers while John held himself aloof. “William always judges everything by intuition and instinct,” said John, tacitly contrasting his brother with himself. “He doesn’t act on analysis.”²² But those instincts were sound, and, while William took things seriously, he didn’t puff them up into grand moral crusades the way his brother did.

As a novice businessman, William had been precocious like his brother. After joining John as a bookkeeper at Hewitt and Tuttle, he was spirited away by a local miller and ended up at a produce-commission house, making partner after just one year. By age twenty, he was already earning \$1,000 a year— “much more than I got,” noted John wryly—and winning his older brother’s confidence.²³ “My brother was a young, active and efficient, and successful, businessman.”²⁴ The quality that most endeared William to John was sheer dependability. In later years, John repeated the anecdote of how his brother, as a young bookkeeper, awoke in the night and realized that he had made an error in a bill of lading. He was so disturbed that he couldn’t wait till morning to correct it and marched down to the lakefront warehouse during the night so that the ship could sail on time with proper paperwork. In September 1865, William left the produce house of Hughes, Davis and Rockefeller to join his brother’s oil-refining business, and, when the Standard Works was organized that December, it bore the name of William Rockefeller and Company.

Before long, John D. Rockefeller was cast by critics as the omnipotent wizard of the oil market, setting prices as the whim seized him, but by sending William to New York he acknowledged that the export market decisively influenced oil prices. Whenever news of a Pennsylvania gusher reached New York, the French and German buyers, anticipating lower prices, simply stopped buying, and this made them the ultimate arbiters of price. “They sat there like a lot of vultures,” said Rockefeller. “They wouldn’t buy until the price of refined had fallen very low on account of the flood of crude oil in the market.”²⁵ One of William’s tasks in New York was to apprise the firm’s buyers in the Oil Regions of sudden drops in export prices so that they could temporarily curtail crude-oil purchases.

When William arrived in New York, he set up unadorned offices at 181 Pearl Street, and the proximity to Wall Street was critical. To implement their audacious schemes, the Rockefellers needed massive capital but encountered two problems that seemed insuperable. The elite Wall Street bankers preferred to finance railroads and government and regarded oil refining as a risky, untested business, nothing short of outright gambling. Mindful of the extreme fire hazards and the specter of the oil running dry, only a few intrepid souls dared to wager on it. At the same time, John D.’s insatiable need for money outstripped the meager resources of Cleveland banks, forcing him to widen his search to New York, where he could secure credit at more advantageous

rates. “And my dear brother, William, being located in the metropolis, where the opportunities were better for securing money, had upon him this financial burden, and he showed marked ability in keeping a steady nerve and presenting our case very well to the bankers.”²⁶ As a result of John’s foresight in assigning him to New York, William’s career became closely intertwined with that of Wall Street—to an uncomfortable extent, from John’s later perspective.

As a gray eminence of the business world in his retirement, John D. betrayed a deep suspicion of financiers, boasted that he never borrowed, and was celebrated for his financial conservatism. Yet at this stage of his career, he turned inescapably to bankers. “One can hardly recognize how difficult it was to get capital for active business enterprises at that time,” he admitted.²⁷ If Rockefeller ever came close to groveling, it was in his eternal appeals to bankers. “In the beginning we had to go to the banks—almost on our knees—to get money and credit.”²⁸ When dealing with the banks, he vacillated between caution and daring: He often went to bed worrying how he would repay his large volume of loans, then awoke in the morning, refreshed by a night’s sleep and determined to borrow even more.²⁹

The Civil War introduced a new greenback currency and national banking system that generously stoked the postwar economy with credit. Many people grew rich with borrowed funds, creating a false flush of prosperity. Rockefeller was very much a product of this new credit-based society and owed a great deal to Truman Handy and other Cleveland bankers who identified him as a young businessman of exceptional promise. He cleverly projected the image of a rising star whom bankers spurned at their peril. One day, he ran into a banker, William Otis, who had allowed Rockefeller to borrow up to his credit limit; some directors were now expressing misgivings. Could Rockefeller stop by to discuss the loans? “I shall be very glad to demonstrate the strength of my credit at any time,” replied Rockefeller. “Next week I shall need more money. I would like to give my business to your bank. Soon I shall have a great deal of money to invest.”³⁰

Obliging but never fawning, he knew how to soothe jittery creditors, and one of his cardinal rules was never to seem too eager to borrow. With amusement, he recalled how one day he was walking down the street, trying to figure out how to find an urgently needed \$15,000 loan, when a local banker pulled up in a buggy and serendipitously asked, “Do you think you

could use \$50,000, Mr. Rockefeller?” Rockefeller, gifted with more than a touch of his father’s showmanship, studied the man’s face for a long time then drawled, “Well-l-l, can you give me twenty-four hours to think it over?” By stalling, Rockefeller believed, he pinned down the deal on the most favorable terms.³¹

Aside from his reputation for exemplary character, especially among Baptist business executives, Rockefeller had several other traits that inspired passionate allegiance from bankers. He was a stickler for the truth in presenting facts, never fudged or equivocated in discussing problems, and promptly repaid loans. At numerous points in his early career, he was rescued by bankers from crises that might have capsized his business. At one bank, the directors balked at extending him further credit after he suffered a refinery fire and hadn’t yet been compensated by insurers. Stepping into the breach, director Stillman Witt asked a clerk to fetch his own strongbox and announced with a flourish, “Here, gentlemen, these young men are all 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.”³²

It is impossible to comprehend Rockefeller’s breathtaking ascent without realizing that he always moved into battle backed by abundant cash. Whether riding out downturns or coasting on booms, he kept plentiful reserves and won many bidding contests simply because his war chest was deeper. Rockefeller vividly described the way that he had hastily enlisted the aid of bankers to snap up one refinery:

*It required many hundreds of thousands of dollars—and in cash; securities would not answer. I received the message at about noon, and had to get off on the 3 o’clock train. I drove from bank to bank, asking each president or cashier, whomever I could find first, to get ready for me all the funds he could possibly lay hands on. I told them I would be back to get the money later. I rounded up all of our banks in the city, and made a second journey to get the money, and kept going until I secured the necessary amount. With this I was off on the 3 o’clock train, and closed the transaction.*³³

To have orchestrated such a rapid campaign required a long relationship of trust with the banks.

So adroitly did Rockefeller manage his unending quest for money that he

became a director of a fire-insurance company in 1866 and a director of the Ohio National Bank in 1868. By that point, he must have felt very sure of himself, even cocky, because he didn't bother to attend bank meetings and was ejected posthaste from one board. One is again impressed by the fantastic forward motion of his career, how quickly he evolved from humble supplicant to impatient businessman. Now in his late twenties, he had little time for fuddy-duddy directors and often dispensed with the niceties. As he said of the bank's board meetings: "I used to go at first, and there were some nice old gentlemen sitting stolidly about a table discussing earnestly the problem offered by new departures in vault locks. It was all right in its way, but I was a busy man even then and I really didn't have the time for it. So they got rid of me speedily."

For all his self-assurance, Rockefeller needed one associate who would share his daydreams, endorse his plans, and stiffen his resolve, and that indispensable alter ego was Henry Morrison Flagler. Nine years older than Rockefeller, with roguish good looks, Flagler was a dashing figure with luminous blue eyes, smooth black hair, and a handlebar mustache. "His clothes were of the most recent cut," an office messenger said admiringly. "He carried himself with a confidence that was regal. He had a heavy black moustache and the most beautiful hair I had ever seen."³⁴ Funny and voluble, brisk and energetic, Flagler was nevertheless reticent about his motives and background and in time surpassed his tight-lipped younger partner in fending off public inquiries.

Flagler's upbringing had some noticeable parallels to Rockefeller's. Born in Hopewell, New York, in 1830, the son of an impecunious Presbyterian pastor, he grew up in the Finger Lakes region of upstate New York before moving to Toledo, Ohio. In a previous marriage, his mother had been married to a Bellevue, Ohio, doctor named David Harkness, who already had a son, Stephen, from his first marriage. They had a second son, Dan, before David Harkness died. Flagler's mother, Elizabeth, then married the Reverend Isaac Flagler. Evidently a man of courage and principle, Reverend Flagler created an uproar when he officiated over the marriage in Toledo of a young mulatto man to a white woman.

Dropping out of school at fourteen, Henry made his way to Republic, Ohio, and worked in the small country store of Lamon Harkness, Dr. Harkness's younger brother. He later spun romantic tales of this first job, where he sold molasses and dry goods by day and slept in the drafty rear of the store at

night. For special customers, Flagler would dip into a keg of brandy hidden upstairs. Becoming further entangled with his Harkness relatives, Henry married Lamon's daughter, the dark-eyed, demure Mary, in 1853.

Before the Civil War, Henry earned good money in Lamon's grain business in Bellevue, in the corn and wheat belt of Sandusky County, where he shipped much produce through Cleveland. "John D. Rockefeller was a commission merchant in Cleveland, and I sent him a good many carloads of wheat, which he sold as my agent," he recalled.³⁵ In a lucrative sideline, Flagler and his Harkness relatives took an interest in a whiskey distillery, which also provided an outlet for surplus grain. Like Rockefeller, Flagler was a prudish young man who never swore an oath stronger than "Thunder!" As a teetotaler, Sunday-school teacher, and minister's son, Flagler's liquor venture didn't square with his principles—though the profits evidently provided balm to his conscience. "I had scruples about the business and gave it up," he confided, "but not before I made \$50,000 in Bellevue."³⁶ Awash with cash, he built a stately Victorian mansion, the Gingerbread House, that was brightly illuminated with coal-oil lamps. Among the visitors was John D. Rockefeller, then canvassing accounts for his partnership with Maurice Clark. "He was a bright and active young fellow full of vim and push," said Rockefeller, as if Flagler were the younger of the two.³⁷

During the Civil War, Flagler, like Rockefeller, hired a substitute. His firm was a major contractor for grain purchases by the Union army and in 1862, brimful of wartime profits, he cast about for a fresh opportunity. At this point, Flagler stumbled into the sole business blunder of his career when he took a sizable stake in a salt company in Saginaw, Michigan, and moved his family there. When the war ended, slashing demand for salt, his firm went bankrupt, the victim of a classic boom-and-bust cycle. Losing everything, he had to be bailed out by a giant loan from the Harkness family. "At the end of three years, I had lost my little fortune and owed \$50,000 to about 50,000 Irishmen who had been working in the salt factory," said Flagler.³⁸ He had much occasion to ponder the contradictions of a market economy in which dynamic industries swiftly expand during prosperity only to find themselves overextended during downturns. To cope with excess production, many Saginaw salt companies opted for cooperation over competition and joined a cartel arrangement to try to prop up salt prices, providing a precedent for Standard Oil.

After his sobering reversal of fortune, Flagler entered a despondent period in which he sometimes skipped lunch to save money. Returning to Bellevue, he tried to market felt wool as well as a machine he had invented that would supposedly produce the perfect horseshoe. Deciding to try his luck in Cleveland (where Stephen V. Harkness had moved in 1866), he took a job selling grain with Rockefeller's ex-partner, Maurice Clark, and by coincidence filled the post recently vacated by Rockefeller. Perhaps to tweak Clark, Rockefeller invited Flagler to rent desk space in his office suite in the Sexton Block. As Flagler prospered, he settled his debts, bought a fine house on Euclid Avenue, and joined the First Presbyterian Church.

As they strolled to and from work together, Flagler and Rockefeller must have soon discovered their remarkable affinity as businessmen. Chafing at his dependence on loans and wondering when he might deplete the capital of local banks, Rockefeller now scouted out large individual investors and was probably acutely aware of the wealth of Flagler's relatives. Through Flagler's introduction, Rockefeller solicited money from Stephen V. Harkness, by now one of Cleveland's richest men. A bearish man with thick, slightly unkempt hair, fluffy sideburns, and a walrus mustache, Harkness had capitalized on inside political information to make a fortune during the war. As an ally of U.S. senator John Sherman of Ohio, he had received timely word in 1862 of an upcoming government move to levy a two-dollar tax on every gallon of malt and distilled liquor. Before the tax took effect, he busily stockpiled wine and whiskey and even raided the deposits of a local bank he owned to pour more money into this operation.³⁹ When the tax was enacted in July 1862, he sold his enormous cache of spirits for a fast \$300,000 profit. It is deeply ironic that Rockefeller, a staunch temperance advocate, got one of his most significant cash infusions from questionable gains in liquor.

While Rockefeller was negotiating a large loan from Stephen V. Harkness during an hour-long talk in 1867, the latter saw an excellent opportunity to set up Henry in business and instead of extending a loan asked for a large block of stock in the company. Investing \$100,000—a third of the new firm's capital—Harkness made it a precondition of his investment that Henry become treasurer and his personal deputy in the firm. As Harkness said to Rockefeller, "Young man, you can have all the money you want. You are on the right track and I am with you." As to Henry's part, he added, "I'll make Henry my watchdog."⁴⁰ Since Harkness was also a director of banks, railroads, mining, real estate, and manufacturing companies, the tie ushered Rockefeller into a new universe of business connections.

On March 4, 1867, the *Cleveland Leader* announced the formation of a new partnership, Rockefeller, Andrews and Flagler, with offices in the Case Building, a solid masonry structure with rounded, Romanesque windows and a prestigious address on the Public Square. “This firm is one of the oldest in the refining business and their trade already a mammoth one. . . . Their establishment is one of the largest in the United States. Among the many oil refining enterprises, this seems to be one of the most successful; its heavy capital and consummate management having kept it clear of the many shoals upon which oil refining . . . houses have so often [been] stranded.”⁴¹ From reading this description, one would have thought the firm was run by gray, reverend men, whereas Rockefeller, the boy wonder of Cleveland business, was just twenty-seven.

Starting with Flagler’s recruitment, Rockefeller began to assemble the team of capable, congenial executives who would transform the Cleveland refiner into the world’s strongest industrial company. Both Rockefeller and Flagler had nimble minds for numbers and infinite dexterity with balance sheets. Neither was interested in a modest success, and they were both prepared to go as far and as fast as the marketplace allowed. As Flagler boasted, “I have always been contented, but I have never been satisfied.”⁴² Rockefeller found his partner’s enthusiasm a tonic, noting that Flagler “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.”⁴³ Given their exalted goals, it probably helped that Flagler had been chastened by failure and was acquainted with the perils of complacency.⁴⁴

Rockefeller loved Flagler’s dictum that a friendship founded on business was superior to a business founded on friendship, and for several decades they worked together in an almost seamless fashion. In the early years, the two men were bound by a common dream, lived near each other, and seemed virtually inseparable. As Rockefeller said in his memoirs, “We met and walked 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.” For a man as reserved as Rockefeller, this picture suggests an unbuttoned exchange of ideas of a sort he permitted with few people.

In the office, their intimacy was patent to visitors, for they had back-to-back desks and shared many duties. They even developed a collective letter-

writing style, passing drafts back and forth with each making minor improvements until they expressed what was wanted but not one syllable more. At this point, the letters were ready to be vetted by the severest judge, Mrs. Rockefeller, who was, said one office worker, “known to be the most valued adviser.”⁴⁵ Endowed with considerable verbal skill, Flagler had such a gift for drawing up legal documents or sniffing out hidden pitfalls in contracts that Rockefeller insisted he could have taught the fine points of contract law to lawyers—no small edge for a firm that would be engaged in running legal battles.

In his later years, Flagler developed into a grandee of such rich tastes that it is instructive to note his austere early style. Not only did he labor six days a week, but he shunned bars and theaters as the devil’s playgrounds and became superintendent of the First Presbyterian Church. Like Rockefeller, he advocated self-discipline and deferred gratification. As he said of his first threadbare days in Cleveland: “I wore a thin overcoat and thought how comfortable I should be when I could afford a long, thick Ulster. I carried a lunch in my pocket until I was a rich man. I trained myself in the school of self-control and self-denial. It was hard on [me], but I would rather be my own tyrant than have some one else tyrannize me.”⁴⁶ After his wife, Mary, gave birth to a son, Henry Harkness Flagler, in 1870, she never regained her health and turned into an invalid. For the next seventeen years, Flagler stayed home at night so he could read to her for hours on end, with John and Laura Rockefeller often stopping by to mitigate the gloom.

That Flagler was his most valuable partner was always unquestioned dogma for Rockefeller, yet one wonders whether the influence was altogether benign. An ebullient man, Flagler wouldn’t stop to quibble over legal niceties when taken by a powerful idea, and even Rockefeller hinted obliquely at the dangers posed by Flagler’s headstrong nature. “He was a man of great force and determination,” said Rockefeller, “though perhaps he needed a restraining influence at times when his enthusiasm was roused.”⁴⁷ On his desk, Flagler kept a quote from a popular novel, *David Harum*, which said, “Do unto others as they would do unto you—and do it first.”⁴⁸ What makes Flagler’s ethics consequential for Rockefeller’s career was that he was the mastermind of many negotiations with the railroads—the single most controversial aspect of Standard Oil history. It’s not clear that anyone could have tempered the fiercely irrepressible drive of John D. Rockefeller, but the swashbuckling Flagler had especially little interest in transposing the lessons of his Sunday-

school classes to the profane, turbulent world of oil refining. As far as Rockefeller was concerned, however, Flagler's arrival was providential, for the oil industry was about to be thrown into unprecedented turmoil, making relations with the railroads all-important.

Transportation assumed a pivotal place in the petroleum business for an elementary reason: Drake had discovered oil in a distant, inaccessible spot that was, at first, poorly served by the railroads. For several years, teamsters—the wagoners who hauled out the barrels—exercised a brutal tyranny and charged exorbitant sums. Since oil was a relatively cheap, standardized commodity, transportation costs inevitably figured as a critical factor in the competitive struggle. The logical and elegant solution—to construct a comprehensive pipeline network—encountered harsh resistance from the threatened teamsters. During the 1865 Pithole frenzy, Samuel Van Syckel laid a two-inch iron pipeline from Oil Creek to railroad tracks six miles away. Defying armed guards, roaming gangs of teamsters descended each night and tore up sections of the pipeline. When Henry Harley launched a second pipeline, they again dug up pipes and set storage tanks ablaze, forcing Harley to field a small army of Pinkerton detectives to squash the revolt. The teamsters must have known they were fighting a rearguard action, but for a time they managed to delay the installation of a pipeline system.

Between the benighted rule of the teamsters and the future domination by efficient pipelines, there arose an interregnum in which the railroads exercised pervasive influence over everything that happened in the industry. At first, they tried to ship barrels on open flatcars, but the swaying, jolting ride splintered the containers and spilled their contents. After the Civil War, this hazardous method was superseded by primitive tank cars—twin pine tubs mounted on flatcars—that were soon replaced, in turn, by single iron tanks that became the industry norm. Such technical advances allowed the railroads to speed oil across the continent and vastly expanded the market for petroleum products.

During the first few years, the oil business was so effortlessly profitable that refineries sprang up in six competing centers. The inland centers (the Oil Regions, Pittsburgh, and Cleveland) and the seaboard centers (New York, Philadelphia, and Baltimore) engaged in pitched battles to control the business. Favored by proximity to the wells, the western Pennsylvania refiners seemed to possess an incalculable edge, but they had to import chemicals, barrels, machinery, and labor and therefore labored under distinct

handicaps. Nonetheless, these refiners saved so much on transportation that they fancied they would emerge supreme in the oil business. Later, Rockefeller admitted that he'd been tempted to switch operations to Pennsylvania, yet he and his partners didn't wish to uproot their families or write off their considerable investment in Cleveland. They also feared that the glory of the Oil Regions might soon fade into history, as Rockefeller later noted in a statement reminiscent of Percy Bysshe Shelley's poem "Ozymandias":

*You have seen Pithole and Petroleum Center—the places where once stood big, prosperous cities in which men made millions of dollars out of oil. Now they are bits of wilderness, overgrown with weeds, and with nothing left to tell of their greatness but a few scattered parts of old houses and the memory of a few aged men. Prudent men did not want to place all their capital into business in such places.*⁴⁹

Even late in life, Rockefeller was loath to confess, for political reasons, the overriding reason for his attachment to Cleveland: It was the hub of so many transportation networks that he had tremendous room to maneuver in freight negotiations. During the summer months, he could send oil by water, greatly enhancing his bargaining power with the railroads. His firm "could load their oil in the season of lake navigation and canal navigation, upon vessels at Cleveland and from Buffalo by the Erie Canal [and] could deliver the oil to their warehouses in New York at a cost lower than the current rates at which the railway companies had been seeking the business."⁵⁰ Armed with this potent weapon, Rockefeller obtained such excellent railroad rates that it compensated for having to ship the crude oil to Cleveland before sending refined oil to the Atlantic coast—a far more circuitous route than shipping from Titusville straight to New York. Fed by rail links to Chicago, Saint Louis, and Cincinnati, Cleveland also served as a natural gateway to western markets. Other Cleveland refiners evidently made the same calculation, and by late 1866 the city supported fifty refineries, ranking second only to Pittsburgh. Cleveland's refineries were so numerous that their foul, acrid atmosphere enveloped the outskirts, tainting the beer from local breweries and souring the milk.

Besides access to the Erie Canal and Lake Erie, Cleveland was serviced by three main railroad lines that gave its inland refineries direct access to eastern ports: the New York Central, which ran north from New York City to Albany and then west to Buffalo, where its Lake Shore line ran along Lake Erie to

Cleveland; the Erie Railroad, which also sped across New York State to a point south of Buffalo, where its Atlantic and Great Western subsidiary headed down into Cleveland and the Oil Regions; and the august Pennsylvania Railroad, which went from New York and Philadelphia to Harrisburg and Pittsburgh. With virtuosic brilliance, Rockefeller and Flagler played these three railroads against each other in seemingly endless permutations. They even managed to manipulate such redoubtable figures as the notorious Jay Gould, who had wrested the Erie Railroad from Commodore Vanderbilt in 1868. Flagler singled out Gould as the fairest and squarest of the railroad chieftains in his dealings, and Rockefeller, when asked to name the greatest businessman he had ever met, instantly cited Gould.⁵¹ Gould himself later asserted that John D. Rockefeller had possessed “the highest genius for constructive organization” in American economic history.⁵²

Before long, the various oil-refining centers were rushing to form tactical alliances with these railroad networks. As a natural outgrowth of their route structure, the New York Central and the Erie wanted to promote Cleveland as a refining center and regarded Rockefeller as a critical ally in efforts to boost their oil-freight business. With easy access to the oil fields via the Allegheny River, Pittsburgh might have seemed the optimal location, but its refiners were always held hostage to the freight monopoly of the Pennsylvania Railroad. Following a myopic and ultimately destructive policy toward Pittsburgh, the Pennsylvania Railroad decided it was more profitable to carry crude oil from Oil Creek all the way to Philadelphia or New York refineries rather than to have it refined in Pittsburgh. By penalizing Pittsburgh refiners with crushing rates, the railroad fattened its short-term profits but sacrificed the city’s future as a refining center and paved the way for the hegemony of the city the Pennsylvania wanted most to eradicate: Cleveland. As Rockefeller later said, the Pennsylvania Railroad’s attitude made it easy for him to find common cause with its archrivals, and he forged a cabal with the New York Central and the Erie that the Pennsylvania was hard-pressed to stop.

By the late 1860s, the press was rife with reports that the Pennsylvania Railroad had decreed that Cleveland would be “wiped out as a refining center as with a sponge”—a statement forever engraved on Rockefeller’s unforgiving memory. Taking this as a declaration of war, he was emboldened to respond with the most robust countermeasures at his command. He was a man who always acted on Flagler’s business motto of favoring “sharp,

vigorous and decisive measures.”⁵³ The Pennsylvania statement set off a panic-stricken reaction in Cleveland as local refiners prepared to transfer their operations to Oil Creek. Coolheaded in the face of such hysteria, Rockefeller saw that he could convert this chaos to advantage. By threatening to strip the others of their oil traffic, the Pennsylvania had placed the Erie and New York Central in a vulnerable position, and Rockefeller and Flagler decided to use this leverage to wring extreme concessions from them.

In the spring of 1868, Jay Gould hatched a secret deal with Rockefeller and Flagler that gave them shares in a subsidiary company called the Allegheny Transportation Company, which was the first major pipeline network serving Oil Creek. Through this deal, the Cleveland refiners received a staggering 75 percent rebate on oil shipped through the Erie system. As part of this extraordinary bonanza, Flagler also cut a deal with the Atlantic and Great Western, an Erie subsidiary, that gave Rockefeller, Andrews and Flagler highly advantageous rates on rail shipments between Cleveland and the Oil Regions.

In this season of bountiful concessions, Flagler also approached General J. H. Devereux, the newly installed vice president of the Lake Shore Railroad, which formed part of the New York Central system. Trained as a civil engineer, Devereux had revamped the railroad system in northern Virginia to assist the Union army and was commended by Lincoln for his work. In negotiating a new framework with him, Rockefeller and Flagler argued for preferential rates that would more than match discounts extended by the Pennsylvania Railroad to its customers in the Oil Regions. In other words, the young Cleveland refiners cannily converted their geographic disadvantage into a powerful bargaining tool and secured covert rates that allowed them to ship crude oil to Cleveland and then refined oil to New York for only \$1.65 per barrel compared to an officially listed rate of \$2.40.

In exchange for this extraordinary concession, Rockefeller and Flagler didn't simply try to squeeze the railroads—they were much too shrewd and subtle for that—but offered compelling incentives. For instance, they agreed to assume legal liability for fire or other accidents and stop using water transport during the summer months. The biggest plum they dangled before Devereux was a promise to supply the Lake Shore with an astonishing sixty carloads of refined oil daily. Since Rockefeller lacked the refining capacity to fulfill this ambitious pledge, he was evidently prepared to coordinate shipments with other Cleveland refiners. For any railroad, the prospect of

steady shipments was irresistible, for they could dispatch trains composed solely of oil-tank cars instead of a motley assortment of freight cars picking up different products at different places. By consolidating many small shippers into one big shipper making regular, uniform shipments in massive quantities, the railroads could reduce the average round-trip time of their trains to New York from thirty days to ten and operate a fleet of 600 cars instead of 1,800.

Never shy about his accomplishments, Rockefeller knew that he had broached a revolutionary deal: “It was a large, regular volume of business, such as had not hitherto been given to the roads in question.”⁵⁴ From that moment, the railroads acquired a vested interest in the creation of a gigantic oil monopoly that would lower their costs, boost their profits, and generally simplify their lives. As in other industries, the railroads developed a stake in the growth of big businesses whose economies of scale permitted them to operate more efficiently—an ominous fact for small, struggling refiners who were gradually weeded out in the savage competitive strife.

Without doubt, the Lake Shore deal marked a turning point for Rockefeller, the oil industry, and the entire American economy. Decades later, Ida Tarbell condemned it as Rockefeller’s original sin from which all others sprang. “Mr. Rockefeller certainly saw by 1868 that he had no *legitimate* superiority over those competing with him in Cleveland which would ever enable him to be anything more than one of the big men in his line.”⁵⁵ Only Rockefeller’s willingness to cheat and cut corners, Tarbell contended, had enabled him to outdistance the pack. This claim, echoed by Rockefeller’s most virulent critics, overstates the case, for even before Rockefeller accepted his first rebate, he was the world’s largest refiner, equal in size to the next three largest Cleveland refineries combined. In fact, it was the unparalleled scope of his operation that had enabled him to cut this exceptional deal in the first place. Tarbell perceived correctly, however, that the principal advantage of Rockefeller’s commanding position was that it meant special power to compel railroad-freight concessions.

In closing their historic deal, Rockefeller and Flagler suffered no twinges of conscience and were frankly elated by their triumph. “I remember when the Standard received its first rebate,” said Flagler. “I went home in great delight. I had won a great victory, I thought.”⁵⁶ But they knew they had dabbled in a dark and controversial practice, for the rebates were predicated on great secrecy. Many years later, Rockefeller explained to one railroad negotiator

that their dealings with the Lake Shore rested on oral agreements that were never committed to paper. “Our people do not think it would be best for the Lake Shore Road, or us, to have a contract, but with the good faith between us and desire to promote each other’s interest, we can serve each other better by being able to say we have no contracts.”⁵⁷ Because many railroad deals ended with a handshake, not a signature, Rockefeller could breezily deny their existence without fear of embarrassing refutations later on.

As the chief transportation deal maker, Flagler had overseen the landmark pact, and Rockefeller always credited him for it. Some of this derived from Rockefeller’s humility, but it also betrayed a lifelong habit of covering his tracks and pretending to be elsewhere when critical decisions were made. Although Rockefeller didn’t lead the Lake Shore negotiations, he was smack in the thick of them. On August 19, 1868, he sent a fascinating letter to Cettie from New York that shows his toughness vis-à-vis the Vanderbilts, who controlled the New York Central, the Lake Shore’s parent. “We were sent for by Mr. Vanderbilt yesterday, at twelve o’c & did not go, he is anxious to get our business and said that he could meet us on the terms. We sent our card by the messenger, that Vanderbilt might know where to find our office later.”⁵⁸ The point is worth underscoring: Twenty-nine-year-old John D. Rockefeller demanded that seventy-four-year-old Commodore Vanderbilt, the emperor of the railroad world, *come to him*. This refusal to truckle, bend, or bow to others, this insistence on dealing with other people on his own terms, time, and turf, distinguished Rockefeller throughout his career.

Bolstered by the Lake Shore deal, Cleveland soon surpassed Pittsburgh as the leading refining center, and for the first time journalists began to track Rockefeller’s ascendancy. In 1869, one writer marveled at the power that this laconic young man, in his understated manner, had already attained in Cleveland. “He occupies a position in our business circles second to but few. Close application to one kind of business, an avoidance of all positions of honorary character that cost time, keeping everything pertaining to his business in so methodical a manner that he knows every night how he stands with the world.”⁵⁹

Today an arcane, forgotten subject, the issue of railroad rebates generated heated debate in post-Civil War America since they directly affected the shape of the economy and the distribution of wealth. Railroads had obtained the power to produce either a concentrated economy, with progressively larger business units, or to perpetuate the small-scale economy of antebellum

America. The proliferation of rebates hastened the shift toward an integrated national economy, top-heavy with giant companies enjoying preferential freight rates.

Rockefeller justly argued that he hadn't invented the rebate and that the Pennsylvania Railroad had granted thousands of them in the six years before his seminal Lake Shore deal. "It was a common practice in all descriptions of freighting, not peculiar to oil; in merchandise, grain, everything." ⁶⁰ Rebates had inevitably accompanied railroad expansion. As the total railroad trackage doubled to 70,000 miles within eight years after the Civil War, the roads were saddled with high fixed costs and heavy bonded debt. This forced them to maintain a high, steady freight volume to stay alive and waylaid them into vicious rate wars. Rebates weren't just solicited by shippers but were sedulously pushed by railway freight agents eager to win over new business. Rebates enabled them to maintain the fiction of listed rates while secretly giving discounts to favored shippers. Over time, relations grew ever closer and more incestuous between the railroads and large shippers. For decades, Rockefeller and his colleagues enjoyed free passes on all major railroads, which they regarded not as payoffs but as natural perquisites of their business.

Rockefeller never saw rebates as criminal or illegitimate or as favors secured only by bullying monopolies. He was correct in stating that listed rates were always a farce, a starting point for haggling. Many refiners received rebates, not just the leading firms, and some tiny rivals actually got superior discounts, especially from the Pennsylvania Railroad. Rockefeller's business papers display much internal grumbling about this presumed inequity, for which he and his colleagues regularly chastised railroad officials at critical moments in negotiations. But in spite of numerous scattered cases of rival refiners getting comparable rebates, no other firm received so many rebates so consistently over so many years or on such a colossal scale as Rockefeller's. It was therefore disingenuous of him to suggest that rebates played only an incidental role in his success.

So were Ida Tarbell and other detractors justified in tarring Rockefeller's whole career based on railroad rebates? Unfortunately, the controversy was played out in a gray area of ethics and the law that makes a definitive answer impossible. From a strictly economic standpoint, Rockefeller rested on solid ground when he insisted that bulk shippers deserved a discount. "Who can buy beef the cheapest—the housewife for her family, the steward for a club or hotel, or the commissary for an army? Who is entitled to better rebates from a

railroad, those who give it 5000 barrels a day, or those who give 500 barrels—or 50 barrels?”⁶¹ Besides providing a steady flow of oil shipments, Rockefeller’s firm invested heavily in warehouses, terminals, loading platforms, and other railroad facilities so that the roads probably derived more profit from his shipments than from those of rivals who paid higher rates. Small, irregular shippers were the bane of railroads for the simple, mechanical reason that they forced the trains to stop repeatedly to pick up single carloads of oil. To meet the terms of his deal with the Lake Shore, Rockefeller had to run his refineries at full capacity even when kerosene demand slackened. He therefore paid a price for his rebates and felt that equal rates for all shippers would have unfairly penalized his firm.

Perhaps because Ida Tarbell trained a glaring spotlight on the rebate issue, Rockefeller insisted vehemently in later interviews that the real profitability of his firm lay elsewhere. In an intriguing aside in later years, he even hinted that the clamor over rebates conveniently deflected public attention away from other, more profitable aspects of his operation: “Along this line much was said about rebates and drawbacks for long years, and the Standard Oil Company knew full well that the public were not on the right scent. They knew where their profits came from, but they did not deem it wise to inform the public, and especially their competitors, of the real secret sources of their strength.”⁶² Indeed, one can argue that the obsession among reformers with the rebate issue might have blinded them to a multitude of other sins.

Not until the Interstate Commerce Act in 1887 did it become an illegal, punishable offense for railroads to give rebates, and the practice didn’t cease entirely until the 1903 Elkins Act. Nevertheless, by the end of the Civil War, a widespread belief had begun to take hold that railroads were common carriers and should shun favoritism. Ida Tarbell cited provisions in the Pennsylvania state constitution that, as she interpreted them, compelled railroads to serve as common carriers and avoid discrimination. Yet in the last analysis, she based her withering critique of Rockefeller less on specific laws than on her belief that he had violated a sense of fair play. “That is,” she wrote in *McClure’s Magazine* in July 1905, “rebate giving then as now, was regarded as one of those lower business practices which characterizes commerce at all periods, and against which men of honor struggle, and of which men of greed take advantage.”⁶³ In the privacy of his study in 1917, an unrepentant Rockefeller disputed her view of the prevailing business ethics. “I deny that it was regarded as a dishonorable practice for a merchant or manufacturer to obtain

the best rates possible for his goods.”⁶⁴ As to Tarbell’s charge that the secrecy of rebates proved their immorality, Rockefeller countered that railroads didn’t wish to advertise discounts that might then be demanded by other shippers. “For these arrangements were not except by the academic expected to be published, any more than the general of an army’s plans are published to enable the enemy to defeat him.”⁶⁵

The most compelling argument against rebates was that railroads received state charters and therefore had the right of eminent domain—that is, the right to claim private property in order to lay down tracks—investing their activities with a public character. In 1867, a committee of the Ohio senate declared that railroads, as common carriers, should charge equal rates, but a bill incorporating these ideas was defeated. The following year, just as Rockefeller implemented his Lake Shore deal, a Pennsylvania senate committee reported that railroads were common carriers and had “no right to show partiality among their customers”; but, again, no regulatory changes ensued.⁶⁶ Almost twenty years passed before reformers succeeded in introducing public regulation that forced an end to the railroad favoritism that so incensed farmers and other small shippers across America. In the meantime, Rockefeller profited enormously from the failure of public authorities to rectify the inequities of the transportation system, and his firm understandably kept up vigorous lobbying efforts to perpetuate the status quo.



John D. Rockefeller, Jr., forced to wear his sisters' hand-me-downs.
(Courtesy of the Rockefeller Archive Center)

CHAPTER 7

Millionaires' Row

Rockefeller had speedily acquired a level of respectability that would have seemed unthinkable fifteen years before when he and his demoralized family were crowded into the Humiston house in Strongsville. In August 1868, after his rebate deal with the Lake Shore Railroad, he certified his enhanced status in Cleveland when he and Cettie moved from Cheshire Street to a solid brick home at 424 Euclid Avenue. This move dramatized the immense distance he had traveled after a few years in the oil business. Local boosters had already tagged Euclid Avenue “the most beautiful street in the world,” with homes that lavishly mirrored the local fortunes in oil, iron, banking, timber, railroads, and real estate. All of the town’s new opulence was reflected in this street of massive houses. The residential address for such local luminaries as Henry B. Payne, Amasa Stone, and John Hay, Euclid Avenue claimed so many mansions that it had richly earned its sobriquet of “millionaires’ row.”

With the spacious grandeur of a fine Victorian street, always busy with fashionable horses and carriages, the wide avenue had a double row of elms that created a tall, shady canopy overhead. The imposing homes were deeply recessed from the street, their trimmed lawns and shapely shrubbery providing buffer zones between the houses and their distant front gates. Since few houses were separated from adjoining houses by fences, the street sometimes gave the impression of being a single, flowing park, with elegant homes standing in an unbroken expanse of greenery.

While Rockefeller’s home looked small and cramped beside Amasa Stone’s towering manse and other gaudy monstrosities, it was a substantial two-story structure with a mansard roof, a portico, and arched windows, shielded from the street by an iron picket fence that spanned its entire 116-foot frontage. Rockefeller could have afforded something showier than this \$40,000 house, and pedestrians might have thought its owner a lesser light in business, yet this was exactly the misimpression that he wanted to convey. Far from trying to parade his wealth, he wanted to blend into the scenery. Even at home, Rockefeller was discreet and behaved as if he was concealing some secret from prying eyes. Beyond that, he had the Puritan’s discomfort with possessions, a nagging Baptist anxiety that decoration might appear

idolatrous. Again, like Weber's ideal capitalist, "he avoids ostentation and unnecessary expenditure, as well as conscious enjoyment of his power, and is embarrassed by the outward signs of the social recognition which he receives."¹

Fond of roomy, ungainly houses that he could remodel ceaselessly, Rockefeller would have been stymied by a house that required no improvement. Utilitarian by nature, he was more concerned with the grounds and interiors of homes than with the subtleties of architectural ornamentation. "I hate frills," he once said. "Useful things, beautiful things, are admirable; but frills, affectations, mere pretences of being something very fine, bore me very much."² With a country boy's love of open spaces, he hated anything confined or cluttered and probably chose the Euclid Avenue house for its large, high-ceilinged rooms, which included a parlor, a sitting room, and a dining room downstairs plus four bedrooms upstairs.

Rockefeller devoted more time and expense to the trees and shrubbery than to the house itself. To expand his gardens, he bought an adjoining lot but was disturbed by the house that came with it and obstructed his view. Since he detested waste, he donated the house to a new girls' school being built a block away. In what was hailed as an engineering wonder at the time, the brick house was jacked up by a windlass and rolled down the block on greased logs—a spectacle that was covered by local papers and drew spectators. "Mr. Rockefeller . . . set [the house] on new foundations where it was as good as ever," Lucy Spelman said of her brother-in-law's feat. "This was a marvelous undertaking, but then he was always undertaking marvelous things."³

Behind the house, he built a stone stable and coach house more magnificent than the residence itself. Over one hundred feet long, it had stout beams, pine panels, and elaborate chandeliers. An expert driver with either a pair of horses or a four-in-hand, Rockefeller had a passion for trotters, and Euclid Avenue provided a perfect straightaway for races. If anybody tried to pass him, the hypercompetitive Rockefeller automatically turned it into a trial of speed. John, William, and Frank were stockholders in a racing club called the Cleveland Driving Park Company, the first amateur club of its sort in America. Unable to do anything in a casual manner, Rockefeller became obsessive about his hobbies, which he could sometimes indulge in extravagant fashion. In the 1870s, his records show, he paid stupendous sums—from \$10,000 to \$12,500—for thoroughbred trotters with such evocative names as Midnight, Flash, Jesse, Baron, and Trifle.

In his early days in business, Rockefeller often suffered from severe neck pains that might have indicated stress on the job, and he turned to horses as a therapeutic diversion. “I would leave my office in the afternoon and drive a pair of fast horses as hard as they could go: trot, break, gallop—everything.”⁴ Since Cettie was also fond of horses, they often rode together. His style of racing was also revealing: He never applied cruel, coercive measures to recalcitrant horses but studied them closely and tried to coax them along gently and with great patience. “I remember when my brother William and I used to go riding,” he said. “I would invariably come in first. He would be covered with perspiration, as was his horse. My horse would be too—but I would be as cool as I am now. I always would talk to my horses—quietly, steadily—never get excited.”⁵ This unflappable style and conservation of energy also characterized his approach to the management of his vast oil empire.

Unlike his philandering father, John D. Rockefeller remained firmly, almost prudishly, anchored in domestic life. Much like Jay Gould—who didn’t drink, smoke, or gallivant with women—Rockefeller’s harsh business tactics were counterbalanced by exemplary behavior at home where he was a sweet, respectful Victorian husband. To borrow a line from Flaubert, to be fiercely revolutionary in business, he needed to be utterly conventional at home. Eternally at war with the devil, John and Cettie allowed their religious beliefs to define their entire cultural agenda. They subscribed to seats at the philharmonic, for instance, but theater and opera were too racy for these professing Christians. Shying away from social situations that weren’t safely predictable, they socialized only within a small circle of family members, business associates, and church friends and never went to clubs or dinner parties. “Club life did not appeal to me,” said Rockefeller. “I was meeting all the people I needed to meet in my day’s work. . . . My family would rather have me at home—even if I were snoring in an easy chair—than going out for the evening, and certainly I preferred to stay at home.”⁶ He especially enjoyed the company of ministers whose genial, homiletic style matched his own. Thus walled off from temptation, Rockefeller was virtually untouched by the decadence of the Gilded Age.

Much of Rockefeller’s preference for home life stemmed from his strict temperance views. Even late in life, he accepted an invitation to a hotel barbecue, then went to investigate the site beforehand. When he spotted empty beer bottles on the premises, he promptly withdrew his acceptance.

Since he and Cettie were deeply involved in temperance work—they did everything from sponsoring lecture tours to lobbying to have temperance principles inserted in school textbooks—they avoided the very presence of liquor, and this severely cramped their social activities. Yet within their circumscribed world, they had a happy home life.

Rockefeller bridled at the notion that he was a business-obsessed drudge, a slave to the office. “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,” he recorded in his memoirs.⁷ He worked at a more leisurely pace than many other executives, napping daily after lunch and often dozing in a lounge chair after dinner. To explain his extraordinary longevity, he later said, doubtless overstating the matter, “I’m here because I shirked: did less work, lived more in the open air, enjoyed the open air, sunshine and exercise.”⁸ By his mid-thirties, he had installed a telegraph wire between home and office so that he could spend three or four afternoons each week at home, planting trees, gardening, and enjoying the sunshine. Rockefeller didn’t do this in a purely recreational spirit but mingled work and rest to pace himself and improve his productivity. In time, he became something of an evangelist on health-related issues. “It is remarkable how much we all could do if we avoid hustling, and go along at an even pace and keep from attempting too much.”⁹

There was a clockwork regularity about Rockefeller’s life that made it seem mechanical to outsiders but that he found soothing. He didn’t seem to require time to indulge normal human idleness, much less illicit passion. In his rigidly compartmentalized life, each hour was tightly budgeted, whether for business, religion, family, or exercise. Perhaps these daily rituals helped him to deal with underlying tensions that might otherwise have become ungovernable, for although he tried to project an air of unhurried calm, he was under terrific strain in creating his oil empire. He fretted endlessly about his company and, below the surface, was constantly on edge. In one of his few admissions of weakness, he recalled that “for years on end I never had a solid night’s sleep, worrying about how it was to come out. . . . I tossed about in bed night after night worrying over the outcome. . . . All the fortune that I have made has not served to compensate for the anxiety of that period.”¹⁰

By the time they moved to Euclid Avenue, the Rockefellers already had one child, Elizabeth (always called Bessie), who was born in the Cheshire

Street house in 1866. (When Cettie was confined during childbirth and couldn't attend church, John jotted down notes on the sermon and read them back to her afterward.) All of the remaining children were born in an upstairs bedroom at Euclid Avenue. Their second child, Alice, was born in July 1869 but died a year later; then came Alta (1871), Edith (1872), and John Jr. (1874). They were delivered by a pioneering physician, Dr. Myra Herrick, Cleveland's first woman doctor, who organized a short-lived homeopathic college to train women in the field. When she set up a free medical dispensary, staffed exclusively by female doctors, to assist low-income women, Cettie and Mary Flagler were prominent contributors.

A surprisingly flexible, egalitarian father, Rockefeller never shrank from child care. His sister-in-law, Lute, who gave up teaching and went to live with them, told how John eased the burden from Cettie's shoulders when he was at home: "He would get up from his nap the moment he heard a baby cry and carry the little one up and down the room until she was quieted." ¹¹ Rockefeller was always patient with his children and seldom lost his temper or uttered a harsh word. As the son of a self-absorbed absentee father, he made a point of being an affectionate parent and something of a homebody.

Like Big Bill, however, Rockefeller could be a sprightly companion for his children. He would get down on all fours and bear them on his back, recapturing a boyish glee that was seldom evident at the office. When they played blindman's buff, he electrified them with daring feints, sudden thrusts, and unexpected, wheeling turns, followed by whoops of delight when he won. Attuned to their fantasy world, he liked to gather the children around him and tell fairy tales. Also like his father, he had an inexhaustible supply of stunts. At dinner, he dazzled the children by balancing fine china plates on the tip of his nose; he also balanced crackers on his nose, then gave them a sudden flip and caught them in his mouth. He taught the children to swim, row, skate, and ride, and he had a talent for devising imaginative outings. On moonlit nights at Forest Hill—the Cleveland estate Rockefeller bought in the 1870s—they ventured forth on bicycle trips, with Rockefeller pinning a large white handkerchief to the back of his coat and leading the children through winding, mysterious forest roads. John Jr. never forgot skating with his father: "The lake was deep, so we took under each arm long narrow boards, which would hold us up in case we broke through the ice. That was characteristic of Father. He always took the utmost care to examine any project thoroughly; then when convinced it was safe, put it through without further question."¹²

Perhaps to create a substitute for theater and other entertainments proscribed by their religion, John and Cettie encouraged the children's musical talents, and each one took up an instrument. They formed their own quartet—with Bessie on violin, Alta on piano, Edith on cello, and John Jr. on violin—so that the house echoed with the works of Mozart, Beethoven, and Handel. The children approached music as serious art, not frivolous amusement, and performed frequently at church events. They weren't barred from playing contemporary popular music.

If there was more merriment in Rockefeller's household than we might have suspected, there was also an underlying sobriety. His children remembered the playful moments, but outsiders were struck by the somber, stuffy atmosphere and found something almost spooky about the Rockefeller home, with one disgruntled tutor leaving this ghastly description: "The elastic step, the laughter of youth, the light heartedness, the romping about, the playfulness, which one is supposed to meet among the young and happy were entirely lacking, lacking almost to dejection. It was a gloomy horizon, with a heaviness that pervaded the entire household. Silence and gloom everywhere." ¹³

Rockefeller kept his children hermetically cut off from the world and hired governesses to educate them at home. Aside from church, they never engaged in outside social or civic functions and betrayed a very Baptist fear of worldly entertainments. In the summertime, the children's friends might come to visit for a week or two at a time, but *never* the reverse, and even these playmates were the cautiously screened offspring of John and Cettie's church companions. As John Jr. remembered, "Our interests centered in the house; our friends came there almost wholly. We went rarely, practically none at all, to neighbors' houses."¹⁴ John Jr. hinted that the children brought to visit weren't real companions and were mostly window dressing to gratify his parents. "We had no childhood friends, no school friends."¹⁵ It was a far cry from Thorstein Veblen's image of the spoiled leisure class.

Convinced that struggle was the crucible of character, Rockefeller faced a delicate task in raising his children. He wanted to accumulate wealth while inculcating in them the values of his threadbare boyhood. The first step in saving them from extravagance was keeping them ignorant of their father's affluence. Until they were adults, Rockefeller's children never visited his office or refineries, and even then they were accompanied by company officials, never Father. At home, Rockefeller created a make-believe market

economy, calling Cettie the “general manager” and requiring the children to keep careful account books.¹⁶ They earned pocket money by performing chores and received two cents for killing flies, ten cents for sharpening pencils, five cents per hour for practicing their musical instruments, and a dollar for repairing vases. They were given two cents per day for abstaining from candy and a dime bonus for each consecutive day of abstinence. Each toiled in a separate patch of the vegetable garden, earning a penny for every ten weeds they pulled up. John Jr. got fifteen cents an hour for chopping wood and ten cents per day for superintending paths. Rockefeller took pride in training his children as miniature household workers. Years later, riding on a train with his thirteen-year-old daughter, he told a traveling companion, “This little girl is earning money already. You never could imagine how she does it. I have learned what my gas bills should average when the gas is managed with care, and I have told her that she can have for pin money all that she will save every month on this amount, so she goes around every night and keeps the gas turned down where it is not needed.”¹⁷ Rockefeller never tired of preaching economy and whenever a package arrived at home, he made a point of saving the paper and string.

Cettie was equally vigilant. When the children clamored for bicycles, John suggested buying one for each child. “No,” said Cettie, “we will buy just one for all of them.” “But, my dear,” John protested, “tricycles do not cost much.” “That is true,” she replied. “It is not the cost. But if they have just one they will learn to give up to one another.”¹⁸ So the children shared a single bicycle. Amazingly enough, the four children probably grew up with a level of creature comforts not that far above what Rockefeller had known as a boy. Except on Sundays, the girls wore simple gingham dresses and hand-me-downs. In later life, John Jr. confessed sheepishly that until the age of eight he wore only dresses, because he was the youngest child and the three older siblings were girls.¹⁹

Rockefeller’s home secretary saw much of the children because they liked to sit quietly and observe the mysterious clicking of the telegraph wires in her office. She described Rockefeller as extremely gentle with the children but attached to certain fixed principles that he expounded with didactic, wearying repetition. The children were told so often that cards were sinful that they couldn’t distinguish one card suit from another. To teach self-restraint, Rockefeller limited them to one piece of cheese daily. One afternoon, little Alta tattled on her younger sister Edith for having eaten *two* pieces of cheese,

and Rockefeller professed shock at this epicurean indulgence. As the secretary recalled: “All that afternoon whenever Edith came within hearing her father would say, slowly and impressively, ‘Edith was greedy.’ At another time both little John and Alta called out, ‘Edith took the biggest.’ Repeatedly that afternoon, Mr. Rockefeller said in his impressive manner, ‘Edith was selfish.’”²⁰

Yet the thing to be husbanded most jealously was time. One could neither be too early nor too late. In fact, there was such a fetish about punctuality that it occasioned discernible anxiety among the children. Rockefeller’s home secretary said that John Jr. had computed, down to the second, how long it took to get from her telegraph office to the schoolroom upstairs. “After that, whenever I read to the children near school time, John would sit with watch in hand, and his rising was signal for the reading to stop and for the girls to follow him.”²¹

Each morning before breakfast, Rockefeller led the family in prayer, meting out a penny fine to latecomers. Everyone took turns reciting from scripture, and John or Cettie elucidated difficult portions and prayed for guidance. Before bed, Cettie listened to the children recite their prayers, and nothing could divert her from this sacred duty. They were encouraged to be active in prayer, especially at Friday night prayer meetings. As John Jr. recalled, at an early age they were encouraged “to take part like the older people, either in a brief word of prayer or a word of personal experience.”²²

Sunday was a heavily regimented day, starting with morning prayers and Sunday school then proceeding through afternoon prayer meetings and culminating with evening hymns. If the children had spare time, they couldn’t read novels or worldly literature but had to restrict themselves to the Bible and Sunday-school literature. Strangely enough, the children didn’t remember this as oppressive. As John Jr. observed, “A day with such limitations as this would simply appall the modern child. And yet I have only the happiest recollections of the Sundays of my childhood.”²³ Cettie turned Sunday into a day for serious reflection, asking the children to reflect upon such weighty maxims as “He who conquers self is the greatest victor” or “The secret of sensible living is simplicity.”²⁴ Leading the children in an hour-long “home talk,” she asked each child to select a “besetting sin” and then prayed with the child, asking for God’s help in combating the sin. The implicit Baptist message was that people were inherently flawed but—with prayer, willpower,

and God's grace—infinately capable of improvement.

In business, John D. Rockefeller operated in a rough, virile world, whereas at home he was surrounded by a harem of doting women that included, at various times, his wife, sister-in-law, mother, mother-in-law, and three daughters. He seemed equally comfortable in these masculine and feminine spheres of existence. When they first got married, John and Cettie lived with his mother Eliza, but she remained behind on Cheshire Street when they moved to Euclid Avenue. For the rest of her life, Eliza rotated among the homes of her five children, who provided her with more security than she had ever known with her prodigal husband. Evidently, she had some idea of where Bill lived, for she had a mailing address and forwarded letters to him from their grandchildren. In a confused manner, the grandchildren knew that their jolly grandfather lived an odd life somewhere out West, but the picture was left deliberately cloudy.

It is hard to retrace Bill's movements with precision, for John D. seldom referred to him in either his business or private papers; his father's banishment was no less psychological than geographic. As best one can piece the story together in these middle years, Bill and his second wife, Margaret, moved to Illinois in 1867 and bought a 160-acre farm in Maroa, with John secretly sending money to help complete the purchase. As the area grew too settled for Bill, the couple moved again in 1875 to Freeport, Illinois, and here Margaret's wanderings, at least, ended. According to stories told later by their Freeport neighbors, Bill—known to them as Dr. William Levingston—was regarded as a profane braggart and con man, a notorious quack doctor who claimed to specialize in cancer and kidney treatments and bought jugs of diuretic from a local druggist that he then resold on the road. Just as the long-suffering Eliza had endured long separations, it was now Margaret's turn to wait as Bill disappeared for months before returning home with thick wads of money, always careful to fold a \$100 bill on the outside. Yet Big Bill never entirely lost touch with his Rockefeller family. From out of the blue, he would materialize in Cleveland, jovial and carefree, and spend several days shooting at targets and playing his fiddle before disappearing for another year. John maintained a frosty civility toward his father, and their meetings tended to be both brief and infrequent. Later on, we shall have more to say about Bill's queer odyssey, for as his son grew famous, the whereabouts of Doc Rockefeller turned into a national obsession as reporters tried to reconstruct his renegade career.

In marrying Laura “Cettie” Spelman, Rockefeller had found a woman with his mother’s gentle tenacity and religiosity. An 1872 photo shows a short, fragile, dark-haired woman with a wide face, high cheekbones, and deep, earnest eyes. Steeped in religious sentiment, she was more likely to be found meditating on a sermon than gossiping about a shopping expedition. Her marriage to John was harmonious, formal, and devoid of quarrels. Like her husband, Cettie was fiercely democratic, disdaining conspicuous consumption and the snobbery of the rich. “She was no respecter of persons,” said her son. “To her all men were brothers.”²⁵ She scorned frippery and dismissed fashion plates as vain, silly people. Though always supportive of her husband in his ambitions, she inveighed against “the desperate struggle to obtain the ‘almighty dollar.’ ”²⁶ Even more of a pinchpenny than John, she wore patches on her clothes and shocked one acquaintance by stating that a young woman needed just two dresses in her wardrobe. Even as her husband grew rich, she continued to perform much of the housework herself, employing two maids and a coachman when they could have afforded many more.

Since he left the house each day and trafficked in a sinful world, John was a broader person than his wife, whose interests contracted sharply after she married. Despite her early bluestocking bent, she lost much of her intellectual brightness as she made the transition from teacher to pedagogical mother, relentlessly molding her children. She liked to quote the maxim, “To be a good wife and mother is the highest and hardest privilege of woman.”²⁷ Where John derived escapist pleasure from the children, Laura took her maternal duties too seriously and was a firm, if loving, martinet. As her son said, she “talked to us constantly about *duty*—and displeasing the Lord and pleasing your parents. She instilled a personal consciousness of right and wrong, training our wills and getting us to want to do the things we ought to do.”²⁸ No less than her husband, she believed in the economical use of time. As one observer said, “She realized her responsibilities, subjecting herself to a fixed daily regimen of duties, dividing her day off methodically into hours and minutes for each, that no moment might be misspent, and no duty neglected.”²⁹

There was danger in the very congruence of values between John and Cettie, for it made their intellectual life rather airless, allowing no room for disagreement. Had their opinions clashed, John might have been exposed to critical perspectives that could have saved him from his business excesses. Instead, his marriage strengthened his virtuous sense that he was one of God’s

soldiers and therefore bound to be vilified by sinners. Cettie was similarly braced for the terrible ostracism that came with Rockefeller's wealth. "She was always like the Spartan mothers," said her daughter Edith. "Everything which came to her she accepted, and she bore her frailty of body with uncomplaining patience. . . . She had faith and trust in those she loved and never questioned or criticized."³⁰

Cettie's sister Lucy—Aunt Lute, as the children called her—acted as something of a leavening influence in this arid setting. The close relationship of the two sisters was touching since Lute, two years older, was an adopted child. By a strange coincidence, they looked so much alike that everybody assumed they were biological sisters. Lute was bright and cultivated, read contemporary literature, and gave John and Laura a window on secular culture when she read aloud after dinner. Though he was extremely fond of his sister-in-law, Rockefeller found her comically prim and spinsterish and delighted in mimicking the way she lifted her skirts as she mounted the staircase; she would often turn and find him stealthily climbing the steps behind her, aping her in his cutaway coat, much to the family's amusement. In time, Lute developed the prissy manner of the proverbial old maid, and the children, for all their love, found her a little trying. But she was a beloved figure and an integral part of the family, and she introduced some needed cultural enrichment into a household that conformed rigidly to Christian doctrine.

CHAPTER 8

Conspirators

The great industrial revolution that transformed America after the Civil War triggered an inflationary boom that swamped the country with goods. When this expanded supply led to lower prices and a deflationary bust, it set the pattern for the rest of the nineteenth century, which experienced huge economic advances, punctuated by treacherous slumps. Lured by easy profits, legions of investors rushed into a promising new field and, when big gluts developed from overproduction, they found it impossible to recoup their investment. This was especially true in new industries where people lacked the caution bred by experience and thus expanded with reckless abandon. As a result, many businessmen began to distrust unfettered competition and flirted with newfangled notions of cooperation—pools, monopolies, and other marketing arrangements that might curb production and artificially buoy prices.

While all commodity prices fluctuated, crude-oil prices were especially volatile. Based on locating deep, unseen pools, the industry was an unpredictable, nerve-racking affair. Every time some lucky devil hit a gusher, this bonanza drove prices down. In 1865, producers began to torpedo wells by exploding gunpowder (later nitroglycerine) deep inside them to shake loose more oil, swelling the surplus. Within a year or two after the Civil War, the oil flood caused prices to skid to as low as \$2.40 a barrel—they had traded as high as \$12 in 1864—leading producers to contemplate forming a cartel to boost prices. The same predicament roiled refining, which had generated astronomical profits at first. As Rockefeller said tartly, the spoiled refiners “were disappointed if they did not make one hundred percent profit in a year—sometimes in six months.”¹ With sky-high profits and ridiculously low start-up costs, the field had soon grown overcrowded. “In came the tinkers and the tailors and the boys who followed the plow, all eager for this large profit,” said Rockefeller.²

By the late 1860s, this dynamic produced a pervasive slump in the oil industry, keeping it depressed for the next five years. Low kerosene prices, a boon to consumers, were catastrophic for refiners, who saw the profit margin

between crude- and refined-oil prices shrink to a vanishing point. Rampant speculation had so overbuilt the industry that total refining capacity in 1870 was triple the amount of crude oil being pumped. By then, Rockefeller estimated, 90 percent of all refineries were operating in the red. At this bleak impasse, a leading Cleveland rival, John H. Alexander, offered to sell his interest to William Rockefeller at ten cents on the dollar, as the entire industry faced ruin. Worse, the oil market wasn't correcting itself according to the self-regulating mechanism dear to neoclassical economists. Producers and refiners didn't shut down operations in the expected numbers, causing Rockefeller to doubt the workings of Adam Smith's theoretical invisible hand: "So many wells were flowing that the price of oil kept falling, yet they went right on drilling."³ The industry was trapped in a full-blown crisis of overproduction with no relief in sight.

Thus, in 1869, one year after his stellar railroad coup, Rockefeller feared that his wealth might be snatched away from him. As someone who tended toward optimism, "seeing opportunity in every disaster," he studied the situation exhaustively instead of bemoaning his bad luck.⁴ He saw that his individual success as a refiner was now menaced by industrywide failure and that it therefore demanded a systemic solution. This was a momentous insight, pregnant with consequences. Instead of just tending to his own business, he began to conceive of the industry as a gigantic, interrelated mechanism and thought in terms of strategic alliances and long-term planning.

Rockefeller cited the years 1869 and 1870 as the start of his campaign to replace competition with cooperation in the industry. The culprit, he decided, was "the over-development of the refining industry," which had created "ruinous competition."⁵ If this fractious industry was to be made profitable and enduring, he would have to tame and discipline it. A trailblazer who improvised solutions without any guidance from economic texts, he began to envision a giant cartel that would reduce overcapacity, stabilize prices, and rationalize the industry. If Rockefeller first expounded this idea among refiners, he was anticipated by the very drillers who later railed at his machinations. During the Civil War, they had formed an Oil Creek Association to curtail production and lift prices, and on February 1, 1869, they again met in Oil City to create the Petroleum Producers' Association to protect their interests.

To devise a comprehensive solution for the industry, Rockefeller again needed money: money to create economies of scale, money to build cash

reserves to endure downturns, money to heighten efficiency. “And to buy in the many refineries that were a source of overproduction and confusion we needed a great deal of money.”⁶ The tricky part for Rockefeller and Flagler was how to supplement their capital without relinquishing control; the solution was to incorporate, which would enable them to sell shares to select outside investors. “I wish I’d had the brains to think of it,” said Rockefeller. “It was Henry M. Flagler.”⁷



The chaotic, derrick-covered slopes of Oil Creek, Pennsylvania, in 1865.
(Courtesy of the Drake Well Museum)

Luckily, many states had now passed laws permitting companies to incorporate. The one hitch—and it was a formidable one for Rockefeller—was that these firms couldn’t own property outside their state of incorporation; to finesse this restriction would require endless legal legerdemain. On January 10, 1870, the partnership of Rockefeller, Andrews and Flagler was abolished and replaced by a joint-stock firm called the Standard Oil Company (Ohio), with John D. Rockefeller as president, William Rockefeller as vice president, and Henry M. Flagler as secretary and treasurer. Besides echoing their Standard Works refinery, the name advertised the uniform quality of their kerosene at a time when consumers feared explosions from impurities. With \$1 million in capital—\$11 million in contemporary money—the new company became an instant landmark in business history, for “there was no other concern in the country organized with such a capital,” Rockefeller said.⁸ Already a mini-empire, Standard Oil

controlled 10 percent of American petroleum refining, as well as a barrel-making plant, warehouses, shipping facilities, and a fleet of tank cars. From the outset, Rockefeller's plans had a wide streak of megalomania. As he told Cleveland businessman John Prindle, "The Standard Oil Company will some day refine all the oil and make all the barrels."⁹

Despite his lack of legal training, Henry M. Flagler drew up the act of incorporation. Nearly sixty years later, when this document was dredged up in a legal dispute, people were stunned by its simplicity. Instead of a fancy embossed paper, dripping with seals, one reporter described it as "a cheap looking legal paper, faded yellow and of evident poor material, granting the Standard Oil Company the right to engage in business."¹⁰ This economical, no-nonsense approach appealed to investors, as did Rockefeller's decision that the leading men would receive no salary but would profit solely from the appreciation of their shares and rising dividends—which Rockefeller thought a more potent stimulus to work.

Standard Oil started out in a modest suite of offices in a four-story building known as the Cushing Block on the Public Square. The office shared by Rockefeller and Flagler was somber and austere. Furnished with funereal dignity, it had a black leather couch and four black walnut chairs with elaborately carved backs and arms, plus a fireplace to provide warmth in winter. Rockefeller never allowed his office decor to flaunt the prosperity of his business, lest it arouse unwanted curiosity.

From the start, he owned more shares of Standard Oil than anybody else and exploited every opportunity to augment his stake. Of the original 10,000 shares, he took 2,667, while Flagler, Andrews, and William Rockefeller each took 1,333; Stephen Harkness took 1,334; and the former partners of Rockefeller, Andrews and Flagler divided another 1,000. The final 1,000 shares went to Oliver B. Jennings, William Rockefeller's brother-in-law and the first outside investor. An adventurous figure, Jennings had gone to California during the gold rush and profited from selling supplies to prospectors.

Rich investors did not line up to invest in Standard Oil, among other reasons because it was an inauspicious time for new ventures. On September 24, 1869—the infamous Black Friday—Jay Gould and Jim Fisk's scheme to corner the gold market by manipulating President Grant's monetary policy collapsed, fomenting financial panic and ruining more than a dozen Wall

Street houses. Beyond that, the speculative aura of the oil industry still deterred many reputable businessmen. Rockefeller never forgot how his scheme was savagely derided as a “rope of sand” or how sage businessmen told him that similar attempts to create a Great Lakes shipping cartel had misfired. “Either this experiment will result in a great success or a dismal failure,” one aging financier warned him.¹¹ As Rockefeller recalled, it was “a course which older and more conservative business men shrank back from and regarded as reckless, almost to the point of insanity.”¹² Embittered by these skeptics and set to prove them wrong, Rockefeller managed to pay dividends of 105 percent on Standard Oil stock during the first year of operations despite one of the worst financial bloodbaths in the industry’s early history.

The man with the hypertrophied craving for order was about to impose his iron rule on this lawless, godless business. As Ida Tarbell described Rockefeller in 1870, he was “a brooding, cautious, secretive man, seeing all the possible dangers as well as all the possible opportunities in things, and he studied, as a player at chess, all the possible combinations, which might imperil his supremacy.”¹³ As he scanned the field of battle, the first target of opportunity lay close to home: the twenty-six rival Cleveland refiners. His strategy would be to subjugate one part of the battlefield, consolidate his forces, then move briskly on to the next conquest. His victory over the Cleveland refiners would be the first but also the most controversial campaign of his career.

For his admirers, 1872 was the *annus mirabilis* of John D. Rockefeller’s life, while for his critics it constituted the darkest chapter. The year revealed both his finest and most problematic qualities as a businessman: his visionary leadership, his courageous persistence, his capacity to think in strategic terms, but also his lust for domination, his messianic self-righteousness, and his contempt for those shortsighted mortals who made the mistake of standing in his way. What rivals saw as a naked power grab, Rockefeller regarded as a heroic act of salvation, nothing less than the rescue of the oil business.

The state of the kerosene trade had further deteriorated in 1871 as prices sagged another 25 percent. As competitors skidded into bankruptcy, Standard Oil declared a 40 percent dividend, with a small surplus to spare. Despite this, John D. Rockefeller sold off a small block of Standard Oil shares—the only time he ever lost heart momentarily—prompting brother William to lament,

“Your anxiety to sell makes me feel uneasy.”¹⁴ This discouragement was short-lived. In late 1871, Rockefeller engineered the covert acquisition of Bostwick and Tilford, New York’s premier oil buyers, who owned barges, lighters, and a large refinery at Hunter’s Point on the East River. A former Kentucky banker who had also dealt in cotton and grain and peddled Bibles, Jabez Abel Bostwick was a devout Baptist in the Rockefeller mold: “strict almost to sternness in his business dealings, preferring justice to sentiment,” as one contemporary said.¹⁵ The purchase of Bostwick’s firm gave Rockefeller a sophisticated purchasing agency at a critical moment. Oil prices were now being set on exchanges in western Pennsylvania, with powerful syndicates pushing aside the lone speculators who had once dominated trading. The move set a pattern of stealth that shadowed Rockefeller’s career: Renamed J. A. Bostwick and Company, the newly acquired firm brazenly feigned independence of Standard Oil while acting as its cat’s-paw.

On January 1, 1872, the Standard Oil executive committee, bracing for the tumultuous events ahead, boosted the firm’s capital from \$1 million to \$2.5 million and then to \$3.5 million the next day.¹⁶ Among the new shareholders were several luminaries of Cleveland banking, including Truman P. Handy, Amasa Stone, and Stillman Witt. An intriguing new investor was Benjamin Brewster, a direct descendant of Elder Brewster of the Plymouth colony, who had made a fortune with Oliver Jennings during the California gold rush. It was a sign of Rockefeller’s exceptional self-confidence that he gathered strong executives and investors at this abysmal time, as if the depressed atmosphere only strengthened his resolve. “We were gathering information which confirmed us in the idea that to enlarge our own Standard Oil of Ohio and actually take into partners with us the refining interest would accomplish the protection of the oil industry as a whole.”¹⁷ On January 1, 1872, the executive committee made its historic decision to purchase “certain refining properties in Cleveland and elsewhere.”¹⁸ This seemingly innocuous resolution was the opening shot of a bloody skirmish that historians came to label the Cleveland Massacre.

The mayhem in Cleveland began when Rockefeller struck a clandestine and richly ironic deal with Tom Scott, the overlord of the Pennsylvania Railroad. As noted, the Pennsylvania had threatened to blot out Cleveland as a refining center, prompting Rockefeller to solidify his ties with the Erie and New York Central systems. Rockefeller had no personal love of Scott and later branded him “perhaps the most dominant, autocratic power that ever

existed, before or since, in the railroad business of our country.”¹⁹ Like many railroad executives, Scott had made his reputation during the Civil War by keeping railroad lines open between Washington and the North and winning appointment as an assistant secretary of war. A shrewd, dashing man with long, curling side-whiskers, he wore an enormous felt hat and exuded an aura of power. Of this master political manipulator, Wendell Phillips observed that “as he trailed his garments across the country the members of 20 legislatures rustled like dry leaves in a winter’s wind.”²⁰ Though Andrew Carnegie was a protégé of Scott before going into the iron and steel business, the railroad executive didn’t appeal to the sanctimonious Rockefeller.

In business matters, however, Rockefeller stood ready to strike a deal with the devil himself. Since he dreaded an alliance between the Pennsylvania Railroad and Pittsburgh and Philadelphia refiners, he wanted to drive a wedge between them. “They went on their knees to [Scott] for rates,” Rockefeller said disparagingly of his rivals. “They revered the Pennsylvania Railroad administration; would do anything at their beck; would do anything to get in return help in the transportation of oil.”²¹ So Rockefeller was receptive to an overture from Scott, which came unexpectedly from Peter H. Watson, an official of the rival Lake Shore Railroad and an intimate ally of Commodore Vanderbilt. As president of a Lake Shore branch that joined Cleveland to Oil Creek, Watson had a personal stake in advancing the fortunes of his largest customer, Standard Oil. When Standard Oil expanded its capital in January 1872, Watson quietly pocketed five hundred shares in another example of the growing back-scratching between Rockefeller and the railroads. It was probably through Watson that Commodore Vanderbilt discreetly invested \$50,000 in Standard Oil that year.

On November 30, 1871, Watson met Rockefeller and Flagler at the Saint Nicholas Hotel in New York and presented an audacious scheme devised by Tom Scott, who proposed an alliance between the three most powerful railroads—the Pennsylvania, the New York Central, and the Erie—and a handful of refiners, notably Standard Oil. To implement this, Scott had obtained a special charter for a shell organization bearing the blandly misleading name of the South Improvement Company (SIC). After the Civil War, the venal Pennsylvania legislature had created dozens of such charters by special enactment. These improvement companies possessed such broad, vague powers—including the right to hold stock in companies outside Pennsylvania—that some economic historians have christened them the first

real holding companies. The Pennsylvania Railroad had a special purchase on these instruments of corporate power and sometimes traded them for favors.

Under the terms of the proposed pact, the railroads would sharply raise freight rates for all refiners, but refiners in the SIC would receive such substantial rebates—up to 50 percent off crude- and refined-oil shipments—that their competitive edge over rivals would widen dramatically. In the most deadly innovation, the SIC members would also receive “drawbacks” on shipments made by rival refiners—that is, the railroads would give the SIC members rebates for every barrel shipped by *other* refiners. On shipments from western Pennsylvania to Cleveland, for instance, Standard Oil would receive a forty-cent rebate on every barrel it shipped, plus another forty cents for every barrel shipped to Cleveland by competitors! One Rockefeller biographer has called the drawback “an instrument of competitive cruelty unparalleled in industry.”²² Through another provision, Standard Oil and other SIC refiners would receive comprehensive information about all oil shipped by their competitors— invaluable in underpricing them. The SIC members were naturally sworn to secrecy about the inner workings of this alarming scheme. All in all, it was an astonishing piece of knavery, grand-scale collusion such as American industry had never witnessed.

Though Rockefeller and his coconspirators contended that all refiners were impartially invited to join the SIC, the group excluded refiners from Oil Creek and New York, and Standard Oil was indisputably the driving force. Of the 2,000 shares issued, over one-fourth were held by John and William Rockefeller and Henry Flagler; counting Jabez Bostwick and Oliver H. Payne (soon to be a leader of Standard Oil), the Rockefeller group controlled 900 of 2,000 shares. The SIC president was Peter H. Watson, who held 100 shares and was also now a Standard Oil shareholder, thus ensuring the supremacy of Cleveland refiners over the Pittsburgh and Philadelphia members of the group.

Why did the nation’s leading railroads offer Rockefeller and his confederates terms so generous as to render them all but omnipotent in oil refining? How did they benefit from this association? First, the railroads had engaged in such fierce, internecine price wars that freight rates had fallen sharply. No less than the oil producers, they needed somebody to arbitrate their disputes and save them from their own cutthroat tactics. The cornerstone of the SIC was a provision that Standard Oil would act as “evener” for the three railroads and ensure that each received a predetermined share of the oil

traffic: Forty-five percent of the oil shipped by SIC members would travel over the Pennsylvania Railroad, 27.5 percent on the Erie, and 27.5 percent on the New York Central. Unless the railroads had greater control over the oil business, Rockefeller knew, they “could not make the divisions of business necessary so as to prevent rate-cutting.”²³ Rockefeller would become their official umpire and try to govern their pool in a fair, disinterested fashion. As mentioned, the railroads also had an economic interest in greater consolidation among refiners to streamline their own operations. One other factor tempted the railroads to come to terms with Rockefeller: In a farsighted tactical maneuver, he had begun to accumulate hundreds of tank cars, which would be in perpetually short supply.

The SIC—soon exposed as an infamous conspiracy—was a masterful move in Rockefeller’s quest for industrial domination. Both refiners and railroads were struggling with excess capacity and suicidal price wars. Rockefeller’s supreme insight was that he could solve the oil industry’s problems by solving the railroads’ problems at the same time, creating a double cartel in oil and rails. One of Rockefeller’s strengths in bargaining situations was that he figured out what he wanted *and* what the other party wanted and then crafted mutually advantageous terms. Instead of ruining the railroads, Rockefeller tried to help them prosper, albeit in a way that fortified his own position.

Later on, trying to distance himself from the SIC fiasco, Rockefeller scoffed at charges that he had been the ringleader. All along, he insisted, he knew it would fail and had gone along simply as a tactical maneuver. “We acceded to it because [Tom Scott] and the Philadelphia and Pittsburgh men, we hoped, would be helpful to us ultimately. We were willing to go with them as far as the plan could be used; so that when it failed, we would be in a position to say, ‘Now try our plan.’”²⁴ Rockefeller’s plan was to unify the industry under Standard Oil. By his own admission, he had not opposed the SIC on ethical grounds but solely as a practical matter, convinced it wouldn’t apply the needed discipline to member refiners. The scheme never bothered his conscience. “It was right,” an unreconstructed Rockefeller said in later years. “I knew it as a matter of conscience. It was right before me and my God. If I had to do it tomorrow I would do it again the same way—do it a hundred times.”²⁵ Even in hindsight, he couldn’t tolerate doubts about his career but had to present it as one long, triumphal march, sanctified by his religion.

Rockefeller’s assertion that he reluctantly followed the railroads’ lead

conveniently distorted the truth. Far from coyly stepping aside and waiting for a misbegotten scheme to founder, he took a leading role and promoted it zealously. We know this because of several remarkable letters he wrote to Cettie from New York, where for several agitated weeks he remained closeted with railroad officials. He knew the negotiations were controversial, since he advised Cettie on November 30, 1871, “A man who succeeds in life must sometimes go against the current.”²⁶ While these letters confirm that he didn’t originate the scheme, they show that he soon warmed to the project, declaring on December 1, “indeed the project grows on me.”²⁷ When Watson secured Commodore Vanderbilt’s blessing, Rockefeller was positively jubilant, and he emerged as natural leader of the group, particularly as others grew skittish. In late January 1872, trapped in New York, he wanted to return to Cleveland but told Cettie that “our men *would not hear to it*, they are nervous, and lean on me. . . . I feel like a caged lion and would roar if it would do any good.”²⁸ Obviously, had Rockefeller wished the SIC to collapse, he would have renounced a leadership position and returned to Cleveland sooner.

The small batch of letters he wrote to Cettie at this time—among his few early, surviving letters to her—betray a surprisingly romantic sensibility, as if seven years of marriage hadn’t dimmed his ardor. Amid negotiations, he told her, “I dreamed last night of the girl Celestia Spelman and awoke to realize she was my ‘Laura.’ ”²⁹ Repeatedly, Rockefeller complained about how lonely he felt in New York—“like a wandering Jew”—and reiterated his yearning to be at home. Far from being beguiled by the money, fashion, and power of New York, his Baptist soul recoiled from it. “The world is full of Sham, Flattery, and Deceptions,” he wrote, “and home is a haven of rest and freedom.”³⁰ At this stage, Rockefeller still found his wealth wonderful and slightly unreal, telling Cettie that “we have been so prospered and placed in *independent* circumstances, it seems a fabulous dream but I assure you it is a solid and comforting fact—how different our condition from the multitudes, let us be thankful.”³¹ Perhaps this financial independence emboldened Rockefeller to undertake the risky SIC scheme, confident that it wouldn’t endanger his family’s security. And lest Cettie worry about his risky new venture, he reminded her, “You know we are independently rich outside investments in oil—but I believe my oil stock the very best.”³²

By late January 1872, as the conspirators drew up and signed the last

contracts while trying to preserve total secrecy, rumors of an impending jump in freight rates began to filter through western Pennsylvania. On February 22, the *Petroleum Centre Record* alluded darkly to a “rumored scheme of gigantic combination among certain railroads and refiners to control the purchase and shipment of crude and refined oil from this region.”³³ Definite word of the plot didn’t leak out until days later, when the local freight agent for the Lake Shore Railroad rushed off to visit a dying son and left in charge a subordinate who didn’t realize that the new freight rates hadn’t yet been enacted. Oblivious to the historic impact he would have, this minor functionary promulgated the staggering rates for outside refiners decreed by the SIC. On February 26, the stunned residents of Oil Creek read in the morning papers that freight rates had doubled overnight for everyone—everyone, that is, except a privileged group of refiners in Cleveland, Pittsburgh, and Philadelphia who belonged to a shadowy entity called the South Improvement Company.

For the horror-struck refiners in Titusville or Oil City, this wasn’t simply a new competitive threat: It was a death warrant, and they stopped work and poured into the streets, denouncing the action in strident tones. “The oil region was afire with all sorts of wild stories,” recalled Rockefeller. “There were meetings of protest, of bitter denunciation.”³⁴ On the night of February 27, three thousand people stormed into the Titusville Opera House, waving banners that stated, “Down with the conspirators,” “No compromise,” and “Don’t give up the ship!” while Rockefeller and his cabal were denounced as “the Monster” and “the Forty Thieves.”³⁵ Perhaps the most impassioned speaker was a short young refiner named John D. Archbold, the hard-drinking, poker-playing son of a circuit preacher. Though Peter Watson had tried to inveigle him into the SIC, Archbold had indignantly refused and now told the crowd, “We have been approached by the great anaconda, but do not desire to yield.”³⁶ The Oil Creek refiners believed they had a God-given right to market the oil drilled in their backyards and Archbold—destined, ironically, to succeed Rockefeller at the Standard Oil helm—endorsed this view. “We believe this is the natural point for the business,” he told the cheering audience. “This is the last desperate struggle of desperate men.”³⁷ After he was elected secretary of a new Petroleum Producers’ Union, the group agreed to retaliate by starving out the SIC conspirators, selling crude oil only to refiners along Oil Creek.

Amid this frenzied hue and cry, the local citizenry created a small army of

roving protesters who moved from town to town, organizing torchlight rallies and picking up new adherents. On the night of March 1, refiners and producers jammed another tumultuous meeting at the opera house in Oil City. One featured speaker was a young producer, Lewis Emery, Jr., who supported a proposal by Archbold to cut existing production by 30 percent and suspend new drilling for thirty days. With this speech, the indefatigable Emery launched a crusade against Standard Oil that would persist for decades. By the end of the meeting, a thousand men stood ready to besiege the state capitol in Harrisburg and demand relief from the SIC.

In this warlike atmosphere, the *Oil City Derrick* printed a daily blacklist of the conspirators—Peter Watson, followed by Rockefeller and six other directors—in a black-bordered box on the front page. Each day, a new inflammatory caption was supplied, such as “Behold ‘The Anaconda’ in all his hideous deformity.”³⁸ It was in the context of such hysterical emotion that the world first learned the name of John D. Rockefeller. As if his foes already intuited his special power, he was singled out for abuse, one newspaper crowning him “the Mephistopheles of Cleveland.”³⁹ As people learned of his central place in the SIC, vandals defaced the blue Standard Oil barrels with skulls and crossbones. Two Standard employees on Oil Creek, Joseph Seep and Daniel O’Day, barricaded themselves in their offices and fended off marauding mobs. “It was a tense situation,” said Seep. “Some of my friends were actually afraid to be seen talking with me in the street. There were threats of violence. Captain John W. Jones, a big producer, wanted the people to burn the Standard Oil Company’s tanks.”⁴⁰ Saboteurs attacked the railroads, raiding oil cars and spilling their contents on the ground or tearing tracks apart. A local lawyer, Samuel C. T. Dodd, said that if the protests had continued indefinitely, “there would not have been one mile of railroad track left in the County of Venango. The people had come to that pitch of desperation.”⁴¹ Few residents of Oil Creek imagined that their dread adversary was a clean-cut, churchgoing young man. This nightmarish period left an especially deep imprint upon a flabbergasted fourteen-year-old schoolgirl named Ida Tarbell. “I remember a night when my father came home with a grim look on his face and told how he with scores of other producers had signed a pledge not to sell to the Cleveland ogre that also had profited from the scheme—a new name, that of the Standard Oil Company, replacing the name South Improvement Company in popular contempt.”⁴²

Far from giving Rockefeller pause, the vandalism only confirmed his view

of Oil Creek as a netherworld of rogues and adventurers who needed to be ruled by stronger men. He was always quick to impugn the motives of enemies while regarding his own as somehow beyond reproach. “The Standard Oil Company were a very orderly body, and these producers were a rabble of wild, excitable men, waiting for a war-cry to rush into the arena with a suitable noise.”⁴³ Clad in the armor of self-righteousness, Rockefeller felt no need to explain his actions and turned away reporters at his door. After Flagler told reporters that Standard Oil’s opponents were “a few soreheads,” Rockefeller advised silence, and Flagler desisted from further comment. With threats being made on his life, Rockefeller posted a special detail of policemen outside both office and home and kept a revolver by his bed for good measure.

Only in the twilight of life did Rockefeller realize how poorly his taciturnity had served him in business battles. This was especially true during the SIC furor, which evolved into a political and public-relations battle. By remaining silent in the face of criticism, he thought he would seem confident and secure in his integrity—in fact, he seemed guilty and arrogantly evasive. Throughout his career, Rockefeller endured abuse with so much equanimity that Flagler once shook his head and said, “John, you have a hide like a rhinoceros!”⁴⁴ He had an early Christian’s fierce defiance of critics, his boyhood with Big Bill having also taught him to disregard the malicious gossip of neighbors. He had a great general’s ability to focus on his goals and brush aside obstacles as petty distractions. “You can abuse me, you can strike me,” Rockefeller said, “so long as you let me have my own way.”⁴⁵

As always, the greater the tumult, the cooler Rockefeller became, and a strange calm settled over him when his colleagues were most disconcerted. When pushed, he always stood his ground. The SIC episode showed that Rockefeller was now developing exalted faith in his own judgment. Like all revolutionaries, he saw himself as an instrument of higher purpose, endowed with a visionary faith. He knew that his actions would at first be resisted and misunderstood by the myopic crowd, but he believed that the force and truth of his ideas would triumph in the end.

When the petroleum producers embargoed the sale of crude oil to members of the SIC, Rockefeller professed a lack of concern. Yet this impromptu coalition, welded together by the overwhelming threat, responded with impressive unity, creating sixteen districts, each with a separate committee, that blocked oil sales to the cabal. By moonlight, the producers patrolled Oil

Creek on horseback to guard against any clandestine drilling that would subvert their cause. Ida Tarbell recalled how her father had proudly spurned a lucrative contract to ship oil to the conspirators for a tempting \$4.50 a barrel. In the meantime, the producers busied themselves on the legislative front, lobbying in Harrisburg to annul the SIC charter and submitting to the U.S. Congress a scroll-like, ninety-three-foot petition, demanding an industrywide investigation. While Rockefeller dodged the press, producers handed out thirty thousand copies of a polemical tract about the SIC so that “enemies of freedom of trade may be known and shunned by the honest men.”⁴⁶

The uproar didn’t weaken Rockefeller’s resolve, yet for all his bravado the boycott exacted a grave toll on his operations. Ninety percent of his employees had to be temporarily laid off, leaving a skeletal staff at his refineries. In letters to Cettie in March 1872, he tried to reconcile his actions with his conscience as he became the bugbear of Oil Creek. As he wrote from New York on March 15,

*It is easy to write newspaper articles but we have other business. We will do right and not be troubled about what the papers say. By and by when all are through possibly we may briefly respond (though it is not our policy) and leave future events in the business to demonstrate our intentions and plans were just & warranted—I want to act perfectly conscientiously and fearlessly in the matter and feel confident of good results. . . . I am hopeful [we] can get at least a good fraction of the N.Y. Refiners to join at an early day.*⁴⁷

Further, he wrote on March 21, “I am still persevering and hopeful, remember *our* side have not yet been in the papers. We know a *few* things the people generally may not, at all events we know our own intentions, and they are *right* and *only so*—but please say *nothing* only you know your husband will stand by and stick to the right.”⁴⁸

The conspirators committed a major strategic gaffe by omitting the New York refiners, who therefore sided with the Oil Creek refiners to pressure the railroads. To head their liaison committee, the New York refiners appointed a suave thirty-two-year-old named Henry H. Rogers, who had the flashing eyes and confident air of a young buccaneer. When Rogers met Tom Scott at a Philadelphia hotel on March 18, the railroad chief struck a conciliatory note, admitting that the SIC contract was unfair and offering a similar deal to the excluded New York and Pennsylvania refiners. While Scott was backpedaling and angling for peace, Rockefeller remained uncompromising, telling his wife

on March 22, “I assure you it is not my pleasure to remain all this time but a stern sense of duty to this cause—I haven’t any idea giving up ship or letting go my hold.”⁴⁹

On March 25, the Rogers group held a climactic meeting with wavering railroad officials at the Erie Railroad’s offices in the ornate Grand Opera House in New York. While they conferred, an edgy Rockefeller and Peter Watson tapped at the door and asked to enter. While Watson was admitted, Rockefeller was barred and so anxiously paced the corridor. For the first time, Rockefeller appeared in *The New York Times*—his name was misspelled as “Rockafellow”—with the reporter noting that, excluded from the talks, Rockefeller had finally gone off looking “pretty blue.”⁵⁰ The meeting dealt a blow to Rockefeller and Watson, for the railroads agreed to abrogate the SIC contract, end rebates and drawbacks, and institute uniform rates for all shippers. The serpent had been killed in the egg.

Far sooner than Rockefeller, the railroads had foreseen the political reaction and inevitable defeat. In this era before railroad regulation and antitrust legislation, the SIC contract didn’t violate any obvious laws, only a universal sense of fair play. In early April, the Pennsylvania legislature canceled the SIC charter, while a congressional committee, a month later, branded the scheme the “most gigantic and daring conspiracy” ever to confront a free nation.⁵¹ On April 8, 1872, Rockefeller capitulated and wired the oil producers that all contracts between the SIC and the railroads were now void. In his own defense, he added: “I state unqualifiedly that reports circulated in the Oil Region and elsewhere, that this company, or any member of it, threatened to depress oil, are false.”⁵² On this last count, Rockefeller was probably sincere, for what he envisioned was less a conspiracy against producers than against consumers, a united effort to ensure steady prices and adequate returns on investment. Till the very end, he saw the producers’ outrage against him as shot through with envy and hypocrisy. “The producers . . . held to the view that rebates were wrong unless the rebates were given to them.”⁵³

It always mystified Rockefeller that people made such a fuss about a phantom company. “There never was a shipment made or a rebate or drawback collected under the South Improvement plan.”⁵⁴ Though only a latent threat, the scheme acquired lasting infamy for two reasons. First, Rockefeller’s fiercest critics regarded it as a dress rehearsal for the grand pageant, the place

where he first revealed his master plan, to be implemented in a thousand secret, disguised, and indirect ways. The second reason for all the later attention was that during the brief interval while the SIC was alive, Rockefeller engineered his most important coup: the swift, relentless consolidation of Cleveland's refineries, which gave him irresistible momentum. The threat of the SIC, critics alleged, was the invisible club that he had waved over Cleveland refiners, forcing them to submit to his domination. Between February 17 and March 28, 1872—between the first rumors of the SIC and the time it was scuttled—Rockefeller swallowed up twenty-two of his twenty-six Cleveland competitors. During one forty-eight-hour period alone in early March, he bought six refineries. As one refiner, John H. Alexander, recalled:

*There was a pressure brought to bear upon my mind, and upon almost all citizens of Cleveland engaged in the oil business, to the effect that unless we went into the South Improvement Company we were virtually killed as refiners; that if we did not sell out we should be crushed out. . . . It was said that they had a contract with railroads by which they could run us into the ground if they pleased.*⁵⁵

Since petroleum output promised to shatter records in 1872 and keep prices depressed, Rockefeller increasingly sought to own as large a portion of the industry as possible and didn't think he could afford to wait for the marketplace to prune out weak refiners by attrition. "We had to do it in self-defense," he said of the Cleveland takeovers. "The oil business was in confusion and daily growing worse."⁵⁶

Another businessman might have started with small, vulnerable firms, building on easy victories, but Rockefeller started at the top, believing that if he could crack his strongest competitor first, it would have a tremendous psychological impact. His major rival was Clark, Payne and Company, and conquering it would give Rockefeller special satisfaction, since he had already tangled with one partner, James Clark, early in his career and now coveted his Star Works refinery. The firm also had social cachet in Cleveland: Colonel Oliver H. Payne—a Yale graduate, honored Civil War colonel, and son of politician Henry B. Payne—was extremely wealthy, lived in a Euclid Avenue mansion, and was descended from one of Cleveland's founding families. (Commodore Matthew Perry, who opened Japan to commerce in 1854, came from a collateral branch of the family.) With an erect, military bearing and coolly formal manner, many people found the young bachelor

pompous—Flagler dubbed him the “kin of God”—but Rockefeller always paid tribute to Payne as a stalwart and capable ally.⁵⁷

One afternoon in December 1871, Rockefeller asked Payne, an old high-school friend, to meet in the parlor of a downtown Cleveland bank, where Rockefeller outlined his plan for a vast, efficient industry under Standard Oil control. Telling Payne about the impending capital increase at Standard Oil, he asked point-blank: “If we can agree upon values and terms do you want to come in?”⁵⁸ As Clark, Payne’s largest shareholder, Colonel Payne gave his qualified approval, but he first wanted to examine Rockefeller’s books before selling his company. That afternoon, when he surveyed Standard Oil’s ledgers, he was thunderstruck by the profits. Whether he was impressed by the railroad rebates or operating efficiencies is unclear, but he eagerly told Rockefeller, “Let us get the appraisers in and see what the plant is worth.”⁵⁹ After conferring with his partners, Payne consented to a \$400,000 price for his refinery. Rockefeller knew that he was overpaying but couldn’t resist a deal that would certify his position as the world’s largest oil refiner at age thirty-one. Though Rockefeller stipulated that James Clark wasn’t welcome at Standard Oil, he wanted to enlist Payne’s services, and the latter soon shared a private office with Rockefeller and Flagler. James Clark later told Ida Tarbell that he sold out only from fear of the SIC contract. As Tarbell’s assistant reported, “He stated positively that Clark, Payne & Co. did *not* sell out before the organization of the SIC, and that it never considered selling out to the Standard before the SIC was formed.”⁶⁰

According to later lawsuits, whenever Rockefeller suggested that rivals sell out to him, the SIC formed the burden of his appeal. Some old Cleveland refiners told Ida Tarbell that his menacing pitch ran as follows:

*You see, this scheme is bound to work. It means an absolute control by us of the oil business. There is no chance for anyone outside. But we are going to give everybody a chance to come in. You are to turn over your refinery to my appraisers, and I will give you Standard Oil Company stock or cash, as you prefer, for the value we put upon it. I advise you to take the stock. It will be for your good.*⁶¹

Stung by charges that he had used coercion, Rockefeller retorted that he had been unfailingly friendly and courteous and never mentioned the SIC in negotiations. Strictly speaking, this was probably true, yet the timing of his

twenty-two takeovers suggests strongly that the SIC was a prime factor and that the deals were done amid an atmosphere of well-timed intimidation. Several rivals alleged that Rockefeller orchestrated a chorus of terrifying rumors about his secret pact with the railroads. Even without direct threats, he knew his opponents' imaginations would embellish these stories and conjure up a conspiracy of unfathomable scope. "In 1872 reports were purposely circulated to the effect that the Standard Oil Company had entered into agreement with the railroads, whereby no outside refiner could bring crude oil to Cleveland and manufacture it without a loss," rival refiner J. W. Fawcett of Fawcett and Critchley told Ida Tarbell in the early 1900s.⁶² "The refiners became prematurely alarmed at the reports of destructive competition and inability to secure crude oil, and they 'fell over each other' in their haste to sell out. Had they refused to be coerced, and had they held together, there never would have been a Standard Oil Company."⁶³ When Fawcett received word that he should see the Standard people and dispose of his refinery, he was told "that they had the railroads in a position where they would control the rates, that Fawcett and Critchley would not ever ship any oil."⁶⁴ Like many vanquished refiners, Fawcett surrendered his independence and went to work for Rockefeller, but he never quite overcame his anger at what he perceived as clever manipulation.

Rockefeller dismissed as "an absolute lie" the idea that he had stampeded the Cleveland refiners and added that the vast majority of those refiners "were already crushed by the competition which had been steadily increasing up to this time" and were staring at ruin. For these concerns, he insisted, the opportunity to sell to Standard Oil and receive stock instead "was a godsend to them all."⁶⁵ Had Standard Oil not existed, he asserted, these refiners would simply have gone bust—which would have been true for many of them. Even Fawcett conceded that "at that time some of the refineries were not making money, and they were the first to 'run to cover' and sell out. Eventually all sold out."⁶⁶

Several Cleveland refiners claimed that Rockefeller had directly threatened them. John H. Heisel of Bishop and Heisel remembered telling Rockefeller that he wasn't afraid of him, to which Rockefeller supposedly replied, "You may not be afraid to have your hand cut off, but your body will suffer."⁶⁷ Yet it seems unlikely that Rockefeller menaced refiners quite so blatantly, for it didn't serve his purpose. Gifted with persuasive powers, he preferred to talk earnestly to his rivals, tapping them on the knee or gesturing with his hands,

reasoning with them in richly cadenced, evangelical tones. As one refiner said of Rockefeller, “He knew that he and his associates had a better knowledge of the business and a better command of the business than anyone else. You never saw anyone so confident as he was.”⁶⁸ He liked to make Standard Oil sound like a philanthropic agency or an angel of mercy, come to succor downtrodden refiners. “We will take your burdens,” he remembered telling his weaker brethren in 1872. “We will utilize your ability; we will give you representation; we will unite together and build a substantial structure on the basis of cooperation.”⁶⁹ Similarly, he said, “We here at Cleveland are at a disadvantage. Something should be done for our mutual protection. We think this plan of ours is a good scheme. Think it over. We would be glad to consider it with you if you are so inclined.”⁷⁰ Sure of his mission, Rockefeller castigated those who resisted Standard Oil as foolish and shortsighted. “Take Standard Oil stock,” he urged them, “and your family will never know want.”⁷¹

If these refiners had surrendered faith in oil’s future, as Rockefeller insisted, then why did they so bitterly resent him after he bought them out? Why didn’t they regard him as their savior, as he preferred to depict himself? The answer lies partly in the way their plants were appraised. Since so many refiners were losing money, Rockefeller paid them a pittance, typically a quarter of their original construction costs, or what the plants might have fetched if auctioned off for scrap; he paid little or nothing for goodwill—that is, the intangible value in a thriving business, such as its reputation or client list. If this was hard policy, it wasn’t necessarily unscrupulous. “No, the good will of a business which is losing money is not worth much,” said Rockefeller.⁷² “If there isn’t work for an oil refinery to do, it has less value than ships or railroad property, which can be used on other lines.”⁷³ One must also remember that Rockefeller was in the anomalous position of taking over many plants not to operate them but to shut them down and eliminate excess capacity. He ridiculed many of the refineries he bought as “old junk, fit only for the scrap heap.”⁷⁴ Rockefeller probably paid a fair price for many antiquated plants, but it was a bitter pill for the ruined owners to swallow. And he operated in a climate of fear that gave his rivals little choice in the matter.

Whether by chance or design, Rockefeller’s 1872 business papers have vanished, and we aren’t privy to his thoughts during these crucial

negotiations. But in later years, he was a fair-minded bargainer who often paid too much for properties that served a strategic purpose. Indeed, his papers are chock-full of lamentations about how he overpaid for properties. When it came to mergers, he didn't fight for the last dollar and tried to conclude matters cordially. Since he aimed to convert competitors into members of his cartel and often retained the original owners, he preferred not to resort to naked intimidation. As Rockefeller said, he and his colleagues weren't "so short-sighted as to antagonize these very men whom they were eager to have come into a close and profitable relationship with them."⁷⁵ He wasn't a sadistic man, but he had a hard, unyielding sense of purpose that brooked no opposition. If Rockefeller expressed elation, it was behind closed doors. According to one legend, after taking over a new refinery, he would rush into the office, perform a little dance, and shout joyously to Sam Andrews, "We've got another refinery, Sam. One more in the fold!"⁷⁶

During the Cleveland Massacre, Rockefeller savored a feeling of sweet revenge against some of the older men who had patronized him when he started in business. This was especially true of his negotiations with Alexander, Scofield and Company, whose partners included his original boss, Isaac L. Hewitt. After Hewitt came to Rockefeller's Euclid Avenue home to plead for mercy, they strolled down Euclid Avenue together, and Rockefeller told him his firm would never survive if it didn't sell out to Standard Oil. He made a cryptic statement to Hewitt that entered into Rockefeller folklore: "I have ways of making money you know nothing about."⁷⁷ Disconcerted by such assertions, Hewitt and his partners finally sold out for \$65,000, though they believed their business was worth \$150,000. Rockefeller felt merciful toward Hewitt and loaned him money to buy Standard stock, but he despised Hewitt's partner, John H. Alexander, who still viewed him, he thought, as Hewitt's former clerk. As Rockefeller put it, "How could this conceited Englishman ever conceive it possible that a young man who had been a bookkeeper, and especially at a time when he had been employed in an oil refinery, be qualified to lead in a movement of this kind?"⁷⁸

Rockefeller's most controversial purchase—and one that resulted in a bitter lawsuit—was the takeover of Hanna, Baslington and Company. When Robert Hanna, the uncle of Mark Hanna, was summoned to Standard Oil's offices, he bluntly told Rockefeller that he wouldn't sell. In response, Rockefeller sighed and wearily shrugged his shoulders, as if expressing regret that this benighted sinner hadn't seen the light. "You will stand alone," he warned Hanna. "Your

firm can never make any more money in Cleveland. No use trying to do business in competition with the Standard Oil Company. If you do it will end in your being wiped out.”⁷⁹ What seemed a barefaced threat to Hanna was later interpreted by Rockefeller as a timely warning and sincere advice.

Irate over the rebates enjoyed by Standard Oil, Hanna pleaded with executives of the Lake Shore Railroad to grant his refinery equal treatment. They defended Standard Oil’s freight rates as the privilege due to a big bulk shipper and promised to give Hanna the same rates if he delivered the same volume of oil— which he couldn’t. The railroads employed this as an all-purpose defensive tactic, since nobody could ever match Standard Oil’s voluminous shipments. In the end, Hanna accepted \$45,000 for a refinery that he believed was worth \$75,000.

It is interesting to note that Rockefeller perjured himself in an affidavit he submitted for the lawsuit brought jointly by William S. Scofield and Hanna, Baslington. Not only did he state that “but few persons who were stockholders in the Standard Oil Co. of Cleveland, Ohio were subscribers to stock in the South Improvement Company,” but he added that “P. H. Watson, Pres. of the South Improvement Co. . . . was not a stockholder in nor was he in any way connected with the Standard Oil Company.”⁸⁰ As mentioned, Standard Oil executives controlled almost 50 percent of the SIC shares and issued five hundred shares of Standard to Watson sub rosa in the January 1872 recapitalization. Although Rockefeller professed that he never lied under oath, the claim doesn’t bear up under close examination.

The oil wars of 1872 turned Cleveland society upside down. Many who had made easy fortunes in oil refining and built splendid mansions on Euclid Avenue found themselves bankrupt and forced to sell. Whether it was Rockefeller or the slumping oil market that forced them to sell their refineries at distress-sale prices, they chose to see Rockefeller as the author of their woes. It is likely that in many cases the marketplace would eventually have closed their unprofitable firms, but Rockefeller certainly speeded up the winnowing. Though several independent refiners held on for a few years, in most cases this merely postponed the day of reckoning. Ella Grant Wilson, a social chronicler of nineteenth-century Cleveland, recalled how her father, a partner in the refinery of Grant, Foote and Company, had befriended Rockefeller in various Baptist causes but refused to join Standard Oil, convinced it would fail. When it became impossible to compete with this leviathan, his refinery went bankrupt, and he surrendered his life savings.

“Father went almost insane over this terrible upset to his business. He walked the house night and day. . . . [He] left his church and never entered a church afterward. His whole life was embittered by this experience.”⁸¹ With so many losers in the struggle—and one shrewd, gigantic winner—it comes as no surprise to learn that John D. Rockefeller had made his first group of implacable enemies.

Nowadays, most people imagine that American businessmen have always favored free competition, at least in the abstract. But in the industrial boom after the Civil War, the most significant revolt against free-market capitalism came not from reformers or zealous ideologues but from businessmen who couldn’t control the maddening fluctuations in the marketplace. In an unregulated economy, they had to improvise the rules of the game as they went along. Pestered by overproduction in the early oil industry, Rockefeller tirelessly mocked those “academic enthusiasts” and “sentimentalists” who expected business to conform to their tidy competitive models. Like some of his contemporaries, he didn’t see how they could build vast, enduring industries in a volatile economy disrupted by recessions, deflation, and explosive boom-and-bust cycles, and he decided to subjugate markets instead of responding endlessly to their changing price signals. Thus, Rockefeller and other industrial captains conspired to kill competitive capitalism in favor of a new monopoly capitalism.

Economic historians often cite the exuberance of Gilded Age businessmen, their red-blooded faith in America’s future, without noting the constant uncertainty that lurked underneath. As Rockefeller’s story shows, many of the age’s most controversial business practices were forged in a desperate spirit of self-preservation. “It was forced upon us,” Rockefeller said of Standard Oil’s genesis. “We had to do it in self-defence. The oil business was in confusion and daily growing worse. Someone had to make a stand.” Though he foresaw the triumph of cooperation, its far-ranging ramifications weren’t yet clear to him. “This movement was the origin of the whole system of economic administration. It has revolutionized the way of doing business all over the world. The time was ripe for it. It had to come, though all we saw at the moment was the need to save ourselves from wasteful conditions.” Then he added, as if enunciating his economic credo: “The day of combination is here to stay. Individualism has gone, never to return”⁸²

Of course, companies had colluded to restrain the open play of market forces before. In Europe, guilds and state monopolies were of ancient

provenance, and even Adam Smith had noted the alacrity with which businessmen hatched conspiracies against consumers. In 1872, Standard Oil was just one of many companies whose leaders had daydreams of controlling prices and production throughout their industry. When the SIC scheme surfaced, one newspaper observed, “This great monopoly is one of many now forming to control the commercial products of this great nation,” and it referred to the western grain and livestock trades as analogous situations.⁸³ As his own inspiration, Rockefeller cited Western Union, then busily buying up small telegraph lines, and the New York Central Railroad, which had consolidated its trunk line from the Atlantic seaboard to Chicago. During the 1870s, pools and rings flourished among salt, rope, and whiskey concerns.

It was only fitting that someone with Rockefeller’s personality and values should have questioned the canons of free-for-all capitalism. If the most creative and dynamic of economic systems, capitalism can also seem wasteful and inefficient to those who endure its rocky transitions and violent dislocations. By bringing forth superior methods, capitalism renders existing skills and equipment outmoded and thus fosters unceasing turmoil and change. Such a mutable system violated Rockefeller’s need for stability, order, and predictability. Indeed, the sober, thrifty Puritan identified by Max Weber as the prototypical capitalist was almost certain to feel distressed by this unstable economy, which forced him to steer his orderly business through a maelstrom of incessant change.

From the three-year interview he gave privately to William O. Inglis in the late 1910s, it is clear that Rockefeller brooded for many years on a theoretical defense of monopoly. His comments are fragmentary and do not cohere into a full-blown system, yet they show that he gave the subject a great deal of intelligent thought, much more than one might have expected. He knew that he had latched on to a mighty new principle, and arose as the prophet of a new dispensation in economic history. As he said, “It was the battle of the new idea of cooperation against competition, and perhaps in no department of business was there a greater necessity for this cooperation than in the oil business.”⁸⁴

Rockefeller’s logic deserves some scrutiny. If, as he asserted, Standard Oil was the efficient, low-cost producer in Cleveland, why didn’t he just sit back and wait for competitors to go bankrupt? Why did he resort to the tremendous expense of taking over rivals and dismembering their refineries to slash capacity? According to the standard textbook models of competition, as oil

prices fell below production costs, refiners should have retrenched and padlocked plants. But the oil market didn't correct itself in this manner because refiners carried heavy bank debt and other fixed costs, and they discovered that, by operating at a loss, they could still service some debt. Obviously, they couldn't lose money indefinitely, but as they soldiered on to postpone bankruptcy, their output dragged oil prices down to unprofitable levels for everybody.

Hence, a perverse effect of the invisible hand: Each refiner, pursuing his own self-interest, generated collective misery. As Rockefeller phrased it, "Every man assumed to struggle hard to get all of the business . . . even though in so doing he brought to himself and the competitors in the business nothing but disaster."⁸⁵ In a day of primitive accounting systems, many refiners had only the haziest notion of their profitability or lack thereof. As Rockefeller noted, "often-times the most difficult competition comes, not from the strong, the intelligent, the conservative competitor, but from the man who is holding on by the eyelids and is ignorant of his costs, and anyway he's got to keep running or bust!"⁸⁶

What made an expeditious shutdown of outmoded rivals vital to Rockefeller was that he had borrowed heavily to build gigantic plants so that he could drastically slash his unit costs. Even his first partner, Maurice Clark, remembered that "the volume of trade was what he always regarded as of paramount importance."⁸⁷ Early on, Rockefeller realized that in the capital-intensive refining business, sheer size mattered greatly because it translated into economies of scale. Once, describing the "foundation principle" of Standard Oil, he said it was the "theory of the originators . . . that the larger the volume the better the opportunities for the economies, and consequently the better the opportunities for giving the public a cheaper product without . . . the dreadful competition of the late '60's ruining the business."⁸⁸ During his career, Rockefeller cut the unit costs of refined oil almost in half, and he never deviated from this gospel of industrial efficiency.

To service the outsize debt that made this possible, Rockefeller needed to smooth out the inordinate price fluctuations that made the oil business so hazardous. Realizing that the higher the economic peaks the deeper the subsequent troughs, Rockefeller feared booms no less than busts. "Neither the depressions nor the advances were profitable. The depressions gave occasion to the advances; so that the conditions of the depressions had to be offset by

the advances. I concede that so far as the oil industry was concerned we were successful in preventing to an extent these extremes so trying and unprofitable.”⁸⁹ Rockefeller preferred moderate growth purely as a matter of self-interest. His goal was to forestall potential competitors through low prices and thus minimize risk and chance disruptions. By this approach, Rockefeller believed, he could beneficently spare Standard Oil employees the plight of other industrial workers who “find themselves in each period of ten or fifteen years in destitute circumstances, with bankrupt employers, owing to the foolish and universal competitive methods accompanying the excessive production of any and all products.”⁹⁰

At times, when he railed against cutthroat competition and the vagaries of the business cycle, Rockefeller sounded more like Karl Marx than our classical image of the capitalist. Like the Marxists, he believed that the competitive free-for-all eventually gave way to monopoly and that large industrial-planning units were the most sensible way to manage an economy. But while Rockefeller had faith in such private monopolies, the Marxists saw them as merely halfway houses on the road to socialism.

The most tantalizing question in Rockefeller’s story—and one that allows no final answer—is whether Standard Oil stimulated or retarded the oil industry’s growth. Rockefeller’s foremost academic supporter, Allan Nevins, believed that after the Civil War it was so cheap and easy to enter oil refining that only a monopoly could have curbed surplus capacity and brought order to the industry. Without Standard Oil, he argued, the business would have fragmented into small, antiquated units, and oil gluts, with their accompanying low prices, would have persisted indefinitely. Rockefeller believed that only a firm with the strength of Standard Oil could have attained the necessary economies of scale at that stage of the industry’s development.

Long after Rockefeller had exited the industrial scene, various economists, while espousing the general superiority of competition, conceded the economic wisdom of trusts under certain conditions. The conservative, Austrian-born economist Joseph A. Schumpeter, for example, contended that monopolies might prove beneficial during depressions or in new, rapidly shifting industries. By replacing turmoil with stability, a monopoly “may make fortresses out of what otherwise might be centers of devastation” and “in the end produce not only steadier but also greater expansion of total output than could be secured by an entirely uncontrolled onward rush that cannot fail to be studded with catastrophes.”⁹¹ Schumpeter imagined that

entrepreneurs wouldn't commit large sums to risky ventures if the future seemed cloudy and new competitors could easily spoil their plans. "On the one hand, largest-scale plans could in many cases not materialize at all if it were not known from the outset that competition will be discouraged by heavy capital requirements or lack of experience, or that means are available to discourage or checkmate it so as to gain the time and space for further developments."⁹² As we shall see, Rockefeller keenly felt a need to freeze the industry's size, stymie new entrants, and create an island of stability in which expansion and innovation could then occur unimpeded.

When Rockefeller took over competing refiners, he retained plants with up-to-date facilities and shuttered obsolete ones. It would have been impossible to shrink the industry and steady prices, however, if those who sold their outmoded plants took the money only to open new refineries. Unencumbered by antitrust laws, Rockefeller forced these refiners to sign restrictive contracts that prohibited them from sneaking back into the oil business. Rockefeller regarded these agreements—which would today be outlawed as in restraint of trade—as sacred obligations. For the most part, they were faithfully honored, though on several occasions Rockefeller hauled violators into court.

For all the uproar about Rockefeller's predatory tactics, many refiners continued to defy him, and dozens of small independents survived outside of Standard Oil. Rockefeller lured many of them into his tent with an intermediate step that he called "running arrangements," in which Standard Oil guaranteed them a certain level of profits if they accepted a ceiling on their output. This allowed Standard Oil to restrict the output of rivals and made Rockefeller, a hundred years before the Organization of Petroleum Exporting Countries (OPEC), the chief administrator of a sweeping oil cartel. Much like OPEC leaders, Rockefeller had to arbitrate demands for increased quotas among restive members and cope with the immemorial problem of cartels: how to prevent cheaters. Whenever refiners with running arrangements exceeded their assigned allotment, Standard Oil, as the swing producer, curtailed its own output to maintain prices—exactly the dilemma faced by Saudi Arabia as the world's largest oil exporter in the 1970s. This situation steeled Rockefeller in his determination to own his competitors instead of just presiding over a confederation of perennially warring members.

Where Rockefeller differed most from his fellow moguls was that he wanted to be both rich *and* virtuous and claim divine sanction for his actions. Perhaps

no other businessman in American history has felt so firmly on the side of the angels. Critics were quick to spy an oily sanctimony in this servant of God and Mammon and wonder why his religious beliefs didn't trammel his acquisitive nature. They converted him into a wily Machiavellian or a stock figure from a Balzac novel—the pious, cunning hypocrite who showily attends church on Sunday then spends the rest of the week trampling rivals underfoot. More generous critics argued that he simply led parallel lives, with a complete separation of his public and private selves. Rockefeller himself felt no such discontinuity and always insisted that his private and commercial activities should be judged by the same exacting standards. Many years later, William O. Inglis read to him John Milton's stern denunciation of King Charles I: "For his private virtues they are beside the question. If he oppress and extort all day, shall he be held blameless because he prayeth night and morn?" In response, Rockefeller exclaimed, "That's well put! And the oil men have got to stand the test of that."⁹³ Clearly, he felt that his business conduct could withstand the most rigorous scrutiny.

It is too glib to say that Rockefeller was a hypocrite who used his piety as a cloak for greed. The voice that reverberated in his ears was one of burning zeal, not low, devious cunning. He was a sincere if highly self-serving churchgoer and, however deluded, extremely devout. From an early age, he had learned both to use and to abuse religion, to interpret and to misinterpret Christian doctrine to suit his purposes. The church provided him with a stock of images and ideas that, instead of checking him, enabled him to proceed with a clear conscience. Religion validated his business misdeeds no less than his charitable bequests, buttressing his strongest impulses. If religion made him great, it also armed him with theological justification for his actions and may have blinded him to their brutal consequences.

To reiterate an earlier point, John D. regarded God as an ally, a sort of honorary shareholder of Standard Oil who had richly blessed his fortunes. Consider this impassioned outburst he made to a reporter:

I believe the power to make money is a gift from God—just as are the instincts for art, music, literature, the doctor's talent, the nurse's, yours—to be developed and used to the best of our ability for the good of mankind. Having been endowed with the gift I possess, I believe it is my duty to make money and still more money, and to use the money I make for the good of my fellow man according to the dictates of my conscience. ⁹⁴

For Rockefeller, there was a perfect fusion of Christianity and capitalism and, given his extensive church involvement, it would have been odd if his career hadn't been saturated with his own version of evangelical Protestantism. Even the business of drilling and refining oil was wrapped for him in religious mystery. "The whole process seems a miracle," he once said. "What a blessing the oil has been to mankind!"⁹⁵ In pleading for his oil monopoly, Rockefeller always exhibited many qualities of the Baptist missionary. He needed to endow his aggressive business tactics with transcendent purpose and elevate his material designs into holy crusades. When faced with the squalid disorder of the oil business in the early 1870s, he converted Standard Oil, in his own mind, into the moral equivalent of the Baptist Church. His career as a trust king would be for him a Christian saga, a pilgrim's progress, where he was the exemplary man, rescuing sinful refiners from their errant ways.

What's most striking, both in the extensive Inglis interview and elsewhere, is that every time Rockefeller explained the rationale for Standard Oil, he resorted to patently religious imagery. "The Standard was an angel of mercy, reaching down from the sky, and saying, 'Get into the ark. Put in your old junk. We'll take all the risks!'"⁹⁶ He referred to Standard Oil as "the Moses who delivered them [the refiners] from their folly which had wrought such havoc in their fortunes."⁹⁷ Charged with destroying competition, Rockefeller was indignant: "I repeat again, it was not a process of destruction and waste; it was a process of upbuilding and conservation of all the interests . . . in our efforts most heroic, well meant—and I would almost say, reverently, Godlike—to pull this broken-down industry out of the Slough of Despond [for which] we are charged with criminal proceedings."⁹⁸ Far from being an outlaw band, Standard Oil had "rendered a missionary service to the whole world. Strong as this statement is, it is the Gospel truth."⁹⁹ Further, "Faith and work were the rocks upon which Standard Oil was built."¹⁰⁰ He credited Standard Oil with "the salvation of the oil business and making it a reputable pursuit instead of a disgraceful, gambling, mining scheme."¹⁰¹ While he and his partners were "missionaries of light" and tried to treat weaker competitors with compassion, there were limits to their tolerance since they could not "stop the car of salvation in their great enterprise which meant so much to the consuming public the world over."¹⁰² If his stewardship of Standard Oil exposed him to vitriolic persecution, it was exactly the martyrdom he expected.

Rockefeller has often been described as a social Darwinist who viewed the harsh struggle of capitalism as a salutary process that rewarded the industrious and punished the lazy. And it is true that he adamantly opposed any government program or private charity that sapped the frontier spirit of self-reliance. Yet Rockefeller could hold contradictory views on essential matters, and his philosophic justification of cooperation rested heavily upon a direct refutation of social Darwinism:

The struggle for the survival of the fittest, in the sea and on the land the world over, as well as the law of supply and demand, were observed in all the ages past until the Standard Oil Company preached the doctrines of cooperation, and it did cooperate so successfully and so fairly that its most bitter opponents were won over to its views and made to realize that rational, sane, modern, progressive administration was necessary to success. ¹⁰³

Standard Oil was thus presented as the *antidote* to social Darwinism, a way to bring universal brotherhood to a fractious industry. Without Standard Oil, said Rockefeller, “there would have been the survival of the fittest—and we had proved ourselves to be the fittest, and we could have picked up the wrecks as the less fortunate brethren went down. This we did not do, but tried to call a halt and avert the impending disaster.”¹⁰⁴ Standard Oil would be a cooperative commonwealth, open to refiners who renounced their selfish ways to join the faithful. It would be for Rockefeller a unique case of the strong showing mercy to their weaker brethren by inviting them to participate in a common effort to save the industry.

In a critical distinction, he viewed competitive capitalism—and not capitalism per se—as producing a vulgar materialism and rapacious business practices that dissolved the bonds of human brotherhood. In a state of ungoverned competition, selfish individuals tried to maximize their profits and thereby impoverished the entire industry. What the American economy needed instead were new cooperative forms (trusts, pools, monopolies) that would restrain grasping individuals for the general good. Rockefeller thus tried to reconcile trusts with Christianity, claiming that cooperation would end the egotism and materialism abhorrent to Christian values. It was an ingenious rationalization. While religion did not lead him to the concept of trusts, it did enable him to invest his vision of cooperation with a powerful moral imperative.

From the outset, Standard Oil was permeated by an us-versus-them attitude

that emanated from the top. At moments, Rockefeller made it sound as if he and his colleagues were a band of early Christians, misunderstood by the pagans. In this moralistic frame of mind, he was bound to see his opponents as benighted, misguided people, “governed by their narrow jealousies and unwarranted prejudices” and unaware that the old gods were now obsolete.¹⁰⁵ Rockefeller developed an inverted worldview, accusing his critics of exactly the same sins of which they accused him. Far from seeing himself as a rascal or bully, the Standard Oil chieftain presented himself as a respectable gentleman who attempted in vain to reason with wicked independents. In his correspondence, Rockefeller betrayed a characteristic manner of referring to his rivals: They were selfish people forever stirring up trouble or creating annoyances, like so many mischievous children who needed a good stiff spanking from father. Never conceding any legitimacy to dissent, Rockefeller denigrated his critics as blackmailers, sharpsters, and crooks. He was now dangerously impervious to criticism.



Charles Pratt, Sr., Rockefeller’s colleague and frequent adversary. (Courtesy of the Rockefeller Archive Center)

CHAPTER 9

The New Monarch

Fresh from the South Improvement Company brouhaha and the bruising struggle over the Cleveland refineries, Rockefeller didn't pause to catch breath. Anybody else might have consolidated his gains and proceeded cautiously, but Rockefeller, a man in a hurry, launched a new offensive instead. The SIC contretemps had stranded him in an untenable spot. Since Cleveland refiners paid the same freight rates as other refining centers, they labored under a huge competitive handicap, paying fifty cents a barrel just to ship crude oil to Cleveland before sending on the refined oil to New York; by contrast, a Titusville refiner shipped straight to the seaboard. In April 1872, Henry Flagler again extracted concessions from the Lake Shore Railroad but not enough to appease Rockefeller. Because the Pittsburgh refiners shared a similar cost disadvantage, Rockefeller decided to make common cause with them and press the railroads for new discounts.

With unmitigated cheek, Rockefeller decided that if the Oil Regions couldn't tolerate a small, secret consortium such as the SIC, he would confront them with a giant public consortium of refiners. In mid-May 1872—scarcely more than a month after the railroads scrapped the SIC—Rockefeller and Flagler journeyed to Pittsburgh to meet with the city's three foremost refiners, William G. Warden, William Frew, and O. T. Waring. The group then went by train to Titusville, bearing a plan for a new National Refiners' Association, which would be popularly dubbed the Pittsburgh Plan. This venture envisioned a new refiners' cartel, headed by a central board that would negotiate advantageous terms with the railroads and maintain prices by assigning refining quotas to members. Eschewing subterfuge, the confederation was thrown open to all refiners, but with John D. Rockefeller serving as president.

Before long, Rockefeller was so detested in the Oil Regions that he ceased to visit and retreated to the status of a dim, shadowy legend; no authenticated photo shows him in the rural backwater to which he owed his fortune. Though the National Refiners' Association theoretically embraced all comers, the Titusville refiners saw the group as the old SIC in disguise, and local newspapers admonished oilmen to beware of the slippery, smooth-talking

men from Cleveland. On the Titusville streets, Rockefeller was greeted with the somber respect accorded a new monarch. As always, he presented a cordial façade that disarmed people and in one office after another reassured wary refiners, “You misunderstand our intention. It is to save the business, not to destroy it that we are come.”¹ At two turbulent public meetings, Flagler was hooted and jeered while Rockefeller stared impassively at the audience. One refiner left an indelible portrait of Rockefeller’s aloof, cryptic manner at a private meeting:

*One day several of us met at the office of one of the refiners, who, I felt pretty sure, was being persuaded to go into the scheme which they were talking up. Everybody talked except Mr. Rockefeller. He sat in a rocking chair, softly swinging back and forth, his hands over his face. I got pretty excited when I saw how those South Improvement men were pulling the wool over our men’s eyes, and making them believe we were all going to the dogs if there wasn’t an immediate combination to put up the price of refined and prevent new people coming into the business, and I made a speech which, I guess, was pretty warlike. Well, right in the middle of it John Rockefeller stopped rocking and took down his hands and looked at me. You never saw such eyes. He took me all in, saw just how much fight he could expect from me, and I knew it, and then up went his hands and back and forth went his chair.*²

At a second big public meeting, the Pittsburgh Plan was defeated resoundingly by local refiners, yet Rockefeller still gained ground, having enlisted influential local defectors, especially his erstwhile foe, young John D. Archbold. During the following months, in a divide-and-conquer policy, Rockefeller tried to isolate the Oil Creek refiners by successfully recruiting into his Pittsburgh Plan refiners from the other major centers.

But before long, this cartel was bedeviled by cheaters exceeding their quotas. It also grappled with what economists call the “free rider” problem—that is, opportunistic refiners stayed outside the plan and enjoyed the higher prices it produced without being bound by its production limits. As Rockefeller later said in a comparable situation, “These men who claimed that they had been ‘crushed’ and ‘ruined’ by the Standard Oil Company were existing under its shelter and protection.”³ And he was besieged by problems closer to home. After Standard Oil bought decrepit old refineries in Cleveland to cut back on capacity, many sellers violated their covenants and started up new plants with improved equipment. They were drawn back, Rockefeller argued, only because he had markedly improved conditions and boosted

prices. To complicate matters, new refiners now entered the business expressly to blackmail him into buying them out.

In the end, frustrated by rampant cheating and freeloaders, Rockefeller gathered refiners in Saratoga Springs, New York, on June 24, 1873, and dissolved the short-lived Pittsburgh Plan. He was momentarily disheartened by this failure, which again confirmed his preference for outright fusion rather than an unwieldy federation of firms. “There are some people whom the Lord Almighty cannot save,” he later said wearily of the Oil Creek refiners. “They don’t want to be saved. They want to go on and serve the devil and keep on in their wicked ways.”⁴

In her influential polemic, Ida Tarbell evoked a paradise of free, independent producers in western Pennsylvania, “ruddy and joyous” men, enamored of competition, who were snuffed out by the sinister Standard Oil. In her morality play, Rockefeller was the venomous toad in this garden of earthly delights. In fact, the producers didn’t respond to Rockefeller by advocating freer competition but by forming their own counterconspiracy. In the summer of 1872, under the aegis of the Petroleum Producers’ Association, they approved a moratorium on new drilling to steady prices and briefly called for a complete halt to production. The producers terrorized each other, meting out nocturnal punishment to noncooperators by setting their wells ablaze or smashing their pumping engines with sledgehammers. The producing end of the industry was populated by thousands of freebooting, high-spirited speculators who were far harder to organize than the more sober refiners, concentrated in a few urban centers—something that gave Rockefeller a decided edge.

So long as he could maintain ample spreads between crude and refined prices, Rockefeller blessed the producers’ efforts to impose higher prices and control output. It was a common misconception along Oil Creek—and one that fed anti-Rockefeller demonology—that he was trying to drive drillers to the wall to keep prices low. In reality, he was fully prepared to deal with a strong producers’ cartel so long as they capped production. On December 19, 1872, Rockefeller met with producers at the Fifth Avenue Hotel in New York and signed the so-called Treaty of Titusville. Under this agreement, the refiners’ association pledged to buy oil from the producers’ association at five dollars a barrel—nearly *twice* the spot market rate—in exchange for tightly enforced production limits. The agreement crumbled not because of Rockefeller but because producers couldn’t enforce discipline in their ranks.

Instead of throttling the oil flow, they scrambled to pump more, with wholesale cheating driving the price as low as two dollars a barrel on the crude-oil market. Many small drillers outside the producers' association took advantage of the pact to undersell their bigger competitors.

This behavior ratified Rockefeller's low opinion of the producers as dissolute, unreliable men who couldn't contain a "wild and uncontrollable element" that "would sneak out at midnight and start the pumps going so that the oil might flow before the songs of the birds were heard."⁵ With the oil industry drowning in another glut, Rockefeller terminated the agreement in January 1873, chiding the recalcitrant producers: "You have not kept your part of the contract—you have not limited the supply of oil—there is more being pumped today than ever before in the history of the region."⁶ While uncontrollable drilling was to blame, the producers found it easier to scapegoat Standard Oil. After the agreement fell apart, the disorganized producers lost all incentive to curtail production, feeding another downward spiral in oil prices.

By 1873, Standard Oil was shipping about a million barrels of refined oil per year and earning about a dollar a barrel, yet the business remained on an unsure footing. Rockefeller had clarified one thing in his own mind, however: Voluntary associations couldn't move with the speed, unity, and efficiency he wanted. "We proved that the producers' and refiners' associations were ropes of sand," he said.⁷ He was now through with ineffectual alliances and ready to bring the industry to heel under Standard Oil control. "The idea was mine. The idea was persisted in, too, in spite of the opposition of some who became fainthearted at the magnitude of the undertaking, as it constantly assumed larger proportions."⁸ By early 1873, he had crossed his own Rubicon and never looked back. Once embarked on a course of action, he wasn't a man to be hobbled by doubts.

In 1873, the mad dash for riches that followed the Civil War ended in a prolonged slump that ground on for six interminable years. On Black Thursday—September 18, 1873—the august banking house of Jay Cooke and Company failed because of problems in financing the Northern Pacific Railway. This event ignited a panic, leading to a stock-exchange shutdown, a string of bank failures, and widespread railroad bankruptcies. During the next few years, deflated by massive unemployment, daily wages plunged 25 percent, exposing many Americans to the horror of downward mobility. The

six lean years accelerated the process of consolidation that had gathered force in many economic sectors.

This depression especially exacerbated the problems of the oil industry. Soon after Black Thursday, crude prices touched a shocking low of eighty cents a barrel; within a year, prices had tumbled to forty-eight cents—cheaper than the cost of hauling water in some towns. Just as Carnegie expanded his steel operations after the 1873 panic, so Rockefeller saw the slump as a chance to translate his master blueprint into reality. To capitalize on rival companies selling at distress-sale prices, he slashed Standard Oil's dividend to increase its cash reserves. Standard Oil weathered the six-year depression magnificently, a fact Rockefeller attributed to its conservative financial policy and unparalleled access to bank credit and investor cash.

The oil-refining industry staggered under so much surplus capacity that even Standard Oil, comprising a quarter of the industry, operated only two of its six main Cleveland plants. For all that, it managed to post such creditable profits that it sometimes wooed competitors simply by giving them a privileged peek at its books. Rockefeller was acquiring unstoppable momentum and, having subdued Cleveland, he soon began his march from city to city in an unrelenting campaign of national consolidation.

As his operations grew, Rockefeller made a fetish of secrecy, flavored with paranoia, a legacy of his self-conscious boyhood. One day, he saw an office employee talking to a stranger and later inquired after the man's identity. Although the subordinate said the man was a friend, Rockefeller lectured him, "Well, be very careful what you say. What does he want here? Don't let him find out anything." "But he is just a friend," the employee replied. "He doesn't want to know anything. He has just come to see me." "Quite so," said Rockefeller, "but you can never tell. Be careful, be very careful."⁹

In absorbing competitors, Rockefeller was equally secretive and asked them to continue operating under their original names and not divulge their Standard Oil ownership. They were instructed to retain their original stationery, keep secret accounts, and not allude on paper to their Cleveland connection; internal correspondence with Standard Oil was often conducted in code or with fictitious names. Rockefeller also did this as a necessary legal expedient, for under existing law Standard Oil of Ohio couldn't own property outside the state, a situation that invited deception by companies that operated nationally.

Rockefeller warned refiners joining Standard Oil not to parade their sudden wealth, lest people wonder where they got the cash. After striking a deal with one Cleveland refiner, he invited him to his Euclid Avenue home one night and said: “But you must keep this contract secret even from your wife. When you begin to make more money, don’t let anybody know it. Don’t put on any more style. You have no ambition to drive fast horses, have you?”¹⁰ With such thoroughgoing stealth, Standard Oil executives worried that if some newly acquired refiner died, his heirs might mistakenly claim ownership of the refinery.

Rockefeller was similarly suspicious of any boasting or ostentation among associates. One day, he was riding on a train in Cleveland with Pittsburgh refiner O. T. Waring when Waring asked him who owned a handsome, dark green hillside house in the distance. “You wish to know who owns that house?” asked Rockefeller, suddenly very upset. “It’s our Mr. Hopper, who makes barrels for us. Whew! It’s an expensive house, isn’t it? I wonder if Hopper isn’t making altogether too much money? Let’s look into it.”¹¹ Back in the office, he pored over the accounts, decided that Hopper’s profits were excessive, and terminated the contracts with him. In a similar vein, Rockefeller was concerned that if he advertised his own wealth through fancy houses, he might attract investors into the refining business and only worsen the excess capacity problem.

As will be seen, Rockefeller was capable of extraordinary ferocity in compelling submission from competitors. He might starve out obdurate firms by buying all available barrels on the market or monopolize local tank cars to paralyze their operations. Yet Rockefeller didn’t apply this pressure lightly and preferred patience and reason—if possible—to terror. He was not only purchasing refineries but assembling a managerial team. The creation of Standard Oil was often less a matter of stamping out competitors than of seducing them into cooperation. In general, Rockefeller was so eager to retain original management that he accumulated expensive deadwood on the payroll and, for the sake of intraempire harmony, preferred to be conciliatory. Several years later, one colleague wrote to him that almost the entire executive committee “have made up their minds that the policy of buying out our competitors has had its day and that to pay men salaries for doing nothing is poor business, though these men have been all their active business lives in the Oil business.”¹² This policy, which kept colleagues from defecting and forming competing companies, was one of many expensive extravagances

that accompanied the creation of the monopoly.

With access to Oil Creek via the Allegheny River, Pittsburgh was an optimal crossroads for oil traffic, and it was inevitably targeted by Rockefeller for his second great wave of consolidation. After the failed Pittsburgh Plan, Rockefeller hoped to prod, wheedle, and cajole both Pittsburgh and Philadelphia refiners into Standard Oil.

During the autumn of 1874, Rockefeller and Flagler attended a secret summit meeting in Saratoga Springs with their Pittsburgh and Philadelphia counterparts, Charles Lockhart and William G. Warden. By snapping up the strongest refiners in these two towns, Standard Oil hoped that it would then easily corral the smaller refiners in their wake. With its racetrack and gambling casino, Saratoga Springs was a fashionable resort for wealthy sportsmen and, as Commodore Vanderbilt's summer home, a popular gathering spot for confidential business talks. After breakfast, the four refiners retreated to a pleasant pavilion by a spring, where they talked for six hours. Only by banding together in one firm, Rockefeller argued in his most soothing manner, could they avert destructive price-cutting. When Lockhart and Warden hesitated, Rockefeller played his trump card: He invited Warden to come to Cleveland and inspect the Standard Oil books. When Warden later examined them, he was taken aback: Rockefeller could manufacture kerosene so inexpensively that he could sell below Warden's production costs and earn a profit. After several weeks of appraising Standard Oil and being assured of a voice in its management, Warden and Lockhart joined forces with Rockefeller. In the clandestine sale of their plants, they had the foresight to take payment in Standard Oil stock. Since Rockefeller's papers from this period are sparse, we don't know precisely why these powerful rivals yielded to him, but they were probably attracted by the access to railroad rebates, lower interest rates, scarce tank cars, and technical expertise that went along with the partnership.

With this decisive stroke, Rockefeller absorbed more than half of the Pittsburgh refining capacity, with the leading Philadelphia refinery tossed in for good measure. In this way, he activated a self-sustaining movement as his new allies agreed to consolidate business in their localities and supervise the purchase of the remaining independent refineries. A massive chain reaction was thus set in motion that rippled through both refining centers, with local businessmen now acting as Rockefeller's agents. Of twenty-two Pittsburgh refiners in existence when Rockefeller struck his Saratoga Springs deal, only

one was still in existence independently two years later.

Rockefeller was especially delighted to snare Charles Lockhart, a bearded Scot with a frosty, taciturn manner who was, in Rockefeller's words, "one of the most experienced, self-contained, and self-controlled men in business."¹³ During the Saratoga meeting, he impressed the Standard men because he listened attentively but hardly breathed a syllable, which elicited Rockefeller's highest praise: "That's the kind of man I'd like to have go fishing with me."¹⁴ Though the oil business was comparatively young, Lockhart was already a veteran, having sold Seneca Oil along with William Frew in a Pittsburgh store in the 1850s. Soon after Edwin Drake's discovery, Lockhart had carried the first samples of Pennsylvania kerosene to London. Besides creating the top Pittsburgh refiner, Lockhart, Frew and Company, the two men had also joined forces with William Warden to establish a Philadelphia affiliate, Warden, Frew and Company, which later evolved into the Atlantic Refining Company. This innovative trio of refiners shipped oil to Liverpool aboard steamers lined with iron tanks, reducing both the risk of fire and the noisome smells. The antithesis of the penurious Lockhart, Warden was an effusive, bighearted man with a broad face and muttonchop whiskers. With wider-ranging interests than the average Standard Oil man, he was a former abolitionist who had donated money to black causes after the war, a conscientious Presbyterian, and an active reformer in Philadelphia politics.

While stepping up his Pittsburgh and Philadelphia campaigns, Rockefeller also established a critical foothold in New York, where he had already bought the Devoe Manufacturing Company, specialists in case oil, and the Long Island Company, operator of a large refinery. Through the efforts of brother William, Rockefeller now took over Charles Pratt and Company. A short man with a sandy beard, Charles Pratt was a self-made Baptist with the habitual reticence that Rockefeller prized. He had manufactured paints before the Civil War and this had led him into oil refining. With a flair for merchandising, he had made his high-quality kerosene, Astral Oil, a common fixture in American households and so adroitly managed exports to Europe and Asia that the brand acquired international fame.

In time, Charles Pratt felt slighted and pushed aside by Rockefeller, who sometimes admired his conservative style but generally mocked him as an old fogey lacking in vision. Quite unlike Warden and Lockhart, Pratt ended up on the losing side of many policy disputes with Rockefeller and took to writing him querulous letters laced with self-pity. During one squabble with

Rockefeller in 1881, Pratt wrote petulantly, “I cannot see good in any effort of mine to influence you or others by any arguments.”¹⁵

The undisclosed purchase of Charles Pratt’s firm brought into the Standard fold one of the most energetic, swaggering figures in its history: Henry H. Rogers, who had led the committee of New York refiners that indignantly contested the SIC. He was now one of the first turncoats who defected to the Standard camp, and Rockefeller gloated over such conquests. “I’m happy to state that in most cases the very men who were desperately opposed to anything the Standard Oil Company might suggest . . . when they met us face to face, when they came to know from us rather than from those maligners, they readily joined us and never had occasion to regret.”¹⁶ Though he later clashed with Rockefeller, Rogers was a versatile executive who directed, in turn, Standard’s crude-oil purchases, pipelines, and manufacturing operations. As petroleum by-products grew in importance, Rogers, with a technical grasp that exceeded Rockefeller’s, patented a landmark process for separating naphtha from crude oil.

No sooner had Standard Oil enlisted Charles Pratt than New York independents began to experience unaccountable shortages of vital supplies. John Ellis and Company, which manufactured petroleum jelly, suddenly found it couldn’t book the requisite railroad cars for crude-oil shipments. Some invisible force was working against them. As the firm tried to unravel this mystery, a Standard Oil representative took the opportunity to drop by for a friendly chat with John Ellis and warned him, “You are helpless. You will have to sell out.” Appalled by this heavy-handed treatment, Ellis retorted, “I will never sell out to any company as crooked as the Standard Oil.”¹⁷ Ellis stayed independent, but few firms had the resources or fortitude to withstand the unceasing pressure exerted by the growing legions of Standard Oil minions.

In his lightning offensives in Pittsburgh, Philadelphia, and New York, Rockefeller was buying refineries in strategic railroad and shipping hubs, where he could negotiate excellent transportation rates. But despite its proximity to the wells, he never considered Oil Creek an economical place for refineries—which didn’t enhance his popularity in western Pennsylvania. Many ingredients used in refining—from sulfuric acid to glue to barrel hoops—cost more in that secluded area than in urban centers. By demoting the Oil Regions as a refining center, Rockefeller threatened the livelihood of thousands of people in Titusville, Franklin, and Oil City and offended their

sense of justice. The locals were taught to believe, in Rockefeller's words, that "the place where the oil was produced, gave certain rights and privileges that persons seeking to engage in other localities had no right to presume to share."¹⁸ Rockefeller struck them as an evil interloper, a usurper of their birthright, when he was merely exercising his right to practice business where he pleased.

Nonetheless, to enforce an airtight monopoly, he needed to capture the Oil Creek refineries, if only to dismantle the least efficient ones. On January 22, 1874, he stunned local refiners by buying the Imperial Refining Company and its vast facility near Oil City. For local anti-Standard firebrands, it was a move laden with ominous symbolism. One of the consenting sellers was Captain Jacob J. Vandergrift, a husky little man with a Santa Claus beard. A former skipper on the Ohio River, Vandergrift was a wealthy, God-fearing temperance advocate who commanded universal power and respect. Along Oil Creek, his desertion to Standard Oil was considered treasonous betrayal, and it demoralized local independents—precisely what Rockefeller had wanted. In early 1875, Rockefeller captured the second largest Titusville refiner, Porter, Moreland and Company, which brought twenty-seven-year-old John D. Archbold—the diminutive homilist who had electrified the crowd at the Titusville Opera House with his blazing oratory against the SIC—into the Standard Oil fold. Now, convinced that competition was a dated concept, Archbold suddenly enlisted under the banner of industrial consolidation.

Aside from Henry Flagler, Archbold was the most significant figure recruited by Rockefeller. Even before he set eyes on him, Rockefeller was intrigued. Registering at a Titusville hotel one day, he noted the signature above his own name: "John D. Archbold, \$4 a barrel." This cocky self-promotion impressed Rockefeller, for crude oil was selling at substantially below that price.¹⁹ Nine years younger than Rockefeller, the boyish Archbold was a short spark plug of a man, weighing about 130 pounds. The son of a Baptist circuit preacher who abandoned his family when John was ten (the prevalence of ministers' sons at Standard Oil is striking), he had come to Titusville as a teenager and grown up with the industry. Quick-witted and optimistic, a jovial raconteur, he "laughed his way to a great fortune," as one contemporary said.²⁰ Though not easily charmed, Rockefeller was enchanted by Archbold's high spirits, his inexhaustible fountain of jokes and stories; his short stature aside, he was the man at Standard Oil who most resembled Big

Bill. Archbold became Rockefeller's proxy, picked successor, surrogate son, and court jester. Before long, Rockefeller learned that this preacher's son was overly fond of worldly pleasure and spent his nights drinking and playing poker. In time, Rockefeller forced him to repudiate alcohol, but even this only seemed to draw them closer together.

When Archbold went over to Standard Oil, he was denounced bitterly as a "renegade" and "deserter" and incurred special resentment from former admirers.²¹ He was such a deft, good-natured diplomat, however, that Rockefeller assigned him to absorb the Oil Creek refiners. In no other place did Rockefeller so sorely need an attractive substitute. Around Titusville, Standard Oil was reviled as the "octopus," and Rockefeller was regarded as a monster. Mothers scolded their children by saying, "Run, children, or Rockefeller'll get you!"²² As a result, the original Standard Oil officials never conducted buyout talks directly but operated through "acquaintances, competitors, and friends of the competitive refiners, best calculated to explain to them the situation, best fitted to succeed in the negotiations because of their intimate acquaintance, kindly relations and the mutual confidence of neighbors and friends."²³ Archbold was the smiling face who mollified enemies and restored peace, and with his advent Rockefeller no longer needed to go to Oil Creek.

In September 1875, Standard Oil formed the Acme Oil Company, a front organization to take over local refiners under Archbold's guidance. Within months, he had bought or leased twenty-seven refineries, moving at such a hectic pace that he nearly drove himself to collapse. Over the next three or four years, Archbold herded the remaining independents into Standard Oil. Several letters from Archbold to Rockefeller confirm the latter's contention that he paid fairly for refiners. After grudgingly paying an exorbitant \$12,000 for one refinery, Archbold told Rockefeller, "We have the feeling that it is a large price for the property and do not doubt but that if we could hold out for a time on the present low basis we might do better, but whether the difference is worth the ammunition is a question."²⁴ Once the purchase was settled, he added, "I found it a very difficult trade to make, & was compelled to make some concessions to the parties that I disliked very much to make regarding which I will explain to you more fully when I see you."²⁵ Though independent refiners often felt squeezed by Rockefeller, he didn't always exploit their vulnerability to the maximum possible extent and sometimes even showed leniency.

At least one prominent refiner contended that he was subjected to coercion by Standard Oil when he tried to build a new refinery. Samuel Van Syckel, the pipeline pioneer, said a Standard Oil representative had offered him a good salary to abandon the project. “He then said that I could make no money if I did refine oil. He also said if I did I could not ship it. He said he would say to me confidentially that they had made such arrangements with the railroads in reference to freight—in reference to getting cars—he knew I could make no money if I did make oil.”²⁶ Van Syckel bowed to superior force.

In May 1875, Rockefeller completed his grand design of controlling all the major refining centers when he covertly bought J. N. Camden and Company of Parkersburg, West Virginia, and rechristened it the Camden Consolidated Oil Company. Camden’s correspondence documents the stealth involved in this sort of takeover. Before consummating the sale, Standard Oil requested a minute inventory of his properties and was ready to send its expert superintendent, Ambrose McGregor, to investigate. Yet Johnson Newlon Camden himself, a well-known Democratic politician, feared that the superintendent of his barrel factory might recognize McGregor and warned Standard Oil, “We would prefer having him to come here, but don’t see how he could do it without exposing the whole thing. I find the Superintendent of the Barrel Factory is a little curious about what is going on.”²⁷ That even a superintendent was kept in the dark about the new owners underscores the priority that Standard Oil placed on confidentiality.

The Camden deal remedied a flagrant weakness for Rockefeller, who dominated refineries in the areas served by the New York Central, the Erie, and the Pennsylvania Railroads. There was only one gaping hole left in the map: the territory controlled by the maverick Baltimore and Ohio (B&O) Railroad, whose tracks spanned southern Pennsylvania, connecting a cluster of refineries in Parkersburg and Wheeling, West Virginia, with an oil-export center in Baltimore. Even more intolerable for Rockefeller, the upstart B&O dared to handle crude oil shipped to Pittsburgh through a pipeline called the Columbia Conduit Company, which had defied Standard Oil at every turn. In short, the B&O was providing comfort to the last independent refiners still holding out in open rebellion against his imperial rule.

The president of the B&O, John W. Garrett, had long exhorted Camden to fight the Standard Goliath and offered him marked-down freight rates to do so. Now that he had—unbeknownst to Garrett—defected to Rockefeller, Camden wanted to retain the rates expressly designed to shore up Standard

Oil opponents. On May 12, 1875, scarcely able to suppress his mischievous glee, Camden informed his new owners in Cleveland, “Mr. Garrett . . . is coming out to see us tomorrow. I suppose he will encourage us to keep up our oil business and fight the ‘combination’ ”—that is, Standard Oil.²⁸ And he negotiated excellent rates with Garrett. In exchange for shipping fifty thousand barrels of oil monthly, he would receive a ten-cent-a-barrel drawback on *all* refined oil sent via the B&O—whether shipped by Camden or by his competitors. That Garrett revived the infamous drawback when he thought he was *fighting* Standard Oil shows that nobody could claim exclusive virtue in this business.

That spring, Rockefeller gave Camden wide leeway to buy up refiners serviced by the B&O, and he quickly snatched up three Parkersburg refiners. At several points, Camden, like Archbold, bristled at the excessive prices he paid. “It almost makes me weepy to pay out good money for this kind of junk,” he told Rockefeller, “but as it is a part of our duty to mankind, I suppose it is necessary to carry it through without flinching.”²⁹ The completion of the Baltimore campaign left John D. Rockefeller, still in his thirties, the sole master of American oil refining. Since no major crude-oil deposits had been unearthed beyond western Pennsylvania—Russia, perhaps, being the lone exception—it also meant that he monopolized the world kerosene market. He was now living a fantasy of extravagant wealth that would have dwarfed the most febrile daydreams of William Avery Rockefeller. And few people beyond the oil business had ever even heard of him.

The swift raids on the principal refining centers cost such a king’s ransom that Rockefeller’s most ticklish problem was how to bankroll this marathon buying spree. To entice refiners, he offered them the option of taking payment either in cash or stock, and he always dreaded the choice of cash. “I would whip out our check book with rather a lordly air and remark, as if it were a matter of entire indifference to us, ‘Will I write a check or would you prefer payment in Standard Oil shares?’ ”³⁰ If they chose cash, he often had to scramble among banks to scrounge up money. By encouraging opponents to take stock, he conserved funds and also enlisted the allegiance of quondam foes in his burgeoning enterprise. But few companies followed the lead of Clark, Payne and invested in Standard Oil instead of taking payment.

It mortified Rockefeller that so few trusting souls took Standard Oil stock. Mostly, they doubted that Rockefeller and his Young Turks could realize their

experimental plan. As he recalled, “So when I offered them either spot cash outright for their property or stock in the new company, they took my money and laughed in their sleeves at my folly.”³¹ Rockefeller knew, with his customary certitude, that the people who took shares would be enriched. Indeed, American high society in the twentieth century would be loaded with descendants of those refiners who opted for stock. At every opportunity, Rockefeller sounded a prophetic note about the future appreciation of these shares. One Cleveland refiner who took stock later ran into Rockefeller, who asked, “Do you still hold your stock?” When told that was the case, Rockefeller entreated him, “Sell everything you’ve got even to the shirt on your back, but hold on to the stock.”³² Not all of them did, and Rockefeller always fancied that much of the venom turned against him came from disgruntled refiners who regretted having declined the stock.

Despite his stupendous borrowing needs, Rockefeller no longer needed to truckle to bankers and defied the most fearsome of them all: Amasa Stone. Cold, stern, and unapproachable, Stone amassed a fortune building bridges and railroads and became managing director of the Lake Shore Railroad at the personal behest of Commodore Vanderbilt. Twenty years older than Rockefeller, he expected the refiner to defer to him, and this irked the younger man. To ensure a steady flow of credit, Rockefeller put Stone on Standard’s board, but when the latter grew arbitrary and domineering, Rockefeller plotted to banish him. He soon had his chance when Stone inadvertently let an option expire for buying more Standard Oil stock. Several weeks later, recognizing his error, Stone showed up at the Standard office and induced Flagler to extend the expiration date. Itching for a showdown, Rockefeller overrode Flagler and refused to sell Stone any more shares, prompting the irate banker to liquidate his stake in the company. Rockefeller now considered himself the equal of any Cleveland businessman and wouldn’t grovel to anyone.

Just as he dreamed of emancipation from his bankers, Rockefeller hoped to escape the clutches of Vanderbilt, Gould, Scott, and other railroad barons. Early on, he had demonstrated the edge possessed by large-scale shippers in haggling with railroads. Now, he went a critical step further, figuring out how to insinuate himself into the very infrastructure of the industry.

Still uneasy at the specter of the oil fields drying up, the railroads shrank from investments in custom-made facilities for handling oil, worried that this specialized equipment might someday be rendered worthless. Exploiting this

fear, Rockefeller worked out a clever bargain with the Erie Railroad in April 1874. The railroad would transfer control of its Weehawken, New Jersey, terminal to Standard Oil if Standard met two conditions: First, it would have to outfit the rail yards with modern apparatuses that would help to expedite oil shipments to New England and the South; second, it would have to ship 50 percent of its western refinery output over Erie tracks. For Rockefeller, the arrangement promised multiple advantages, for he not only received preferential rates from Erie but could also chart the oil movements of competitors across the country. He could even block the export of rivals' oil—an option that, having made this huge investment, he freely exercised. As he argued, “I know of no parallel case in other branches of business where the competitor felt injured because he could not use his rival's capital and facilities for his own advantage and the disadvantage of the owner of the capital and facilities.”³³ Rockefeller's logic was unimpeachable—unless one accepted the still controversial proposition that railroads were common carriers and should deal with all shippers impartially.

Rockefeller was embraced no less warmly by the New York Central, which was controlled by the Vanderbilt family. Commodore Vanderbilt reportedly said that Rockefeller was the one man in America who could dictate terms to him; meanwhile, his son, William H. Vanderbilt, discreetly purchased Standard Oil stock for his own account.³⁴ It was the younger Vanderbilt who said presciently of Rockefeller in the 1870s: “He will become the richest man in the country,” thus inheriting the title from his father.³⁵ Standard Oil eventually became so enmeshed in the railroad business that it controlled virtually all the oil traffic that traveled over the Erie and the New York Central tracks.

Standard Oil also profited immeasurably from the revolution in oil transport as barrels gave way to tank cars. As Rockefeller later testified, “We soon discovered as the business grew that the primary method of transporting oil in barrels could not last. The package often cost more than the contents, and the forests of the country were not sufficient to supply the necessary material for an extended length of time.”³⁶ Once again, the railroads balked at investing in rolling stock that couldn't also transport general freight, so Rockefeller stepped boldly into the breach. In 1874, Standard Oil—with that kindly solicitude for the railroads' welfare that artfully tied them up with myriad strings—began to raise tens of thousands of dollars to build oil-tank cars, which they would then lease to the roads for a special mileage

allowance. Decades later, Armour and Company, the Chicago butcher, mimicked the same strategy by buying up refrigerator cars.

As the owner of almost all the Erie and New York Central tank cars, Standard Oil's position grew unassailable: At a moment's notice, it could crush either railroad by threatening to withdraw its tank cars. It also prodded the railroads into granting favors for tank cars not enjoyed by the small refiners who shipped by barrel. For instance, railroads levied a charge for the return of empty barrels, while tank cars traveled free on the return route from the East Coast to the Midwest refineries. Tank-car clients also received the exact same leakage allowance received by barrel shippers, even though the tank cars didn't leak—which effectively allowed Standard Oil to carry sixty-two gallons gratis in every tank car.

In this impregnable position, Rockefeller fulfilled a longtime wish and abolished forever the freight advantage of the Oil Creek refiners. In high-level talks with railway officials at Long Branch, New Jersey, and Saratoga Springs in the summer of 1874, he made them equalize rates for all refiners shipping to the East Coast. Crude oil would now effectively travel free on the 150-mile stretch between Oil Creek and Cleveland, destroying the advantage of owning a refinery in the oil fields and creating parity for Cleveland. When this shocking news surfaced in the so-called Rutter Circular of September 9, 1874, it sparked mass meetings and howls of protest along Oil Creek, where Rockefeller was universally execrated. Unlike the situation with the SIC, the railroads didn't tremble at the uproar but reacted with cool intransigence, knowing the independent refiners were now doomed. Three weeks passed before A. J. Cassatt of the Pennsylvania Railroad issued a curt, unrepentant letter in defense of the new uniform rates. For a long time, the independents had fought a valiantly unequal contest with Standard Oil, but now that the railroads had fallen under Standard's spell, the contest was over.

Had oil been found in scattered places after the Civil War, it's unlikely that even Standard Oil could have mustered the resources to control it so thoroughly. It was the confinement of oil to a desolate corner of northwest Pennsylvania that made it susceptible to monopoly control, especially with the emergence of pipelines. Pipelines unified the Pennsylvania wells into a single network and ultimately permitted Standard Oil to start or stop the flow of oil with the turn of a spigot. In time, they relegated collaboration with the railroads into something of a sideshow for Rockefeller.

Only belatedly did Rockefeller discern the full potential of pipelines, and

his entry into the business seemed somewhat of a defensive, rearguard action. He knew that the railroads felt threatened by the pipelines, and for a time he thought it worthwhile to help them safeguard their interests by delaying the introduction of this new technology. Then, one of the railroads forced him to modify his plans. During the summer of 1873, he was taken aback when the Pennsylvania Railroad expanded into pipelines through an aggressive, fast-freight subsidiary known as the Empire Transportation Company, which integrated two of the largest Oil Creek pipelines into its railroad network. Thus far, pipelines had only pumped oil short distances from the wellhead to the railroads, but this move presaged a time when pipelines would span great distances and supplant railroads altogether. Even worse from Rockefeller's viewpoint, Empire seemed the harbinger of a pipeline monopoly under the thumb of his rival and sometime coconspirator Tom Scott of the Pennsylvania Railroad. Rockefeller's paranoia was fully justified. In the perpetual game of shifting alliances, Tom Scott had made his tactical compromises with Rockefeller, but he generally feared Standard Oil and sought to shatter its refining monopoly, presumably to replace it with his own.

In a deft countermove, Rockefeller called upon Daniel O'Day, one of the most colorful figures in Standard history, to lay down a pipeline system. Born in County Clare, O'Day was a profane, two-fisted Irishman who tempered ruthless tactics with wit and charm. He inspired loyalty among subordinates and raw terror among adversaries. On his forehead O'Day bore a scar from an old Oil Creek brawl that was a constant reminder of his bare-knuckled approach to business. In 1874, under O'Day's tutelage, Standard launched the American Transfer Company to construct a pipeline network. Jockeying for position, Rockefeller also acquired a one-third interest in Vandergrift and Forman, controlled by Jacob J. Vandergrift, the steamboat captain who had merged his refining interests with Standard Oil. The Vandergrift pipelines formed the core of a new venture, the United Pipe Lines, that pretended to be free of Standard Oil control. By giving small stakes in United to William H. Vanderbilt of the New York Central and Amasa Stone of the Lake Shore, Rockefeller tightened his grip over friendly railroads. This set him up to extract maximum advantage from both the railroads and pipelines so long as these two means of transport coexisted in the oil business. When the owners of the first pipeline systems established a pool to set rates and allocate quotas among putatively competing networks in the summer of 1874, Rockefeller's pipelines gained an impressive 36 percent market share.

Between American Transfer and United Pipe Lines, Rockefeller now sat

astride nearly a third of the crude oil flowing from Oil Creek wells. Henceforth, Standard's influence in petroleum transport would be no less pervasive and even more profitable than its unmatched position in refining. This power offered many temptations for abuse. An oilman could make a tremendous strike and suddenly feel fabulously rich, but if he couldn't hook up the gushing black liquid to a pipeline, it was worthless. The drillers had always credited Rockefeller with a life-and-death hold over them, and as the Standard Oil pipelines encroached upon the oil fields, snaking across the slopes of Oil Creek, that power took on a frighteningly tangible form.

CHAPTER 10

Sphinx

In April 1874, as befitted the status of this new oil colossus, Standard Oil moved into a new four-story building that Rockefeller and Harkness had erected at 43 Euclid Avenue, east of the Public Square. Behind a heavy stone façade, the two Standard Oil floors were roomy and airy, drawing extra light from a skylight above the central stairway. Every morning at 9:15 sharp, Rockefeller arrived, elegantly attired, with the letter *R* neatly incised in his black onyx cuff links; for someone from a frugal, rural background, he was unexpectedly fastidious. “Mr. Rockefeller came in with an air of calm dignity,” recalled one clerk. “He was immaculately dressed—he looked as if he had been turned out of a bandbox. He carried an umbrella and his gloves, and wore a high silk hat.”¹ He placed such faith in polished shoes that he provided, free of charge, a shoe-shining kit for each office unit. Tall and pale, with neatly trimmed reddish gold side-whiskers, he had a barber shave him each morning at the same hour. Extremely punctual for all appointments, he said, “A man has no right to occupy another man’s time unnecessarily.”²

In his imperturbable style, Rockefeller quietly bid his colleagues good morning, inquired after their health, then vanished into his modest office. Even within the Standard Oil kingdom, his employees found his movements as wraithlike as his most paranoid Titusville antagonists did. As one secretary remarked, “He is sly. I never have seen him enter the building or leave it.”³ “He’s never there, and yet he’s always there,” echoed an associate.⁴ Rockefeller seldom granted appointments to strangers and preferred to be approached in writing. Ever alert against industrial espionage, he never wanted people to know more than was required and warned one colleague, “I would be very careful about putting [someone] into a position where he could learn about our business and be troublesome to us.”⁵ Even close associates found him inscrutable and loath to reveal his thoughts. As one wrote, “His long silences, so that we could not locate even his objections, were sometimes baffling.”⁶ Schooled in secrecy, he trained his face to be a stony mask so that when underlings brought him telegrams, they couldn’t tell from his expression whether the news was favorable or not.

Rockefeller equated silence with strength: Weak men had loose tongues and blabbed to reporters, while prudent businessmen kept their own counsel. Two of his most cherished maxims were “Success comes from keeping the ears open and the mouth closed” and “A man of words and not of deeds is like a garden full of weeds.”⁷ Big Bill’s deaf-and-dumb routine curiously prefigured his son’s habit of hearing as much as possible and saying as little as possible to gain a tactical edge. When bargaining, he employed his Midwest taciturnity to effect, throwing people off stride and keeping them guessing. When angry, he tended to grow eerily quiet. He liked to tell how a blustering contractor stormed into his office and launched into a snarling tirade against him while he sat hunched over his writing desk and didn’t look up until the man had exhausted himself. Then, spinning about in his swivel chair, he looked up and coolly asked, “I didn’t catch what you were saying. Would you mind repeating that?”⁸

Much of the time, he was closeted in his office, where he had oil prices chalked on a blackboard. He paced this spartan office, hands laced behind his back. Periodically, he emerged from his lair, mounted a high stool, and studied ledgers, scribbling calculations on pad and paper. (During meetings, he was a restless doodler and note taker.) Frequently, he stared out the window, motionless as an idol, gazing at the sky for fifteen minutes at a stretch. He once asked rhetorically, “Do not many of us who fail to achieve big things . . . fail because we lack concentration—the art of concentrating the mind on the thing to be done at the proper time and to the exclusion of everything else?”⁹

Rockefeller adhered to a fixed schedule, moving through the day in a frictionless manner. He never wasted time on frivolities. Even his daily breaks—the midmorning snack of crackers and milk and the postprandial nap—were designed to conserve energy and help him to strike an ideal balance between his physical and mental forces. As he remarked, “It is not good to keep all the forces at tension all the time.”¹⁰

In the early days, Rockefeller knew the name and face of each employee and occasionally perambulated about the office. He walked with a measured gait, steady as a metronome, always covering the same distance in the exact same time. He had the soundless movements and modulated voice of an undertaker. Gliding about with silent footfalls, he startled people by materializing at their desks and politely asking, in a mellow voice, to inspect

their work. Since he was seldom seen, people often wondered about his whereabouts. “His was the least known face in the offices,” one employee recalled fifty years later, still perplexed about Rockefeller’s daily schedule. “He was reported to inhabit them three hours a day, but his appearances and disappearances were curtained, suggested private approaches, withdrawn stairways and corridors.”¹¹



A photograph of John D. Rockefeller that clearly shows his keen determination as a young businessman. (Courtesy of the Rockefeller Archive Center)

As a former bookkeeper, Rockefeller devoted special attention to ledgers. One accountant recalled him stopping by his desk and saying courteously, “Permit me,” then flipping quickly through his books. “Very well kept,” he said, “very, indeed.” Then his eye leaped to a tiny error. “A little error here; will you correct it?” The accountant was flabbergasted by the speed with which Rockefeller had scanned so many dense columns of figures. “And I will take my oath,” he reported, “that it was the only error in the book!”¹²

Everybody noted the man’s preternatural calm. Though he had honed his will into a perfect instrument, he was even-tempered by nature. As he remarked, “You could do or say the most outrageous thing at this moment and I would not show the least sign of excitement.”¹³ He was always proud of the fact that he had an abnormally low pulse of fifty-two. Many employees said he never lost his temper, raised his voice, uttered a profane or slang word, or acted discourteously. He defied many stereotypes of the overbearing tycoon

and generally received excellent reviews from employees who regarded him as fair and benevolent, free of petty temper and dictatorial airs. This was nicely illustrated by an anecdote. As a fitness buff, Rockefeller placed in the accounting department a wood-and-rubber contrivance that he pushed and pulled for exercise. When he showed up one morning for exercise, a junior accountant didn't recognize him, called the gadget a damned nuisance, and demanded that it be carted off. "All right," said Rockefeller and had the contraption removed. Somewhat later, to his horror, the young man realized that he had berated the chief executive, yet he never endured one word of reprimand. Rockefeller even hesitated to punish serious offenses and instead of prosecuting the occasional embezzler simply dismissed him.

Throughout his life, Rockefeller was wounded deeply by accusations that he was a cold, malignant personality. In truth, like many retiring personalities, he provoked varied reactions in people. One cooper who sold him barrels in the early days told Ida Tarbell that "Rockefeller was never a great talker; that he was not liked by his fellows; that everybody was afraid of him; and that he was solitary."¹⁴ But Rockefeller never turned the ferocity that he trained against rivals against his own employees and people who worked for him usually found him a model of propriety and paternalistic concern. As one refinery worker remembered him, "He always had a nod and a kind word for everybody. He never forgot anyone. We had some trying times in the business in those early years, but I've never seen Mr. Rockefeller when he was not friendly and kind and unruffled. Nothing excited him."¹⁵ Rockefeller's sister Mary Ann dismissed as an absurd canard the idea that he was a curmudgeon. "John could always get along so easily with anyone," she declared.¹⁶ Indeed, had he not possessed some charm, or at least cordiality, he could never have accomplished so much in the business world.

So highly did Rockefeller value personnel that during the first years of Standard Oil he personally attended to routine hiring matters. (After conquering the other refining centers, the payroll ballooned to 3,000 people, and this became impossible.) Taking for granted the growth of his empire, he hired talented people as found, not as needed.

Far more than a technocrat, Rockefeller was an inspirational leader who exerted a magnetic power over workers and especially prized executives with social skills. "The ability to deal with people is as purchasable a commodity as sugar or coffee," he once said, "and I pay more for that ability than for any

other under the sun.”¹⁷

Employees were invited to send complaints or suggestions directly to him, and he always took an interest in their affairs. His correspondence is replete with inquiries about sick or retired employees. Reasonably generous in wages, salaries, and pensions, he paid somewhat above the industry average. Forty years later, a former subordinate wrote of the firm, with some exaggeration, “It has never had a strike or a dissatisfied workman; and today no business organization cares for its veterans in their old age as does the Standard Oil Company.”¹⁸ It is important to point out that oil refining was a capital-intensive industry without the seething discontents that afflicted the coal mines or steel mills. Even in lean years, Standard Oil was flush with profits, permitting it the luxury of good intentions. One biographer has gone so far as to say of Rockefeller, “He was the best employer of his time, instituting hospitalization and retirement pensions.”¹⁹

He was a fine boss if workers abided by his rules, but if they did something foolish, like show interest in a union, they promptly forfeited his sympathy. Rockefeller never acknowledged the legitimacy of organized labor, nor did he tolerate union organizers on the premises. He also reserved the right to pass judgment on the private lives of employees. Imposing his own prudish standards on his staff, he penalized any executive implicated in an adulterous affair and frowned on divorce. Sabbath observance was *de rigueur*, and if colleagues wrote to him when they should have been in church, they tended not to put the real dates on their letters.

The most remarkable instance of Rockefeller participating in an associate’s moral reformation occurred with John D. Archbold, the jovial young protégé whose pranks and infectious laughter so delighted Rockefeller. When Rockefeller initially entreated him to stop drinking, Archbold pretended to abide by the temperance pledge while keeping cloves in his vest pocket to mask telltale smells. By 1881, his drinking binges were too palpable and self-destructive to conceal, and he wrote a contrite letter to Rockefeller, renewing his pledge: “My Dear Mr. Rockefeller—Any words from me seem like a mockery. I give you the promise appreciating its solemnity and importance as I never did before. I will write you the letter every Sunday as long as our relation gives me the privilege, or until you ask me to stop.”²⁰ Thereafter, every Sunday for eight months, Archbold sent Rockefeller a letter confirming his sobriety that week, writing for instance, “Please let this bear witness to the

completion of the 5th period.”²¹ Archbold made a sincere effort, but he had at least one violent relapse four years later and felt mortified at having let his mentor down. “I have never before known him to be so thoroughly cast down and in such abject mental misery,” one Standard Oil executive told Rockefeller. “I do not think any one can fully realize the fight he must make against this unfortunate habit, nor the really heartbroken condition he is in after it has come over him.”²² Aware of Rockefeller’s dismay, other executives tried to make it seem that Archbold had unwittingly swallowed some alcoholic medicine.

His employees tended to revere Rockefeller and vied to please him. As one said, “I have never heard of his equal in getting together a lot of the very best men in one team and inspiring each man to do his best for the enterprise. . . . He was so big, so broad, so patient; I don’t believe a man like him comes to this world oftener than once in five or six hundred years.”²³ Rockefeller worked by subtle hints, doling out praise sparingly to employees and nudging them along. At first, he tested them exhaustively, yet once he trusted them, he bestowed enormous power upon them and didn’t intrude unless something radically misfired. “Often the best way to develop workers—when you are sure they have character and think they have ability—is to take them to a deep place, throw them in and make them sink or swim,” he observed, recalling a method that Big Bill had used with his sons on Owasco Lake. “They will not fail.”²⁴ To orchestrate such a gigantic operation, he had to delegate authority, and part of the Standard Oil gospel was to train your subordinate to do your job. As Rockefeller instructed a recruit, “Has anyone given you the law of these offices? No? It is this: nobody does anything if he can get anybody else to do it. . . . As soon as you can, get some one whom you can rely on, train him in the work, sit down, cock up your heels, and think out some way for the Standard Oil to make some money.”²⁵ True to this policy, Rockefeller tried to extricate himself from the intricate web of administrative details and dedicate more of his time to broad policy decisions.

Most of all, Rockefeller inspired subordinates with his fanatic perfectionism. He never did anything haphazardly and wrote hundreds of thousands of business letters that were models of concision and balanced phrasing, the products of painstaking revision. Dictating letters to his secretary, he went through five or six drafts until he had eliminated every superfluous word and produced precisely the impression desired before affixing his signature with the best penmanship at his command. As one top

aide recalled: “I have seen him sign his name to hundreds of papers at a sitting. He did each signature carefully as if this particular one was to be the only one by which he was to be remembered for all time. Each signature became in his mind a work of art.”²⁶ This passion for excellence originated with Rockefeller and radiated throughout the organization. The ethos of Standard Oil’s operations around the world was John D. Rockefeller’s personality writ large.

While Rockefeller was responsible for policy questions and formulated the theoretical underpinnings of the trust, he didn’t introduce many technical innovations associated with Standard Oil. Rather, he was a matchless executive, an unerring monitor of the stream of proposals channeled to him daily. He had an extraordinary reactive ability, a first-rate power of judgment when presented with options. Perhaps for this reason, he resembles modern chief executives more than he does his domineering industrial contemporaries.

Given the primitive communications and record keeping of the late nineteenth century, Rockefeller couldn’t have managed his decentralized empire without masterfully coordinating a vast array of data. The ledger book enabled him to play the puppeteer and manipulate his empire by invisible strings. By mastering numbers, he reduced the most varied systems to a common standard, and he accepted their harsh verdicts without hesitation. “I charted my course by figures, nothing but figures,” he once said.²⁷ Mark Hanna disparaged Rockefeller as “a kind of economic super-clerk, the personification of ledger-keeping.”²⁸ This comment not only overlooks the farsighted nature of Rockefeller’s leadership but discounts the importance of ledger keeping in modern corporations. Numbers gave Rockefeller an objective yardstick to compare his far-flung operations, enabling him to cut through the false claims of subordinates. It was the way that he extended rationality from the top of his organization down to the lowest rung: Every cost in the Standard Oil universe was computed to several decimal places.

Having always shown an aptitude for math, Rockefeller valued this quality in underlings. When he hired his young secretary, George D. Rogers, Rockefeller drew forth a watch to see how fast Rogers could total up a sheet of figures. At the end, Rockefeller said, “Well, you have completed it in the required time,” and then promptly hired the young man, who served him ably for many years. Rogers left some interesting recollections of his boss’s attention to detail and punctilious regard for money. When leaving the office

one day, Rockefeller fished in his pockets and realized that he had forgotten his change purse. When he asked to borrow a nickel from Rogers, his assistant volunteered to make a gift of it, but Rockefeller protested. “No, Rogers,” he said, “don’t forget this transaction. This is a whole year’s interest on a dollar.”²⁹

Rockefeller attributed much of his success to his quick head for figures. While he was negotiating to buy the long-sought million-dollar Columbia Conduit Company from Dr. David Hostetter, he purposely kept his interlocutor talking for half an hour as he computed the ways the interest could be paid. “When we ended the talk,” Rockefeller said, “he agreed to the terms I offered—and I had saved \$30,000 on the interest by my mental calculations that had never ceased while we were talking.”³⁰ This episode brought out a subtle vein of anti-Semitism that is intermittently threaded through Rockefeller’s papers. Of his mathematical prowess in outwitting Dr. Hostetter, he boasted, “How well I remember when it helped me to beat a Jew!”³¹

As time went on, Rockefeller had little physical contact with the actual refining, transportation, or marketing of oil—activities that unfolded in dusty outposts of the Standard Oil kingdom—but stayed sequestered in the executive suite, concentrating on finance, personnel, administration, and general policy matters. He downplayed the significance of technical knowledge in business. “I never felt the need of scientific knowledge, have never felt it. A young man who wants to succeed in business does not require chemistry or physics. He can always hire scientists.”³²

Nevertheless, in the first years of Standard Oil, Rockefeller regularly toured his facilities and was extremely inquisitive and observant, soaking up information and assiduously quizzing plant superintendents. In his pocket, he carried a little red notebook in which he jotted suggestions for improvements and always followed up on them. He knew the terror inspired by that red book. “More than once I have gone to luncheon with a number of our heads of departments and have seen the sweat start out on the foreheads of some of them when that little red notebook was pulled out,” Rockefeller admitted with relish. ³³

With a talent for seeing things anew, Rockefeller could study an operation, break it down into component parts, and devise ways to improve it. In many

ways, he anticipated the efficiency studies of engineer Frederick Winslow Taylor. Regarding each plant as infinitely perfectible, he created an atmosphere of ceaseless improvement. Paradoxically, the mammoth scale of operations encouraged close attention to minute detail, for a penny saved in one place might then be multiplied a thousandfold throughout the empire. In the early 1870s, Rockefeller inspected a Standard plant in New York City that filled and sealed five-gallon tin cans of kerosene for export. After watching a machine solder caps to the cans, he asked the resident expert: “How many drops of solder do you use on each can?” “Forty,” the man replied. “Have you ever tried thirty-eight?” Rockefeller asked. “No? Would you mind having some sealed with thirty-eight and let me know?”³⁴ When thirty-eight drops were applied, a small percentage of cans leaked—but none at thirty-nine. Hence, thirty-nine drops of solder became the new standard instituted at all Standard Oil refineries. “That one drop of solder,” said Rockefeller, still smiling in retirement, “saved \$2,500 the first year; but the export business kept on increasing after that and doubled, quadrupled—became immensely greater than it was then; and the saving has gone steadily along, one drop on each can, and has amounted since to many hundreds of thousands of dollars.”³⁵

Rockefeller performed many similar feats, fractionally reducing the length of staves or the width of iron hoops without weakening a barrel’s strength. He was never a foolish penny-pincher, however; for example, he saved on repairs by insisting that Standard build only solid, substantial plants, even if that meant higher start-up costs. He also tried to use all of the fractions refined from the crude oil. During its first two years, Standard Oil had dealt largely in kerosene and naphtha. Then, in 1874, the company branched out into petroleum by-products, selling paraffin wax for chewing gum and residual oil tar and asphalt for road building. Before long, the company was manufacturing lubricants for railroads and machine shops, as well as candles, dyes, paints, and industrial acids. In 1880, Standard Oil took over the Chesebrough Manufacturing Company in New Jersey in order to strengthen its sales of petroleum jelly.

Ever since his first foray into refining, Rockefeller had relied for technical advice on the ruddy Sam Andrews, who first transmitted to him the technique for cleansing crude oil with sulfuric acid. In 1874, a stiff new competitor to Andrews emerged when Ambrose McGregor was named superintendent of the Standard Oil refineries in Cleveland. Rockefeller was beginning to think Andrews a mediocre man who couldn’t keep up with new developments in

the field and felt threatened by the more able McGregor.

A man of blinkered vision, Andrews was distressed by Rockefeller's soaring ambition, his constant borrowing and spending. The split between them worsened in August 1878 when Standard declared a 50 percent dividend on its stock. As Andrews later grumbled, "There was plenty of money made to throw that dividend out twice over and make a profit."³⁶ Though Rockefeller tried to avert clashes with colleagues, nothing nettled him more than directors who preferred fatter dividends to earnings plowed back into the business. One day, Andrews snapped at Rockefeller, "I wish I was out of this business." Calling his bluff, Rockefeller replied, "Sam, you don't seem to have faith in the way this company is operating. What will you take for your holdings?" "I will take one million dollars," Andrews shot back. "Let me have an option on it for twenty-four hours," said Rockefeller, "and we will discuss it tomorrow." When Andrews stopped by the next morning, Rockefeller had a check made out for one million dollars.³⁷ In truth, Rockefeller was petrified at the thought of Andrews's large stake being sold on the open market, which might have depressed the share price and harmed Standard Oil's credit at a time when he was borrowing heavily against those shares.

At first, Andrews exulted over the sale and was convinced that he had unloaded the stock at a premium. Then Rockefeller turned around and sold the same shares to William H. Vanderbilt for a quick \$300,000 profit.³⁸ When Andrews loudly cried foul, Rockefeller sent an emissary to tell Andrews that he could buy back his stock at the original sale price. Embittered, Andrews spurned this fair offer and opted to keep the money. Had he kept the stock, it would have been worth \$900 million by the early 1930s, by one estimate.³⁹ This rash decision, motivated by pure pique and a bruised ego, kept him from becoming one of America's richest men.

Irate at Andrews's behavior, Rockefeller lost whatever residual gratitude he felt for his founding partner and ridiculed his business abilities. Whenever he feuded with someone, he tended to turn that person into a reprobate, and he later said of Andrews, "He was ignorant, conceited, lost his head . . . governed by the same wicked sort of prejudice accompanying the egotism so characteristic of that type of ignorant Englishman."⁴⁰ It was one of many times that Rockefeller singled out the English for special abuse. As for Andrews, he not only squandered a chance to make a colossal fortune but

later poured the money into an ugly, ornate house on Euclid Avenue where he dreamed of someday entertaining Queen Victoria. Once described as “the most pretentious residence ever built in Cleveland,” this five-story monstrosity, with one hundred rooms and as many servants, won the well-deserved nickname of “Andrews’s Folly.”⁴¹ For the rest of his life, Andrews lambasted Rockefeller in long-winded diatribes to anyone who would listen. Maurice Clark probably caught the truth about Sam Andrews when he said, “Before selling he was sore at John. After selling he was sore at himself.”⁴² Standard Oil was never kind to skeptics who doubted its bright future.

CHAPTER 11

The Holy Family

At a time when America's brand-new millionaires reveled in garish houses that paid queer homage to everything from medieval romance to the Arabian Nights, Rockefeller preferred to own raw land. In 1873, he invested in seventy-nine scenic acres at Forest Hill, a lovely, thickly wooded spot, crisscrossed by steep ravines and gulleys, just four miles east of his Euclid Avenue home. Two years later, he assembled a team of investors who bought the land from him to construct a sanatorium that would specialize in homeopathic medicine and water cures. As part of the deal, Rockefeller and Stephen Harkness set up a short railroad to whisk people out to this suburban resort. When both ventures fell victim to the depression of the 1870s, Rockefeller repurchased the land, now crowned with an enormous rambling building. Starting in 1877, he began to use it as a summer home, perhaps with some therapeutic intention in mind, for the previous year doctors had diagnosed Cettie as consumptive. At the doctors' urging, Rockefeller and his family vacationed in the dry, fresh air of Colorado in the summer of 1876. Perhaps he believed his wife would find relief from the lake breezes at Forest Hill.

Eager to expose Rockefeller as a tasteless vulgarian, Ida Tarbell mocked the Forest Hill house as "a monument of cheap ugliness," and other satirical critics rushed to pile on equally insulting epithets. ¹ This much-maligned house was, in fact, John D.'s favorite hideaway. "Oh, I like Forest Hill much better than any other home!" he proclaimed. ² It enjoyed an excellent location, standing on the brow of a sharply sloping hill, with wonderful views of Lake Erie; it reminded Rockefeller of his boyhood home in Moravia, poised above Owasco Lake. This ungainly Victorian confection was a wilderness of porches and gables, turrets and bay windows, covered with gingerbread detail. Rockefeller loved the large, spacious rooms with their unobstructed views. Fond of light and air, he stripped away the curtains and wall hangings and flooded the house with sunshine, adding a glassed-in porch. He even had a huge pipe organ installed in one parlor.

Those who accurately faulted Rockefeller's taste missed a deeper point,

however: At a time when moguls vied to impress people with their possessions, Rockefeller preferred comfort to refinement. His house was bare of hunting trophies, shelves of richly bound but unread books, or other signs of conspicuous consumption. Rockefeller molded his house for his own use, not to awe strangers. As he wrote of the Forest Hill fireplaces in 1877: “I have seen a good many fireplaces here [and] don’t think the character of our rooms will warrant going into the expenditures for fancy tiling and all that sort of thing that we find in some of the extravagant houses here. What we want is a sensible, plain arrangement in keeping with our rooms.”³

It took time for the family to adjust to Forest Hill. The house had been built as a hotel, and it showed: It had an office to the left of the front door, a dining room with small tables straight ahead, upstairs corridors lined with cubicle-sized rooms, and porches wrapped around each floor. The verandas, also decorated in resort style, were cluttered with bamboo furniture. It was perhaps this arrangement that tempted John and Cettie to run Forest Hill as a paying club for friends, and they got a dozen to come and stay during the summer of 1877. This venture proved no less of a debacle than the proposed sanatorium. As “club guests,” many visitors expected Cettie to function as their unlikely hostess. Some didn’t know they were in a commercial establishment and were shocked upon returning home to receive bills for their stay. The Rockefeller children were no less bemused and disoriented as they found themselves eating in a big dining room, attended by a troop of gentlemanly black waiters. After a year, Rockefeller scrapped this misbegotten venture, fired the waiters, and began to convert the large warren of tiny upstairs rooms into suites and master bedrooms.

From 1877 to 1883, the Rockefellers retained the Euclid Avenue house as their primary residence while spending summers at Forest Hill. Gradually, the stays at Forest Hill lengthened, the estate itself expanding to more than seven hundred acres and the number of employees eventually rising to as high as 136. After a time, the family spent only brief spring and autumn stints at Euclid Avenue. They still went there every Sunday, however, bringing in a cold lunch from Forest Hill when they attended the Euclid Avenue Baptist Church. After late 1883, when the Rockefellers moved to New York, they turned Forest Hill into their exclusive Cleveland residence but never renounced a sentimental attachment to 424 Euclid Avenue. They kept the old house in constant repair, always ready to receive family members, even though they never went there and it slowly lapsed into an honored, deserted monument to bygone days. Plans to turn it into a convalescent home for

crippled children or aged couples never materialized. “It seemed too sacred for common use, we all loved it so,” Cettie later said.⁴



Laura Spelman Rockefeller, who seldom wore anything fancier than this dress. (Courtesy of the Rockefeller Archive Center)

Despite its considerable distance from his office, Rockefeller, clad in goggles and duster, drove downtown each morning from Forest Hill, seated in a little two-seat surrey behind a pair of fast-trotting horses. He was still passionate about trotting horses and now had a dozen of them. He constructed his own half-mile racetrack at Forest Hill, shaded by maples planted by his son, and bought Welsh and Shetland ponies for each child. By the mid-1870s, he often returned home from the office for lunch then spent the rest of the afternoon *en famille* in a constant flurry of outdoor activity. He dammed a stream to make two artificial lakes, one for boating, the other for swimming, and on sultry days often swam the mile-long circuit, a straw hat perched on his head to guard his fair skin from the sun. After becoming a biking enthusiast, he smoothed out many dangerously curving paths and rewarded visitors who learned to ride with free bikes. He took unusual delight in ice skating and frequently as many as fifty people—many of them strangers from the neighborhood—skated on the Rockefeller pond on a frosty day. Since he wouldn’t allow the pond to be flooded on the Sabbath, Rockefeller sometimes

rose after midnight on a freezing Sunday night to direct the workmen in preparing for the next day's skating.

Though he lacked interest in the homely interior of Forest Hill, Rockefeller spent hours daily out on the grounds. A tall, angular figure striding about and surveying the property, he planned new vistas, gravel paths, gardens, barns, and carriage houses. He created a fair-sized farm with sixteen cows and thousands of chickens. Serving as his own engineer and following the natural grades, Rockefeller laid out twenty miles of roadway for horse and buggy rides through stands of aspen, beech, oak, and maple trees. Supervising fifty or sixty workmen, he developed a limestone quarry on the property to service his grandiose projects and adorned the roads with picturesque bridges over streams. To secure striking vistas, he also began to relocate large trees and did this so expertly that they weren't damaged in transition. This constant rearrangement of his domain was more than just a matter of framing pretty views or beautifying a patch of garden. It was Rockefeller's typical way of remaking his own miniature universe and working out some vast, never-ending design.

For the Rockefeller children, life at Forest Hill could seem melancholy as they drifted alone about the huge estate, cut off from worldly temptation by their parents. This mood of solitary yearning especially afflicted John Jr., who was tutored at home until age ten and later described his boyhood self as "shy, ill-adjusted and frail."⁵

From the start he wasn't made of his father's indestructible stuff. On January 29, 1874, in an unusual moment of tearful joy, Rockefeller arrived at the Standard Oil office and informed Henry Flagler and Oliver Payne that Cettie had given birth to their first son. Dr. Myra Herrick delivered the infant in an upstairs bedroom at Euclid Avenue while Rockefeller waited expectantly across the hall. "How glad all were that the baby was a boy—for there had been four girls—and that he was perfectly formed," Cettie wrote.⁶ She always associated the birth of Junior—as he was known to distinguish him from John Senior—with the launch of the Women's Christian Temperance Union in Ohio. As a founding member, she had planned to aid her evangelical sisters with rousing prayers and biblical hymns in local saloons, and, as she later told Junior, "I might have joined them, if a wee baby boy had not claimed me."⁷ She fired him with that same crusading, Christian spirit and horror of liquor.

The baby boy was small and sickly, lacking his father's robust energy and reflecting his mother's more delicate constitution; for three years, his parents worried about his health. He had a cloistered childhood, insulated from a world that might contaminate his values. In later years, he could recall only a single male playmate from these early years, Harry Moore, the son of the Forest Hill housekeeper. "I had a camera and he and I took pictures and played together constantly."⁸ Nevertheless, Junior found oases of enchantment on the estate and later cherished idyllic memories of summer afternoons spent rowing, swimming, and hiking. As they read aloud to one another, Junior and his sisters often lolled on a great beech tree whose limbs dipped over a creek. Even if his recollections sound highly idealized, with the shadows expunged, his boyhood letters are suffused with the warm glow of a protected childhood, secure in the love of his doting parents. Perhaps Junior's boyhood wasn't quite as lonesome as it seems from afar. Many decades later, his childhood friend Kate Strong reminisced to him, "You were quite the nicest boy that ever was in those days, so all your friends thought . . . affectionate, considerate, thoughtful and full of fun as well as wise almost beyond your years."⁹ Junior was always bathed in female love, almost suffocated by it.

Just as Standard Oil workers never remembered a cross word from John Senior, so Junior couldn't cite a single instance of paternal anger. His father was patient and encouraging, if notably stingy with praise. As Junior said, his father was a "beloved companion. He had a genius with children. He never told us what to do or not to do. He was one with us."¹⁰ In contrast to Big Bill's narcissism, John D. had an overdeveloped sense of family responsibility. John and Cettie never administered corporal punishment, and they inculcated moral principles by instruction and example. Each child was taught to listen to his or her conscience as a severely infallible guide.

For this boy destined to be the world's greatest heir, money was so omnipresent as to be invisible—something "there, like air or food or any other element," he later said—yet it was never easily attainable.¹¹ As if he were a poor, rural boy, he earned pocket change by mending vases and broken fountain pens or by sharpening pencils. Aware of the rich children spoiled by their parents, Senior seized every opportunity to teach his son the value of money. Once, while Rockefeller was being shaved at Forest Hill, Junior entered with a plan to give away his Sunday-school money in one lump sum, for a fixed period, and be done with it. "Let's figure it out first," Rockefeller

advised and made Junior run through calculations that showed he would lose eleven cents interest while the Sunday school gained nothing in return. Afterward, Rockefeller told his barber, “I don’t care about the boy giving his money in that way. I want him to give it. But I also want him to learn the lesson of being careful of the little things.”¹²

When Rockefeller was complimented upon his son, he protested truthfully, “It was his mother who developed him.”¹³ Cettie brought up her children in her own ascetic style and tutored them in the rites of self-abnegation. She imagined that she presided with a light touch and had no idea that she could be quite overbearing. As she remarked, “I never like to interfere with the children so long as they make happy noises.”¹⁴ A sweet, good-natured woman, Cettie nevertheless had a strong didactic side that could verge on fanaticism. As she once confessed to a neighbor, “I am so glad my son has told me what he wants for Christmas, so now it can be denied him.”¹⁵ Dutiful, eager to please his mother, Junior absorbed the full force of her piety. “How good God is to have added to our lovely daughters our only son,” Cettie later wrote. “Though the youngest, he is the strongest in courage, independence and Christian character.”¹⁶ She hemmed him in with numerous prohibitions. He was told that square dancing was promiscuous and immoral, and by age ten this little paragon had to sign a solemn oath that he would abstain from “tobacco, profanity, and the drinking of any intoxicating beverages.”¹⁷ Mother wasn’t the only earnest female drumming him full of morality; Grandma Spelman also badgered him to attend children’s temperance meetings. Thus, an extraordinary contradiction lay at the core of Junior’s life: While his father was being rebuked publicly as a corporate criminal, his mother was pumping him brimful of morality and religion. Like his father, Junior developed an upside-down worldview in which the righteous Rockefeller household was always under attack by a godless, uncomprehending world.

With three older sisters, John grew up in largely female surroundings as a delicate boy spared the rough play and teasing of brothers. He was feminized by the experience, wearing his sisters’ cast-off dresses, learning to sew and knit, and even attending cooking classes, as if he might someday have to keep house and prepare his own sandwiches. Eight years older than Junior, Bessie was warmly attentive to her brother but inhabited a different world, and he grew up with the wilder and more willful Alta and Edith. One visitor remembered Alta as “mischievous, impulsive, the ringleader of the trio,”

while Edith was “scrutinizing, calculating,” if high-spirited.¹⁸ Because the girls got less attention than their brother did, they probably had more freedom to rebel and explore. As Alta once teased him, “We girls often thought John should have been a girl and we the boys of the family.”¹⁹ Despite his sex, Junior ended up as his mother’s favorite because he was surely the most like her—obedient, crucified by duty, and almost too eager to please. The model child would struggle to become the model adult, with often painful consequences.

Soon after the Rockefellers had moved to 424 Euclid Avenue, they were followed by the Erie Street Baptist Mission Church—soon renamed the Euclid Avenue Baptist Church—the struggling church that had exerted such a formative influence upon Rockefeller’s life. As far as fashion or convenience went, it would have behooved the Rockefellers to attend the nearby Saint Paul’s Episcopal Church, where elegant couples stepped from tony carriages each Sunday morning. Instead, they drove back down Euclid Avenue to a plain brownstone church with a tall, narrow steeple and a lower-middle-class congregation. As Junior said, “There weren’t half a dozen families that were not of limited means.”²⁰ Rockefeller felt no discomfort at being surrounded by humble people and valued this continuity with his roots. He needed the spiritual refreshment of the plain but emotional Baptist style of prayer and probably also wanted to show that he wasn’t being spoiled by wealth.

The Euclid Avenue Baptist Church was celebrated as the Rockefeller church and with good reason: By the early 1880s, he was covering half its annual budget, even pledging weekly money from his children and stipulating that “the 20 cents from each child will be earned by the sweat of their brows, pulling weeds, etc.”²¹ Avoiding clubs, theaters, and other such wicked haunts, Rockefeller was seen publicly only at church, a fixture in his ninth-row pew, his presence generating a growing army of ogles: curiosity seekers, feature writers, panhandlers, and idlers. He loved the bold, joyous, militant spirit of the Baptists and contributed openhandedly to their local charities. His foremost beneficiaries included the celebrated one-armed “Brother” J. D. Jones, who proselytized from a derelict barge moored to a Cleveland dock; the Ragged School, which taught the Bible and trade skills to vagabond teenagers; and the Cleveland Bethel Union, which preached temperance and Christianity to hard-drinking sailors and where Rockefeller himself often stopped by at lunchtime to mingle anonymously with the seamen.

Religion was a form of sustenance for Rockefeller, a necessary complement to his buttoned-up business life. Praising the ministry's role, he once said he needed "good preaching to wind me up, like an old clock, once or twice every week."²² His life records no crises of faith, no agonizing skepticism toward the inherited orthodoxy of his youth. He believed that good works had to accompany faith, and even during the service his eyes darted around the room as he selected needy recipients of his charity. Taking small envelopes from his pocket, he slipped in some money, wrote the congregants' names on top, then unobtrusively pressed these gifts into their palms as they shook hands and said goodbye. He and Cettie also faithfully attended Friday night prayer meetings and were said to have seldom missed a gathering when in Cleveland over a forty-year period.

From 1872 until 1905, Rockefeller served as superintendent of the Sunday school—for a small portion of time he was seconded to a poor mission school — while Cettie headed the infant department. She liked to audit his classes and stare admiringly at him as he talked. He arrived early to kindle a fire then dimmed the gas lights at the close. In autumn, in an oddly poetic touch, he gathered up bushels of leaves and distributed them to the children. Many of his talks rang variations on the commonplaces of the temperance movement. "Boys, do you know why I never became a drunkard?" Rockefeller asked, scanning the room. "Because I never took the first drink."²³ To drive home his message, he told them not to be too free or easy or drink just to please the crowd. "Now I can't be a good fellow," he said sarcastically. "I haven't taken my first drink yet."²⁴ Each summer, he invited the Sunday-school teachers to a nonalcoholic picnic at Forest Hill, which was probably the most festive day on his annual calendar.

As word circulated that Rockefeller sometimes recruited Standard Oil employees from his Bible class, its size swelled enormously. He made any talk of business taboo, a lesson that one assistant superintendent, to his chagrin, belatedly learned. The man had bought oil at \$1.09 a barrel and tried to solicit Rockefeller's advice about whether to sell. The reaction, recalled by one member of the class, was swift and eloquent:

Mr. Rockefeller immediately changed the expression of his face. He crossed his knees and then uncrossed them. He bent his body forward and proceeded to cross his knees again. But he never said a word. The assistant superintendent grew restless and a little embarrassed. . . . Finally the assistant superintendent asked: "If you were me, what would you do?"

*Rockefeller replied: "I would do what I thought best."*²⁵

A fidgety silence was always Rockefeller's harshest expression of scorn.

While Rockefeller resented being pumped for advice, he himself mingled business and religion and converted the church into a powerful platform for espousing capitalism. He had no interest in theological disputation or in discussing otherworldly matters. To Sunday-school classes, he frequently reiterated his motto, "I believe it is a religious duty to get all the money you can, fairly and honestly; to keep all you can, and to give away all you can."²⁶ When he met his secretary out riding one Sunday, he advised her to save for a rainy day. "By way of apology for talking business on a Sunday," the secretary reported, "he said that there was a great deal of religion in good business."²⁷ The widening income inequality that accompanied industrialization didn't faze him because it formed part of the divine plan. By this stage of his career, Rockefeller's material success must have undergirded his faith. That he had earned so much surely signaled divine favor, a grace so awesome as to suggest that God had chosen him for some special mission—or else why had He favored him with such bounty? The usual picture of the Gilded Age is that greed eroded religious values, whereas for Rockefeller, his golden heaps seemed like so many tokens of heavenly support.

For John and Cettie, the temperance movement gratified their puritan itch to save the world, and their children joined a prohibition group called the Loyal Legion, which scared them with evil visions of demon rum. As a charter member of the Women's Christian Temperance Union, Cettie and other well-bred ladies periodically descended on a Cleveland slum known as Whiskey Hill, which was mostly populated by immigrant mill hands. Around 11 A.M., they surged into the saloons, falling on their knees and praying for the sodden sinners. These militant ladies rented storefronts and set up a series of "friendly inns" that dispensed "wholesome foods and sarsaparilla" to thirsty "souls drowning in drink."²⁸ John was the principal donor of the main temperance outpost, Central Friendly Inn, making him an early pioneer in the settlement-house movement. Sometimes he joined Cettie on raids into the grogshops and never forgot how in one saloon he came upon a former classmate from E. G. Folsom's Commercial College who sat there, bloated and red-faced, doomed shortly to die from drink.

Cettie's parents had transferred their abolitionist ardor to the temperance

cause after the Civil War. By 1870, they were living in Brooklyn, New York, where they exhibited the same fiery moralism that had distinguished their civic and religious activism in Ohio. In a division of labor, Mr. Spelman agitated to shut down the 2,500 rum shops he counted in Brooklyn, while Mrs. Spelman acted directly on drinkers through prayer and persuasion in taverns. During the post-1873 depression, Mr. Spelman foresaw an impending Armageddon pitting rum against temperance, Satan against Christ. He viewed hard times as the Lord's punishment for avarice manifested by the grasping demands of both workmen and employers. As he sternly concluded, "God's method for punishing man's folly and extravagance are silent, but resistless."

²⁹ Mr. Spelman, who now drew a paycheck from Standard Oil in New York, couched his economic views in terms that suited his son-in-law. "The great trouble arises from extravagant management and reckless and ruinous competition on freights," he declared, tacitly endorsing monopoly. After Harvey Spelman died in 1881, his wife returned to Cleveland to live with John and her two daughters, Cettie and Lute, and the combined influence of the three Spelman women added to the militant, Christian spirit that informed the Rockefeller household.

The man who was now infuriating his rivals with the devilish cunning of his business methods was a tender son to his aging mother. Eliza retained the old Cheshire Street house, where John's portrait held pride of place above the parlor mantel. Though she spent most of her time with Frank and Mary Ann, she reserved summers for Forest Hill. She was still profoundly attached to her eldest son. She confided in John, felt a peaceful glow in his presence, and he responded with deep compassion. As Junior recalled, "She always sat next to Father at the table and how well I can remember often seeing him hold her hand lovingly at the table. Grandmother trusted Father absolutely and loved him devotedly. 'John's judgment' on any question was to her always right and the last word."³⁰ Rockefeller wrote often to "his dear mother" and struck a note of fond banter not evident elsewhere in his letters. "Your rooms at Forest Hill seem very lonesome and we hope you will not permit them to remain vacant all the summer," he wrote her one June. "The robins already begin to inquire for you and we can have the whole lawn full if you will only come back to greet them."³¹

By the late 1870s, Eliza's health began to fail—she was now in her late sixties—and John pleaded with her to stop smoking her pipe. In a preview of her son's later alopecia, all her hair fell out and she sometimes wore a gray

toupee. As Eliza's strength declined, John grew more solicitous. "When she was feeling ill and confined to her room, Father would go to her in his quiet, cheery, reassuring way and tell her she was doing nicely and would soon be well," said Junior, "whereupon she never failed to take new courage and improve in health."³² Her maladies took precedence over Standard Oil business, and if she had a nervous attack while John was at a meeting, he rushed back to Forest Hill, went straight to her bedside, took her hand, and said, "There, there, Mother. It's all right."³³

To explain his father's disappearance, John D. often told people that Bill had asthma—which was true as far as it went—and needed a dry, warm western climate. Once or twice a year, Devil Bill—or Dr. William Levingston—popped up in Cleveland in his typically idiosyncratic fashion. Without any warning, he telephoned Forest Hill from the last stop of the Cleveland trolley line and asked to have a carriage sent to fetch him. Or he appeared in an impressive rig, behind a fine team of horses, and rode grandly up Euclid Avenue. Or, pulling up in front of the Standard Oil building, he bolted up the steps like a much younger man. A blithe spirit, he wandered about and always did as he pleased. As one Standard Oil attorney said, "If you didn't like it, you could go hang!"³⁴ He still looked impressive, with a bald head, massive forehead, and a full red beard now speckled with gray. In many respects, he was the same carefree, ebullient spirit of yesteryear, sporting snappy clothes and a diamond stickpin in his shirtfront, playing his fiddle, cracking jokes, and telling tall tales.

As they got older, the Rockefeller children were enchanted by Grandfather Rockefeller, whom they regarded as a colorful, folksy relic of the family's rustic past. Innocent of his darker side, they loved his rough country ways, lusty fiddling, and bawdy humor. His antics must have relieved the bottled-up tensions in this straitlaced household. Junior, who found him "jolly and entertaining," said, "My Grandfather Rockefeller was a most lovable person. . . . All the family loved him. He was a very entertaining man, coming and going when he felt like it."³⁵ Much as he once had with his own children, Bill gave his grandchildren rifles and taught them to shoot, nailing a bull's-eye to a distant tree and regaling them with tales of his wild-duck hunting. The sassy Edith pleased him most, and when she hit the target, he executed a dance (much like John) and hollered, "Bet you she hits it eight times out of ten!"³⁶ After a few days of such uproarious times, Grandpa would abruptly disappear, giving no sense of where he went.

John resented his father and never wrote to him, but he didn't poison the children's minds against him, and he behaved civilly in his presence, even if he kept studiously aloof. To strangers and the press, he never spoke of his father as anything but a fine, upstanding figure. Bill's visits provoked similarly ambivalent sentiments in Eliza. When he visited Forest Hill in 1885, she refused, at first, to see him, blaming a stitch in her side, then agreed to spend the day with him. By this point, she was surely glad to be rid of him.

In many respects, Bill's life as Doc Levingston resembled his former life with Eliza. He spent winters with Margaret in Freeport, Illinois, then took to the open road for the rest of the year, leaving her alone. A renegade individualist, he felt that footloose American urge to eke out a living on the fringes of civilization, and he penetrated ever farther into the wilderness. As a flimflam man, he had to practice his wiles on country bumpkins and other credulous folks and stay away from skeptical city slickers. Either because suckers had grown scarce or sheriffs more vigilant, he now traversed entire states to peddle his wares.

In his incarnation as Dr. Levingston, Bill had to not only endure the silent lash of John's indignation, but forgo any claims to his money. Could God have devised a more excruciating curse for his sins? Faced with his son's dizzying wealth, he must have sometimes pondered whether to throw off his disguise and resume his Rockefeller identity. Yet this was not a feasible option, since he could not do so without shocking Margaret and betraying his own shameful bigamy. So the father of the leading figure in the oil industry went on practicing his petty scams on the road under an assumed name.

Rockefeller's sisters played a limited role in his adult life. His favorite sister, Lucy, was sweet and placid, arguably the best-adjusted sibling, but she was chronically sick and died in 1878 at age forty—the event that probably triggered the deterioration of Eliza's health. Her husband, Pierson Briggs, spent nearly fifteen years as a purchasing agent for Standard Oil of Ohio. He was a kindly, jolly man and very popular with John's children. After Lucy's death, Briggs remarried into a wealthy Cleveland family while his musical daughter, Florence, spent a great deal of time at Forest Hill under the watchful care of John and Cettie.

The younger sister, Mary Ann, married a genial man named William Rudd, the president of Chandler and Rudd, a Cleveland grocery concern, and they had two sons and two daughters. Quiet and withdrawn, Mary Ann turned into a queerly reclusive personality. Always clad in funereal black clothes that

covered a deformed body—some people thought she was a hunchback—she laid down arbitrary social rules at her Euclid Avenue house. For example, visitors had to arrive punctually and could only stay briefly. Despite her husband's wealth, Mary Ann insisted on a crackpot frugality and behaved as if they were always strapped for cash. In a morbid caricature of the Protestant work ethic, she scrubbed the front porch of their plain white house, performed her own housework, and refused to have any servants. She never went to church and seldom visited John and Cettie, even though they lived a short distance away. The antithesis of his hermit wife, William Rudd was a frequent visitor at Forest Hill, where he found a refuge from the lugubrious atmosphere at home. One of John D.'s favorite people, Rudd overflowed with gags and pranks, and his pockets always bulged with nuts and candy for the children. One day, he lugged a sack of dirty old potatoes to Forest Hill; the Rockefeller children were mystified until they found a gold piece artfully tucked into each potato.

Of the three brothers, John remained the most like Eliza, while William mixed qualities of both parents. Frank aped Bill's swaggering ways. He was an avid hunter and rollicking storyteller who loved to drink, smoke cigars, make boisterous jokes, and hobnob in Cleveland clubs. Yet increasingly, a disagreeable side surfaced in Frank: Choleric, paranoid, and suspicious, he constantly clashed with John. As one of Frank's friends said, "You never saw two men from one family that were more unlike."³⁷ Though they went through periods of reconciliation, their mutual dislike soon ripened into a hatred that split the family, with William lining up with John and Big Bill siding with Frank. Although he liked William—who often tried to make peace between his brothers—Frank felt William was too much under John's thumb, and it irked him that he, too, didn't rebel openly against John's leadership.

After being wounded in the Union army, Frank attended business school and, like John and William, got a bookkeeping job in a small commission house. But unlike his brothers, he didn't prosper, foreshadowing things to come. Trying to emulate his brothers, Frank entered oil refining as a competitor to Standard Oil after he married the tall, handsome Helen E. Scofield in 1870. The Scofields were a relatively old Cleveland family, and Helen's father, William Scofield, was a partner in Alexander, Scofield and Company, one of the major refiners that John absorbed during the 1872 Cleveland Massacre. That Frank married the daughter of one of John's chief competitors could only have been interpreted by John as a provocation.

In 1876, the antipathy between the two brothers flared into open conflict when Frank testified before a congressional committee probing the South Improvement Company and charged John with heavy-handed tactics in buying out Alexander, Scofield. Already sensing the press's insatiable desire for incendiary statements about his brother, Frank electrified reporters with John's warning, "We have a combination with the railroads. We are going to buy out all the refiners in Cleveland. We will give every one a chance to come in. We will give you a chance. Those who refuse will be crushed. If you don't sell your property to us it will be valueless."³⁸ According to Frank, the experience of Alexander, Scofield wasn't unique. "There are some twenty men in Cleveland who sold out under the fright, and almost any of them would tell you that story."³⁹ Confronted with this indictment years later, John shook his head sadly and moaned, "Poor Frank!"⁴⁰ Indeed, after these public outbursts, Frank often came to John and apologized profusely. "John, can you forgive me? I have been an ass."⁴¹ One possible reason for this contrition was that Frank was chronically in debt to his brother.

Every time the brothers tried to call a truce, it ended abysmally. After allegedly being squeezed out in 1872, Frank took the money for his Alexander, Scofield interest and invested in a fleet of Lake Erie boats. In a conciliatory gesture, John gave him a contract for Standard Oil shipments, but Frank botched the opportunity. While Frank was away hunting, Standard Oil urgently needed more lake shipments, and his poorly maintained fleet couldn't cope with the increased volume. When Frank returned to Cleveland, John reprimanded him sharply. "Frank, this will have to stop. If you are going to attend to business, very well. If not, we shall have to make other arrangements." When Frank grew belligerent, John replied, "What do you think your interest in those boats is worth? State your figure!" The following day, John wrote a check and bought up Frank's interest in the boats.⁴² Frank incessantly gambled in stocks and commodities, further alienating his more prudent brother.

Also aggravating fraternal tensions was the fact that John despised Frank's father-in-law, William Scofield, a relationship so acrimonious that John supposedly told Sam Andrews on one occasion, "There, Sam, is Scofield. I'll knife that fellow under the ribs some day. You'll see."⁴³ The story was told to Ida Tarbell by Cleveland refiner J. W. Fawcett and might be apocryphal—Rockefeller almost never spoke so viciously—but he did bear a special grudge against Scofield. When Standard Oil bought out Alexander, Scofield

in 1872, the selling partners pledged to steer clear of refining. Nevertheless, a year later—in what Rockefeller considered an unforgivable breach of faith—Scofield organized a new refining company, Scofield, Shurmer and Teagle. “They were a lot of pirates,” Rockefeller said later. “You may call them that with justice.”⁴⁴ After fuming for three years, he cut a secret deal with his nemesis in 1876. Investing \$10,000 in Scofield, Shurmer, he forged a joint venture, agreed to purchase crude oil for them, market their refined oil, and negotiate their railroad rebates, while also assigning them a refining quota. In thrashing out this deal, Rockefeller and his new secret partners agreed to communicate by a special post-office box, prompting Ida Tarbell to write, “In fact, smugglers and house-breakers never surrounded their operations with more mystery.”⁴⁵ If Rockefeller imagined he had neutralized a rival, he was soon disabused. When Scofield, Shurmer produced far beyond their quotas, Standard Oil was forced to sue them. In a significant decision—but one that didn’t inhibit Rockefeller in future—a Cleveland judge ruled against Standard Oil in 1880, saying that by assigning production limits to a competitor, it had executed a contract in restraint of trade.

In 1878, in yet another affront to his brother, Frank joined with C. W. Scofield and J. W. Fawcett to start a Cleveland refinery known as the Pioneer Oil Works. Often operating through William as an intermediary, John began a determined campaign to bring Frank’s company into Standard Oil, telling him that Standard could refine oil at half the cost. At first, this campaign seemed to backfire. In the spring of 1879, Frank began to plot strategy with some independent refiners from Marietta, Ohio, who had accused Standard Oil of colluding with the railroads and wanted to take the company to court. John D. was mortified when subordinates informed him that his youngest brother was holed up at a drugstore down the block along with men who were trying to buttonhole Standard Oil executives and serve them with subpoenas. Things grew only more lunatic with the passage of time.

CHAPTER 12

Insurrection in the Oil Fields

In 1875, Henry E. Wrigley, the head of the Pennsylvania Geological Survey, issued a doomsday warning that the state—and hence the world—production of oil had peaked and would soon experience a precipitous decline, aggravating fears that had overshadowed the oil industry since its inception. Within months, his forecast was refuted when a new field was discovered in Bradford, Pennsylvania, northeast of the old Oil Creek fields. As thousands of wild-eyed drillers besieged the area, oil production soared, and prices sank from \$4 a barrel in 1876 to 70 cents two years later. Once again, the industry's salvation proved its undoing, with the boom-and-bust cycle unleashing volatile emotions among producers who found themselves rich one moment and then desperate the next.

As the master of storage tanks and pipelines, refineries and by-product plants, *Rockefeller* had become a byword in the oil fields, a phantom of vast, indeterminate proportions who operated entirely through agents. His remoteness frustrated opponents, who felt they were boxing with a ghost. In the crisis provoked by the new Bradford production, he was blamed for price manipulation even when he simply reflected the law of supply and demand. With the immediate-shipment controversy of 1878, the running warfare between Standard Oil and the producers expanded from minor skirmishes into a large, violent engagement reminiscent of the South Improvement Company furor.

The roots of the controversy were as follows. As oil wells sprang up around Bradford, Standard Oil wanted to retain its pipeline monopoly and worked overtime to connect new wells to its system free of charge. In a bravura performance, Daniel O'Day's scrappy, hustling teams hooked up five wells a day to the United Pipe Lines network and threw up huge tank farms to store the surplus oil. They moved at a breathtaking tempo: Between April and November 1878, the Bradford tankage swelled from a little more than 1 million barrels to 4.5 million. Nonetheless, the producers, repeating past errors, exercised no discipline and drilled far beyond the system's capacity. When their oil ran into the ground for lack of storage space, they didn't praise Standard's efforts to accommodate them but detected a malevolent

conspiracy. O'Day's letters to Rockefeller reflect exasperation at the misperception. No matter how fast they went, he moaned, "There will be at least ten thousand barrels a day that I don't know how we can move, no matter how good our disposition to do it might be."¹

Nevertheless, if he didn't create the crisis, as many producers believed, Rockefeller never passed up a chance to exploit a legitimate advantage against his beleaguered rivals. With its tanks overflowing, Standard Oil issued a sweeping edict that it would no longer accept oil for temporary storage but only for immediate shipment to refineries. Standard Oil quoted a purchase price for crude oil a full 20 percent below prevailing prices, then stalled on payments to desperate producers. One market letter caustically described this policy as a "bull issued by his infallible holiness Rockefeller." It was a terribly high-handed and insensitive way to respond to the crisis.² But even by oil-industry standards, the producers reacted with exceptional fury. Every day, sullen mobs lined up at the Standard Oil office and grudgingly negotiated their oil shipments. With wide room for partiality, Standard Oil favored shipments to its own refiners—a fact that struck Rockefeller as eminently fair—while producers argued that the pipeline network was a common carrier and obligated to treat everyone equally. Producers felt that their fortunes, their very lives, hung in the balance. As one Standard Oil lawyer recalled, "Arson and murder were threatened by the producers, who marched in masked bands at midnight uttering their threats."³ One of O'Day's men reminisced, "They paraded at night in big gangs, covered with sheets from head to foot in regular ku-klux fashion, groaning and booing the Standard."⁴ Orators urged the burning of Standard pumping stations, the skulls and crossbones appeared on Standard buildings, and vandalism spread.

To mollify producers, the state of Pennsylvania deputed William McCandless, its commissioner of internal affairs, to study the petroleum industry. Officials of the Standard pipelines, who now arrogantly behaved as if they owned the oil industry, ignored his subpoenas and boycotted testimony. Nevertheless, when McCandless issued a report in October 1878 that exonerated Standard Oil, the producers erupted in hysterical protest. It was widely rumored that McCandless had been bribed, and on the Bradford streets he was hung in effigy with a big, bogus \$20,000 check, signed by Rockefeller and endorsed by the Pennsylvania Railroad, protruding from his pocket. Newspapers told how one Bradford man invited Rockefeller to the region but then, remembering the imbroglio, warned him instead, "Don't you

do it, for if you do, you will never come back alive.”⁵



William Rockefeller, brother of John D. and a leading Standard Oil executive. (Courtesy of the Rockefeller Archive Center)

The immediate-shipment controversy engendered mutual enmity, for Rockefeller saw the producers as so many ingrates and malcontents whose oil was worthless without his superefficient United Pipe Lines system, which would soon be connected to twenty thousand wells. He mockingly described his foes' attitude as follows: "We have disregarded all advice, and produced oil in excess of the means of storing and shipping it. We have not built storage of our own. How dare you refuse to take all we produce? Why do you not pay us the high prices of 1876, without regard to the fact that the glut has depressed every market?"⁶ The episode convinced Rockefeller that the producers nursed an unreasonable hostility against him, and this inoculated him against even valid criticism. But unlike the producers, Standard Oil paid no real penalty for the Bradford crisis and in 1878 declared an impressive \$60 dividend on shares with a \$100 par value. Rockefeller had positioned himself exactly where he wished to be—poised to profit from either surplus or scarcity and all but immune to the vagaries of the marketplace.

As masses of drillers descended upon Bradford, this major shift in the geography of oil awakened dormant ambitions in Rockefeller's foe, Tom Scott of the Pennsylvania Railroad. As Standard Oil erased the surviving independent refiners, competing pipeline and railroad officials were petrified that Standard might soon be in a position to eliminate their oil traffic at whim.

Since it had tracks near the Bradford wells, the Pennsylvania spotted a chance to loosen Standard Oil's grip and win new business. Its vehicle for this challenge was its assertive subsidiary, the Empire Transportation Company, which owned five hundred miles of pipeline and one thousand tank cars. Empire had had the temerity to threaten Standard Oil in its refining strongholds, buying up rivals in New York, Philadelphia, and Pittsburgh and trying to win over new refining customers with bargain transportation rates. Now, as if spoiling for a fight, the Empire began to lay pipes for pumping crude oil from Bradford to the seaboard refineries—a direct challenge to Standard Oil dominance.

The driving force behind this incursion was a man who was *almost* a match for Rockefeller but who fancied that, had Rockefeller only played fair, he would have been much *more* than a match: Colonel Joseph D. Potts, president of Empire Transportation. A civil engineer descended from a family of Quaker iron-masters, Potts was a capable man who had attained a colonel's rank in the Civil War. He had a prominent nose and a long preacher's face, fringed by a white beard. Gravely earnest, no less conversant with the Bible than with the oil industry, Potts aspired to be Rockefeller's equal. If Rockefeller respected Potts's "indomitable will," he also patronized him as "a shrewd oily man, as smooth as oil."⁷ Potts repaid the compliment, castigating Rockefeller as a merciless predator. Of Rockefeller's current refiners' cartel, the Central Refiners' Association, Potts said memorably, "It resembled the gentle fanning of the vampire's wing, and it had the same end in view—the undisturbed abstraction of the victim's blood."⁸

When Potts poached on his territory, Rockefeller demanded a meeting with Tom Scott and A. J. Cassatt of the Pennsylvania Railroad. As his private reminiscences attest, Rockefeller was cynical about Empire, which he thought a transparent front for corrupt Pennsylvania officials to line their pockets with profits that belonged rightly to shareholders; it was also, he saw, a handy vehicle for the railroad to cheat on pooling agreements while escaping detection. In confronting the railroad officials, Rockefeller struck a characteristic tone of injured innocence: "Here, I have gone out of my way to be friendly to the Pennsylvania in the allotment of oil shipments and now you gentlemen are permitting your associate, Colonel Potts, actually to invade the Central Association's field. Why, it is nothing less than piracy! You must call off this poacher, Potts."⁹ Although nearly two-thirds of the oil carried by the Pennsylvania Railroad now originated with Standard Oil, Scott decided to

flout his biggest customer and, if not annihilate Rockefeller, chop him down to size.

Rockefeller interpreted Scott's intransigence as a declaration of war. In taking on the Pennsylvania Railroad, he was battling America's most powerful corporation, yet he proceeded with unwavering confidence. In spring 1877, Rockefeller told railroad officials point-blank that if Empire didn't retreat from refining, Standard Oil would divert its shipments to other railroads. When they didn't flinch, Rockefeller launched an all-out attack. To starve out the railroad, he idled all his Pittsburgh refineries and ordered corresponding increases in output in his Cleveland refineries. He sent out word that Standard Oil refineries should fiercely undersell Empire refineries in every market where they vied for kerosene sales. Turning to the two railroads long solidly in his corner, the Erie and the New York Central, Rockefeller had them trim rates to ratchet up the pressure on the Pennsylvania Railroad. To handle the extra volume expected on these two railroads, Flagler negotiated a deal with William Vanderbilt to build another six hundred tank cars. With blazing speed, Rockefeller was on his way to humbling the world's largest freight carrier, a company long thought invincible in the business and political world. Afterward, A. J. Cassatt admitted that the railroad had to grant such large rebates to keep up with Standard Oil that it ended up literally paying shippers to transport their oil.

In the end, providence itself conspired in the railroad's comeuppance. As he slashed rates to withstand the Standard onslaught, Tom Scott fired hundreds of workers and reduced wages 20 percent. When he doubled the length of trains without expanding their crews, trainmen walked off the job in protest. After the Baltimore and Ohio Railroad announced comparable wage cuts in 1877, the protest flamed up into a general railroad strike, one of the bloodiest battles in American labor history, resulting in dozens of fatalities. In Pittsburgh alone, 500 tank cars, 120 locomotives, and 27 buildings were torched by union vandals, sabotage so costly that Pennsylvania officials tapped Wall Street for a large emergency loan from Drexel, Morgan and Company. As state governors ordered out their militias and President Rutherford B. Hayes supplemented them with federal troops, the country watched the insurrection in horror. However pleased by the railroad's travails, Rockefeller must have felt a dreadful chill as rumors circulated that two thousand pistol-packing radicals would march down Euclid Avenue. After the riots ended, one Titusville reporter disclosed that the Oil Creek citizenry had nearly exploited the upheavals to take revenge against Standard Oil: "Had

certain men given the word there would have been an outbreak that contemplated the seizure of the railroads and running them, the capture and control of the United Pipe Line's property, and in all probability the burning of all the property of the Standard Oil Company in the region."¹⁰ Though after burning more than two thousand freight cars the strikers capitulated, their revolt inaugurated a new age of labor militance in American industry.

Reeling from these blows, the Pennsylvania Railroad skipped its dividend, sending its share price tumbling on the stock exchange. Though Potts wished to fight on, Scott was inclined to relent. Although the railroad didn't wholly own Empire, it had an option to buy the remaining shares, and, faced with Potts's recalcitrance, Scott did just that. It amused Rockefeller how agilely Scott switched direction when it served his interest and how—without notifying Potts, who would resent his treachery—he dispatched A. J. Cassatt to Cleveland to tell Rockefeller and Flagler that he was "anxious for a settlement."¹¹ Rockefeller gloated over Potts's crushing defeat: "The effort of Colonel Potts to make it appear that he was the great Moses failed, utterly failed."¹²

Empire's capitulation represented a greater boon than Rockefeller had envisaged, for the spoils were bountiful. The cash-strapped Scott didn't simply agree to stop refining oil but offered Standard Oil a huge fire sale of assets—refineries, storage tanks, pipelines, a fleet of steamships, tugboats, barges, loading docks—in fact, far more than Standard could afford. During negotiations with Rockefeller at a Philadelphia hotel in October 1877, Scott swept in with a selfconfident panache that thinly camouflaged his defeat. As Rockefeller recalled, "I can see [Scott] now with his big soft hat, marching into the room in that little hotel to meet us; not to sweep us away as he had always done, but coming in with a smile, walking right up to the cannon's mouth. 'Well, boys, what will we do?' " In the ensuing talks, Scott drove a tough bargain and refused to budge on two conditions: that Standard Oil buy *all* of Empire's assets, including its antiquated lake vessels; and that within twenty-four hours it pay \$2.5 million of the \$3.4 million offering price by certified check.

This last demand taxed even Standard Oil, which had only about half the necessary cash in its coffers. Rockefeller raced back to Cleveland and flew through local banks in a hectic tour such as he hadn't made in years. Climbing into his buggy, he approached one bank president after another and told them breathlessly, "I must have all you've got! I need it all! It's all right! Give me

what you have! I must catch the noon train.”¹³ Unable to persuade his Standard Oil confrères to buy the steamships—Rockefeller always operated by consensus—he had the nerve to borrow several hundred thousand dollars on his own account and buy the ships himself. Although these money-losing ships drained him for years, their purchase was dictated by the larger interest of Standard Oil, and he never regretted his snap decision.

In dueling with Scott, Rockefeller didn’t try to demolish him—as Scott might have done to him—but called a truce to strengthen their alliance. His constant aim was to be conciliatory whenever possible and extend his range of influence. In a new pooling arrangement, Standard Oil agreed to ship at least two million barrels yearly over the Pennsylvania Railroad and restore its faded luster in the oil trade; in exchange, Standard would pocket a 10 percent commission (read: rebate) on its shipments over the road. More important, Standard was designated as the evener—that is, the enforcer—of a new master plan brokered by the railroads whereby the railroad would receive 47 percent of all oil traffic; the Erie and the New York Central 21 percent apiece; and the B&O 11 percent. Tightening the vise, Rockefeller’s pipeline chieftain, Daniel O’Day, informed the Pennsylvania Railroad in February 1878 that Standard would henceforth want at least twenty cents for *every* barrel of crude oil the railroad shipped—an arrangement Standard Oil had foisted upon the Erie and the New York Central. Having outsmarted the largest railroad, Rockefeller had acquired a stranglehold on the three major roads, and his taming of the imperious Tom Scott guaranteed that no railroad president would ever dare to tangle with him again.

The defeat left Colonel Potts a broken, humiliated man. As his son recalled, “He always believed some of the Pennsylvania directors had been approached by the Standard and bought out. Others talked of bribery; of course nothing could be proved.”¹⁴ In all likelihood, Potts didn’t want to admit that he had been outwitted by Rockefeller. Ida Tarbell, in her romanticized view of some of Rockefeller’s foes, converted Colonel Potts into an incorruptible martyr, the Abraham Lincoln of the oil industry, crucified by Standard Oil, when he was just an able, aggressive businessman who lost out in a power struggle to a shrewder, bolder opponent. In the early 1880s, Potts renounced his principled opposition to Standard Oil and became an active director of the National Transit Company, a Standard Oil pipeline subsidiary.

The Grand Guignol of the Empire battle diverted attention from another momentous drama that unfolded at about the same time: the purchase of the

Columbia Conduit Company from Dr. David Hostetter. For Rockefeller, the Columbia purchase had far-reaching strategic implications, for the pipeline functioned as the B&O's crude-oil lifeline. Columbia pumped western Pennsylvania crude to the B&O's Pittsburgh terminal, whence it traveled by rail to Baltimore refineries. Thus, if he could smother Columbia, Rockefeller would be able to conquer the fourth and last major railroad system while also gaining uncontested control of *all* major pipeline systems connecting oil wells to railroad trunk lines. He would have extended his reach, in short, into every nook and cranny of the oil industry. As Ida Tarbell noted, after the Columbia Conduit fell into Rockefeller's lap, "Practically not a barrel of oil could get to a railroad without [Rockefeller's] consent." 15

By this point, Standard Oil had effectively stamped out competing refiners in Cleveland, Philadelphia, and Pittsburgh and faced only a smattering of weak New York holdouts. The last major pockets of resistance lay in West Virginia and Baltimore, whose refiners relied upon the B&O. Thus, by controlling the Columbia Conduit Company, Rockefeller would be able to snuff out the last independent refiners. Conversely, if he controlled the West Virginia and Baltimore refineries, he could pressure the railroad into submission.

The man assigned to carry out this convoluted campaign was Johnson Newlon Camden, the Parkersburg, West Virginia, refiner whose company had secretly joined Standard some years earlier. Elected to Congress several times, Camden later served as a U.S. senator, but his civic involvement didn't translate into superior business ethics. On the contrary, Camden dealt with rivals in an especially coercive manner, as he showed in early 1876 when absorbing Pittsburgh refiners. To snuff out the last competitors, he peremptorily informed Alexander McDonald, the leading supplier of barrel staves to the city's independent refiners, "that no staves must be sold to Pittsburgh, that it was our policy to control the oil business of Pittsburgh by controlling the supply of staves and barrels at that point," as he told Standard headquarters. Further, McDonald was under strict instructions, he said, "that he must ship no staves to Pittsburgh without [Standard Oil's] consent." 16 Whenever competition flared up in Pittsburgh, Rockefeller dispatched Camden to douse the flames, once telling him, "At this particular moment it is especially important that outside Pittsburgh refineries should have no chance whatever in any market for local trade oil. . . . Our feeling of anxiety to accomplish the object of centralization is so strong we want you to yield to it

for a few days longer when we hope you will be forever relieved.”¹⁷

Like Rockefeller, Camden had a devious talent for concocting anticompetitive practices and paralyzing the trade. To soften up local competitors, he cornered the supply of West Virginia crude, leaving independent refiners high and dry. When confronted with such shameless manipulation, Rockefeller sighed, disclaimed any knowledge, and blamed overly zealous subordinates—a recurring pose in his career. But Camden, like other subordinates, kept Rockefeller thoroughly posted about his actions and told him apropos of early negotiations with independents, “I am having interviews with all the little refinery men here [Parkersburg] and at Marietta. . . . We will either get them or starve them.”¹⁸

Camden was thwarted by the same problems that had confronted Rockefeller in forming cartels in other cities. Aware that Standard would buy ramshackle plants to shut them down, many blackmailers entered the business in order to sell out. The harried Camden grouched that small refineries were “multiplying like rats” and concluded despairingly that they would be “as hard to keep down as weeds in a garden.”¹⁹ As Standard Oil succeeded in steadying kerosene prices, it drew people back into the business. At this point, Rockefeller took a tougher line with blackmailers who wanted to be bought out. In responding to several Baltimore refiners who had previously rejected fair prices from Standard Oil but now wished to sell, Rockefeller sounded like the voice of divine retribution, telling Camden that “they will be sick unto death now having failed in their wicked scheme. A good sweating will be healthy for them. If . . . these people could wait and sell out their works at a loss, thereby making a poor speculation of blackmailing, it would probably cure this batch and save you endless trouble in future.”²⁰ Camden’s files support Rockefeller’s contention that he bought loads of worthless junk and enriched men who knew little about refining oil but everything about extortion.

Applying a formula that Rockefeller had perfected in New York, New Jersey, and Philadelphia, Camden bought waterfront property in Baltimore, where he erected wharves and warehouses for a B&O oil-export terminal. With Standard Oil now embedded in the local transportation infrastructure, it became impossible for Baltimore refiners to operate autonomously. Standard Oil had become virtually indistinguishable from the railroad industry. On December 21, 1877, Camden triumphantly told Rockefeller that they had

completed their conquest of the last independent refining center. “We have cleared up every seed in which a refining interest could spring up in Baltimore, so far as we can at present determine.”²¹

Thus, only five years after the Cleveland Massacre, the thirty-eight-year-old Rockefeller, with piratical flair and tactical brilliance, had come to control nearly 90 percent of the oil refined in the United States. Perhaps a hundred tiny refineries still eked out a meager living in the interstices of the industry, but they were mostly tolerated as minor nuisances and scarcely threatened Standard Oil. As Rockefeller himself acknowledged, these isolated cases served a useful political purpose, providing a mirage of competition when it had ceased to exist altogether. He liked to point to these doughty survivors as proof that all the stories about the strong-arm tactics of Standard Oil were grossly exaggerated and that the oil industry was a scene of vibrant competition.

In his implacable quest to rule the oil business, Rockefeller shifted focus in the late 1870s from the railroads to outright ownership of the superior alternative: pipelines. Undeterred by prophecies of exhausted oil fields, Standard Oil had both the capital and the incentive to blanket western Pennsylvania with a gigantic maze of pipelines. By 1879, the combine controlled almost the entire pipeline system, siphoning crude oil from thousands of wells and pumping it to storage tanks or railroad depots. When a driller struck oil, Standard Oil swooped down in a flash to connect his well, assuring both his livelihood and irrevocable reliance on the combine.

Standard’s rough, brawling pipeline boss, Daniel O’Day, made sure that his construction gangs kept pace with the new fields, laying pipe at a furious pace of up to one and a half miles per day. O’Day stood forth as the agent of wealth or ruin for producers. If he wanted to punish a producer, he might hint that the producer’s backcountry well was too inaccessible for Standard to run a line through the woods. And if the producer lacked money to erect storage tanks, he might watch his fortune seep into the ground as he bickered impotently with Standard Oil.

That O’Day exploited his power to silence dissent and cripple refractory competitors is amply documented in Rockefeller’s papers. It is important to recall that O’Day, like other Standard Oil lieutenants in the field, was the executor of Rockefeller’s will, whatever the latter’s disclaimers. When O’Day discovered that a producer named Murphy held a small stake in a competing

pipeline, he dispatched to the scene John D. Archbold, who pointedly reminded this upstart that he had expected Standard “to take care of his production that might be located far back in the interior, as we have always done for him, and where such companies as the Pittsburgh line would not care to go.”²² O’Day scared the daylights out of railroads, too. When one railway official complained that Standard was hogging crude-oil shipments between Olean, New York, and Buffalo, O’Day retorted that Standard Oil might just decide to ship all the refined oil by pipeline as well. As O’Day reported with glee to Rockefeller—who again professed ignorance of such machinations —“This seemed to stagger him a little and we may be able to hold it over him (as a club) successfully.”²³ While Rockefeller communicated with his subordinates in genteel fashion, discussing muscular tactics with unctuous euphemisms, his colleagues were less restrained and gloried in their brutal shenanigans.

As Rockefeller consolidated his virtual monopoly over the pipeline network, it provoked pandemonium along Oil Creek, where he was now dubbed the Lord of the Oil Regions. In late 1877, desperate independents thronged a “Petroleum Parliament” in Titusville, hoping to plot their escape from Standard Oil servitude. These extended, crowded sessions generated a host of resolutions, including enactment of a free-pipeline bill and another to prohibit railroad-freight discrimination. But Standard Oil spiked all such reform efforts through the liberal application of backdoor payments to legislators.

In a historic departure, the independents endorsed plans for two long-distance pipelines that would bypass the whole Standard-rigged web of pipelines and railroads and open a path to the sea. The less ambitious project was the Equitable Petroleum Company, formed by Lewis Emery, Jr., to pipe oil from the Bradford fields to a railroad that would then carry the oil to Buffalo, where it would travel east over the Erie Canal. This roundabout route posed only a modest threat to Standard Oil, yet Rockefeller wired Daniel O’Day, “Don’t let them get a pipe to Buffalo.”²⁴ To sabotage the effort, Standard Oil unleashed its full arsenal of obstructive tactics. It bought up the connecting railroad to Buffalo; threatened to yank orders from pipe manufacturers who sold to Equitable; and disconnected pipelines from all Bradford refiners who dealt with it. Despite this intimidation, the pipeline commenced operations in August 1878, exposing the first small chink in Standard Oil’s armor.

The second, far more threatening project, led by Byron Benson, envisaged a pipeline to the seaboard, a revolutionary development in long-distance transport. Before this time, pipelines had never covered more than thirty miles. This seaboard pipeline would eclipse the railroads and shatter the whole complex structure of secret rebates and drawbacks that Rockefeller had cobbled together. Before the seaboard-pipeline battle, one could argue that Standard Oil had been an innovative force, modernizing the industry through up-to-date plants, superior management, and smoother coordination of the oil flow from wellhead to consumer. Now, it became a benighted custodian of the status quo, squelching progress to safeguard its own interests.

At first, the independents (acting through the Tidewater Pipe Line Company) contemplated running a line from Oil Creek to Baltimore, but J. N. Camden quickly dealt a mortal blow to this plan: He bought an exclusive pipeline charter in the Maryland legislature that carried an ironclad guarantee that no other company would receive a charter that session. The Standard Oil hierarchy in Cleveland was kept closely apprised of his underhanded activities. Of the substantial money needed to grease this shady deal, Camden told Flagler: “The price is nominally \$40,000.”²⁵

Foiled in crossing Maryland, the Tidewater Pipe Line Company then opted for a 110-mile pipeline from Bradford to Williamsport in central Pennsylvania, where the oil would then journey east by the Philadelphia and Reading Railroad. On November 22, 1878, it began its great race to the sea, laying down a ribbon of pipe at a rapid rate of two miles a day. Since the whole concept was experimental—nobody knew if oil could be pumped over 2,600-foot mountains—the Standard Oil cognoscenti reacted with cynical snickers. Writing to Rockefeller, a smug John D. Archbold professed himself “greatly amused” by the “seaboard scheme.”²⁶ Rockefeller was dubious yet circumspect, predicting at one point, “They are quite likely to have some disappointments yet, before consummating all their plans in that direction.”²⁷ The Tidewater people mobilized powerful financial interests, and two Wall Street tycoons, George F. Baker and Harris C. Fahnestock of First National Bank, aided them financially.

The fierceness of Standard Oil’s response was previewed in one of O’Day’s first letters to Rockefeller about the mavericks. “I would have no mercy on them that don’t deserve nor appreciate it.”²⁸ In combating this challenge, Rockefeller again showed himself a virtuoso of industrial warfare. He sent his

underlings to tank manufacturers, warning them not to deal with Tidewater, and deluged tank-car manufacturers with orders that kept them busy, depriving the pipeline of rolling stock needed to transport construction materials. Refiners who used Tidewater were lured away with concessionary rates on Standard Oil pipelines, and Rockefeller swiftly bought up any remaining independent refineries that might be prospective Tidewater customers.

Standard Oil also embarked on a real-estate spree of monumental proportions, buying up strips of land or “dead lines” that ran in a straight line from the northern to the southern border of Pennsylvania, to block the Tidewater’s advance. Overnight, bewildered farmers became rich by selling parcels for extravagant sums to Standard Oil agents who invaded their sleepy towns. In another tack, Standard Oil placed stories in local papers, warning farmers who sold to Tidewater that their crops would be spoiled by pipeline leaks. And Standard Oil conspired with the railroads to withhold permission from any pipeline wishing to cross their tracks. Quick to exploit this, O’Day told Rockefeller, “The Penna R.R. should be informed of the efforts that are being made towards laying pipe lines from the Bradford District and they should see to it that the right of way secured some time since in their interest ‘across the country’ is well guarded and watched.”²⁹

Still, Tidewater pushed relentlessly ahead. When Standard Oil bought an entire valley at one point, the unstoppable Tidewater changed course and climbed up over the surrounding hills. It began to look as if it might actually outflank Rockefeller and his resolute henchmen. Right on the eve of Tidewater’s success, Rockefeller decided that he might recoup in the political arena what he was on the verge of losing in the economic sphere. It was in the last-minute effort to halt Tidewater that Standard Oil first resorted to the wholesale bribery of state legislators.

Before wading into the muck of Standard Oil’s political operations, we should note the general squalor of business-government dealings in the Gilded Age. Rockefeller had emerged in a fluid business world, with little government regulation to check entrepreneurs. At the same time, the government was heavily involved in the economy as it awarded land grants, railway franchises, and bank charters. After the Civil War, Washington hotels were crammed with businessmen jockeying for government contracts and toting suitcases full of cash to obtain them. President Grant admired the industrial captains, aspired to their society, and assembled a cabinet full of

cronies and mediocrities eager to do their bidding. Government degenerated into a sink of iniquity, reflected in Mark Twain's witticism at a contemporary banquet, "There is a Congressman—I mean a son of a bitch—But why do I repeat myself?"³⁰ In 1876, politics touched a new nadir when Rutherford B. Hayes defeated Samuel J. Tilden for the presidency in what is now commonly regarded to have been a stolen election. A tremendous amount of money changed hands as businessmen and legislators trafficked in mutual manipulation. Businessmen such as Rockefeller preferred to think of themselves as victims of political extortion, not as initiators of bribes. Yet despite decades of categorical denials, Rockefeller's papers reveal that he and Standard Oil entered willingly into a staggering amount of corruption. (We should remark in passing that Allan Nevins, who had access to Rockefeller's papers, somehow managed to document only a single instance of Standard Oil bribery—in the Pennsylvania state legislature in 1887.) Standard Oil officials betrayed no qualms about paying bribes, and there is no recorded instance of Rockefeller rebuking a subordinate for engaging in graft.

During the Tidewater battle, Standard lobbied hard to perpetuate the system that allowed state legislatures to grant exclusive pipeline charters. Representing independent producers, reformers in the late 1870s introduced measures in several states to enact free-pipe bills, which would enable Standard Oil foes to lay competing lines and enjoy the right of eminent domain; under the existing system, Tidewater had to buy costly rights-of-way along its 110-mile east-west route. Standard Oil regarded these bills with such apprehension that Henry Flagler returned from Florida, where he was recuperating from poor health, to spearhead the lobbying campaign. To foster the impression of a popular groundswell against the bill, he hired lawyers to pose as incensed farmers and landowners in favor of the status quo. Flagler and A. J. Cassatt secretly exchanged drafts of the Pennsylvania bill and killed it with crippling amendments.

To stifle a similar pipeline bill in New York, Flagler coordinated efforts with Hugh J. Hewett of the Erie Railroad. Payoffs were an expensive business, and even Standard Oil welcomed rich partners to ease the burden. At one point, Flagler grumbled to a railroad leader, "We have spent a large sum of money to squelch Seaboard Pipe Line Charters," and he sourly asked that the railroads pick up the tab for these "lobbying" efforts in the future.³¹ When Flagler recruited an Albany lobbyist, aptly named Smith M. Weed, he was ready to distribute \$60,000 to legislators, but Hewett demurred and

insisted that \$15,000 would suffice. ³² “I send \$10,000 currency,” Flagler agreed, adding, “if you need the other \$5000 or any part of it, send word by bearer and (we or he) can get it for you.”³³ That \$15,000 would today be worth \$220,000.

As always, Rockefeller floated serenely above the bustle, pretending to be oblivious to any wrongdoing, but his correspondence implicates him directly in this skulduggery. On March 4, 1878, A. N. Cole, a New York state senator, wrote to Rockefeller on New York State Senate stationery and presented himself as an “attorney” to be hired by Standard Oil to manage the campaign against the free-pipe bill. Evidently, Rockefeller responded favorably to this overture, for Cole then mapped out an extensive campaign of pressure and subornation, complete with precise money-laundering instructions:

*Two or three good attorneys will be wanted in the Senate, and five or six in the Assembly, and these I have no hesitation in undertaking to employ, if authorized to do so. . . . Government bonds are better to deal in than money, since, were “attorneys” to be paid in cash, it might be construed into corruption, but then one can sell bonds, you know, in fact, dealing in them is an eminently becoming business. . . . In Heaven’s name, don’t make this letter public, since, were you to do so, I fear my brethren of the Methodist Church might fear I had so far fallen from grace as to leave no hope of recovery.*³⁴

While Standard Oil conducted statehouse offensives against free pipelines, it also put out brushfires in Washington as public sentiment began to lean toward railroad reform. The electorate was beginning to realize that big-business domination of the transportation network was incompatible with a competitive economy. In 1876, a bill was introduced in Congress “to regulate Commerce and prohibit unjust discriminations by Common Carriers.” ³⁵ By this point, J. N. Camden was a West Virginia congressman. Since he also headed the Camden Consolidated Oil Company, covertly owned by Standard Oil, he kept Rockefeller and Flagler minutely informed of legislative developments and swapped messages with them in Standard Oil code. Regarding the railroad bill, Camden assured Flagler, “I have the ear of some half dozen Senators that I will see. I can’t think there is the least probable danger of such a bill getting through the Senate.”³⁶ True to Camden’s words, the railroad bill passed the House of Representatives then faltered in the Senate.

By the late 1870s, as news of his wealth spread, Rockefeller was badgered for campaign contributions, sometimes by the same politicians who lambasted Standard Oil. When Ohio representative James A. Garfield ran for president in 1880, he sounded out a Cleveland source, Amos Townsend, as to whether “Mr. Rockafeller” might be sympathetic. When Garfield asked, “Do you know his state of feeling toward me?” Townsend advised extreme caution. “It would not do for him to visit us, as it would be reported and *cut* like a *knife* in Pennsylvania.”³⁷ A more subtle approach was another matter, and Rockefeller, along with Jay Gould, Chauncey Depew, and Levi Morton, ended up a top contributor to Garfield’s victorious campaign. Garfield was the first of many presidential contenders who grappled with the quandary of whether it made better sense to court Rockefeller’s money or capitalize on public animosity against him.

For all his success in bottling up pipeline bills, Rockefeller couldn’t scotch the Tidewater. As the project neared completion, he executed a flurry of last-minute maneuvers and even tried to buy an interest in the operation for \$300,000—all to no avail. On May 28, 1879, the Tidewater people held their breath as the great pumps whirred into motion near Bradford and the oil began to slide eastward through the pipeline. Nobody knew if the crude oil would actually scale the intervening mountains, and for days people expectantly tracked its slow progress. After seven days of suspense, the first oil drops sputtered out the Williamsport end and led to jubilation in western Pennsylvania, where Tidewater promised deliverance from the Standard Oil monopoly. Construction of the pipeline rated as one of the supreme engineering feats of its day, and its impresario, Byron Benson, achieved heroic status.

Faced with a rare defeat, Standard Oil did not react with equanimity. Daniel O’Day wanted to resort to thuggery to smash the pipeline. “I feel extremely satisfied that the Tidewater Pipe Line can be stopped and torn up if it is thought best to do it,” he told Rockefeller. “I also think that the sooner the Tidewater knows this the better, as it might have a healthy effect upon them.”³⁸ Rockefeller vetoed such crude reprisals and conceived a more elegant solution to the Tidewater menace. He had to bide his time, though, because he first had to dispose of two legal challenges that dogged his footsteps throughout 1879.

Some of Rockefeller’s critics weren’t content to expose him but wanted to put this pious churchgoer and Sunday-school superintendent behind bars. The

producers were still seething from the immediate-shipment controversy and Standard Oil's refusal to store their surplus oil. One upshot was that on April 29, 1879, a grand jury in Clarion County, Pennsylvania, indicted nine Standard Oil officials—including Rockefeller, Flagler, O'Day, and Archbold—and charged them with conspiracy to monopolize the oil business, extort railroad rebates, and manipulate prices to cripple rivals. Those who resided in Pennsylvania, such as Warden, Lockhart, and Vandergrift, were arrested and released on bail while those, such as Rockefeller, who lived outside the state were able to evade prosecution. Reformers who stalked the Standard knew they had to get Rockefeller or Flagler on the stand, for many top executives were kept in the dark about the organization's intricate inner workings. When Captain Jacob J. Vandergrift testified at an Ohio hearing that spring, for instance, Flagler was able to reassure Rockefeller: "If it is a question of railroad freights, and discrimination in them, my judgment is [Vandergrift] knows nothing, or if knowing will not be compelled to answer." 39

In spring 1879, Rockefeller began a thirty-year career as a fugitive from justice, learning to stay nimbly ahead of the law. For all his scoffing about the Clarion County indictments—"This case will never be brought to trial"—he took no chances.⁴⁰ Afraid of being extradited from New York, Rockefeller asked Chauncey Depew, the attorney for the New York Central, to approach New York governor Lucius Robinson, who agreed to deny any such requests from Pennsylvania. At the same time, Rockefeller had A. J. Cassatt approach Pennsylvania governor Henry M. Hoyt with a request that he cease further efforts to haul him into court. To make sure that the Pennsylvania Railroad didn't double-cross him, Rockefeller boosted production at his Philadelphia refineries serviced by the railroad—a generous bonus that could be canceled at any moment for misbehavior. Meticulous in such maneuvers, Rockefeller made sure to leave no fingerprints and told Captain Vandergrift that it was "of utmost importance that nobody knows of [Standard Oil's] thought of doing something about [the suit] outside the [Clarion] County."⁴¹

From the outset, Standard Oil defendants saw an advantage in the Clarion County affair, which enabled them to refuse to testify at many civil proceedings by claiming it might harm them in the criminal case. Nevertheless, Rockefeller feared that the Clarion suit might set a precedent and adopted a combative approach. "We are disposed to fight the thing and not be subject to this blackmailing process always," he insisted.⁴²

At bottom, Rockefeller must have been genuinely alarmed by the impending criminal prosecution, for he decided to placate the producers and cut a political deal. On the day before Christmas 1879, Standard Oil rescinded the immediate-shipment policy and agreed to meet with producers at the Fifth Avenue Hotel in New York. In a historic agreement, Standard Oil renounced—or *seemed* to renounce—the use of secret rebates and drawbacks and consented to publicly posted freight rates; its United Pipe Lines would no longer discriminate among shippers and would transport all oil within reasonable limits. In return, the criminal and civil cases against Standard Oil in Pennsylvania were scuttled. In time, it emerged that Standard’s pledge to repudiate rebates was largely a rhetorical flourish to settle the cases.

Aware that Standard Oil’s fate was now being thrashed out in the political arena, Rockefeller reversed a long-standing prejudice and took shares in two Cleveland newspapers, investing \$5,000 in the *Herald* and \$10,000 in the *Leader*, explaining to Colonel Oliver Payne that since “Mr. Flagler felt perhaps we had given too little heed to influences of this kind, I decided best to do it.”⁴³ While Rockefeller’s official policy remained one of obdurate silence, he now had more avenues of press access than he admitted. Payne, meanwhile, believed that Standard Oil should move from bribing politicians to controlling them directly, telling Rockefeller, apropos of the Ohio legislature, “I wish to say that I have got through with sentiment in politics. . . . We must see hereafter that there is one man in the Legislature from this County that has brains, influence and is our man.”⁴⁴ Rockefeller told Payne to do “all that is necessary.”⁴⁵

Around this time, Rockefeller recruited to the Standard legal staff Roger Sherman, who had masterminded the producers’ case against him. For years a champion of Oil Creek, Sherman had fought valiantly to imprison Rockefeller. Now Rockefeller was wily enough to offer him a job, and Sherman was naive enough—or original enough—to accept it. Always proud of his persuasive powers, Rockefeller took special pleasure in wooing opponents whom he had learned to appreciate by tracking their ploys against him. When a lawyer named Virgil Kline won two lawsuits against him in the 1880s, Rockefeller invited him to his office. “Mr. Kline,” he said, “you have given us a good licking. Now I would like to have you come and work for me.”⁴⁶ Kline agreed and became a long-standing member of the Standard Oil legal staff.

Things worked out differently for Roger Sherman, who realized after a strangely inactive year on the payroll that Rockefeller had given him a five-year contract expressly to neutralize him. When he tried to wriggle free of the contract, he was able only to strike a compromise that allowed him to resume his general practice in western Pennsylvania while remaining on retainer to Standard Oil. When he later returned to the crusade against Rockefeller, the independents were too disenchanted by his flirtation with Standard to deal with him. True to his wishes, Rockefeller had tarnished Sherman, separating him from his onetime admirers.

Ever since his boyhood as the son of the town pariah, Rockefeller had evinced more than a trace of paranoia. Now, embattled in courts and legislative chambers, he was convinced that evildoers were plotting against him and complained to one colleague about “this iniquitous proceeding of getting the United States out with a drag-net for the Standard Oil Co.”⁴⁷ As chief instigator of his misery, he cited George Rice, an independent refiner, who would pursue him with the tenacity of a harpy for decades.

Rockefeller’s movements in 1879 were governed largely by the need to duck subpoenas. In July, the New York State Assembly held hearings, chaired by Alonzo Barton Hepburn, to probe clandestine relations between the railroads and various industries. While the panel examined flour millers, meatpackers, and salt makers, it zeroed in on Standard Oil as the most notorious beneficiary of back-scratching with the railroads. That summer, Rockefeller stayed at Forest Hill, safely beyond the committee’s reach.

As was true of many exposés of Rockefeller, the Hepburn hearings fueled public indignation against him while it also inadvertently enhanced his mystique as an invulnerable genius. The committee trotted out William H. Vanderbilt, who paid resounding tribute to the disciplined craft of the Standard Oil executives. “Long ago I said if the thing kept on the oil people would own the roads. . . . These men are smarter than I am a great deal. They are very enterprising and smart men. I never came into contact with any class of men so smart and able as they are in their business.”⁴⁸

John D. Archbold’s testimony previewed the manner—flippant, arrogant, glib, and high-handed—in which he disposed of future legal challenges to Standard Oil’s authority. Asked about his functions as a director, Archbold retorted, “I am a clamorer for dividends. That is the only function I have in connection with the Standard Oil Company.”⁴⁹ He blatantly perjured himself

when he said that Standard didn't control Acme Oil Company. When chairman Hepburn asked him to return for further questioning the next day, Archbold dismissed the committee, instead of the other way around. "I have given today to the matter," he told them. "It will be impossible for me to be with you again."⁵⁰ For the most part, Standard officers dodged questions with the ritual evasion, "I refuse to answer on the advice of counsel."⁵¹

When the Hepburn report was issued, it lent credence to what might otherwise have seemed fantastic conjecture, documenting a pattern of pervasive railroad favoritism toward large shippers. The New York Central alone enforced six thousand secret contracts, while the Erie's business was equally honeycombed with privileged arrangements. The committee assailed Standard Oil as "a mysterious organization whose business and transactions are of such a character that its members decline giving a history or description of it lest this testimony be used to convict them of a crime."⁵²

For years, refiners had debated whether railroads were unregulated enterprises, free to strike what bargains they pleased, or common carriers, committed to treat all alike. The Hepburn report buttressed the latter view, saying that railroad bias toward Standard Oil was "the most shameless perversion of the duties of a common carrier to private ends . . . in the history of the world."⁵³ To remedy this, the New York legislature set up a railroad commission to regulate rates in a fair, uniform manner. The Hepburn report, however, was both belated and insufficient in hobbling Rockefeller's triumphant march, for by this time he had parlayed his secret railroad contracts into preeminence in oil. More important, his firm had now advanced far beyond the railroads to more efficient pipelines. In fact, a cynic might argue that the advent of the Hepburn hearings was incontestable proof that the railroads no longer mattered.

The growing agitation over railway reform hardened Rockefeller's determination to bring the Tidewater pipeline to bay, and he began to harass his competitor with a bewildering array of challenges. He tried to throttle the pipeline's access to crude oil and explored the purchase of several New York refineries before they could become Tidewater clients. At one point, he reduced rates on Standard Oil pipelines while the railroads dropped prices to such risible levels that one freight agent said that they scarcely covered the wheel grease. This relentless price war forced Tidewater to operate at half capacity.

It turned out that Rockefeller's adversary, Byron Benson, was no more enamored of free markets than Rockefeller was and had created the pipeline to join in the feast. In March 1880, Daniel O'Day chanced to meet Benson on a train traveling from Oil City to Bradford and was shocked by his rival's words. As O'Day reported to Rockefeller, "[Benson] told me that he wanted to 'let the bars down,' as he expressed it, for any overtures that might be made to his company, with a view of an adjustment of the pipe line questions. He said that he felt that the time had about come when the companies should work together with a view of preventing other companies from engaging in the business."⁵⁴ Benson's solution suited Rockefeller just fine: Tidewater, instead of cutting rates to compete with the railroads, would collude with them to raise rates. Thus, within a year of its completion, the pipeline that was supposed to emancipate independents from Standard Oil bondage was drawn into a railroad pool supervised by John D. Rockefeller. In 1882, when Byron Benson decided to borrow two million dollars to expand Tidewater, it prompted vigorous opposition from a group of minority shareholders. Exploiting this dissension, parties friendly to Standard Oil bought the minority stake, enabling Rockefeller to strike a bargain with Tidewater the following year. Under this pact, Standard Oil divided the pipeline business in Pennsylvania, taking 88.5 percent of the trade and leaving just 11.5 percent to Tidewater.

It was now abundantly clear to Rockefeller that the railroads represented a fading order. For a long time, he had resisted an irreversible shift to pipes for fear of antagonizing the railroads, but this concern had lost its force. When Standard Oil constructed four pipelines from western Pennsylvania to Cleveland, New York, Philadelphia, and Buffalo, he pressured the railroads to grant it right-of-way concessions, even though the pipelines signaled their doom.

When Standard Oil subdued Tidewater, it again demoralized the independents and suggested that all opposition to the behemoth was a foolish, chimerical dream. While a band of intrepid reformers continued to joust with Standard Oil in courthouses and legislatures, most producers now surrendered hope of any improvement in their plight. They knew they would either have to quit the business or swallow their pride and make peace with the oil giant. With the passing of Tidewater's complete independence, they could no longer ship oil from Pennsylvania without paying tribute to the all-powerful Mr. Rockefeller.



Harriet E. Giles (left) and Sophia B. Packard, the founders of Spelman Seminary, later Spelman College, who recruited Rockefeller as the school's major donor in the early 1880s. (Courtesy of the Spelman College Archives)

CHAPTER 13

Seat of Empire

When John D. Rockefeller turned forty on July 8, 1879, he was already numbered among America's twenty richest men, yet he was likely the most obscure of the pantheon. While this resulted largely from his aversion to publicity, it also stemmed from his residing in Cleveland. As one chronicler said of the town, "Its rich folk were not scandalous or showy; its politics had not the violent quality essential to American fame."¹ In other words, it was an ideal place for a reclusive magnate. Throughout his career, Rockefeller poohpoohed "exaggerated" press estimates of his wealth, yet they often understated his true worth. In the late 1870s, one newspaper pegged his wealth at more than \$5 million, when his Standard Oil stock alone was by then worth \$18 million, or \$265 million in 1996 dollars. By comparison, when America's richest citizen, Commodore Vanderbilt, died in 1877, he left an estate valued at nearly \$100 million.

Photos of Rockefeller from this period show two contrasting faces. In his serious mode, his expression seemed grim and unsmiling, with tremendous force in his gaze but no softness or joy. Yet when photographed in leisure hours in the sanctuary of Forest Hill, he looked trim and whimsical, surprisingly boyish for such a powerful man. Gone were the old side-whiskers, but he still had a full red mustache and sandy brown hair. In a period when moguls prided themselves on their embonpoint, Rockefeller was as lean as a greyhound. And at a time when top hats and watch chains were de rigueur for any self-respecting plutocrat, Rockefeller generally conformed to the requisite style, but his family constantly had to remind him to buy a new suit when his current one got too shiny.

If Rockefeller generally enjoyed excellent health, there were early warning symptoms of the toll taken by the excruciating pressures of Standard Oil. In 1878, he wrote to Eliza, "I am eating celery which I understand to be very good for nervous difficulty."² Colleagues plied him with advice to take more vacations and spend more time away from business, even though Rockefeller later said he was almost semiretired at this point. He tried to spend as many afternoons as possible at Forest Hill in "the bracing air of Lake Erie."³ He

displayed a strong interest in herbal medicines and other folk remedies, advising one associate that he could dispense more easily with tobacco if he had an orange peel before breakfast every day. Big Bill's interest in medicine, conventional and otherwise, began to surface in his son and became more pronounced with time.

Now that Rockefeller headed almost all of America's oil refineries and pipelines, the press belatedly awakened to his existence, acknowledging him as a new deity in the industrial firmament. In November 1878, he sat for his first full-length newspaper profile in the *New York Sun*. The article disclosed the scope of an ambition that Rockefeller took pains to deny: "The people of Cleveland say that it is his ambition to become the richest man in Ohio and one of the ten richest men in the United States. . . . He is in a fair way of being able to count on his fingers the men in the country who are richer than he is."⁴ This first sketch, which portrayed him as quiet, reserved, and methodical, was shot through with ambivalence. Of Rockefeller's business ability, the reporter rhapsodized: "Business men in Cleveland, in the oil regions and in New York who know him or know of him, regard him as one of the great commercial intellects of the country."⁵ Yet the article concluded that his Olympian success arose from a strange, unsavory bargain with the railroads—a pact that people surmised but could never quite prove. Within a year, the Hepburn hearings began to document what had long been mooted about Rockefeller's dealings with the railroads, and by the early 1880s he had moved a considerable distance from his former anonymity to something closer to universal notoriety.

In late 1883, Rockefeller's life assumed a marginally higher profile when he moved to New York. Eighteen eighty-four would prove to be a pivotal year for the country, marked by bank failures and panics and the demise of General Grant's brokerage firm, Grant and Ward. The Democratic reformer Grover Cleveland triumphed in the presidential election over the corrupt Republican candidate, James G. Blaine, installing a Democrat in the White House for the first time in many years.

Rockefeller had long felt the gravitational pull of New York, with its lively export trade in kerosene, and routinely spent part of each winter there. Haunted by his father's wanderings, he was loath to abandon Cettie and the children, and for two winters in the mid-1870s he lodged them at the Windsor Hotel on Fifth Avenue, where Jay Gould often plotted his corporate raids. From 1877 to 1884, Rockefeller and his family stayed at the Buckingham

Hotel, a residential hotel on Fifth Avenue on the present site of the Saks department store. They had a large suite of rooms in the shadow of Saint Patrick's Cathedral, whose huge stained-glass windows loomed up dreamily outside their windows at night. (One of Junior's early memories was of being reprimanded sharply by his mother for failing to thank a hotel waiter for bringing him food.) After Harvey Spelman's death in 1881, Grandmother Spelman and Aunt Lute took a suite on the same floor and shared meals with them. From late spring through early fall, the entourage returned to Forest Hill, where Rockefeller stayed in touch with the New York office by sophisticated telegraphy.

Business now dictated Rockefeller's move to the East Coast. In an age of long-distance pipelines, huge volumes of crude oil were flowing to seaboard refineries where they fed a flourishing export traffic, relegating Cleveland and other inland centers to an inferior status. Responding to the export boom, Standard Oil established sprawling refineries in Brooklyn, Bayonne, Philadelphia, and Baltimore. A latent tension now strained relations between the Cleveland headquarters and its burgeoning New York branch. One day, Benjamin Brewster, a Standard director, told Rockefeller that a two-headed calf belonged only in the circus and that the combine needed a single head. "You can't have one head in Cleveland and another in New York," he told Rockefeller. "And therefore either you have got to quit Cleveland and come on here or we have got to pack up and leave New York and go out to Cleveland." ⁶

By the time Rockefeller and Oliver Payne transferred to New York in late 1883 and early 1884, Henry Flagler had preceded them by two years. Though now immensely rich, John and Cettie possessed the low-key style and resolute sense of privacy of old money and searched for a house on a peaceful side street. They swapped nine parcels of Manhattan real estate, appraised at \$600,000, for a four-story brownstone mansion at 4 West Fifty-fourth Street. Garlanded with ivy, flanked by lawns, the residence stood on a site that would later house the Museum of Modern Art sculpture garden. If roomy and comfortable, it was extremely modest for someone of Rockefeller's wealth and, like his Cleveland residence, subtly masked the size of his fortune. For all its social cachet, Fifth Avenue was now a busy, nerve-jangling thoroughfare, as Junior remembered with dismay: "It was paved with cobblestones and I can still hear the noise of the steel tires rumbling along the street. It was fearfully noisy."⁷ By contrast, West Fifty-fourth Street was a shady retreat, situated north of the Elgin Botanical Gardens, which later

formed part of Rockefeller Center. Opposite the Rockefeller home stood Saint Luke's Hospital, with lawns and gardens that spread a fragrant tranquillity over the street.

The home that the Rockefellers bought was the opulent boudoir of the beautiful Arabella Worsham, who had tried to pass herself off as a niece of railroad mogul Collis Huntington when she was actually his mistress. When Huntington's wife died in late 1883, he decided to marry Arabella and make an honest woman of her. The sober brownstone that had sheltered their assignations went on the market, and it is amusing to think of the Rockefellers snapping up their love nest. A frugal man, John D. followed his accustomed practice of keeping the furnishings, even if the style in this case diverged ludicrously from his own. The interior contained touches of voluptuous sensuality, such as Arabella's exotic Moorish salon on the ground floor and the Turkish bath upstairs. The sumptuous master bedroom was artistically designed in Anglo-Japanese style, with dark ebonized woodwork, a queen-size canopied sleigh bed, and a magnificent silver and gilt chandelier. The bay window provided an intimate Turkish corner, tantalizingly glimpsed through a stained-glass screen. Doubtless as a legacy of Arabella Worsham—one can't picture the prudish Rockefellers shopping for such things—4 West Fifty-fourth Street had paintings by Corot, Meissonier, Daubigny, and other French painters then in vogue among local parvenus. The house also had the latest conveniences, including one of the city's first elevators in a private residence. The only thing removed by Rockefeller were the worn carpets, which he donated to the needy through a local church.

Though West Fifty-fourth Street was a tree-lined oasis, the Rockefellers had chosen the most sybaritic precinct of New York society in the Gilded Age. Much of the wealth amassed in what Mark Twain called the "raging, tearing, booming nineteenth century" had now settled in Manhattan. The old New York aristocracy, huddled around Washington Square and Gramercy Park, shuddered at the pretentious uptown mansions, which paid tribute to postwar fortunes in railroads, steel, and oil. Along Fifth Avenue near the Rockefeller home, the palaces of the rich—notably the fantastic, turreted confections of William K. Vanderbilt at Fifty-first Street and Cornelius Vanderbilt II at Fifty-eighth Street—stretched uptown in gaudy profusion.

With Standard Oil moving its headquarters to New York, the neighborhood was becoming a colony of company directors. At one point in this corporate relocation, twenty-eight Standard Oil executives arrived in a single Pullman

car from Cleveland and were taken straight to the Saint James Hotel, where William presided over their first breakfast and John their first dinner. The latter liked to greet new arrivals at the train station and help them to find houses. Soon, the Fifth Avenue strip near Rockefeller's home was thickly populated with Standard Oil men, Henry Flagler occupying the southeast corner of Fifty-fourth Street and William Rockefeller the northeast corner, with Benjamin Brewster next door to William. William departed from his brother's ascetic style and raised his children in a looser, freer atmosphere, causing envious pangs among John's children. As Junior said, "We children didn't have what those children had and we used to notice the difference. They had a gay kind of social life, with many parties which we used to wish we could have."⁸ Since William refused to take on debt to build his house, he sold \$50,000 of Standard Oil stock to John despite his brother's heartfelt plea to retain the stock. William's imprudent decision figured importantly in the enormous disparity in wealth that developed between the two brothers.

In New York, John D. did not acquire cosmopolitan interests but stuck with his old Cleveland pastimes, creating a large ice-skating rink every winter in a space adjoining his house. Each morning, curious pedestrians could glimpse the chief of the American oil industry, dressed in overcoat and top hat, ice skates strapped to his patent-leather boots, as he glided placidly around the horseshoe-shaped area. A great enthusiast for the sport, he created rows of shelves in his house on which dozens of guests could store their skates.

Though Rockefeller resisted the yacht-owning fad that swept New York society in the 1880s and owned neither a boat nor private railroad car, he spared no expense for fast-trotting horses in his large, heated stable at 21 West Fiftyfifth Street. Every afternoon after work, he took out his black gelding trotters and mingled with the pageant of fashionable carriages thronging Central Park, often racing against his brother William, with an excited Junior seated at his side. So keenly did Rockefeller relish trotting that at one point he told his son, "I drove four times yesterday making an aggregate in the two days of about eighty miles. Don't you think I am an enthusiastic youth?"⁹ Junior left a description of his father's racing style that seems a metaphor for his assertive but careful stewardship of Standard Oil:

Other drivers would often lose their tempers when a horse broke gait or pulled hard; Father never. If a horse was excitable or difficult he always kept his temper, and patiently, quietly worked with the animal until he steadied it. Frequently I have seen him driving at a very rapid pace through Central

Park; in the middle of the roadway through two streams of traffic, pushing always a little to the left, as he explained to me, so as to open his way through, but keeping margin enough on the right so that if the approaching traffic did not swing over in time, he would still have room enough to pass. ¹⁰

Never dazzled by New York, Rockefeller was insulated from the beau monde that threw costly dinners and costume balls and frequented the theater, opera, and clubs. He had no interest in debauchery, and it is hard to picture him milling about with portly men smoking cigars or women wearing expensive furs and jewels. The newspapers noted his total boycott of social functions. As one periodical said, “He never entertains notables, his home is never given to entertainment, and he follows the policy of self-effacement at all times and in all places.”¹¹ Although he joined the Union League Club, Rockefeller did not feel comfortable with the splendor of the Astors and Vanderbilts. When Cettie asked for a new four-wheeled carriage in 1882, John stared at her, aghast, and said they could scarcely afford it unless they traded in the old one. Abiding by his daily rituals, he still enjoyed bread and milk in the morning and a paper bag of apples in the evening. Each morning before work, a barber shaved him in his dressing room before he trotted down the brownstone stoop at exactly the same hour and for a nickel took the Sixth Avenue elevated train downtown. The wheels of his mind already turning, he jotted penciled notes on his shirt cuff as the train jolted toward Wall Street. Moving with spectral stealth, as if tiptoeing on a cushion of air, he slipped into the Standard Oil building at the stroke of nine. “I never knew anyone to enter an office as quietly as Mr. Rockefeller,” said his private secretary, George Rogers. “He seemed almost to have a coat of invisibility.”¹²

In late 1883, Standard Oil began to assemble real estate at the southern tip of Manhattan for new headquarters, destined to soar above Broadway at Bowling Green on the onetime site of Alexander Hamilton’s home. Having long outgrown William’s old offices at two different locations on Pearl Street, the firm had operated for three years from modest, unprepossessing quarters at 44 Broadway. Now, on May 1, 1885, after spending nearly one million dollars on it, Standard Oil moved into its impregnable new fortress, a massive, granite, nine-story building. The combine’s name didn’t appear outside, just the building number. Twenty-six Broadway soon became the world’s most famous business address, shorthand for the oil trust itself, evoking its mystery, power, and efficiency. Standard Oil was now America’s premier business, with a reach that ramified into a labyrinth of railroads,

banks, and other businesses. The purple prose aroused by the new building perhaps owed less to its imposing neoclassical architecture than to its symbolic heft. Said one reporter: “Many worthy men are convinced that No. 26 Broadway is the most perilous shelter on earth—a cave for pirates, a den for the cutthroats of commerce.”¹³ Otherwise sober writers seemed to swoon before the saturnine grandeur of Rockefeller’s seat of power:

*At the lower end of the greatest thoroughfare in the greatest city of the New World is a huge structure of plain gray-stone. Solid as a prison, towering as a steeple, its cold and forbidding facade seems to rebuke the heedless levity of the passing crowd, and frown on the frivolity of the stray sunbeams which in the late afternoon play around its impassive cornices. Men point to its stern portals, glance quickly up at the rows of unwinking windows, nudge each other, and hurry onward, as the Spaniards used to do when going by the offices of the Inquisition. The building is No. 26 Broadway.*¹⁴

Reporters who managed to slip past the watchful guards found a world at odds with the grim exterior, a dignified place with mahogany rolltop desks and mustard-colored carpets. The subdued atmosphere—people instinctively conferred in hushed tones—mirrored Rockefeller’s own personality. Rockefeller’s office faced south and east, with a spectacular view of New York harbor. As one reporter commented, “There is an absence of bustle and noise. While transactions involving millions may be involved, the negotiations are conducted in a quiet methodical manner, apparently free from excitement.”¹⁵ The offices had some unusual security features, including ground-glass partitions that reached to the ceiling and obscured the proceedings within. In a quintessential Rockefeller touch, the doors were equipped with special secret-rim locks: One had to know how to twist the rim with thumb and forefinger before turning the knob, so that an intruder could find himself suddenly trapped in a maze of ostensibly locked doors.

In these new quarters, the Standard Oil mandarins preserved a tradition launched years before. Each day at noon, the executive committee gathered for lunch in a top-floor room decorated with hunting and fishing trophies and with a port view that suited their global empire. There was no surer proof of favor in the Standard Oil empyrean than to receive an invitation to dine at the long table. Arriving in silk hats, frock coats, and gloves, the directors always took the same assigned seats. In his deceptively self-effacing style, Rockefeller yielded the head of the table to his most frequent adversary, Charles Pratt, who was the group’s oldest member; Flagler sat to Pratt’s right,

then Rockefeller, then Archbold. It says much about his managerial approach that Rockefeller sat indistinguishably among his colleagues, though the leveling arrangement scarcely disguised his unique status. As philosopher Herbert Spencer once said, “A business partnership, balanced as the authorities of its members may theoretically be, presently becomes a union in which the authority of one partner is tacitly recognized as greater than that of the other or others.”¹⁶

Few outsiders knew that one of Rockefeller’s greatest talents was to manage and motivate his diverse associates. As he said, “It is chiefly to my confidence in men and my ability to inspire their confidence in me that I owe my success in life.”¹⁷ He liked to note that Napoleon could not have succeeded without his marshals.¹⁸ Free of an autocratic temperament, Rockefeller was quick to delegate authority and presided lightly, genially, over his empire, exerting his will in unseen ways. At meetings, Rockefeller had a negative capability: The quieter he was, the more forceful his presence seemed, and he played on his mystique as the resident genius immune to petty concerns. As one director recalled, “I have seen board meetings, when excited men shouted profanity and made menacing gestures, but Mr. Rockefeller, maintaining the utmost courtesy, continued to dominate the room.”¹⁹ Sometimes, he dozed on a couch after lunch. “I can see him now,” one executive recalled, “lying back on a lounge at a directors’ meeting, eyes closed taking it all in. Now and then he’d open his eyes and make a suggestion.”²⁰

Rockefeller placed a premium on internal harmony and tried to reconcile his contending chieftains. A laconic man, he liked to canvass everyone’s opinion before expressing his own and then often crafted a compromise to maintain cohesion. He was always careful to couch his decisions as suggestions or questions. Even in the early days, he had lunched daily with brother William, Harkness, Flagler, and Payne to thrash out problems. As the organization grew, he continued to operate by consensus, taking no major initiative opposed by board members. Because all ideas had to meet the supreme test of unanimous approval among strong-minded men, Standard Oil made few major missteps. As Rockefeller said, “We made sure that we were right and had planned for every contingency before we went ahead.”²¹

Even though Rockefeller feuded sporadically with Charles Pratt, Henry Rogers, and others, the firm was free of the petulant bickering and

bureaucratic jealousy that usually accompany vast power. At least to hear Rockefeller tell it, the directors—former foes who had banded together in corporate brotherhood—were bound by an almost mystic faith. For him, their belief in each other explained their cohesion and certified their virtue. “Crooked men cannot be held as these Standard Oil Company men were held for all this long term.”²² The continuity of leadership made the firm all but impervious to snooping reporters and government investigators, who could never penetrate the tight-knit phalanx of like-minded men who ran the oil empire for four consecutive decades.

The unity of the Standard Oil partners was especially impressive given the organization’s byzantine structure, a far-flung patchwork of firms, each nominally independent but in reality taking orders from 26 Broadway. In the absence of a federal incorporation law, Rockefeller, like other contemporary businessmen, had to cope with a tangle of restrictive laws that made it fiendishly difficult to run an interstate company. As he said, “Our federal form of government, making every corporation created by a state foreign to every other state, renders it necessary for persons doing business through corporate agency to organize corporations in some or many of the different states in which their business is located.”²³ This handicap forced business leaders to devise cunning ways to circumvent laws and led them to corrupt politicians and legislatures; much of Rockefeller’s political cynicism issued from this source. For Standard Oil, a national operation from the start, the antiquated legal framework lured it into myriad legal adaptations. But if Rockefeller correctly considered the legal system an unfair impediment, it was also a spur to his ingenuity.

His first major improvisation came with an ingenious trust agreement that was executed privately in 1879. Under its charter, Standard Oil of Ohio couldn’t own companies outside the state, so it assigned three midlevel employees—Myron R. Keith, George F. Chester, and George H. Vilas—to serve as trustees who held stock in a score of subsidiaries outside the state. When they received dividends, they distributed them to the thirty-seven investors of Standard of Ohio *as individuals*, in amounts proportionate to their stakes in the parent company. (Of the 35,000 Standard shares, Rockefeller held nearly 9,000, or three times the amount of Flagler, Harkness, Pratt, or Payne.)²⁴ This jerry-built structure enabled Rockefeller to swear under oath that Standard Oil of Ohio didn’t own property outside of Ohio, even though it controlled most of the pipelines and refineries in Pennsylvania, New York,

New Jersey, and Maryland; technically speaking, the trustees owned these properties.

The 1879 agreement, a makeshift arrangement, lasted only three years. When the state of Pennsylvania tried in 1881 to tax the property of Standard of Ohio within its borders, Rockefeller feared that other states might copy this precedent and hold him hostage. At the same time, he had absorbed so many new pipelines and refineries that he was struggling to coordinate policy among many scattered units. The time had come to streamline operations, impose guidance, and attain new efficiencies. The brains behind this next stage of development was an affable, roly-poly lawyer and Presbyterian elder named Samuel C. T. Dodd, a man so fat that one wag claimed he was the same size in every direction. As general solicitor of Standard Oil from 1881 to 1905, he was its leading theoretician and publicist, as much ideologist as lawyer. A carpenter's son from Franklin, Pennsylvania, and an amateur poet passionate about classical literature, he had been a vocal, high-minded resident of Titusville. Ironically, as a Democratic member of Pennsylvania's constitutional convention in 1872, Dodd had won attention as a scourge of the railroads, excoriating Rockefeller and the South Improvement Company for taking advantage of rebates.

The way Dodd entered Standard Oil should have tipped him off to the depth of Rockefeller's guile. In 1878, two refiners named Taylor and Satterfield hired him in a dispute against United Pipe Lines, which was ostensibly owned by Vandergrift and Forman. Since Dodd was also a lawyer for Captain Jacob J. Vandergrift, he found himself representing both sides in the case. At one point, Vandergrift made a shocking confession to him: United Pipe Lines actually belonged lock, stock, and barrel to Standard Oil. At the behest of his clients, Dodd journeyed to Cleveland to draw up a mutually satisfactory settlement. As he recalled:

Here, for the first time, I met John D. Rockefeller, a very pleasant, gentlemanly, unassuming man, but slow in his deliberations and particular as possible at every point of negotiation. Being a little vexed one day at my objection to some clause he desired in the contract which was being drawn, he said in a sarcastic tone: "Mr. Dodd, do you often act for both sides in a case?" I said, "Not often, Mr. Rockefeller, but I am always ready to do so when both sides want an honest lawyer." This seemed to amuse him and we soon brought the matter to a settlement.²⁵

When Rockefeller hired him in 1879, Dodd held out, not for more money or titles but for assurances of his integrity. Taking a relatively small salary (it would never exceed \$25,000 a year), he resisted Rockefeller's plea that he take Standard Oil stock, arguing that this might compromise his legal judgment, and he never became a Standard director for that reason. He also emphasized that he would never alter his settled views on the injustice of railroad rebates. To all these conditions, Rockefeller assented breezily—perhaps too breezily. As will be seen, he spent years fooling Dodd about Standard Oil's relations with the railroads, to the point that one must conclude that Dodd fairly asked to be duped and suspended all skepticism. After being hired by Rockefeller, Dodd was ostracized by many former clients along Oil Creek. To these critics, he shrugged and said, "Well, as the ministers say when they get a call to a higher salary, it seems to be the Lord's will." ²⁶ Rockefeller bestowed this encomium on Dodd: "A more just man never lived. . . . He was a lovable, loyal man."²⁷ In many antitrust hearings, Rockefeller looked to the redoubtable Dodd and awaited his nod of approval before answering questions.

Dodd was a wizard at contriving forms that obeyed the letter but circumvented the spirit of the law. As the Keith-Chester-Vilas travesty became known, Dodd studied new organizational structures that might allow Standard to expand business while maintaining centralized control. That the major directors lived in separate cities—mostly Cleveland, New York, Pittsburgh, Philadelphia, and Baltimore—was impeding finely meshed coordination. Dodd came up with a sudden brainstorm as to how to meld intrastate firms into an interstate giant. The first step was to set up a separate Standard Oil company in each state in which it had major interests. As a result, Standard Oil of New York was formed on August 1, 1882, with William Rockefeller as president; four days later, John became president of the new Standard Oil of New Jersey. This stratagem was designed to prevent each state from taxing Standard Oil property located outside the state. Dodd realized that separate companies required separate boards of directors and considered how to prevent a fragmentation of power. The answer, he explained, was that "you could have a common name, a common office, and a common management by means of a common executive committee. The stock could in effect be made common by placing the corporate stock in the hands of Trustees who shall issue certificates of interest in the Trust estate, which certificates will be entitled to their due proportions of the various stock dividends."²⁸ As Dodd noted, this elaborate stock swap would create a union

not of corporations but of stockholders, ensuring that the companies could behave in concert without running afoul of the law.

Dodd and Flagler drafted the new Standard Oil trust agreement, which was dated January 2, 1882. The public knew nothing of this contrivance that spawned a \$70 million enterprise and controlled 90 percent of American refineries and pipelines until it emerged, accidentally, in antitrust hearings six years later. The agreement created a board of nine New York–based trustees — the group that assembled daily for lunch at 26 Broadway. Today, we would term it a holding company, but at the time it seemed an imaginary entity, lacking any real legal existence. It couldn't make deals, sign contracts, or keep books, though it wielded infinite power. It received the stock of Standard of Ohio and forty other companies—twenty-six of them partially, fourteen fully owned—with the power to name their officers and directors. Among the shareholders, the distribution of power and wealth remained lopsided, with Rockefeller holding more than one-third of the trust certificates, a block worth \$19 million. The five members of the Cleveland wing—John and William Rockefeller, Flagler, Payne, and Harkness—retained a commanding majority of shares and formed a pool within the top echelon to buy and sell jointly interests in other companies.

For the first time, the trust's formation created negotiable securities, and this profoundly affected the Standard Oil culture. Not only did Rockefeller urge underlings to take stock but made money abundantly available to do so. As such shareholding became widespread, it welded the organization more tightly together, creating an esprit de corps that helped in steamrolling over competitors and government investigators alike. With employees receiving huge capital gains and dividends, they converted Standard Oil into a holy crusade. Rockefeller hoped the trust would serve as a model for a new populist capitalism, marked by employee share ownership. "I would have every man a capitalist, every man, woman and child," he said. "I would have everyone save his earnings, not squander it; own the industries, own the railroads, own the telegraph lines."²⁹

In many ways, Standard Oil's metamorphosis previewed the trajectory of other major American business organizations in the late nineteenth century as they moved from freewheeling competition to loosely knit cartels to airtight trusts. The 1882 agreement introduced the concept of the trust as something synonymous with industrial monopoly. During the 1880s, industrywide pools sprouted in many industries in America, England, and Germany, but their

leaders found it difficult to prevent cheating and secret price-cutting among members. Now, Standard Oil came up with a way to introduce centralized control, backed by enforcement powers and managerial direction. So many companies duplicated the pattern over the years that one can say, with pardonable exaggeration, that the 1882 trust agreement executed by Standard Oil led straight to the Sherman Antitrust Act eight years later.

Rockefeller was a unique hybrid in American business: both the instinctive, first-generation entrepreneur who founds a company and the analytic second-generation manager who extends and develops it. He wasn't the sort of rugged, self-made mogul who quickly becomes irrelevant to his own organization. For that reason, his career anticipates the managerial capitalism of the twentieth century.

Since he never owned more than a third of his company, he needed the cooperation of other people. Having created an empire of unfathomable complexity, he was smart enough to see that he had to submerge his identity in the organization. Many people noted that Rockefeller seldom said "I," except when telling a joke, preferring the first-person plural when discussing Standard Oil. "Don't say that *I* ought to do this or that," he preached to colleagues. "*We* ought to do it. Never forget that we are partners; whatever is done is for the general good of us all." ³⁰ He preferred outspoken colleagues to weak-kneed sycophants and welcomed differences of opinion so long as they weren't personalized. In their private deliberations, the Standard executives, for all their swashbuckling reputation, tended to be cordial and formal. As Cleveland Amory said of them, "No group of American tycoons were ever more forbidding or high and mighty publicly or more gentle and shy and retiring privately."³¹

By creating new industrial forms, Rockefeller left his stamp on an age that lauded inventors, not administrators. That he created one of the first multinational corporations, selling kerosene around the world and setting a business pattern for the next century, was arguably his greatest feat. As he said, "Our nation was in a state of transition from agriculture to wholesale manufacture and commerce, and we had to invent methods and machinery as we went along."³² Whatever the debates about his ethics, economists and historians have unanimously extolled his role as a pioneer of the modern corporation. Despite the legal impediments, he was able to fuse together dozens of disparate firms into a seamless whole. What might have been a cumbersome apparatus developed into an efficient instrument in Rockefeller's

hands. Standard Oil led the way in industrial planning and large-volume production, exploiting economies of scale that might otherwise have been hard to achieve at this stage in a purely competitive state. Under Rockefeller's tutelage, the trust made notable strides in improving kerosene, developing by-products, and reducing the cost of packaging, transporting, and distributing petroleum products worldwide. As one biographer has remarked, "Rockefeller must be accepted as the greatest business administrator America has produced." ³³ An oil historian echoes this verdict: "Rockefeller was the single most important figure in shaping the oil industry. The same might arguably be said for his place in the history of America's industrial development and the rise of the modern corporation." ³⁴

The secret to unifying the dozens of affiliated concerns proved to be the committee system patented by Standard Oil. The inner sanctum was the executive committee. Though they recommended actions to field supervisors, they held considerable power in reserve, for they had to approve all expenditures above \$5,000 and salary increases above \$50 a month, enabling them to retard the growth of any unit. Below the executive committee came a battery of specialized committees dedicated to transportation, pipelines, domestic trade, export trade, manufacturing, purchasing, and so on. These committees standardized the quality of subsidiaries engaged in similar work, enabling managers to swap insights and align their operations. As Rockefeller said of this innovation: "A company of men, for example, were specialists in manufacture. These were chosen experts, who had daily sessions and study of the problems, new as well as old, constantly arising. The benefit of their research, their study, was available for each of the different concerns whose shares were held by these trustees." ³⁵ Under the committee system, Standard Oil created a self-sufficient universe, overseeing plants that made acid, chemicals, staves, barrels, wicks, pumps, and even tank cars. It shut down more than thirty obsolete refineries, concentrating more than a quarter of world kerosene production in three monster plants in Cleveland, Bayonne, and Philadelphia.

The committee system was an ingenious adaptation, integrating the policy of constituent companies without stripping them of all autonomy. We must recall that Standard Oil remained a confederation and most of its subsidiaries were only partially owned. A top-down hierarchical structure might have hampered local owners whom Rockefeller had promised a measure of autonomy in running their plants. The committee system galvanized their

energies while providing them with general guidance. The committees encouraged rivalry among local units by circulating performance figures and encouraging them to compete for records and prizes. The point is vitally important, for monopolies, spared the rod of competition, can easily lapse into sluggish giants. At Standard Oil, in contrast, as Rockefeller stated, “the stimulus to make the best showing, each concern for itself, led to active and aggressive work in competition.”³⁶

For many years, Rockefeller had tried to free himself from details and applauded the committee system as relegating him to a fifth wheel. He never attended individual committee meetings but sometimes, in his odd way, dropped by when committee heads conferred. As one member said:

*I have seen Mr. Rockefeller often at a meeting of the heads of the different departments of the Company, listening carefully to each one and not saying a word. Perhaps he would stretch out on a lounge and say: “I am a little tired, but go right on gentlemen, for I know you want to reach a decision.” He might close his eyes now and then; but he never missed a point. He would go away without saying a word but good-bye. But next day when he came down he had digested the whole proposition and worked out the answer—and he always worked out the right answer.*³⁷

Although Standard Oil encouraged cooperation and allowed strong executives to flourish, Rockefeller retained unrivaled influence. While colleagues embarked on shopping binges to buy palatial homes and European art, Rockefeller husbanded his money. He believed in Standard Oil and gladly purchased all available stock from other directors. “Oh, I was the dumping ground for them all in those days,” he once laughed, and his unequalled shareholding gave his opinions extra weight.³⁸

Beyond the size of his stake, Rockefeller also possessed an unlikely charisma. He never backslapped, roughhoused, or skylarked with his colleagues, and his statesmanlike calm evoked feelings of awe. As one reporter said in 1905, “No man, however unimpressionable he may be, can stand in the presence of Mr. Rockefeller without feeling the repressed power of the man.”³⁹ He seemed to possess oracular powers. As Archbold conceded, “Rockefeller always sees a little further than the rest of us—and then he sees around the corner.”⁴⁰ Another Standard executive, Edward T. Bedford, paid him this high tribute: “Mr. Rockefeller was really a superman.

He not only envisaged a new system of business upon a grand scale but he also had the patience, the courage and the audacity to put it into effect in the face of almost insuperable difficulties, sticking to his purpose with a tenacity and confidence [that were] simply amazing.”⁴¹

He also had a tactful, easy manner with less exalted employees and never reacted angrily when presented with grievances. Once a year, each employee had the right to appear before the executive committee and argue for a higher salary, and Rockefeller always reacted pleasantly. As one employee recalled, “When H. H. Rogers would say gruffly that he had had enough and we had no right to ask for an increase of salary, Mr. Rockefeller would say, ‘Oh, give him a chance.’”⁴² But the mildness was deceiving, for while Rockefeller might sometimes be prepared to pay wages 10 or even 20 percent above the prevailing levels, he would never countenance unions or organized employee protest.

In the last analysis, Rockefeller prevailed at Standard Oil because he had mastered a method for solving problems that carried him far beyond his native endowment. He believed there was a time to think and then a time to act. He brooded over problems and quietly matured plans over extended periods. Once he had made up his mind, however, he was no longer troubled by doubts and pursued his vision with undeviating faith. Unfortunately, once in that state of mind, he was all but deaf to criticism. He was like a projectile that, once launched, could never be stopped, never recalled, never diverted.

Amid the murky temptations of Manhattan, the Rockefeller home was a tranquil island of missionary work, temperance meetings, and prayer vigils. Beset by fears of big-city vice and determined to avoid exposure to liquor, cards, tobacco, and dancing, the Rockefellers still socialized only with kindred spirits. The greater the controversy surrounding Standard Oil, the more decorous their home life.

The family belied John Wesley’s dictum that “wherever riches have increased, the essence of religion has decreased in the same proportion.”⁴³ The Rockefellers had also figured out how to solve the riddle that John Adams posed to Thomas Jefferson in 1819: “Will you tell me how to prevent riches from producing luxury? Will you tell me how to prevent luxury from producing effeminacy, intoxication, extravagance, Vice and folly?”⁴⁴ The fear that wealth would adulterate their values only pushed John and Cettie

deeper into church activism and the temperance movement. In 1883, John sat on an advisory committee of the Women's Christian Temperance Union, which was campaigning for an amendment to the Ohio constitution to outlaw the manufacture and sale of liquor. Though the initiative petered out, he later became a major benefactor of the Ohio Anti-Saloon League and grew steadily more militant in the cause. "I fear unless a great temperance reform sweeps over our whole land, the Republic itself may be imperilled," he thundered.⁴⁵ Among other pet causes of this period, he gave substantial sums to the revivalist Dwight L. Moody and urged Henry Flagler to follow suit.

Right before the Rockefellers left Cleveland, some friends asked Cettie why her children hadn't been baptized, and she was haunted by the question. She began intensive prayer meetings with her children, which led three of the four—Alta (twelve), Edith (eleven), and John (nine)—to be baptized jointly on October 28, 1883, the last Sunday before their move to New York. Afterward, Cettie recorded her impressions: "It was a beautiful and impressive sight, after the morning service—there were plants and flowers around the baptistry, and a dove suspended over it."⁴⁶ Since the Rockefellers returned to Cleveland each summer, John and Cettie retained their positions at the Euclid Avenue Baptist Church. Upon arriving in Manhattan, they joined the Fifth Avenue Baptist Church and imported the Reverend William H. P. Faunce from Springfield, Massachusetts, to head it. It never occurred to the Rockefellers to trade up to a more socially prestigious denomination. "Most Americans when they accumulate money climb the golden spires of the nearest Episcopal Church," H. L. Mencken later observed. "But the Rockefellers cling to the primeval rain-god of the American hinterland and show no signs of being ashamed of him."⁴⁷ They would not have felt comfortable with the splendor and formality of a high-church denomination.

After having been taught at home for many years, the Rockefeller children began to venture forth tentatively from their often-stifling family cocoon. Rockefeller said he educated his children at home because he had divided his time between Cleveland and New York for several years, but he also might have wanted to sequester them from forbidden contacts. Bessie, Alta, and Edith now attended the Rye Female Seminary in Westchester County, directed by a Mrs. Life, the former Susan La Monte, who had tutored Rockefeller in his early adolescence in Owego. Though the progeny of one of America's richest men, the three young heiresses seemed to drift about in a state of perpetual longing. As one intimate companion recollected,

The allowances given to the children were small. Edith confided to me one day while we were shopping that it was the dearest wish of her heart to have some silk underwear, but that “Mother wouldn’t hear of it.” Alta yearned for a high hat to wear with her riding costume, and when after months of cajoling she finally got it, she had [a] picture taken. . . . Then the dream of her life became riding boots.⁴⁸

Edith became positively clothes crazy, displaying a craving for fashionable outfits and jewelry in defiance of her parents’ values.

By avoiding talk of money as unbecoming, Rockefeller concealed from his children the magnitude of his fortune. When Bessie enrolled at Vassar in the mid-1880s—she was the only daughter to attend college—she went on a shopping expedition with some classmates to purchase a Christmas present for a favorite teacher. At a Manhattan store, they found the perfect gift: a \$100 desk. Since Bessie and her companions had only \$75, they asked the merchant if he could wait a few days for the remaining \$25. He agreed to do so if a New York businessman would vouch for them. “My father is in business,” Bessie offered meekly. “He will vouch for us.” Who is your father? asked the man. “His name is Mr. Rockefeller,” she said. “John D. Rockefeller; he is in the oil business.” The merchant gasped. “John D. Rockefeller your father!” When he agreed to ship the furniture, Bessie imagined he had merely changed his mind to please them.⁴⁹

When it came time for Junior to dispense with private tutors, he went to the New York School of Languages, followed by a school run by C. N. Douglass, and then the tony Cutler School, whose student body included Albert Milbank, Cornelius N. Bliss, and Cornelius Vanderbilt. Junior trudged the pavement to school each morning while he watched poorer classmates rolling by in fine carriages. Though he belittled his own intelligence, this bright, dutiful boy always scored high grades and led a purposeful life that allowed small time for leisure. When not doing homework, he often practiced his violin, and for eight years he took lessons from Richard Arnold, first violinist of the Philharmonic Orchestra. Though never spanked or punished, Junior had to put up with unremitting religious indoctrination from Cettie.⁵⁰ By comparison, Father was almost playful. Eager to please his parents and other adult authority figures, Junior took things too seriously and was petrified of making a mistake.

It is a small miracle that, with so much duty so regularly dinned into their

heads, the Rockefeller children didn't go batty. They did, however, erupt in a mass of psychosomatic symptoms. During his first year at Cutler, at age thirteen, Junior racked up a 98.1 grade average only to succumb to some sort of nervous collapse from overwork.⁵¹ Too much expectation had been heaped on this frail vessel, and he buckled beneath the weight. His father ordered the staple Victorian cure of hard outdoors work. In late 1887, Junior and his mother wintered at Forest Hill, where he furiously chopped wood (fifteen cents a cord), broke stones, burned brush, and raked leaves, working the nervous tension from his system. Junior enjoyed this fleeting monopoly on his mother's affections and the respite from his regimented New York life. His letters to his father evoke the melancholy beauty of a snowbound winter, with moonlit sleigh rides and afternoons skating on the frozen lake as he pushed Cettie before him in a wooden chair.

Reinvigorated by his stay, Junior completed a second year at Cutler before being transferred to a school custom-made for him. John and William Rockefeller conferred with a talented instructor, John A. Browning, who created the tiny Browning School with just two classes: one built around Junior, the other around William's son Percy. A Rockefeller operation from the outset, it was set up in a family-owned brownstone on West Fifty-fifth Street, with John and William paying Browning's salary and reserving the right to screen applicants. From the beginning, the school emphasized manual crafts as well as classical studies and was animated by an egalitarian spirit. Nettie Fowler McCormick of the Chicago reaper clan sent her two sons, Harold and Stanley, and the student body of twenty-five also included two sons of William's estate superintendent in Greenwich, Connecticut. The Browning School was yet another attempt by John D. to prevent his children from putting on airs or slipping into idle dissipation.

The letters Junior sent his father from Forest Hill during the winter of 1887–1888 make clear that his mother was also recuperating from a bout of ill health. He told a friend, "Although it would be pleasant to be with the rest of the family, when we think how much good it is doing mother—and she really is getting much better, she sleeps so well and feels so much better—we are perfectly happy to be separated."⁵² Always weak, Cettie was beginning to betray signs of the frailty that would convert her into an invalid. She enjoyed driving with her husband and shared his love of skating but took these activities only in small doses. "She was not strong . . . and could not endure much exercise," said her son.⁵³

For the biographer of John D. Rockefeller, the most exasperating lacuna in his story is Cettie's transformation from a bright, witty girl into a rather humorless woman, prone to a nunlike religiosity. One wonders what happened to the high-spirited, vivacious young woman who was the high-school valedictorian and literary editor at Oread Collegiate Institute. By the 1880s, when she was in her forties, her letters were suffocated by a treacly piety and endless platitudes as she grew righteous and slightly unreal. As one magazine noted, "It would be hard to find anyone who has anything to say against Mrs. John D. Rockefeller, for the reason that Mrs. Rockefeller's life is almost wholly devoted to religious and benevolent work."⁵⁴ She uttered only noble and uplifting thoughts, constantly thanked the Lord, and never stooped to gossip or flip remarks.

Was this the case of another smart Victorian woman who felt trapped by the few options open to her and took to bed and religion from boredom or self-defense? The social conventions of her day clearly approved of her decision to confine herself to church and home. But one also wonders whether her cloistered religiosity wasn't a reaction to the mounting controversy surrounding Standard Oil. This gentle, brown-eyed woman adored her husband and believed implicitly in his goodness, but she was bothered by the charges hurled against him. We know from two of Rockefeller's colleagues that Cettie sometimes wanted him to respond to attacks that he preferred to slough off and ignore. In the 1860s and early 1870s, Rockefeller wrote her confidential, highly informative letters about his business dealings, including the SIC. Starting in the 1880s, however, his letters suddenly became bland and empty, full of banalities about the weather and barren of business news.

In general, Rockefeller kept his family apart from Standard Oil matters, with one curious exception. At the breakfast table, he sometimes read aloud samples from the reams of abusive crank mail that swamped his office. Perhaps he did this to make light of the threats or take the sting from controversy. Aside from this, he steered clear of anything even faintly controversial. Did Cettie's religion become her impenetrable shield against the venomous criticism of her husband? And did John become more self-righteous about temperance and other social issues to assert his own virtue and assuage his conscience? These are intriguing questions, but ones avoided so sedulously by Rockefeller and his family that they left no comments that might shed any light on them. Certain aspects of Rockefeller's married life—those critical things whispered about Standard Oil in the privacy of the bedroom at night—will likely remain a mystery forever.

Rockefeller always took umbrage at the accusation that he was a narrow workaholic, yet he didn't begin to travel abroad until after he had moved to New York and was well into his forties. A stubborn provincial, he didn't hanker after the exotic, and he shunned Asia, Africa, Latin America, and other distant outposts serviced by Standard Oil. For him, the aim of travel wasn't to submit to the charms of an alien place but to transport his culture there intact. He never traveled without a clergyman (typically Edward Judson or Augustus Strong) and a doctor (usually Hamilton Biggar) in tow to cater to his spiritual and physical needs. Although Rockefeller never owned a private railroad car, the railroads hooked one up for him, as needed, to a transcontinental train for domestic trips. These plush carriages were divided into six compartments, including a kitchen, pantry, observatory room, private room, and staterooms. Streaking across the Great Plains, the family exuberantly sang hymns, or the children practiced their musical instruments. For an hour each morning, the clergyman led a Bible session, expounding another beatitude. In mapping his itinerary, Rockefeller ensured access to a Baptist church each Sunday, and he especially liked to drop in on black churches, often leaving a substantial donation in his wake. Most of all, he rejoiced to find a good, rousing tent meeting on the road—that was a real vacation treat for a man who always found religion an uplifting experience.

In 1883, Rockefeller and Henry Flagler toured Jacksonville and Saint Augustine, Florida, and reviewed the state's economic prospects with Dr. Andrew Anderson and tobacco mogul George P. Lorillard. The next year, the Rockefellers headed down to Atlanta, swung west to New Orleans, and wound up in Los Angeles and San Francisco. Two years later, they made an extended trip to Yellowstone Park and returned by way of Chicago. By this point, even Rockefeller wondered whether he would ever escape the continental United States, telling Benjamin Brewster, "I may never get to Europe with my family although we have been expecting we might go in a year or two, but I am very desirous to know more of this dear land in which we live."⁵⁵

Deliverance came on June 1, 1887, when Rockefeller and his family set sail for a three-month European vacation, the Standard Oil executives trailing after them on a tugboat to wave good-bye. They must have been relieved because they feared that his indefatigable exertions at Standard Oil might injure his health. It took Rockefeller time to shed his obsessive concern for Standard Oil and allow himself to be lulled by the restful sea spirit. While still 460 miles from Southampton, unable to stop wondering about oil, he broke

down and wired George Rogers, “I find I already thirst for knowledge about the business.”⁵⁶ A month later, he pleaded from Berlin, “Can’t you glean more of interest from Ex[ecutive] Com[mittee] for me about current business. Am anxious for every scrap of information.”⁵⁷

After the Civil War, so many Americans flocked to Europe for vacations, presenting a cavalcade of innocents abroad, that their showy vulgarity and bumptious patriotism were frequently parodied by contemporary writers. The Rockefellers must have struck the Europeans as a dry, antiseptic family, somewhat awkward and ill at ease with foreign languages. Rockefeller made no concessions to the European milieu, which only accentuated his homespun style. In London, he booked a hotel room in Piccadilly that gave his family a front-row seat for Queen Victoria’s jubilee, and they stared agog as she whisked by in a magnificent golden carriage.

As the party crossed to France, John D. was alert for sharp characters out to swindle him and prey upon his American innocence. Because he didn’t speak French, he knew he looked like a vulnerable rube. At one point, he suspected, correctly, that their tour guide was fleecing them. Politely firing the man, he took charge of financial matters and pored over stacks of incomprehensible bills. Junior left a splendid vignette of his father trying to decipher a French check:

I can see him now, going over the long French bills, studying each item, many of them being unintelligible to him. “Poulets!” he would exclaim. “What are poulets, John?” Or again, “Bougies, bougies—what in the world is a bougie?” And so on down the bill. Father was never willing to pay a bill which he did not know to be correct in all its items. Such care in small things might seem penurious to some people, yet to him it was the working out of a life principle.⁵⁸

Another traveling companion remembered the Rockefellers sitting at a private dining room in a Roman hotel as the paterfamilias dissected the weekly bill, trying to ascertain whether they had really consumed two whole chickens, as these slippery foreigners alleged:

Mr. Rockefeller listened for a while to the discussion, and then said quietly: “I can settle that very easily. John, did you have a chicken leg?” “Yes.” “Alta, did you have a chicken leg?” “Yes.” “Well, Mother, I think I remember that you had one. Is that right?” “Yes,” said the mother. “I know that I had one,

*and no chicken has 3 legs. The bill is correct.” I can still see the faces of that family group and hear the tone of Mr. Rockefeller’s voice as he so quietly and so uniquely settled that dispute.*⁵⁹

As he grew older, Junior was deputized to handle tips and bills, which he later cited as excellent business training.

Needless to say, Rockefeller spurned the European music halls and spent most of the trip making pilgrimages to churches or touring pretty scenery. At first, he declined an audience with the pope and yielded only when advised that it might please the Catholic workmen at Standard Oil. Still a man of exceptional fortitude, he and Junior went off for a vigorous mountain climb in Zermatt, Switzerland, and his stamina amazed his son. On this European trip, Rockefeller even found time to read and grew enraptured in Paris by Lew Wallace’s *Ben-Hur* and by Edward Bulwer-Lytton’s *Last Days of Pompeii* on a visit to Vesuvius. Yet he couldn’t disappear into a reverie for long. He was now so famous that as he went from city to city, his arrival was celebrated in the local papers and crank mail and begging letters began to follow him. So many letters piled up at hotels along the way that he finally had to purchase a big trunk just to carry them back. It was testimony to Rockefeller’s thoroughgoing sense of responsibility that he preserved each letter for review at home. For a man who had fled to Europe for a peaceful interlude, it must have been startling to realize that his fame and notoriety were now so widespread in a world dominated by Standard Oil that he could no longer find refuge anywhere from his own reputation.

Beleaguered by supplicants, Rockefeller tried to expand his disbursements to keep pace with his mounting income, and his donations nearly doubled from \$61,000 in 1881 to \$119,000 three years later. Notwithstanding his somewhat frigid image, he took a close interest in the recipients of his charity and directly monitored their progress. Even as he was being reviled as a corporate malefactor in the press, this contradictory man agonized over the judicious application of his money and found it harder to exercise scrutiny over charities than over business. In this seminal phase of Rockefeller philanthropy, the entire family judged the merits of applications, and the children sometimes audited important meetings. Once grace was said at breakfast, Rockefeller pulled out a folder stuffed with appeals from around the globe and assigned them to the children for further study. At this point, he drew no invidious distinctions among the children and involved all four equally in disposing of his fortune.

Rockefeller's benevolent innovations have often been credited to his extraordinary philanthropic chief, Frederick T. Gates, who arrived on the scene in the 1890s. Yet by the 1880s, Rockefeller had already formulated certain core principles for his bequests, many of them stemming from beliefs he had long entertained as a businessman. For instance, like other industrialists, he worried that charity fostered dependence and pauperized recipients. After he had escorted his family to the notorious Five Points slum of lower Manhattan on their first Thanksgiving Day in New York, he lauded a shelter for homeless men but carped at the "policy of feeding all the tramps that came. My impression is they only do it once a year. I would give them work and make them earn their food."⁶⁰

Again, contrary to his stereotype, Rockefeller was acutely concerned about the poverty that accompanied industrialization, urbanization, and immigration in the late nineteenth century. Far from taking refuge in the world to come, he also stressed salvation in this world, prodding one clergyman to go into "the midst of the multitudes thronging up and down the Bowery or thereabouts, and settle and stay right there with them, establish a church."⁶¹ Starting in 1882, he underwrote the ministry of Edward Judson, who exemplified his belief that a shepherd should abide with his flock. He was the youngest son of Adoniram Judson, a saintly figure among nineteenth-century Baptists for converting the Burmese and translating the Bible into their tongue. Abandoning an affluent congregation in New Jersey, Edward Judson took over the Berea Baptist Church on Manhattan's West Fifteenth Street to evangelize among poor Italian immigrants. As an exponent of the social gospel, which blended social work with spiritual comfort, he convinced Rockefeller to contribute to a fresh-air and cool-water fund offering poor immigrants a refreshing two-week retreat in the country each summer.

As a regular dinner guest on Fifty-fourth Street, Judson won over Rockefeller to his vision of a comprehensive religious center that would unite elements of both an urban church and settlement house, ministering to both the worldly and spiritual needs of congregants, a vision spectacularly realized with construction of the Judson Memorial Church on Washington Square in 1892. For this imposing edifice, designed in Greco-Romanesque style by McKim, Mead and White with stained-glass windows by John La Farge, Rockefeller contributed \$40,000 of the original \$256,000. Both a community center and house of worship, it offered a broad spectrum of services from day nurseries to sewing classes for the poor. By this point, Rockefeller was indisputably the most powerful Baptist layman, and his largesse was already

stirring fierce dissension in the ranks—not at all surprising in a denomination filled with working people. In the late 1880s, Judson told him about a convention of Baptist ministers in Philadelphia at which “some very shallow and ill-advised . . . vehement insinuations were made against the Standard Oil,” prompting another clergyman to deliver a “brave, ringing speech” in Rockefeller’s defense.⁶² During the next two decades, this controversy grew more obstreperous as the Baptists tried to figure out whether the munificent oil mogul had been sent to them from heaven or hell.

The most important concept Rockefeller bequeathed to philanthropy was that of wholesale giving, as opposed to small, scattershot contributions. As Cleveland’s wealthiest philanthropist in the early 1880s, Rockefeller already felt oppressed by the appeals cascading in on him. In 1881, he apologized to Reverend George O. King of the Willson Avenue Baptist Church in Cleveland, saying, “I have been holding back [an] answer in part from the fact that I had so many obligations for benevolent objects that I was almost overwhelmed.”⁶³ Since for Rockefeller the imperative to make money and donate money emanated from a common religious impulse—“I am more and more satisfied no member of a church can afford not to contribute as the Lord prosper him,” he told a friend—he approached his donations with extreme gravity.⁶⁴

In 1882, two of Rockefeller’s interests dovetailed memorably in a commitment to a black women’s school at a time when higher education for both blacks and women was held suspect. He had had a long-standing interest in education, having contributed for years to Denison University, a Baptist college in Ohio. In the 1880s and 1890s, he gave so openhandedly to A. C. Bacone’s Indian University (today Bacone College) in present-day Oklahoma that its first major building was named Rockefeller Hall. During the Civil War, Rockefeller gave to black ministers, churches, orphanages, and a deaf and mute society. He never relinquished a special solicitude for black welfare—quite atypical for a businessman at that time. Imbued with Baptist egalitarianism, he was ripe for conversion to a new cause when Sophia B. Packard and Harriet E. Giles reentered his life.

The Rockefellers had first met Packard and Giles on their honeymoon stopover at Oread Collegiate Institute, where the two women were newly recruited teachers. They were absorbed in the dismal plight of poor blacks, partly as an extension of their Baptist evangelism. After the Civil War, Baptists had been in the vanguard of forming churches for freed slaves and

teaching them to read the Bible and had enjoyed the strongest growth in the black community of any denomination. So when Packard was named corresponding secretary of the new Woman's American Baptist Home Mission Society in 1878, she had a serviceable vehicle for advancing black education. When she and Giles toured southern black schools two years later, they were appalled by the educational facilities for black women and found one especially glaring omission: Georgia, with the largest black population, lacked a single institution of higher learning for black women. To rectify this, in 1881 they opened a school for young black women—many of them born under slavery and still illiterate—in the dank, dilapidated basement of the Friendship Baptist Church in Atlanta, christening it the Atlanta Baptist Female Seminary. The first class had eleven students, mostly mothers. For two sedate, decorous New England ladies to venture into the troubled area of southern race relations represented a courageous act.

In June 1882, Packard and Giles visited Cleveland to make an appeal to potential donors at the Willson Avenue Baptist Church. For forty years, the Spelmans had passionately backed abolitionism and sundry black causes. The recently deceased Harvey B. Spelman had sat on the executive committee of the American Freedmen's Union Commission. In consequence, Reverend King had a powerful hunch that the Rockefellers would respond enthusiastically to the pleas of Packard and Giles and promised the two women that if they came to his church, he would deliver John and Cettie Rockefeller in the audience.

Packard and Giles dressed with the same spinsterish simplicity, but the similarities ended there. Tall and blue-eyed, Packard was a brisk woman with a ready wit and great managerial gifts, while the younger Giles seemed timorous, gentle, and retiring in manner. That evening they made an affecting presentation, summoning up images of the 150 students, many unlettered but eager, who crowded the drab church basement to learn. As rain dripped down the walls and gathered in stagnant pools on the muddy floor, Packard and Giles sometimes stood in puddles as they taught eleven or twelve classes apiece each day; some classes were tightly wedged into a dusty area formerly used for coal storage. Breathing air thick with smoke and dust and ducking overhead heating pipes, the students had to kneel and write on wooden benches. To teach math, Packard and Giles laid sticks across the planks and had the students count them. At first, most of the women were provided with little more than a Bible, pad, and pencil, and the lighting was so poor that they couldn't read on rainy days.

This poignant presentation would have wrung tears from a stone, and the Rockefellers were transfixed. As Harriet Giles recalled, “It was at that meeting that Mr. John D. Rockefeller first became interested in the school. After having emptied his pockets when the box was passed, he asked [us] the characteristic question, ‘Are you going to stick?’ and added, ‘If so, I will do more for you.’”⁶⁵ On the spot, he pledged \$250 more for their building fund. Much to the amazement of the teachers, he returned the next afternoon with three carriages and took them off to Forest Hill, where they drove about as honored guests.

Inspired by these women, Rockefeller, though socially conservative, became unalterably committed to black education. As one chronicler of Rockefeller philanthropy has noted, “The Rockefeller files are more extensive on this subject of the welfare of the Negro race than on almost any other.”⁶⁶ More than any benevolent project, the black women’s college in Atlanta became a Rockefeller family affair, as John was joined in his interest by his Spelman wife, sister-in-law, and mother-in-law. When it came to black education and welfare, Rockefeller displayed unwonted ardor. “Kindly assure the colored people of my sympathy for and interest in them and tell them, I hope they will in addition to securing knowledge from books, strive to learn to do all kinds of work, and better than any other class of men,” he wrote to one minister friend in the late 1880s.⁶⁷ Reciprocating the personal tone of his correspondence, Sophia Packard always saluted him as “Dear Brother” or “Dear Friend.” Amid the hectic rounds of his life, Rockefeller always found time to send letters and small, thoughtful gifts to Packard and Giles to buck up their morale.

Rockefeller’s involvement in the Atlanta school was at first cautious but gradually acquired irresistible momentum. In late 1882, the Atlanta school bought nine acres and five buildings that had housed Union occupation troops. By late 1883, the fast-growing school had enrolled 450 students, the mortgage on the barracks property was coming due, and the school wavered on the edge of fiscal crisis. At this point, Packard and Giles entreated Rockefeller for a donation to secure the school on a permanent footing: “Give it a name; let it if you please be called Rockefeller College, or if you prefer let it take your good wife’s Maiden name or any other which suits you.”⁶⁸ Although Rockefeller retired the \$5,000 debt, he humbly declined to use his own name. Instead, in a fitting tribute to his in-laws, he opted for the Spelman name, thus giving birth to Spelman Seminary, renamed Spelman College in

1924. It developed into one of America's most respected schools for black women, counting Martin Luther King, Jr.'s mother and grandmother among its many prominent alumnae.

On April 11, 1884, Rockefeller and his family went by train to Atlanta to celebrate the school's third anniversary, and 450 students packed the chapel to glimpse their patrons. Rockefeller adored Negro hymns and spirituals and now heard them in abundance. After the opening hymn, Sophia Packard exclaimed, "I bless the Lord that I have lived to see this day."⁶⁹ In a string of brief speeches, Cettie Rockefeller paid tribute to the liberating power of song, sister Lute memorialized their father's abolitionist work, and their mother told how the Spelman home had been a stop on the Underground Railroad. Though Rockefeller virtually never spoke in public, he delivered a talk of unaffected eloquence: "It is in your hearts to make the school one that people will believe in. God will take these small beginnings to do a great work. I am thankful to be here."⁷⁰ When Rockefeller sat down, it was announced, amid sustained cheers and hosannas, that the school had been renamed Spelman Seminary.

As a paradigm of future Rockefeller philanthropy, several things about Spelman should be flagged for attention. In a delicate balancing act, Rockefeller gave enough to get projects under way, yet not so much as to obviate future fund-raising. In 1886, Rockefeller Hall was dedicated, which included dormitory rooms and a beautiful chapel. During the coming years, he gave another eleven acres plus the money for additional dormitories, a laundry, a dining hall, and numerous other buildings, creating a lovely, elegant campus. Presented with architectural plans for one new building, he commented, "My suggestion is to err in getting what seems at present too much room rather than not enough. I judge the crop of colored folks will be large."⁷¹ In the 1890s, Rockefeller sent his own landscape architects to redesign the campus, and he himself selected the trees and shrubbery.

Yet for all this fervent support, Packard and Giles had to struggle for years to keep the school afloat. With one check, Rockefeller might have relieved their anxiety forever, but he wanted to avert excessive dependence and keep alive a creative ambiguity about his intentions. While briefly serving on the Spelman board of trustees, he preferred to remain slightly detached and subtly enigmatic, never telegraphing his plans too far in advance.

Another cardinal principle of Rockefeller philanthropy was to rely upon

expert opinion. Many of his gifts to Spelman Seminary were channeled through Dr. Henry L. Morehouse, the field secretary of the American Baptist Home Mission Society, which increasingly functioned as a conduit for Rockefeller's wholesale philanthropy in education. Taxed by too many pleas for money, Rockefeller wrote to Morehouse on December 24, 1883, and inquired whether "to avoid having all these people from every part of the country calling" on him it might not be "much better for the cause" for him "to give all through the Home Mission Society."⁷² Frederick T. Gates later took credit for this sane, efficient method of giving through umbrella groups that would then allocate money locally, but the idea had already taken root in Rockefeller's mind. In these early years, one also sees Rockefeller using contributions to stimulate collaboration from others as he inched toward the concept of matching grants. For instance, in 1886, he pledged \$30,000 to Morehouse, hoping that it would prove the catalyst for a \$150,000 fund drive.

Since Rockefeller believed in meritocracy, not aristocracy, he favored educational opportunities for minorities. Spelman Seminary taught nursing, teaching, printing, and other useful trades, but the focal point was training young black women for a good Christian life. Some of the first graduates went to the Congo as missionaries. As Packard and Giles told Rockefeller several years later, "God is blessing the school spiritually as well as temporally; a number [of students] have entered upon the Christian life since the term commenced. We believe the salvation of the race and our country depends upon the Christian training of these girls who are to be future mothers and educators."⁷³ In the early years, Spelman Seminary encouraged a Victorian gentility among the students, turning out well-bred young ladies in hats and gloves. At the same time, it evinced much of the practical, enterprising spirit espoused by Booker T. Washington, the principal of Tuskegee Institute in Alabama, who stressed vocational training for blacks. Before long, this approach to black education would be anathematized as futile and condescending by W.E.B. Du Bois and other critics who thought blacks capable of the same higher education as whites and felt they were doomed to mediocrity by vocational training. But whatever its early imperfections, Spelman College ultimately evolved into one of the most highly regarded institutions for black women in America.

CHAPTER 14

The Puppeteer

Because Standard Oil had long exercised a global monopoly, Rockefeller's name was already known abroad. Foreign markets were larger and more lucrative than domestic markets—some 70 percent of American oil went abroad in the mid-1880s—while some feeble competition managed to sputter on at home in the face of daunting odds. In the early 1870s, kerosene penetrated China, Japan, and other far-off spots, and one American traveler in 1874 saw Standard kerosene flickering in the ancient quarters of Babylon and Nineveh. In the early 1880s, 85 percent of world crude-oil production was still extracted from Pennsylvania soil, making it America's fourth-largest export, and only Russian oil constituted a serious competitive threat. Since it made no sense to clamp down excess capacity at home only to see it expand abroad, Rockefeller could never tolerate foreign rivals, telling one colleague, "We have the capacity to do all the home trade as well as the export, and I hope we can devise ways and means to accomplish it later on; at all events we must continue to strive for it."¹

Standard Oil studied foreign markets and posted a cultivated oil merchant, William Herbert Libby, to the Far East in 1882 to make a two-year survey. Observing that oil had "found its way into more nooks and corners of the civilized and uncivilized countries than any other product in business history emanating from a single source," Libby proselytized for kerosene in Japan, China, and India.² After translating into Chinese a pamphlet touting the safety of kerosene lamps, Libby had the satisfaction of seeing sampans laden with Standard Oil products floating up rivers deep in China's interior. To inflate demand, the combine sold hundreds of thousands of cheap lamps and wicks and sometimes distributed them gratis along with the first kerosene purchase. "In many countries," said Rockefeller, "we had to teach the people . . . to burn oil by making lamps for them; we packed the oil to be carried by camels or on the backs of runners in the most remote portions of the world; we adapted the trade to the needs of strange folk."³

For a time, Standard ruled foreign markets no less dictatorially than domestic ones, and with crude oil found in large quantities only in western

Pennsylvania, it seemed this idyll might last forever. Then this fool's paradise was roughly shattered in the early 1870s by a giant scramble for oil at the Russian port of Baku on the Caspian Sea. For more than a century, the natives had scooped up crude oil from huge pits, selling it mostly to Persians to lubricate their cart wheels, grease leather harnesses, and alleviate rheumatic pains. In the early 1870s, this primitive industry was suddenly thrust into the modern world when drillers struck wells of unprecedented force. Amid deafening roars, black geysers shot into the air with such staggering power that some of them couldn't be capped for months; one raging gusher spouted 2,400 tons of oil within its first twenty-four hours.

In 1873, Robert Nobel, a member of the illustrious Swedish family, arrived in the Caucasus on a mission unrelated to oil. His brother had a contract to produce rifles for the Russian government, and Robert was scouting walnut trees for use as rifle stocks. Instead, he stumbled upon the bedlam of Baku, a frantic scene of such ghastly beauty that Maxim Gorky later limned it as "a dark hell painted by an artist of genius."⁴ A crossroads as exotic as it was hellish, a Moslem enclave bristling with minarets, mosques, and palaces, Baku presented two faces to the traveler. In the bazaars, vendors hawked everything from Russian sugar to Persian silks, while outside of town a thick canopy of black smoke enveloped the refineries.

Robert Nobel took his 25,000 rubles of walnut money and plumped it down to buy a refinery. Where local kerosene had hitherto been mocked as Baku sludge, the Nobel refineries produced kerosene equal to that of Standard Oil, which monopolized the Russian marketplace in the early 1870s. Bringing sophisticated management and ample funds to the industry, Nobel and his brothers had created by decade's end an eight-mile pipeline to the Caspian Sea, where they floated the world's first oil tanker, the *Zoroaster*. They pioneered a continuous refining method that was superior to Standard's batch system for sorting out distillates. In 1879, the Nobels organized the Nobel Brothers Petroleum Producing Company and soon cobbled together an impressive distribution system, complete with flatcars, tank cars, and storage depots, ejecting Standard Oil from Russia. That year, a roving Standard operative, William Brough, sent Rockefeller samples of Russian crude and refined oil along with prophecies that in a few years the Nobels would build a pipeline or railroad from the Caspian to the Black Sea, setting the stage for Russian oil to challenge Standard Oil in European markets.



Rockefeller's first influential critic, Henry Demarest Lloyd, in Boston in 1903. (Courtesy of the State Historical Society of Wisconsin)

By the early 1880s, two hundred refineries cluttered Baku's oil-stained slopes, and in 1883—true to Brough's forecast—a railroad connected Baku on the Caspian Sea to Batumi on the Black Sea. The potent Russian wells flowed with such fierce abundance that it was cheaper to produce oil in Russia than at Titusville, and cut-rate kerosene soon flooded European markets, undercutting Standard's prices. The American consul in Batumi, J. C. Chambers, who had been dispatched by Standard Oil to harvest intelligence, kept Rockefeller apprised of these developments and sounded an alarm about the Russians' "quixotic ambition to drive the American oil from the markets of the world."

⁵ Whatever the coolness between Rockefeller and American officialdom at home, they cooperated overseas to stop tariffs against American oil. Paying tribute to the State Department, Rockefeller later said, "Our ambassadors and ministers and consuls have aided to push our way into new markets to the utmost corners of the world."⁶

Rockefeller seems to have been caught napping by the Russian incursion just as he had snuffed out all his major domestic rivals. When his Hamburg agent, Charles F. L. Meissner, reported in 1885 on extensive Russian penetration of European markets, Rockefeller, taken aback, fired off an

indignant blast at his executive committee: “I am at a loss to understand how the bulk transportation could have been carried on to the extent referred to in Switzerland and elsewhere, without our having received more information about it. ” ⁷ To retaliate, Rockefeller resorted to the usual high-powered weaponry, cutting prices across Europe and starting an insidious whispering campaign to question the safety of Russian kerosene. His files also reveal numberless secret contacts in Paris and London hotels with shadowy, self-appointed intermediaries inquiring whether Standard wished to buy a stake in Nobel Brothers or join with them in slicing up European markets. In 1885, Standard’s peripatetic emissary, W. H. Libby, held talks with the Nobels in Saint Petersburg, but these overtures faltered. The Nobels’ power in Russia hinged on their relationship with the despotic czarist government, and they didn’t intend to admit Standard Oil into their preserve.

By the mid-1880s, another powerful force appeared on the world oil scene. The Paris Rothschilds, led by Baron Alphonse de Rothschild, had built refineries at Rijeka and Trieste on the Adriatic Sea. In organizing the Caspian and Black Sea Petroleum Company—better known by its Russian initials, Bnito—they stood to reap a fortune from inexpensive Russian oil. No sooner had the Rothschilds entered the business than reports filtered back to Rockefeller that the Nobels, who were heavily in debt to the Rothschilds, could not meet their payments and might be forced to make common cause with the French bankers. For many years, the Rothschilds, the Nobels, and Standard Oil circled around each other, each trying to forge links with a second party to isolate the third.

This vigorous competition abroad aroused Rockefeller’s fighting spirit, and he even took to lecturing his colleagues in verse: “We are neither old nor sleepy and must ‘Be up and doing, with a heart for any fate; Still achieving, still pursuing, learn to labor and to wait.’ ” ⁸ Both Rockefeller and Archbold favored scrapping their former system of operating through European brokers and instead launching their own marketing subsidiaries. For a time, they were held back by Benjamin Brewster, and Rockefeller, unwilling to move without a consensus, yielded against his better judgment. When the Rothschilds set up a British oil-marketing firm in 1888, Brewster’s logic suddenly crumbled, and twenty-four days later Standard Oil set up its first overseas affiliate, the Anglo-American Oil Company, which soon monopolized the British oil trade. Two years later, Standard started the Deutsche-Amerikanische Petroleum Gesellschaft in Bremen to handle the north German market. Neither old nor sleepy, Rockefeller set up an oil terminal at Rotterdam, struck a deal to supply

all of France's crude oil, took stakes in oil firms in Holland, Italy, and Scandinavia, and orchestrated heated price wars in India. Taking a cue from the Nobels, Standard launched its first oil-tank steamer to Europe, a mammoth vessel that transported a million gallons of oil, the first of what would shortly be an entire ocean fleet piloted from 26 Broadway.

Despite the low price of Russian oil, Standard barred it from America and retained nearly 80 percent of world markets in the late 1880s. For all the complaints about adulterated kerosene that Rockefeller heard on his European travels, the Nobels and Rothschilds never matched the quality of Standard's products or surpassed its integrated operation. For Archbold, it was the Russians' failure to consolidate their domestic industry—that is, to suppress competition and establish a trust—that consigned them to secondary status. “If there had been as prompt and energetic action on the part of the Russian oil industry as was taken by the Standard Oil Company, the Russians would have dominated many of the world's markets which have been made to inure so largely to the benefit of the American oil industry.”⁹

If the Nobels and the Rothschilds weren't mortal threats, neither did they capitulate tamely to Standard Oil, as so many American rivals had. These contending forces clashed repeatedly in the oil wars of the 1890s, a protracted battle that saw periods of blistering competition followed by cozy deals to divvy up markets. When competition forced price-cutting in the early 1890s, Rockefeller advocated a tactical rapprochement with his erstwhile foes and induced Baron Alphonse de Rothschild to visit 26 Broadway in secret. Archbold's report to Rockefeller about the July 1892 meeting revealed that, beneath the competitive veneer, the Rothschilds were eager to come to terms with Standard Oil:

*We reached a tentative agreement with them. . . . I need hardly report again that it seems desirable on all sides that this matter be kept exceedingly confidential. It was thought best that we should not see the Nobel people, but that the approach be made to them on the subject by the Rothschilds. We were treated with great courtesy by Baron Rothschild, and we [were] much delighted that he spoke English fluently, which greatly facilitated our intercourse.*¹⁰

In the end, Count Sergei Witte, the Russian finance minister, spiked the scheme for a grand alliance of Standard Oil with the Nobels and Rothschilds—to the dismay of countless European newspaper cartoonists who had made

sport evoking the clumsy embrace of the octopus and the bear. All the while, Russia kept pumping crude oil and by the late 1890s briefly overtook the United States in oil production, even though Standard Oil handily eclipsed it in refining.

By 1890, it was self-evident that oil existed throughout the earth's crust and that only a freak accident (plus some timely Yankee ingenuity) had led to the business being founded in Titusville. In 1884, Dutch drillers began prospecting for oil in Sumatra and six years later received a royal charter to exploit Dutch East Indian reserves, christening their company Royal Dutch. Meanwhile, another aggressive contender waited in the wings. In 1891, the enterprising London merchant Marcus Samuel signed a contract with the Rothschilds to market their kerosene in the Far East. Samuel used the Suez Canal to speed the export of Russian kerosene to Asian markets. Oil had taken four months to travel from New York to the Far East but now reached it from Batumi in a month. Even though Samuel designed a custom-made bulk tanker, the *Murex*, to conform to the canal's strict requirements, Standard Oil hired London solicitors to sow doubts about the project, spreading nasty rumors about a "powerful group of financiers and merchants" under "Hebrew influence" who planned to take tankers through the canal.¹¹ Rockefeller later ranted against "our Asiatic competitors controlled by Jewish men who cry 'Wolf ! Wolf! Standard Oil Company!' and keep moving in and getting control of markets."¹² (He once compared Standard Oil's supposedly "fair-minded" methods with "the old, old Jew method of treating one customer one way and another in another [way].")¹³ Warding off this verbal sabotage, Samuel managed to defeat Standard Oil decisively, and his trademark red oilcans—in contrast to Standard's blue cans—soon became known throughout Asia.

By 1892, with oil production booming in Burma and Java, Standard Oil belatedly recognized the need for concerted action in Asian markets. It tried in vain to buy the business of both Royal Dutch and Marcus Samuel, who renamed his company Shell Transport and Trading Company in 1897 to honor his family's old seashell-box business. Standard even stooped to trading for Russian kerosene in order to serve better its Asian customers. It finally set up a series of Asian stations and assigned a small army of agents to Shanghai, Calcutta, Bombay, Yokohama, Kobe, Nagasaki, and Singapore. These operatives sold Standard kerosene in tin cans with wooden frames because Asian customers recycled the tin as roofing and turned the wooden cases into

household objects. For all these smart marketing ploys, Standard Oil was forced to coexist with Royal Dutch and Shell, which merged to create a rival empire in the early 1900s. Henceforth, competition was enshrined as a permanent fact of the international oil business—despite a multitude of secret, market-sharing deals—and it was only a matter of time before the deadly contagion of competition infected North America.

Even as it was menaced by new competitors abroad, Standard Oil seemed omnipotent in American oil. Everything about its operation was colossal: Twenty thousand wells poured their output into 4,000 miles of Standard Oil pipelines, carrying the crude to seaboard or to 5,000 Standard Oil tank cars. The combine now employed 100,000 people and superintended the export of 50,000 barrels of oil to Europe daily. Rockefeller's creation could be discussed only in superlatives: It was the biggest and richest, the most feared and admired business organization in the world. Earning steady, reliable profits, year in and year out, Rockefeller could be forgiven for believing he had outwitted the business cycle. For a man who craved order, he had reached his apogee. No longer at the mercy of unpredictable economic forces, he thrived even in recessions.

Rockefeller was exceedingly pleased by the harmonious workings of his fantastic machinery and the neat, orderly unfolding of his days. When he arrived at work each morning, he sat at his rolltop desk and examined two stacks of paper, one representing decisions made, the other matters to be thought over, and he slowly burrowed his way through both piles. Starting in the 1880s, he adopted a policy of never doing business with strangers or even meeting them, avoiding unwanted solicitations and controversy. If this simplified his life, it also strengthened the unsettling image of an untouchable tycoon, hidden behind the scenes.

Many of Rockefeller's critics alleged that he divided his life into compartments and kept two separate sets of moral ledger books: one governing his exemplary private life, another sanctioning his reprehensible business behavior. But he saw his entire life guided by the same lofty ideals. In retirement, he wrote to Harvard president Charles Eliot, apropos of Standard Oil, "I can say without hesitation that no business organization with which I have ever been connected has been controlled by higher ideals."¹⁴ One way that he upheld this belief was to become self-righteous about his opponents, whom he reviled as undisguised rascals. "The other people were up to all sorts of tricks, mixing benzine with the oil, and so forth," he said of

rival refiners.¹⁵ Nobody was more vigilant about being cheated than Rockefeller nor quicker to seize the moral high ground. To convince himself that he was a highly ethical businessman, he redefined exactly what that meant. For instance, he always made much of the fact that he honored contracts, paid bills and debt promptly, treated small shareholders fairly, and never watered stock. To confirm his clean, sanctimonious image of himself, he reiterated these ideals with a kind of incantatory relish, and the more naysayers dwelled on his railroad dealings or secret subsidiaries, the more he affirmed his own compensating code of business honor. This was as much to preserve his own self-image as to persuade a skeptical public that he was honorable, for Rockefeller desperately needed to have a good opinion of himself.

What further blinded Rockefeller to his misdeeds was that by the 1880s he always stood at several removes from any mayhem. He was now a master puppeteer, adroitly manipulating his marionettes, with the strings artfully concealed. As Standard Oil's leading figure, he was the only person who didn't have any direct operational responsibility. Instead, statesmanlike, he applied himself to general policy and monitored the performance of lieutenants, who sent him copious reports about their activities and often boasted shamelessly of their unsavory deeds. In contrast, Rockefeller replied in brief, opaque letters. He never assumed total confidentiality, even in internal memorandums, and cultivated a spare, elliptical style, devoid of names or specifics, that would have baffled any prosecuting attorney. In creating this self-protective structure, Rockefeller could run Standard Oil while simultaneously sidestepping responsibility, erasing incriminating evidence, and avoiding contact with his victims. It enabled him to distance himself from the dirty work down below and feign ignorance of what was happening. When confronted with well-documented cases of terror tactics used by subordinates, he blandly conceded some few indiscretions by overly zealous employees and cast himself as a helpless spectator. But if one examines the reams of letters sent to him by his associates, his pose of innocence crumbles. He knew everything that was going on and now, for the first time, we can document it. For that reason, we will digress occasionally in this chapter from the linear narrative of Rockefeller's life to examine reports he received from the field. They leave no doubt that he was the brains of the operation, directing activities he professed to deplore and setting the tone for his subordinates. This, of course, only complicates the mystery of how he integrated the various facets of his life—of how the enlightened patron of Spelman Seminary could also be the brutal overlord of Standard Oil. In the

end, we can only explain how he rationalized his behavior to himself and others; given the absence of revelatory letters or diaries, we can say little about the unconscious drives that led him to do this or the mental strains it might have caused.

In his memoirs, Rockefeller implied that Standard took no rebates after 1880, whereas his files disclose that collusion with the railroads became even more brazen after that date. By the early 1880s, the railroads had ceded supremacy in oil transport to the Standard-dominated pipelines, which now carried more than three-fourths of the crude oil from the Pennsylvania wells to coastal cities, charging Standard Oil's own refineries half the posted price. Not surprisingly, as the railroads weakened, Standard Oil only browbeat them more. The combine owned a subsidiary, the Galena-Signal Oil Company, which monopolized the manufacture of high-grade railroad lubricants. Simply by stalling on shipments of this indispensable grease, it could bring any railroad to a halt. If Standard wished to extract a railroad rebate, it merely tacked on a surcharge to the price of Galena cylinder or engine oils. And Rockefeller continued to play his favorite trump card: the tank-car fleet. By the late 1880s, Standard Oil was leasing its tank cars to 196 railroads, forcing most of them to pay a double-mileage tribute to 26 Broadway—that is, a mileage royalty on outward-bound trips, when the cars were topful of oil, and also on inward-bound trips, when they returned empty.

One reason for Rockefeller's continuing solicitude toward the roads after the pipeline revolution was that he himself had a significant investment in them. He conceded as much when he stated that Standard Oil stockholders "as the years had gone by were becoming more and more a factor in railway problems and other enterprises."¹⁶ At the time, railroad shares were among the few blue-chip securities available to rich investors, which meant that Rockefeller invested heavily in the Erie, the New York Central, and other oil-carrying roads. In March 1881, Rockefeller wrote A. J. Cassatt of the Pennsylvania Railroad about rumors that his railroad would soon issue \$400,000 worth of stock. He suggested they set up a joint private account of Pennsylvania stock—with Rockefeller making the payment.¹⁷ Whether this deal was executed is unclear, but it was a blatant bid to connive with a major railroad executive.

In later years, when Ida Tarbell made railroad manipulation the focal point of her Standard Oil indictment, Rockefeller pleaded ignorance of such dealings, claiming they were handled by his colleagues while he magisterially

confined himself to broader matters. In fact, his papers document that he either met directly with railroad presidents or else was given graphic, blow-by-blow accounts of negotiations by Flagler, Archbold, O'Day, Payne, Warden, and a formerly little-noticed figure, Colonel W. P. Thompson, who had headed a Virginia cavalry unit for the Confederacy. The secretary of Standard Oil of Ohio and a brother-in-law of Standard power broker Johnson N. Camden, Colonel Thompson shared a Cleveland office with Rockefeller and Payne, and his letters furnish explosive proof of extensive railroad collusion in the 1880s. While Rockefeller made it seem as if such shenanigans occurred far from his sphere, he was fully briefed by Thompson, who liked to boast of his maneuvers.

Rockefeller's files are chock-full of examples of rebates well into the 1880s. In March 1886, William G. Warden reported from Philadelphia that the Pennsylvania Railroad had agreed to the following discounts: Fifty-two cents per barrel to ship oil from Oil Creek to New York (versus a listed rate of 78 cents) and 39 cents to Philadelphia (versus 65 cents for other refiners). Rockefeller was always insistent that Standard's competitive advantage had nothing to do with preferential transport rates, but his correspondence reveals that rebates could single-handedly transform an unprofitable plant into a profitable one. In 1886, Colonel Thompson told him that it made sense to proceed with a new naphtha plant at Oil City (naphtha was a crude-oil fraction used to make gas or solvents) only if the Lake Shore hauled the finished product to Cleveland for ten cents instead of seventeen.¹⁸ During these negotiations, Colonel Thompson also reported that low freight rates would enable them to rehabilitate an otherwise insolvent Oil City refinery. Wherever possible, Thompson preferred oral agreements, once telling Rockefeller of his talks with two railroads, "I think they will concede the undesirability of a regular written contract."¹⁹

The backdoor deals with the railroads necessarily generated more speculation than proof at the time. But it was the trust's marketing operation that ultimately proved its undoing, for it directly touched consumers and tens of thousands of small businessmen located in every congressional district. In the 1870s, Rockefeller began to assemble a marketing organization to eliminate the middlemen, independent agents who had earned three to five cents per gallon of kerosene. Since they handled Standard kerosene *and* competing products—an intolerable situation for Rockefeller—and often cared more about gouging consumers than expanding markets, he decided to get rid of them.

Furthermore, Standard's refinery flow was now too huge to depend upon this fragmented, obsolete distribution system. Kerosene demand was booming as it illuminated mills, factories, hotels, and office buildings in the growing cities. To exploit economies of scale, Rockefeller noted, "we had to create selling methods far in advance of what then existed; we had to dispose of two, or three, or four gallons of oil where one had been sold before, and we could not rely upon the usual trade channels then existing to accomplish this."²⁰ To have high-volume, low-cost production, the Standard needed huge guaranteed sales. This forced Rockefeller to integrate vertically the entire industry, controlling everything from the wellhead to the consumer.

Around 1882, in a revolutionary development, the trust began to sweep away the old distribution system, with its horse-drawn carts full of swaying barrels, and disburse millions of dollars to build thousands of tank wagons to service every American town. Rockefeller hailed the efficient new system: "I believe it one of our best means for getting and holding the trade."²¹ It worked thus: Standard's tank cars or pipelines delivered refined oil to storage tanks, where the tank wagons were filled up. From here, the wagons set out for local groceries and hardware stores—the principal retail outlets—where they replenished special canisters that the trust provided. Sometimes, over the furious opposition of storekeepers, tank wagons even went door-to-door, selling directly to households and putting Standard smack in the retail trade. (In some places, the trust manipulated local retailers by saying that they would refrain from this practice *if* storekeepers dealt exclusively in Standard kerosene.) The combine also sold, almost at cost, heaters, stoves, lamps, and lanterns to widen the market; in the manner of a modern corporation, Standard Oil created demand as well as satisfied it, and its obliging agents helped consumers clean lamps and burners to enhance their use.

Grocers and hardware merchants resented the demand to stock only Standard Oil kerosene or be starved out of the business. Along with wholesalers rendered obsolete by the Standard marketing effort, they emerged as Rockefeller's most potent enemies. Conveniently, Rockefeller never set eyes on these men, had no sympathy for them, and chided them for standing in the way of progress. "Of course it is natural that the man who drove the stage coach should be antagonistic to the railroad and that the man who used to keep the small inn should look with disfavor upon the big, magnificent hotels."²²

Since jobbers often adulterated Standard Oil kerosene with poor-quality

product from independent refiners, Rockefeller hoped that his marketing operation would ensure a uniform quality of Standard Oil products. The 1870s witnessed five thousand to six thousand deaths annually from accidents caused by faulty kerosene.²³ Far from being immune to complaints, however, Standard Oil was bedeviled by reports that its kerosene emitted an offensive odor, crusted wicks, and smoked lamps. One day in Cleveland, an angry woman pushed her way into Rockefeller's office and demanded to know what he planned to do about his poor kerosene. Indignantly, he marched off to the lab and had the woman's sample analyzed, the results unknown. At 26 Broadway, he tracked the activities of the manufacturing committee, which burned kerosene lamps for six hours at a time to test oil quality. Always touchy about complaints, Rockefeller often blamed poor wicks and developed the Acme wick to eliminate those complaints. To his consternation, customers still grumbled even after they switched to this allegedly foolproof article.

Standard's marketing subsidiaries were conducted with such controlled ferocity that they became the most hated part of the entire organization. One must recall that Standard Oil was a federation of companies, not a single firm, and held only a partial interest in many affiliated companies. This invited trouble, for Standard often retained the original managers and allowed them a fair degree of autonomy. When the combine absorbed established marketing concerns, it brought into the organization several rogue proprietors who tarnished the Standard Oil name. Later on, Rockefeller feigned ignorance of their actions and disclaimed responsibility when, as we shall see, he received elaborate warnings about their methods.

In 1873, Standard secretly bought half of Chess, Carley and Company, which had a Louisville refinery and a lucrative marketing operation in the Southeast. The owner, F. D. Carley, was a lapsed Methodist minister who set a new standard for pitiless methods in oil marketing. Confidential reports informed Rockefeller that Carley was a charming scoundrel, an inveterate gambler who went straight from board meetings to his bookie's office; even the circumspect Rockefeller referred euphemistically to Carley's "want of balance."²⁴ Although Rockefeller planned to pack Chess, Carley's board with a majority of Standard directors, Carley blocked outright control from 26 Broadway until 1881, and another five years elapsed before Standard swallowed the firm whole and renamed it Standard Oil of Kentucky.

By then, Chess, Carley had become a byword for vicious tactics. When F. D. Carley learned that Standard Oil's nemesis George Rice had shipped a

scant seventy barrels of kerosene to a Louisville merchant, he reacted furiously. As a director of the Louisville, Nashville and Great Southern Railroad, which had granted Rice low freight rates, Carley had an underling dash off a peremptory letter to the railroad's freight agent, telling him exactly how to treat Rice: "Please turn the screw."²⁵ When this quotation was revealed by investigators years later, it was emblazoned in newspaper headlines across America.

Carley went to extravagant lengths to stop competitors. When he learned that Rice planned to sell kerosene in Columbus, Mississippi, he sent local grocers an unambiguous letter: "If you do not buy our oil we will start a grocery store and sell goods at cost and put you all out of business. " ²⁶ No bluffer, Carley set up a store that sold Standard Oil kerosene at cut-rate prices, as well as oats, meat, sugar, coffee, and other household items at or below cost. In many localities, grocers gladly took a 5 percent discount offered on foodstuffs by Carley in exchange for an agreement to carry only Standard kerosene, one of many anticompetitive practices perfected by Standard Oil that shaped future antitrust legislation. Notwithstanding the public uproar, Rockefeller claimed to be unaware of Carley's practices. Yet at one point, Colonel Thompson confidentially told Rockefeller that Carley was a "secret, surreptitious" man with "mysterious, dishonest secrets" who even cheated on his agreements with Standard Oil. ²⁷

In 1878, Standard Oil boldly expanded its marketing territory by acquiring a 40 percent stake in the Waters-Pierce Company, which was based in Saint Louis and dominated a wide swatch of territory from Arkansas to Texas. It was decided that Chess, Carley would monopolize the oil trade east of the Mississippi, while Waters-Pierce would control the area southwest of the river. The Waters-Pierce deal brought another patent scoundrel into the trust, Henry Clay Pierce, who made F. D. Carley look like a cherub in comparison. By age nineteen, this country doctor's son monopolized the kerosene trade in Saint Louis, and then he mounted a pony and branched out into Arkansas and Texas. Even Standard Oil people never defended Henry Clay Pierce. One executive recalled him as a gifted businessman but added, "He couldn't do a thing straight if it could be done crooked. He was cordial and polite enough, and it was only when he got into a jam with people that he became nasty. Then they knew they were fighting someone. He was the greatest fighter you ever saw."²⁸

Once again, Rockefeller self-servingly disclaimed knowledge of the rough-house tactics used by the Waters-Pierce salesmen and portrayed Pierce as a loose cannon who operated on his own initiative. He said that he never gave “a minute in a month to this local trade” and that any marketing excesses, when exposed, were condemned by the executive committee, but his files show that he received a full accounting of Pierce’s high crimes and misdemeanors.²⁹ When Pierce made a highly profitable foray into the Mexican market in 1880, Colonel Thompson reported to Rockefeller that this had been accomplished “largely by evasion of the enormous duty placed upon Refined oil by Mexico.”³⁰ Enriched by this operation, Pierce declared a 100 percent dividend on capital the next year. Thompson repeatedly warned Rockefeller about Pierce, branding him “a man not without designs” and relaying a letter “showing great duplicity on the part of Mr. Pierce.”³¹ Far from rebuking Pierce, in 1892 Rockefeller extended him a personal loan for \$200,000—a king’s ransom—and patiently carried him for eight years. Clearly, he had no qualms about the buccaneering spirit of the Waters-Pierce business.

The Standard Oil marketing subsidiaries fanned out across the remaining sections of the continent. In 1878, the Consolidated Tank Line Company took over the territory north of the Missouri River, spread across Michigan and Minnesota, then expanded westward into the Dakotas. Formed in 1884, the Continental Oil Company covered the Rocky Mountain states. In the mid-1870s, the trust sent a young executive to California, Wesley H. Tilford, who foresaw the state’s potential as both an oil producer and consumer; a decade later, Standard Oil of Iowa developed this West Coast trade. Many frustrated customers of Waters-Pierce turned, in revenge, to Republic Oil, a New York-based company that specialized in cultivating retailers who loathed the trust. Of course, Republic was secretly owned by Standard Oil.

Around 1886, 26 Broadway divided the continent into eleven marketing districts, with boundary disputes to be resolved by a domestic-trade committee. As subsidiaries raided each other’s territories, their clashes were arbitrated by headquarters. Nothing so clearly reveals the trust’s imperial character than its deliberations about marketing territories, where exclusive rights to entire states and countries were dispensed like so many royal charters. At one point, when Chess, Carley; Waters-Pierce; and Consolidated Tank Line tangled over the virgin southwestern territory, Colonel Thompson explained to Rockefeller, “I have, for a long time, waited for the opportunity

of defining the western limits of all these connections and take the liberty of saying on behalf of Standard Oil Co. that we had never conceded to any one the right to go and occupy Colorado, New Mexico, Arizona or Mexico.”³² In the end, Standard Oil ceded Mexico to Henry Pierce in a swap for the state of New Mexico.

Once Rockefeller controlled a marketing territory, he protected it fiercely and quickly dispatched troops to fend off the smallest incursion. If Standard Oil spotted even one carload of outside oil entering its territory, it traced its source through railroad agents and moved swiftly to halt it. Standard Oil marketing men were known to trail competitors’ wagons and undersell them if necessary. This unceasing drive, this implacable need to win, emanated from Rockefeller himself. When told that competitors had appeared in Saint Louis, he exhorted Oliver Payne, “Regret to hear that those parties have established an agency in St. Louis. We must not let them get the business. Why not make a good, hard, vigorous fight with the view of taking it all back again and not let them retain a foothold there, and the same in St. Paul.”³³

As the capstone of this system, Rockefeller fostered an extensive intelligence network, assembling thick card catalogs with monthly reports from field agents, showing every barrel of oil sold by independent marketers in their territory. From 26 Broadway, the titan could peer into the most distant corners of his realm. Standard Oil spies collected much of this information from grocers and railway-freight agents. One Cleveland refiner discovered that Standard paid his bookkeeper twenty-five dollars a month to provide information on his shipments, mailing these trade secrets to Box 164 at the Cleveland post office. Standard’s reputation as a pervasive, all-seeing presence was richly deserved.

The manic vigor of Standard’s salesmen becomes understandable in light of a secret policy that Archbold enunciated to Rockefeller in an 1891 letter. Station managers were expected to command at least 85 percent—and, if possible, much more—of the oil trade in their district, a punishing standard that goaded them into aggressive tactics.³⁴ Because they had carte blanche to reduce prices and use any other means necessary to hold the trade, they created pitched battles in many cities. One repentant Standard Oil marketer named Charles Woodbury recalled a favorite scare tactic. “Substantial rumors that the few independents surviving might not much longer be able to supply oil at all continually alarmed their customers.”³⁵

Rockefeller found nothing reprehensible about this intelligence network and could never understand the eternal fuss. “The practice of the Standard Oil Company in this regard brings no credit or discredit to the Standard Oil Company,” he later told William O. Inglis. “It was following out a method in universal use by the largest and most intelligent distributors of goods the country over.”³⁶ Some Standard Oil people, however, refused to stoop to these methods. When Charles Woodbury protested eavesdropping on competitors, his superior gruffly insisted, “We do not intend merely to grasp the situation—we must control it.” Woodbury replied, “But this is espionage. I cannot stand over these men and make them go after these details.”³⁷ After being censured for such squeamishness, he quit in protest. Recounting this in 1911, Woodbury left some tart comments about Rockefeller’s assumed innocence. “Results were what the master asked for,” he explained. “Details [Rockefeller] need not know. He could be left to his own self-effacement. He had selected his staff.”³⁸ In short, Rockefeller posted the sales targets, whipped up the fervor, then foreswore any knowledge of the inevitable consequences.

To square his actions with his conscience—always a necessity for Rockefeller—he needed to invoke an overarching theme: vouchsafing cheap light to humanity. Touring a well drilled on Oil Creek in the early days, he stared at it silently and then intoned, “This is the poor man’s light.”³⁹ Such remarks weren’t just for public consumption but were commonplaces in his correspondence. In 1885, he instructed a young colleague, Henry C. Folger, “Let the good work go on. We must ever remember we are refining oil for the poor man and he must have it cheap and good.”⁴⁰ Having grown up in secluded farmhouses, reading by candlelight, he understood the revolutionary impact of cheap kerosene.

Rockefeller never had a single motive for any action and was surely motivated by more than altruism in championing cheap kerosene. He was obsessed with high-volume, low-cost production to maintain market share, even if he temporarily sacrificed profit margins. As he noted, “This fact the Standard Oil Company always kept in mind: that they must render the best service and be content with a largely increasing volume of business, rather than increase the profit so as to tempt others to compete with them.”⁴¹ When discussing prices with subordinates, he frequently reminded them, “We want to continue, in reason, that policy which will give us the largest percentage of

the business.”⁴²

The public tolerated the trust’s brawny tactics for a long time because it believed that it had, over the long run, cheapened kerosene and exercised a relatively benevolent dictatorship. As journalist Henry Demarest Lloyd wrote scornfully to George Rice in 1891, “Thus the public—dear fools—believe, and it entirely reconciles them—knaveish fools—to the piracies, treasons and murders by which the fabled cheapness has been brought to them.”⁴³ Befuddled reformers assailed the trust for selling both too high and too low, for fleecing consumers and underselling rivals. As John Archbold summed up the paradox, “It is usually alleged that whenever the Standard, for whatever reason, advances its prices, it is oppressing the consumer, and when if, on the other hand, it lowers its prices, it is then oppressing its competitors.”⁴⁴ Of course, both things were often true, since Standard Oil kept prices high where it faced no competition and low where it had to keep rivals at bay. On balance, the trust wielded its monopolistic power to keep prices artificially low to forestall competition.

In general, Standard Oil did an excellent job at providing kerosene at affordable prices. It boasted far lower unit costs than competitors and relentlessly drove down costs over the years. Between 1880 and 1885, its average cost of processing a gallon of crude oil went from 2.5 to 1.5 cents. In a rare 1890 newspaper interview, a supremely confident Rockefeller said that since Standard’s birth twenty years before, the retail price of kerosene had plunged from 23.5 to 7.5 cents per gallon. Only half that drop, he contended, had resulted from the steep fall in crude-oil prices, and he credited the tank-wagon system for much of the savings. In the early 1900s, the Bureau of Corporations attributed most of the drop in kerosene prices to a sharp dip in crude-oil prices, not to Standard’s superefficient management. Whatever the truth, the resulting low prices inoculated the public for a long time against the anti-Standard venom.

Many of Rockefeller’s foes contended that routine underselling was his most lethal weapon, even more destructive than railroad rebates. As the industry’s low-cost producer, Standard merely had to dump oil at cost to stamp out competitors. The practice of selling at or below cost, which started in the 1870s, intensified with the tank-wagon system, which permitted the trust to set retail prices. Hesitant to initiate price wars, which smacked of the old, Darwinian competition, Rockefeller said that he cut prices only defensively—that is, when forced to retaliate against price-cutting

independents. When he did so, he showed no mercy against these reprobates and said with righteous indignation, “These people did not want cooperation. They wanted competition. And when they got it they didn’t like it.”⁴⁵

Allan Nevins cited a federal study of predatory pricing that found that Standard Oil practiced it in only 37 of 37,000 towns serviced by its tank wagons and then only in response to cuts by competitors. Yet Rockefeller’s files are so rife with references to this practice as to refute Nevins’s verdict. In an 1886 letter, Colonel Thompson told Rockefeller that Standard sold at cost wherever competition appeared and compensated for the lost profits by raising prices in less competitive locales: “We find the outsiders mainly from Pittsburgh and the Oil Region had 2,000 barrels of oil in Cincinnati. . . . We have lowered the Cincinnati market an additional half cent temporarily to meet that competition and forced them to sell their oil without a profit.” In contrast, he noted that with independents now banished from Chicago, “we jacked that price up a quarter or so, without multiplying instances, we are doing all around. The system is working well, better than any other we can devise and our feeling is to hold along on this basis—I beg you and the other gentlemen will keep in mind the fact that we are selling $\frac{1}{4}$ of all the oil we handle without a farthing of profit to this department.”⁴⁶

If Standard Oil sold one-quarter of all its oil at cost, as Thompson alleged, that would have meant anticompetitive price cuts in more than 9,000 towns—quite different from the 37 cited by Nevins. The trust used such infinite sleight of hand in setting prices, obscuring the real price through secret discounts, that a definitive accounting is impossible. Though many states had already outlawed predatory pricing, they found such a ban difficult to enforce. On this issue, Rockefeller remained an unreconstructed monopolist, defending Standard Oil’s price-cutting years later by commenting, “If in doing so they were losing money, which they made up on some of the specialties—they made up the difference—would it be a crime?”⁴⁷ Eventually, a national ban on such predatory pricing formed an integral component of antitrust legislation.

Standard’s policy of differential pricing also proved expedient in the global marketplace. During the 1880s and 1890s, trying to stem the tide of Russian and East Indian oil, the organization charged lower prices in Europe and compensated with higher American prices. Its tight control of the home market enabled it to prosecute savage price wars against the Nobels, Rothschilds, Royal Dutch, and Shell. For this reason, Standard Oil always

considered its domestic monopoly a necessary precondition for its overseas conquests.

But Standard Oil never sought a perfect monopoly because Rockefeller realized that it was politically prudent to allow some feeble competition. As he admitted, “We realized that public sentiment would be against us if we actually refined all the oil.”⁴⁸ The combine ceded about 10 percent of the refining and marketing business to a tiny group of fringe rivals. Even in the mid-1880s, ninety-three mostly marginal refineries were allowed to operate. A very smart monopolist, Rockefeller kept prices low enough to retain control of the market but not so low as to wipe out all lingering competitors.

We must retire one common canard about Rockefeller: He didn’t set crude-oil prices through blanket edicts. In his correspondence, one sees the oil king trying to guess the trend of crude prices and bemoaning speculation. As he told one of his personal financial advisers in 1882, crude oil “is about the worst commodity in the world to speculate in. . . . It is about as uncertain as railroad stocks.”⁴⁹ Perhaps the chief way that Standard Oil influenced crude prices was by elevating or dropping storage charges at its pipelines, which the firm sometimes used to break speculative raids. By issuing certificates against oil stored by its pipelines, it stimulated a free market in crude oil, and hundreds of thousands of people speculated in or borrowed against these certificates, creating the first oil-futures market and setting the trend for spot prices. After the National Petroleum Exchange opened in Manhattan in late 1882, the speculators far outweighed the trust in importance in pegging prices.

As Rockefeller boasted, Standard Oil was an infallible moneymaker. In the late 1880s, Henry M. Flagler testified it had average earnings of 13 percent a year on net assets, which considerably understated its performance. When Teddy Roosevelt’s Bureau of Corporations later examined the matter, it computed a more handsome 19 percent return from 1882 to 1896. Rockefeller defended these high returns as justified by the fear that the oil might run dry and render the trust’s vast investment worthless. He knew public opinion was inflamed by the exorbitant dividends declared on Standard Oil shares, which sometimes ran as high as 200 percent. These figures were misleading, Rockefeller argued, since Standard Oil’s actual capital was typically ten times its official capitalization. In terms of real capital, the 200 percent dividend declared in January 1885 was more like 20 percent—extremely high but not astronomical. Such a rich but not altogether outrageous return was just what

the politic Rockefeller wanted.

Rockefeller knew that if he got greedy, other products could be substituted for kerosene, and this, too, curbed his appetite for excess profits. Oil was just one of many fossil fuels and kerosene one of many potential illuminants. In the fall of 1878, America's wunderkind, Thomas Alva Edison, boasted to reporters at Menlo Park, New Jersey, that he had dreamed up a practical electric lightbulb; within a year, he had created a miraculous bulb that glowed brightly for one hundred straight hours and directly threatened Rockefeller's kerosene business. The new Edison Electric Light Company enlisted affluent bankers, including the august Drexel, Morgan and Company. On September 4, 1882, Edison stood in J. P. Morgan's offices at 23 Wall Street and threw a switch that brightened Morgan's office with electric lighting, inaugurating a generating plant in lower Manhattan. Luckily for Rockefeller, the lightbulb didn't instantly drive out kerosene: It took time for Edison to cover the country with power stations, and by 1885 only 250,000 lightbulbs shone across America.

Instead of electric light, the soft, shimmering glow of gaslight began illuminating many American cities in the 1880s. For a long time, natural gas had been discarded by oilmen as a waste product until a business group led by J. N. Pew piped natural gas to Pittsburgh in 1883. Quick to perceive that natural gas complemented the oil business, Rockefeller advised Daniel O'Day that Standard Oil should develop its own strength in this area rather than turning to outsiders. O'Day and his ebullient team assured Rockefeller that they could pipe explosive gas long distances without mishaps. Within two years, they were piping gas from western Pennsylvania to cities in Ohio and New York, and by the late 1890s Rockefeller secretly oversaw natural-gas companies in Titusville, Oil City, Buffalo, and thirteen other localities. As one newspaper said, "Consumers in some of these places would be surprised to learn that they are burning Standard Oil gas."⁵⁰

To counter competition from gaslight, Edison based his promotional scheme upon a moral and aesthetic contrast between good electric light and evil gaslight. Of the flickering gaslight that later generations found so enchantingly poetic, he sneered, "It is a nasty, yellow light, too, and far removed from the color of the lovely natural light," while he touted the "soft radiance" of electric lights as "singularly powerful and even . . . perfectly steady."⁵¹ With a persistence worthy of Standard Oil's crusaders, Edison sales agents approached customers using "outmoded" gas jets and urged them

to switch to advanced electric lamps.

The promotion of natural gas involved Rockefeller in sanguinary battles, for the major customers were municipalities, and the decisions were always highly political. The natural-gas business fed rampant corruption, a veritable cornucopia of graft, as companies manipulated urban officials to get these franchises. Though Rockefeller regularly denied knowledge of such machinations, his papers tell a different story: He exercised a supervisory role and knew all about the money funneled to politicians. In securing the Detroit franchise, Standard Oil furnished an emissary, G. A. Shelby, with \$15,000 in cash and \$10,000 in gas stock to sway politicians. When payment came tardily, Shelby groused to Rockefeller: "Will you guarantee the amount stated if Ordinance passes and is approved by the Mayor. . . . I have been to considerable expense and want to be sure of prompt settlement when work is completed."⁵²

In the natural-gas battles, the porous boundaries between politics and business began to crumble and disappear. In 1886, Daniel O'Day met behind closed doors in Philadelphia with the rival Columbia Natural Gas Company and fairly gasped at the political luminaries who were represented. As he told Rockefeller, "I was astonished to learn the people who are in it. All of the Republican local politicians of Philadelphia are stockholders. They are very much afraid of their investment, and feel now that unless they make some alliance with us that they will in all probability lose all their money, or a great share of it." From pure expediency, O'Day favored a deal with their rivals, telling Rockefeller, "The feeling generally was to push the co. to the wall, a feeling in which I would fully share, were it not for the fact that the stockholders of the company might be very bad enemies to have in the Penna. legislature next winter."⁵³ Unconvinced by such pragmatic reasoning, the executive committee overruled Day.

The most bitter natural-gas fracas erupted in Toledo, Ohio, where the former governor, Charles Foster, was an old boyhood friend of Flagler and a recipient of Standard Oil campaign largesse. In July 1886, O'Day reported to Flagler that the ex-governor had agreed to merge his Fostoria Illuminating Gas Company with the Standard's Toledo gas start-up to form the Northwestern Ohio Natural Gas Company. O'Day relayed the secret terms of this arrangement: "That Gov. Foster be President of the Co. But that we would have full control of management."⁵⁴ Toledo citizens were delighted when the Eastern Ohio Natural Gas Company decided to vie with

Northwestern for a gas franchise; in a compromise settlement, both companies received franchises. Then it surfaced that *both* rival companies were controlled by Standard Oil, and in the ensuing brouhaha city officials decided, in retaliation, to erect their own municipal gasworks. Politicians in the Gilded Age tended to dispense with euphemisms, preferring cash on the barrelhead. Having done Standard Oil's bidding in the gas business, Foster demanded his payoff from Rockefeller in January 1888, saying his campaign committee had a debt of almost \$1,200. "My suggestion to you," he told Rockefeller bluntly, "is that you send me a cheque for this amount. . . . I have refused to ask you or your people for contributions for several years past. In this case I did it because I know that you feel an interest with us, and for the further reason that I thought it would be helpful in warding off the blows made at you, and at our Gas Co."⁵⁵ In reply, Rockefeller sent Foster a thousand dollars, though he couldn't resist appending some barbed comments on his past performance. "Our friends do feel that we have not received fair treatment from the Republican Party, but we expect better things in the future."⁵⁶

In 1886, Standard Oil set up the Natural Gas Trust, with Rockefeller as its largest shareholder. As such, he presided over these sordid municipal skirmishes, albeit keeping a sanitary distance. He followed matters closely but never soiled his hands, so that he could profess ignorance of the whole matter.

If Rockefeller tried to deny responsibility for his more deplorable actions, he had legions of critics who loudly proclaimed that he had maliciously ruined them. As Ida Tarbell noted, his foes endowed him with superhuman powers. "Strange as the statement may appear, there is no disputing that by 1884 the Oil Regions as a whole looked on Mr. Rockefeller with superstitious awe."⁵⁷ Each day's mailbag brought more invective from total strangers who cursed him and pleaded for relief. The most bile flowed from western Pennsylvania oilmen who believed that he capriciously decreed crude-oil prices each morning. As one Bradford producer told him, "The situation here is truly alarming and hundreds of families are in actual distress that need not be if the price of oil was what thousands believe you could make it."⁵⁸ Another correspondent warned him, "There are thousands here on the verge of financial ruin on account of the low price obtained for their product, and *if it is within your power* to give them a better price you would bestow a boon inestimable in its value to this entire country."⁵⁹ Sometimes these malcontents seemed torn over whether Rockefeller was Satan or Santa Claus,

as shown by this muddled query from P. O. Laughner:

*I am a poor devil of a pyker on the oil market and have been in the business for eight years. During all this time I have been cursing the Standard Oil Company with the rest of the boys—curses loud and deep. But with all the anathemas hurled at it the S.O.C. is still in existence and continues to pile up enormous wealth. Now as the market is completely dead and my occupation gone, I have come to the conclusion that it would be wisdom to stop cursing the Standard and strike it for a good fat position.*⁶⁰

After his scandal-ridden childhood with Big Bill, Rockefeller had a fine instinct for enemies and was sensitive to this crescendo of criticism. When out for a walk, he was vigilant and preternaturally aware of anyone following him; it was impossible to sneak up behind him. Yet he lent no credence to his critics and regarded their putative idealism as a flimsy cover for selfish motives. Rockefeller saw himself stoically suffering the fate of all revolutionary figures. “The ideas on which we worked were new . . . ,” he explained. “But knowing that we were right, we went steadily about our business, founded on ideas that were an irresistible force.”⁶¹ He identified many critics as competing refiners who had foolishly taken cash instead of Standard Oil stock for their plants. His melodramatic rendition of it was this: “We think about Hades. What more can punish a man than to sit and groan as he contemplates what might have been!”⁶²

Despite being the target of so much public obloquy, Rockefeller seemed fearless. “The word ‘fear’ is not found in my father’s vocabulary,” his son once said, “nor does he know what the sensation is.”⁶³ Junior recalled being driven to a train station in Manhattan by his father at a time when he was swamped by anarchist threats. Though Junior begged him to hire bodyguards, his father scoffed:

*“Why John,” he said, “I can protect myself. If any man should be foolish enough to attack me—well.” . . . He did not boast. I have never heard him boast. But he stood up full height with his fists clenched. What he said was to the effect that if anyone should attack him he was feeling sturdy—and he hoped he wouldn’t hurt the poor fellow too much.*⁶⁴

Junior remembered the evening in Cleveland years earlier when a maid shrieked that a burglar was upstairs. Rockefeller unhesitatingly seized a pistol

and strode to the back door, hoping to nab the burglar, who had already slipped down a post and escaped.

Rockefeller professed that he bore no malice toward critics and approached them in a spirit of Christian tolerance—so long as they conceded their error. To those “who repented their attacks and abuse we freely extended forgiveness, as we ourselves might hope for mercy and forgiveness from a higher source,” he said.⁶⁵ As his private life and philanthropy attest, he was not a cruel man and did not have sadistic impulses. Yet he countered critics with ad hominem attacks and frequently referred to their actions as schemes, implying something devious and illegitimate. Whenever he was about to commit some particularly heinous act, he first found a character flaw in the victim then proceeded with a serene conscience.

Proof against criticism, Rockefeller nonetheless provoked a small army of gadflies. Perhaps the most picturesque was Lewis Emery, Jr., the rich Bradford producer and pipeline owner and a Pennsylvania legislator, who served as a major source for Ida Tarbell. If only Rockefeller had played fair, Emery insisted, *he* would have ended up the more powerful oilman. “I had and have as much brains as John D. Rockefeller, but I have never had his cunning nor his ability to use unscrupulous means or unscrupulous men to carry out a programme,” he maintained.⁶⁶ Though he spent much of his life stalking the titan, he never actually met Rockefeller, who was, he explained, “too much in the background, too cunning.”⁶⁷

Standard Oil applied merciless measures to stop Emery’s pipelines from linking up with railroads, as shown with his Equitable pipeline to Buffalo. In 1892, Emery was about to complete a major pipeline to Hancock, New York, where he expected the Ontario and Western Railroad to pick up his oil and transport it to New York City. When Archbold got wind of this, he demanded a showdown with the railroad. His report to Rockefeller shows the lengths that Standard Oil would go to cripple a competitor:

We have had further interviews with the Ontario & Western people, and feel that we have made some progress toward a possible understanding with them. It is now entirely sure that there has been no definite engagement entered into by them with the Emery party, and we think they are now convinced that the rates they had been talking about with the Emery party are absurdly low, and that business on any such basis would be undesirable and unprofitable. We have made them a proposition of business covering a period of five years, and

*expect an answer from them this week. Our proposition is that we put over their lines 400,000 barrels of oil yearly, or, in default of any part of the amount, pay a penalty of 10 per cent of the existing rates. We think it a very liberal proposition to them.*⁶⁸

Standard Oil was not content to advance its own interest; it worked actively to damage the business interests of its adversaries. Rockefeller's papers also reveal that Emery was prepared, at one point, to sell his oil properties to Standard Oil, asking for \$750,000 in shares of the trust—hypocrisy that only validated Rockefeller's dim opinion of his critics.

Another embittered foe was George Rice, a Vermont native and independent refiner from Marietta, Ohio. A vigorous man with a bulldog face, Rice thrived on crossing swords with the oil trust. More than anyone else, Rice was driven mad by Standard Oil's unjust methods and became a professional Rockefeller hater. He instigated many legislative probes of Standard Oil and in 1881 published a pamphlet entitled *Black Death*, an anthology of scathing newspaper exposés. For Rockefeller, Rice was nothing but a blackmailer. "He liked to harass, embarrass, annoy the Standard Oil interests with a view of enabling him to sell his quite unimportant refinery interest. . . . This is the whole story of George Rice."⁶⁹ In fairness to Rockefeller, Rice tried repeatedly to extort money from him, asking an outrageous \$250,000 for a refinery Rockefeller valued at only \$25,000. To banish this pest, Rockefeller and his colleagues alternated between trying to buy him out and trying to bludgeon him to death. As Colonel Thompson reported to Rockefeller, "[Rice] admitted that it could be better to occupy friendly relations with us and assumed to be willing to make some arrangement, but extortion was written in every lineament of his countenance and burdened every syllable that fell from his lips."⁷⁰ At the time, Rice was lobbying for a federal investigation of Standard Oil's railroad rebates.

Though Rice insisted that Standard Oil laid deep plots against him, Rockefeller mocked his criticism as the ravings of an overactive mind. "We might as well assume that the Standard Oil Company would get a 21-inch cannon to shoot mosquitoes."⁷¹ Yet his files show that such a cannonade was fired at Rice. In 1885, Daniel O'Day struck a deal with the Cleveland and Marietta Railroad, which was the lifeline of Rice's refinery. The railroad agreed to charge Standard Oil 10 cents a barrel versus 35 cents for Rice and his fellow independents. Resurrecting the infamous drawback, Standard

would also be paid 25 cents for every barrel that Rice shipped. In dictating this deal, O'Day bluntly warned the railroad that if it didn't comply, he would build a competing pipeline and drive them out of business. In a rare successful suit against the trust, Rice forced Standard Oil to repudiate the nefarious contract and refund him \$250.

With his own brand of courage, Rice tried to market oil against the two roughest Standard Oil subsidiaries, Chess, Carley and Waters-Pierce. As soon as Rockefeller got reports of even minuscule shipments made by Rice, Standard Oil agents in the affected states were told to thwart him by any means necessary. In 1885, W. H. Tilford told Rockefeller, "As far as Chess, Carley Co.'s territory is concerned, every effort is being made to dislodge Rice. Travelling men are being put upon the road, who go from station to station selling oil in competition with any oil which Rice may have in the various towns." ⁷² Every time Rice was ejected from another hamlet, Rockefeller was informed. "We have recently driven Rice entirely out of Anniston, Alabama, and feel that we shall soon have him also out of Birmingham," the Chess, Carley treasurer reported to Tilford. "Wherever this result is accomplished, however, it has only been by our making very low prices, frequently at a loss to this company, and such loss continued through a long period."⁷³ No threat to his empire was too small for Rockefeller to overlook.

If Emery, Rice, and other anti-Rockefeller mavericks made little headway in the oil industry itself, they were destined to have a powerful impact in the court of public opinion as they coalesced into an influential lobbying group. They formed a ready source of information for journalists, of whom their first polemical champion was a rich, elegant newspaperman named Henry Demarest Lloyd. The son of a Dutch Reformed minister, Lloyd attended Columbia College, passed the New York bar, then married into the wealthy Bross family, co-owners of the *Chicago Tribune*. Starting in 1878, Lloyd wrote withering editorials about Standard Oil in a florid style that captured the public's imagination. He profited from the flood of revelations produced by the Hepburn hearings in New York and the Pennsylvania lawsuits against Rockefeller. In the March 1881 issue of the *Atlantic Monthly*, editor William Dean Howells published Lloyd's mordant account of Standard Oil entitled "Story of a Great Monopoly." The first serious exposé of the trust in a prestigious, mass-circulation magazine, Lloyd's seminal article was a sensation, and the issue went through six printings.

For Lloyd, the essence of Standard Oil power resided in its secret alliances with the railroads, which had fostered the growth of many trusts. While conceding the “legitimate greatness” of Standard Oil, he said that it only made its ethical shortcuts the more reprehensible. “Their great business capacity would have insured the managers of the Standard success, but the means by which they achieved monopoly were by conspiracy with the railroads.”⁷⁴ A vociferous critic of William H. Vanderbilt, Jay Gould, Tom Scott, and Collis Huntington, Lloyd incorporated his critique of Standard Oil into a comprehensive crusade for railroad reform. He also fastened public attention on John D. Rockefeller as the trust’s embodiment, speculating that only William H. Vanderbilt had earned more money the previous year.

Lloyd was a slipshod reporter, and his account is marred by many inaccuracies. At one point, he says that Rockefeller had owned a Cleveland flour store. Yet he wrote lapidary prose and showed a keen political and cultural understanding. In a cunning stroke, he converted the piece into a consumer story, stating at the outset, “Very few of the forty millions of people who burn kerosene know that its production, manufacture, and export, its price at home and abroad, have been controlled for years by a single corporation—the Standard Oil Company.”⁷⁵ For Lloyd, the octopus—he helped to popularize the nickname—did more than threaten free competition and fair play; it jeopardized American democracy itself. He charged that Standard Oil controlled two U.S. senators and had engaged in so much corruption in Harrisburg that it had “done everything with the Pennsylvania legislature except to refine it.”⁷⁶ A superb phrasemaker, Lloyd declared in a rousing finale that “America has the proud satisfaction of having furnished the world with the greatest, wisest, and meanest monopoly known to history.”⁷⁷

The article introduced Rockefeller to a national audience and fixed antitrust legislation high on the reform agenda. In proposing a federal agency to ensure uniform railroad rates, Lloyd anticipated the Interstate Commerce Act by six years. If his attack was a harbinger of things to come, so was Rockefeller’s total silence. Confident that posterity would vindicate him, the latter would later explain, “I was concentrated upon extending and developing and perfecting our business, rather than on stopping by the wayside to squabble with slanderers.”⁷⁸

In common with many contemporary moguls—including J. P. Morgan,

Andrew Mellon, James Stillman, Henry Clay Frick, and George F. Baker—Rockefeller resented the press, and his ferocious allegiance to his concern transcended other claims on his conscience. One of his favorite refrains was “The Standard Oil Company’s business was that of saying nothing and sawing wood.”⁷⁹ During the antitrust furor of 1888, he told one minister, “We have gone upon the principle it were better to attend to our business and pay no attention to the newspapers, with the idea that if we were right they could not permanently injure us, and if we were wrong all their comments, though favorable, would not make it right.”⁸⁰ Rockefeller asserted that he was less afraid of exposing misbehavior by talking to the press than of inadvertently spilling trade secrets. “What could we say,” he asked rhetorically, “without telling the world just how we were making our success?”⁸¹

Those few intrepid reporters who tried to penetrate Standard Oil often gave up in despair. When the *New York Sun* dispatched a reporter to Cleveland in 1882 to investigate Rockefeller, he could not get near the mogul and was stunned by the layers of secrecy that surrounded him. He was further impressed by the silence of hundreds of Standard Oil employees he buttonholed, all schooled in Rockefeller’s philosophy. Even with friendly journalists, Rockefeller would not supply a photo of himself in an oil field or refinery and banned photographers from his home for even the most innocuous magazine spreads. Of course, this invisibility only piqued the public’s interest. That silence came so easily to Rockefeller should not surprise us. As an inner-directed man, he required no approbation from others and was much too circumspect to toss out opinions in a newspaper interview.

By the mid-1880s, facing severe political assaults, Standard Oil could no longer decline all press contact. In 1885, the *Oil City Derrick*—long a heated critic of the trust—was bought by an intimate of Captain Vandergrift, who installed Patrick Boyle, a Standard Oil adherent, as its editor. Around 1887, Standard Oil hired a press bureau called the Jennings Publishing Company to place favorable ads, disguised as independent articles, in Ohio newspapers. Soon the Standard cooperated selectively with other periodicals. When *Harper’s Weekly* profiled Rockefeller in 1889, the article was first thoroughly vetted by Archbold. On those odd occasions where Rockefeller sat for interviews, he came across as unfailingly dignified and courteous. In 1890, a reporter for the *World* described him as a man “with an intelligent and pleasant countenance, fair complexion, sandy hair and mustache intermixed with gray, a somewhat prominent nose, mild gray eyes, and an agreeably

expressive mouth.”⁸² The next year, another reporter, braced for a bloody ogre, said of Rockefeller, “He is modest, retiring, gentle-mannered, and without the human vanities which we associate with great millionaires.”⁸³ This favorable coverage should have alerted Rockefeller to two critical facts: that even hostile reporters could be swayed and that he had a flair for public relations no less pronounced than his gift for making money.

Some of the most pungent criticism came from within Standard Oil’s own ranks, from isolated subordinates who thought that the trust’s muscular tactics offended Christian principle. In the 1870s, Rockefeller recruited a stout, bewhiskered young man, William Jay Cooke, a grandnephew of Jay Cooke, whom he had befriended at the Cleveland YMCA. A former wholesale milliner, Cooke prospered at Standard and was soon elevated to a manager’s post in Toledo. After three years, he suddenly quit, unable to reconcile the trust’s sales tactics with his Christian faith. As a history of Standard of Ohio notes tactfully, “He didn’t see eye to eye with Mr. Rockefeller in the manner of eliminating competitors.”⁸⁴ Unfortunately, we don’t know how Rockefeller reacted to this defection by a devout protégé.

Perhaps the most extraordinary act of contrition in Standard history came in an eloquent appeal to Rockefeller written by William G. Warden on May 24, 1887. One of the trust’s most senior figures, Warden sent Rockefeller a haunting letter regretting the revulsion that the firm inspired in the popular imagination:

*We have met with a success unparalleled in commercial history, our name is known all over the world, and our public character is not one to be envied. We are quoted as the representative of all that is evil, hard hearted, oppressive, cruel (we think unjustly), but men look askance at us, we are pointed at with contempt, and while some good men flatter us, it’s only for our money and we scorn them for it and it leads to a further hardness of heart. This is not pleasant to write, for I had longed for an honored position in commercial life. None of us would choose such a reputation; we all desire a place in the good will, honor & affection of honorable men.*⁸⁵

After advancing a profit-sharing plan that might assuage the hostility of the oil producers, Warden urged Rockefeller to ponder his letter:

Don’t put this down or throw it to one side, think over it, talk with Mrs. Rockefeller about it—She is the salt of the earth. How happy she would be to

*see a change in public opinion & see her husband honored & blessed. May he who's [sic] wisdom alone can put it in our hearts to love our fellow men, guide and direct you at this time. . . . The whole world will rejoice to see such an effort made for the people, the working people.*⁸⁶

The Warden letter is an exceptional statement, as dramatic in its way as a deathbed confession. It also confirms that Cettie Rockefeller was extremely upset by the opprobrium heaped upon her husband. And how did Rockefeller respond to this brave, thoughtful letter? About to sail to Europe with his family, he employed his departure as an excuse to send a short, platitudinous reply: "I have not been able to write you sooner," he wrote the following week, "nor to give a careful consideration but be assured its content will not escape me."⁸⁷ To cool off a tense situation with a bland note was vintage Rockefeller, and there is no evidence that he ever again communicated with Warden on the subject.



A dignified but slightly careworn John D. Rockefeller, probably then in his fifties. (Courtesy of the Rockefeller Archive Center)

CHAPTER 15

Widow's Funeral

As John D. Rockefeller was busy consolidating America's largest industrial empire, his father, William Avery Rockefeller—a.k.a Dr. William Levingston—was showing his old wanderlust, peddling panaceas under his assumed name. A frontiersman in a nation where the frontier was vanishing, he gravitated to wilderness areas that provided asylum from the modern, industrial world epitomized by his son.

Huge patches of Bill's life remained a mystery to earlier Rockefeller biographers, but a rough portrait of his later years can now be sketched from Rockefeller's papers and some previously overlooked newspaper and magazine accounts. Bill had relatively little contact with his rich sons, John and William, but was extremely close to the envious Frank, who shared his love of fishing and hunting. (Perhaps associating these sports with his prodigal father, John never hunted or fished in later years.) After Frank bought an immense ranch in Kansas in the 1880s, his father was a frequent guest, and they hunted quail and prairie chickens together.

Much of what we know about Bill's later years derives from his remarkable friendship with a surrogate son, Dr. Charles H. Johnston. When Charles was a baby in 1853, Dr. Levingston visited his Ontario home and cured his mother of an illness. In 1874, Charles, now a young man, encountered Bill in Wisconsin, where Bill cured him of a fever and promised to tutor him in the "art of healing." In Freeport, Illinois, Johnston met Mrs. Margaret Allen Levingston and later called her "one of the sweetest women I ever knew." ¹

It might have been Charles Johnston's appearance that suggested to Bill a scam tailor-made for the Indian reservations. Before meeting Johnston, Bill had fallen back on his old deaf-and-dumb peddler routine. Native Americans believed that when the gods deprived people of one sense, they granted them supernatural healing powers in return, and this made them easy targets for Bill's act. Now he spotted a new opportunity. Charles Johnston had high cheekbones, nut-brown skin, and flowing black hair and could easily be mistaken for a Native American. Bill hired him as his assistant, decked him out in splendid feathers and war paint, and featured him as his adopted Indian

son. From the back of his wagon, Bill told his spellbound audience that Johnston, an Indian prince, had learned secret medicinal formulas from his father, a great chieftain. It was testimony to Bill's gall that Johnston had to pay him for this apprenticeship in fraud. "In spite of his friendship and liking for me," Johnston said, "he made me pay him \$1,000 for my tuition, which illustrates his shrewdness as a bargain driver and his love of money."² As he had once done with John, Big Bill toughened Johnston by goading and cheating him at every turn. One is left to wonder whether Bill saw in Johnston a substitute son who might fill the large emotional void left by his formerly adoring eldest son.

As he traveled with Johnston across Illinois, Minnesota, Iowa, and the Dakotas, Bill's business methods deviated little from the methods he had honed in upstate New York. As Johnston recounted after Bill's death: "He would drive into a town, scatter handbills in which the great Dr. Levingston asserted that he could cure all diseases and we would have a suite of rooms at the best hotel and to the doctor there would come the sick and the halt and the lame. In all cases of common ailments he could detect the cause almost at a glance."³ To impress yokels, Bill wore a glittering diamond in his shirtfront, although when negotiating hotel rates he covered it up to get the cheapest deal. According to Johnston, he pulled in hefty profits, sometimes \$200 a day, and gave the false impression that he was worth several hundred thousand dollars. As in earlier years, Bill dabbled in commodity speculations. At one point, he bought fifty thousand bushels of corn and stored them in bins, selling the lot for a steep markup when grasshoppers devoured crops the following summer. Johnston always admired this colorful, rough-hewn character with his bottomless bag of tricks. "He was all business and his mind was centered on the almighty dollar."⁴

At first, Johnston did not know that Dr. Levingston was related to the Rockefellers, though he noticed a recurring obsession with John D. Rockefeller, whom Levingston claimed to visit in Cleveland once or twice a year. "He told me he went there to look after his money invested with John D. Rockefeller, and he would tell me wonderful stories of John, his shrewdness and great wealth." One time, a skeptical Johnston asked Bill how he knew this famous personage. "I started John D. Rockefeller in the oil business," Bill said flatly. "I loaned him the first money he invested in it and I helped him all along." Bill boasted that his Standard Oil investment was now worth \$375,000. "He used to say that he made John D. rich and he told me if I

would stay with him and do as he said he would make me rich, too.”⁵ At first, it never dawned on Johnston that Bill was Rockefeller’s father, for the braggadocio seemed part of his carnival-barker blarney, but when Bill began to chatter about old man Davison, Johnston recognized the name of Rockefeller’s maternal grandfather and began to wonder. He remained suspicious for several years, while Bill resolutely denied the truth, scattering hints all the while.

In 1881, John D. agreed to buy his father a 160-acre ranch in Park River, North Dakota, on a simple condition: that he never take Margaret Allen there. (Bill spent winters with her in Freeport.) Never resigned to his father’s desertion and always fearing press exposure of his bigamy, John was still trying to lure his seventy-one-year-old father back to Eliza and away from the sinful second marriage. Johnston later explained how Dr. Levingston had told him “that John D. Rockefeller early had learned that his father was a bigamist, and that the ranch in North Dakota had been taken by [him] upon the advice of John D., who, in the later years of his father’s life, wished to wean him away from his second wife and have him live alone in a secluded place. Thus, if the old man should be discovered on his ranch, there would be no second wife with him.”⁶

When Bill bought his first parcel of land in Park River, John allowed him to hold it under the name of Levingston. But when he purchased additional acreage in 1884, the deed was conveyed to Pierson Briggs, John’s brother-in-law and a Standard Oil purchasing agent. In all likelihood, John paid for the property, using Briggs as a blind. When the land was conveyed back to Bill in 1886, he had to sign the transfer document “William Avery Rockefeller,” though he was known locally as Levingston, and one suspects that John insisted upon this step to strip Margaret Allen of any legal claim to the property. It was this legal maneuver that later established incontrovertibly that William Levingston and William Rockefeller were the same person.

For a long time, Bill and Charles Johnston occupied adjoining properties in Park River and spent lazy summers hunting and fishing. Their secluded town, thirty miles from the nearest railroad, gave Bill exactly the protective distance from sheriffs and medical societies that he required. During the sixteen summers he spent there, Bill shunned the main roads of town and carved out paths through the wheat fields. The townsfolk found him a queer, solitary old buzzard. Now and then, unaccountably, he cashed a Standard Oil check at the local bank. If the check was for \$3,000, he might throw up his hands in mock

surprise and pretend he had thought it was for only \$300, as if someone of his wealth could afford to be negligent with money.

Later on, when he became a physician of distinction and president of the College of Medicine and Surgery in Chicago, Charles Johnston feared legal repercussions for his earlier gypsy wanderings with Bill and sought to portray him as a genuine folk healer instead of as a bald-faced quack. But neighbors had little doubt that Doc Levingston and Johnston were first-class bunco artists. “They had a big jug full of medicine and they treated all diseases from the same jug,” one acquaintance recalled. “I have often heard them joking together about the cure-all properties of the mixture in that jug. Dr. Levingston would say, ‘Yes, sir, that medicine will cure anything, providing the patient has got \$5 to pay for a bottle of it.’ ”⁷ In this distant hamlet, Bill functioned as a medical factotum, rigging up a funny gadget that pulled an aching tooth for a buck, and he even did some horse doctoring.

Johnston might never have unearthed the startling truth about Doc Levingston had it not been for a freak accident soon after they moved to Park River. They were constructing a cattle shed together when Bill injured himself lifting a heavy bar. Gasping in agony, he feared that he had a ruptured intestine and that death might be imminent. When Johnston asked if he should notify Margaret, Bill snapped, “I don’t want the Allens to get any more of my money than I can help.”⁸ (Relations with the Allens were apparently no more cordial than with John Davison.) Instead, Bill blurted out a shocking confession: He was the father of John D. Rockefeller, who should be informed in case he died. “No, you notify John D. Rockefeller, but be very careful and let no one else know it.”⁹

When the injury wasn’t fatal and Bill recovered, he tried to resume the tired old charade that he was unrelated to Rockefeller, but Johnston’s hunch had now ripened into certainty, and Bill eventually gave up the game. Bill began to speak freely and often quite emotionally about his estranged son. When Johnston asked why he had concealed this relationship for so long, “he told me that the reason he kept it secret was that he found it necessary in his younger days to assume a name because he was practicing medicine without a license, he might be arrested any time, and he did not wish to disgrace the name of Rockefeller because of his children. He stuck to the name later, he said, because it was then too late to honorably take the right name.”¹⁰ This overlooks the awkward truth that he also assumed a new name to enter into a

bigamous marriage with Margaret Allen and conceal the truth from Eliza.

The stories about John D. suddenly came tumbling forth. Bill bragged about his career, always reserving a good deal of credit for himself. “He never tired of boasting to me of John D.’s cleverness and how he was too smart for any of his competitors in the business. . . . He seemed to just dote on John D. Rockefeller. He told me hundreds of anecdotes of John D.’s boyhood, of fishing and hunting with him and of his cleverness and shrewdness as a boy.”¹¹ For all of Bill’s glaring faults, there is something touching about a father admiring his extraordinary son from afar and taking vicarious pleasure in his achievements while being pointedly excluded from his affections. John’s success provided its own tacit commentary on Bill’s employment. Where Bill had squandered his considerable talents, John had succeeded on a scale that made Bill look cheap and tawdry. Like many pathological liars, Bill’s achievements were too meager to satisfy his exaggerated need to feel important. He had never arrived at a larger vision of his own potentiality, remaining mired in the petty arts of a small-time con man.

Charles Johnston finally wearied of his escapades with Bill and opted for a legitimate career. Like any Pied Piper, Bill was upset when one of his followers no longer hearkened to his beguiling tune. As Johnston remembered: “We parted when I decided to go to college and get a medical education and a diploma. He was very indignant at that. He declared that a college education would spoil me and that his was the only method of curing diseases.”¹² Bill later recanted and helped to put his young protégé through medical school. When Johnston began practicing medicine in Chicago, Bill visited and showered him with gifts, including his gold-headed cane and his violin. In the interest of protecting his newfound respectability, Johnston kept his frontier liaison with Bill a deeply buried secret until the press forced him to come clean in 1908. By this point, the search for Doc Rockefeller had developed into a national obsession.

In March 1889, the ailing Eliza was at William’s mansion at 689 Fifth Avenue when she suffered a stroke that paralyzed her right side. As she hung on for another ten days, both John and William skipped work to maintain a bedside vigil. “She knew us all,” John D. wrote of the deathbed scene to a cousin, “and did all her strength would permit to show her affection, appreciation, and Christian resignation.”¹³ She died quietly on March 28, age seventy-six, never having known that her husband had taken a second wife, twenty years his junior, and adopted a brand-new identity. John, William, and Frank buried

their differences long enough to accompany the casket by train to Cleveland.

Whatever solace John derived from Eliza's peaceful death was soon shattered by the events surrounding her funeral. Never accepting Bill's double life, John had sold his father's lot in Woodland Cemetery in 1882 so that he could be buried in "the portion for him and Mother" in the Rockefeller family plot at Lake View Cemetery. This transaction required Bill's signature, but John's relations with his father were so uneasy that he had to ask brother Frank and Pierson Briggs to act as intermediaries. When Doc Rockefeller predictably bridled at this slap at his second marriage, John threw up his hands in frustration. "Guess you will have to manage this matter with him," he told Frank.¹⁴ John succeeded in making the transfer, for, as Eliza's condition deteriorated in February 1889, he wrote to Frank and referred to "the arrangement for father and mother to be buried in that portion which we have designated as theirs."¹⁵ Perhaps Bill pretended to submit to this arrangement only to placate John, for he had no real intention of being buried beside Eliza or abandoning Margaret.

When Eliza's death seemed imminent, Frank alerted John that their father was suffering from asthma and would not attend the funeral service, to be held at John's old Euclid Avenue house. Something snapped in John when his father thus offended his mother's memory, and he decided to kill him off, at least symbolically. The day before the funeral, he paid a visit to the Reverend George T. Dowling of the Euclid Avenue Baptist Church, who would officiate at Eliza's burial and deliver the oration. As someone who later discussed this meeting with Dowling recalled, "The most interesting fact I got from him was the pains John D. Rockefeller took to have it announced that his mother died a widow. Among other things he told of the years of widowhood and her faithfulness to the memory of her departed husband."¹⁶ That this story was gathered by Rockefeller's official biographer, William O. Inglis, only adds to its credibility.

Eliza's sons and grandsons served as pallbearers at the funeral, and John read the final chapter of Proverbs, while Bill was conspicuously absent among the mourners. Eliza's death certificate kept up the fiction that she was a widow. After the funeral, John was still fuming over his father's absence and for weeks insisted that Bill should come to Cleveland to pay his last respects at the gravesite. On April 18, 1889, he told Bill's brother Egbert, in an unaccustomed show of open wrath, that "if he does not soon come, we

shall go for him.”¹⁷ Eliza’s death, far from putting the whole situation to rest, only inflamed John’s feelings anew, complicating his stormy relationship with his father.

That October, in apparent reprisal for his father’s failure to attend, John made him sell his Park River ranch, which had now outlived its usefulness as a possible path to rehabilitation. On these transfer documents, John again forced his father to write his real name, “William Avery Rockefeller, widower of Cleveland,” so as to keep the money from Margaret.¹⁸ Determined to mete out further punishment, John pushed his father to sell all his western property, move back east, and abandon Margaret Allen altogether, but Bill would not leave Park River. He bought new property nearby and until 1897 continued to spend summers there and winters with Margaret in Freeport.

Six months after Eliza’s funeral, Bill had the cheek to arrive in Cleveland, unannounced, his health suddenly and miraculously restored. It was probably this visit that sealed John’s decision to sell the ranch in North Dakota. Apparently bent upon patching up relations with John and William, Bill prevailed upon Egbert, an upstate New York farmer, to accompany him on a trip to Manhattan in October 1890. The image of these two hillbillies in the big city measures the extraordinary distance that John and William had traveled from their small-town origins. Maintaining his civility, John gave them a tour of 26 Broadway and took them to Saint Patrick’s Cathedral. The sixteen-year-old Junior whimsically narrated these events to a girlfriend in a letter; emerging from the cavernous church, Egbert turned to his hosts and said, “Well, that do beat all I ever see.”¹⁹ Even though Egbert was extremely close to Bill, John’s children had never met this folksy old character before and were entranced by him. As Junior wrote,

Uncle is a farmer from Oswego, New York, and has only been to the city once, and then on business, so that he knew nothing about the life that is led here and he has been most interested to ride in the park and see all the fine carriages and horses besides the many other sights of interest to one only accustomed to country life. He is such a dear, simple minded old man and is so appreciative of anything done for him that it is a great pleasure to make his visit as enjoyable as possible. Grandfather said to me the other day when we were driving together, “Uncle Bert is so happily disappointed in your family and Uncle Will’s.” I said why how do you mean. “Well,” said he, “he told me that he supposed you would be stiff and high minded and hardly pay any attention to an old country man like him, and he is so delighted to find you all

so social and entertaining.” And, he said, “he does enjoy everything he sees here so much, why he talks to me until nearly eleven o’clock every night, telling me all about it.”²⁰

John suspected that this would be his aging father’s last East Coast visit, though Bill continued to show up in Cleveland, often escorted by Uncle Egbert. In the acrimonious style that marked all their business dealings, John continued to wrangle with his father about money matters. In 1881, he had advanced him money to enlarge Eliza’s Cheshire Street house, the one John had built as an adolescent under Bill’s intermittent supervision. Even though Bill had decamped, John had allowed him to retain a share in the house, leaving open the possibility of the penitent’s eventual return. For this loan, John had charged—but never collected—6 percent interest. Around 1900, John told his ninety-year-old father that he would cancel his claim to the accumulated interest if Bill signed over his interest in the property to his granddaughters. It was yet another round in his never-ending quest to prevent Margaret Allen from inheriting a penny of Rockefeller money.

Communications between John and his father were routinely routed through Frank or William. As John wrote to Frank in a typical letter in 1898, “I enclose a letter to Father, as I have not his address.”²¹ Despite the chronic friction between them, Big Bill continued to borrow money from his son and by the end of the century still had a \$64,000 loan outstanding—more than \$1 million in today’s money. This dependency grated on Bill, as was evident in September 1902, when John and Frank hosted a daylong party for their father at Forest Hill, gathering up his cronies from Strongsville days. Though he put on his finest duds—a broadcloth coat with silk lapels, a silk hat tilted at a jaunty angle, and a blazing diamond in his shirtfront—Bill was now a bloated 250 pounds. At ninety-two, he was gouty, rheumatic, asthmatic, hard of hearing, nearly blind, cantankerous, and unsteady on his feet. For all that, when they held a turkey shoot in his honor, Bill won hands down. The guests spent much time reminiscing and were doubled over with laughter as Bill told his salty tales. Later, when asked where he lived, he grew extremely coy; pressed, he raised his hand, saying, “No, no, boys; that’s one thing I shall not tell.”²² He did drop two hints, however: that he lived somewhere out west and that he shot “shirt-tail swans” on a nearby lake—trivial details that sparked one of the great wild-goose chases in journalism history.

What makes the Forest Hill reunion so fascinating is that outsiders had an unusual chance to observe relations between John and his father. From his

constant trips to Kansas, it was clear that Bill felt warmly toward Frank, but the tension between Bill and John was palpable. The old man seemed to delight in embarrassing his son before their guests. At one point, Bill was sitting on the lawn, holding court, when John approached quietly. “Here comes Johnnie,” Bill taunted him. “I suppose he is a good Baptist, but look out how you trade with him.”²³ Later, he told John that if he didn’t pay him fifty cents for every squirrel on the place, he would “shoot every damn one of them.”²⁴ Everybody but John seemed to enjoy the humor. To John’s extreme discomfort, Bill launched into a long string of bawdy stories, narrated with all the brio he could muster. In a revealing moment, John tried to slip away so that he would not have to hear his father’s remarks, but Bill grabbed his son and made him stand and listen to these ribald jokes. At the end of the day, while John tried to recover from this public humiliation, Frank and Bill took a long, sentimental drive through the Cleveland streets.

The tense relations between John and his father were paralleled by increasing rancor between John and his malcontent brother Frank, who was always maddened by his success. As a vast discrepancy in wealth arose between him and his two brothers, Frank tried to redress the imbalance by gambling, only to stumble into fresh fiascoes and exacerbate his reliance on them. Whenever he attempted to emulate John’s business flair, he acted in a dangerously capricious fashion, and his subsequent failures further infuriated him against his brother. As he waded into commercial blunders and rash speculations, his dark side acquired a pathological intensity, with one observer depicting Frank as “hot-tempered and vindictive. . . . Sometimes I have thought that he was insane. He was a very violent man. Perhaps brooding over some wrong, real or imaginary, had upset his mind.”²⁵

Aware of the problems his legendary stature caused Frank, John felt acutely the difference in their fortunes and wanted to find a place in business for Frank, but he couldn’t countenance his methods and was offended by his public tirades against him. In the late 1870s, Frank was a partner in the rival Cleveland refinery Pioneer Oil Works, and John classified his brother among the blackmailers who tried to unload their antiquated refineries on him at extortionate prices. “He and others were up to such schemes all the time till they got their property sold out at the price they wanted—schemes of blackmail!”²⁶ John labored tirelessly to win control of Pioneer Oil Works and, instead of snuffing it out, favored its discreet absorption by Standard Oil. Using William as an intermediary—there were times when John and Frank

did not speak—he offered Frank lucrative deals in which the trust would refine Pioneer’s oil. While Frank thought he was negotiating only with William, John secretly monitored their exchanges and dictated letters sent under William’s signature. The genial William was also the front man for large loans that Frank might have spurned if offered directly by John. In the end, Frank negotiated an advantageous deal in which Standard Oil would market Pioneer’s surplus oil whenever Pioneer lacked enough customers—a one-sided deal John would have approved only out of fraternal sentiment. Instead of showing gratitude, Frank rewarded John by trying to steal away Standard Oil customers and raiding territories it controlled.

An incorrigible ingrate, Frank wanted to have it both ways: to be heavily indebted to his brothers yet operate free of their control. He asked John to become his banker then expected leniency from him. He took several gigantic loans from John and William—some as large as \$80,000—with all too predictable results. When Frank piled up staggering losses in private oil speculations, Colonel Payne reported to John in 1882: “*Confidentially*— it is reported that Frank has lost very largely in his operations at Chicago—it is put as high as \$100,000.”²⁷ When Frank’s health broke under the strain, John tried, to no avail, to wean him away from gambling.

Trying to equalize his status with his brothers, Frank lived on a lavish scale that far outstripped his income. He later bought a beautiful country home in Wickliffe, Ohio, seven miles from Forest Hill, complete with 160 acres of barns, paddocks, and a racetrack. He trained fine racehorses, raised Shetland ponies and prize cattle, and stocked a hunting preserve with deer, bear, foxes, and squirrels. Nothing pleased Frank more than to dust off his Civil War uniform on patriotic holidays and strut around his property with fellow veterans, perhaps to remind John and William that they hadn’t flocked to the Union banner.

On his travels, Big Bill had spotted a large tract of cheap land in Belvidere, Kansas, west of Wichita, which Frank turned into an 8,000-acre ranch. When he first bought the property, it was remote from railroads, and he could graze his buffalo herd, pedigreed horses, and shorthorn cattle on vast, unfenced plains. Not surprisingly, John and William carried the ranch mortgage and financed additional land purchases. Then the Atchison, Topeka and Santa Fe Railroad inaugurated service to the area, fresh settlers swarmed in, and the free range shrank for cattlemen. Where Frank’s livestock had been able to forage for ten miles to the east and twenty-eight miles to the north, now they

could go just two miles to the east and four miles to the north. This ruined the ranch for breeding beef, and Frank tried futilely to sell the depreciated property.

Striking a familiar whining note, Frank told John, “I can’t understand why this vein of ill luck & misfortune holds to me in every piece of property I have.”²⁸ At such moments, he dropped the bravado and showed almost abject gratitude to his brothers, now signing a written agreement to end his speculations. As he reassured John, “I take this opportunity of thanking you & Will for your great kindness to me, & agree not to enter any new business of *any kind*, without first conferring with you.”²⁹ Instead of chiding him, John steadily advanced more money in 1884, retired his debts, provided income for his family, and rallied his bruised spirits, saying, “Keep a stiff upper lip, clean up as you go, and the skies will brighten by and bye.”³⁰

That year, Frank rewarded John’s generosity by again testifying against Standard Oil in congressional testimony, charging it with accepting huge railroad rebates. With Frank, John tried to show a preacher’s patience, yet he was caught on the horns of a dilemma: If he showed generosity toward Frank, it deepened his brother’s dependence and bred anger; if he didn’t give him money, Frank threw a tantrum. His brother’s two-faced behavior rankled, causing John to exclaim in later life: “My poor brother! He has had his day. I pulled him up four times out of bankruptcy.”³¹

Oppressed by debts from oil speculation and ranching, Frank could no longer contribute capital to Pioneer Oil Works, and the firm shut down. His partner, J. W. Fawcett, pleaded with John D. to buy the firm, but Standard already had excess Cleveland refining capacity. After a brief fling as a stockbroker, in 1886 Frank was appointed a second vice president of Standard Oil of Ohio, a post created for him by his brother. For all his sermonizing about John, Frank gladly took advantage of nepotism and, once on the trust’s payroll, had no scruples about enforcing policies he had recently excoriated. When competition loomed up in Michigan, he reveled in stamping it out and proudly wired John that “our idea . . . to wipe out all M[ichigan] companies completed—doing the business in the name of the Standard Oil Company of Ohio.”³² He bullied Cleveland refiners who requested higher refining allotments from Standard Oil—much as he had tried to do for Pioneer Oil Works. And he wasn’t above milking his position for personal gain. After visiting the new oil boomtown of Lima in 1886, he wrote to John, “Lima,

Ohio, is a very pretty town of 12,000 inhabitants and it seems very natural that the oil interest there and the building of a refinery would create quite a boom in real-estate.”³³ He had the effrontery to ask John for money for his real-estate speculation in the city—which would only drive up the price of land Standard Oil was trying to buy.

Frank Rockefeller never fared well in the business world and spread dissension in the Standard ranks. He was jealous of the power wielded by the office head, Colonel Thompson, the former Confederate colonel. (That Frank had been wounded on the Union side couldn’t have helped.) For one tumultuous year, Frank and Thompson waged their own civil war, Frank steaming at duties Thompson assigned to him. In confidential letters to John D., Frank tried to smear Thompson as a power-mad executive, feathering his nest at the company’s expense. As Standard Oil angled for a natural-gas charter in Cleveland, Frank wrote privately that Thompson “is intending to so pull wires and spend money . . . in such a way as if possible, to wield such an influence as would result in his own personal aggrandizement politically.”³⁴ Thompson, a tough, wily customer, could have outmaneuvered Frank, but he wisely sensed the perils of beating the president’s brother and withdrew from the field of battle. Instead, he moved to New York and chaired the domestic-trade committee at 26 Broadway, leaving Frank outwardly in charge in Cleveland.

In February 1887, the trust further downgraded Cleveland in the Standard Oil hierarchy, reducing it to a shipping and manufacturing center, with actual business decisions taken in New York. In other words, high-level orders would now emanate from Thompson’s committee. As Frank wrote John from Cleveland, “When I returned to the city Monday morning I found the people throughout the entire building in a fearfully demoralized state of mind, and was besieged more or less for several days by different ones—all anxious to know what their fate was to be—the general impression prevailing that a majority of them would lose their situations, business going to New York.”³⁵

Irritated by Frank’s griping, John was soon coldly writing “Dear Sir” letters to him and signing them, “John D. Rockefeller, President.” Gradually, Frank was shunted aside by Feargus Squire, nominally secretary of Standard of Ohio and lower than Frank on the organization chart, but the real boss of the office. It seems that Frank alienated virtually everyone in the building and was increasingly ostracized. An official history of Standard of Ohio describes the denouement: “The vice-president’s interest in what was going on, seldom

noticeable, diminished as time went by, and there were those who came to regard him as a millstone around the neck of a more talented man. Many thought he was being retained because his name was Rockefeller—an opinion which a hundred contrary pronouncements from 26 Broadway would not have altered.”³⁶



The four Rockefeller children strike a pose in 1885. Left to right: Alta, Bessie, Edith, and John, Jr. (Courtesy of the Rockefeller Archive Center)

CHAPTER 16

A Matter of Trust

For twenty-five years after Drake's discovery, no major oil field was discovered in America beyond the Pennsylvania borders, so that it was never clear whether Rockefeller's empire rested on terra firma or quicksand. When somebody told John D. Archbold in 1885 that traces of oil had been found in what later became Oklahoma, he reacted with incredulity. "Are you crazy, man?" he scoffed. "Why, I'll *drink* every gallon of oil produced west of the Mississippi!"¹ Though small amounts of crude were being pumped in California and Kentucky, one expert solemnly assured Archbold that the chances of finding another bonanza on the scale of the Bradford field were one in a hundred; in alarm, Archbold liquidated some of his Standard Oil shares. Writing to Rockefeller that September, he mused gloomily that "we have opened nothing of importance in the way of production this summer, and next winter must see a great reduction in the old Bradford and Allegheny fields, from which the bulk of the production is yet obtained."² The American oil business seemed headed toward premature extinction.

Rockefeller and his associates had long been haunted by two antithetical nightmares: Either the oil would dry up, starving their network of pipelines and refineries, or they would drown in a sea of cheap oil that would drag prices below their overhead costs. At one panicky executive-committee meeting in the early 1880s, it was even suggested that Standard Oil should exit the business and enter something more stable. After listening quietly to such defeatist talk, Rockefeller stood up, pointed skyward, and intoned, "The Lord will provide."³ Rockefeller tended to see a heavenly design in all things and was convinced that the Almighty had buried the oil in the earth for a purpose.

In retrospect, it seems peculiar that Standard Oil—omnipotent in refining, transportation, and distribution—owned just four producing properties in the early 1880s. Thousands of Standard Oil employees had never seen a well. Why had Rockefeller not taken over the oil fields and completed his mastery of the industry? One must recall that in its formative years, the business suffered more gluts than shortages, giving Rockefeller the option of sitting

back and watching producers slash prices in chaotic competition. He had long profited from the juxtaposition of cooperation in refining and competition in production. Political tact also dictated that he tread warily. As late as 1884, Archbold vigorously opposed any move into production as overly provocative: “I think if the name of the Standard Oil Co. were to go forth coupled with the movement, it would make new food for demagogues, politicians, papers, and howlers of all descriptions.”⁴

Why, then, did a radical policy shift occur within a year or two? Partly, this derived from the trust’s entry into natural gas, which put it, willy-nilly, in the drilling business, but the more compelling reason was that Standard Oil had built up a huge global machinery with a ravenous thirst for crude oil. As the Pennsylvania fields were depleted, Rockefeller feared that he might have to turn to Russian crude, and it seemed certain that the Russians would exploit their control of the oil fields to weaken or even eradicate Standard Oil. Already by 1884, an anxious Rockefeller was badgering associates to create a crude-oil reserve beyond their immediate needs, and he invested in some West Virginia producing properties. As he warned a skeptical colleague, “We must keep in sight always a large volume of the raw material, and better that this stock be somewhat excessive than run the risk of Russian competition shutting us out.”⁵

Then came a turning point almost as momentous as Drake’s discovery. In May 1885, a group of small operators, searching for natural gas in northwest Ohio, tapped a pocket of oil instead. This threw the industry into a wild uproar, providing incontestable proof that substantial deposits existed in the United States outside of Pennsylvania. By year’s end, more than 250 derricks had sprouted around the town of Lima, spilling across the border into Indiana. Yet the cheering was restrained, for the chemical content of Lima crude had intractable quality problems that threatened to destroy its value. For one thing, it contained less kerosene than Pennsylvania petroleum and that kerosene spread a film over lamps. Even more troublesome, its high sulfur content corroded machinery and gave off a deadly smell. (Pennsylvania crude had a paraffin base.) As one newspaper put it, “The chief fault found with Ohio stuff is the fact that it smells like a stack of polecats and is only worth forty cents a barrel.”⁶ For a household item, this stench was a fatal drawback, and the standard practice of cleansing crude with sulfuric acid was not enough to disinfect it.

It was, arguably, Rockefeller’s supreme inspiration that he believed in the

Ohio-Indiana fields—one of those flashes of vatic power that made him a business legend. As he said, “It seemed to us impossible that this great product had come to the surface to be wasted and thrown away; so we went on experimenting with every process to utilize it.”⁷ To solve the problem, in July 1886 Rockefeller imported a distinguished, German-born chemist named Herman Frasch and gave him simple marching orders: Banish the odor from Lima crude and turn it into a marketable commodity. While Frasch burrowed away at this problem, the Standard Oil board faced an excruciating dilemma: Should they assume Frasch would succeed and buy up huge leases along the Ohio-Indiana border; or should they wait until Frasch had finished and risk losing the choicest properties?

Despite his prudent style, Rockefeller could exhibit visionary daring and undertake colossal gambles. He was now prepared to wager an enormous amount on Lima oil, a decision that tested his belief in management by consensus, for a conservative board clique headed by Charles Pratt obstinately resisted him. Rockefeller had always derided Pratt as weak-kneed and fainthearted, a “small man” who contributed little beyond the marketing area.⁸ Yet far from imposing his will, Rockefeller tolerated prolonged debate about Lima crude, producing “a continual wrangle in the Board of the Standard Oil Company, day by day, month by month, year after year.”⁹

A thin man with a Vandyke, active in his Baptist church, Pratt shared Rockefeller’s puritanical style. “Waste neither time nor money” was his favorite motto.¹⁰ A donor to many causes, Pratt was the first president and principal donor of the Adelpia Academy in Brooklyn and later bequeathed several million dollars to found the Pratt Institute, which offered classes in manual trades, the arts, and domestic economy. Despite their similarities, Pratt was a timid executive who lacked Rockefeller’s audacity and often felt slighted by him. He now turned the Lima debate into a referendum on his own business acumen. At every meeting, when Rockefeller proposed purchasing Ohio leases, Pratt and his faction objected. As Rockefeller said in mockery, they “held up their hands in holy horror.”¹¹ Finally, to break the deadlock, Rockefeller took an incalculable gamble. At one board meeting, after Rockefeller made his standard pitch for a Lima investment, Pratt lost his temper, threw back his head in agitation, and shouted “No!” Whereupon Rockefeller replied coolly, “I will build this improvement out of my own funds and underwrite it for two years.” He astonished his colleagues by pledging \$3 million—about \$47 million in 1996 dollars. “At the end of that

time if it is a success the company can reimburse me. If it is a failure, I will take the loss.”¹² Whether impressed by Rockefeller’s unflinching resolve or realizing that he had lost, Pratt capitulated. “If that’s the way you feel about it, we’ll go it together,” he replied. “I guess I can take the risk if you can.”¹³

Standard Oil spent millions of dollars to buy oil properties, build tank cars, and construct pipelines in Lima. Daniel O’Day had never seen an oil field that he didn’t want to crosshatch with pipes, and when the trust started the Buckeye Pipe Lines Company to gather Lima crude in March 1886, he informed producers with more force than subtlety that they had to give Buckeye all their crude. Any driller who struck oil was accosted on the spot by one of O’Day’s determined agents. As he told Rockefeller, “I believe it is for the best interest of our company that as soon as we learn of any new development either oil or gas that we have a man there at once and have him stay there ready to take hold of anything that may turn up.”¹⁴ An irresistible force, O’Day soon cornered 85 percent of the Lima oil. Even though no market yet existed for the “skunk oil,” the trust bought every single barrel offered by producers and by 1888 had over forty million barrels in storage tanks. By that point, the foul-smelling fluid sold for fifteen cents per barrel.

In taking his gamble, Rockefeller hadn’t *entirely* trusted to the Lord and the Standard Oil chemists and was casting about for a new application for the malodorous oil. He found the answer in fuel oil. The trust sent out teams of salesmen and technicians to persuade railroads to burn oil instead of coal in their locomotives and to suggest to hotels, factories, and warehouses that they switch from coal furnaces to oil burners. Although this effort flourished, the resulting business still didn’t equal the scale of the kerosene industry and only marginally diminished the fierce pressure weighing on Herman Frasch in his laboratory.

Nicknamed the Wild Dutchman, the vainglorious Frasch conformed to the stereotype of the eccentric scientist. A short man of explosive temper, he had immigrated to the United States after the Civil War. In the mid-1870s, Rockefeller brought him to Cleveland, where he did splendid work with paraffin, producing a new wax for British candle makers and a new ingredient for Cleveland’s chewing-gum magnate, William J. White. Afterward, Frasch set up shop in Canada and patented a process for eliminating sulfur from sour Ontario oils. Since the Ontario fields lay across Lake Erie from northwest Ohio, Rockefeller must have assumed a high likelihood of success when he hired Frasch to work on a kindred problem. By February 1887, Frasch had

achieved partial success with Lima crude, introducing copper oxides to remove the sulfur. Then came the big breakthrough of October 13, 1888, when Feargus Squire wired Rockefeller with the historic news he had eagerly awaited for two years: “We are pleased to advise you that by experimenting with the Frasch process we have succeeded in producing a merchantable oil.”¹⁵

Frasch’s feat did more than vindicate Rockefeller’s reputation as an uncanny prophet of industry trends. Had Frasch not figured out how to use Lima crude, a critical shortage of American oil would have arisen between the depletion of western Pennsylvania crude and the Texas and Kansas booms of the early 1900s. For fifteen years, Frasch’s patents furnished dazzling profits for Rockefeller and Standard Oil and boosted the status of research scientists throughout the industry. The original oilmen were self-made roughnecks, biased against science and prone to operate by intuition, whereas Rockefeller brought a rational spirit to the business, and this counted among his greatest contributions. As the philosopher Alfred North Whitehead said, “The greatest invention of the nineteenth century was the invention of the method of invention.”¹⁶ When Frasch cracked the riddle of Lima crude, he was probably the only trained petroleum chemist in the United States. By the time Rockefeller retired, he had a test laboratory in every refinery and even one on the top floor of 26 Broadway. This was yet another way in which he converted Standard Oil into a prototype of the modern industrial organization, its progress assured by the steady application of science.

Once Rockefeller had an insight, it often gripped him with the irresistible force of an epiphany, and he now decided that Standard Oil must guarantee its crude-oil supply. After Frasch certified the worth of Lima crude, the trust moved into oil production with all the formidable resources within its reach. In 1889, a production committee was formed under the aegis of John D. Archbold, and it spent money at such a torrid pace that within two years it had disbursed \$22 million—a figure that strained even Standard Oil’s budget, prompting more anguished howls from Charles Pratt. Rockefeller’s faith was vindicated, however, as the Ohio-Indiana field overtook the waning Pennsylvania industry and became the country’s crude-oil leader in the 1890s.

Rejuvenated by Lima, Rockefeller embarked on a buying binge such as the industry had never seen. Swallowing up Union Oil and three other big producing firms in 1890, he took over three hundred thousand acres of Pennsylvania and West Virginia—huge chunks of acreage that encompassed

whole counties. The most feared man in the Oil Regions now became their dominant landlord and producer. “Hitherto the attention of the big Octopus has been largely directed toward crushing out all opposition in the refining of oil,” noted one agitated newspaper. “This latest deal shows that it has started to crush out the producers of the crude oil and obtain control of their property.”¹⁷ By 1891, Rockefeller had gained control of a majority of the Lima fields and a quarter of American oil production. (The trust’s share of American crude production peaked at 33 percent in 1898.) By narrowing the range of competition in oil production, the move hastened the day of political reckoning for Standard Oil.

In future years, the discovery of new fields both at home and abroad provided openings for upstart competitors, but the trust’s swift, complete control of the Lima field gave it unchallenged control of American oil in the 1890s. The only major competitor spawned by the new territory was the Sun Oil Company, started by J. N. Pew in 1886. In spring 1891, Archbold visited Lima, cast a proprietary eye over oil fields stretching more than one hundred miles, and gloated in a letter to Rockefeller, “We undoubtedly have, as the case stands, well in reserve the greater part of the defined territory, and we will certainly be able to produce oil in the Ohio field more cheaply than anybody else, owning, as we do, great bodies of territories which we can drill judiciously.”¹⁸ Now that Rockefeller had scored such a gratifying triumph in production, he instructed Archbold to grab anything that could still turn a profit with crude at fifty cents a barrel. “If so would buy all we can get,” he wired.¹⁹ In this rush into exploration and production, Rockefeller created the model for the vertically integrated oil giants that would straddle the globe in the twentieth century.

The discovery of oil in Ohio radically redrew the map of the Standard universe, for it was senseless to ship crude oil to eastern refineries only to ship kerosene back to markets in the Midwest and Far West. In 1886, even before Frasch had completed his work, O’Day scouted northwest Ohio for an appropriate refinery site and chose the charming town of Lima itself, which was served by four railroads. The emergence of the giant Lima refinery accelerated the demise of Cleveland and Pittsburgh as refining centers, and by 1896 Standard Oil phased out its largest Cleveland refinery.

The Lima refinery was a mere preamble to the main event in the Midwest. In June 1889, the trust organized Standard Oil of Indiana, which would build America’s premier oil refinery at Whiting, Indiana, seventeen miles from

downtown Chicago. During his 1891 tour, Archbold, trembling at the magnitude of this undertaking, told Rockefeller that the plant's ability to process 36,000 barrels of crude oil daily struck him as "almost impossible to comprehend."²⁰ The refinery remained a wonder of world oil for many years. At Whiting, Dr. William M. Burton produced his revolutionary discovery of how to "crack" petroleum, vastly increasing its yield of gasoline—an essential precondition of the auto age.

It took time for Standard Oil to wipe away the stigma of Lima crude, for just enough sulfur remained in the kerosene to clog chimneys and lamps in damp weather. In a confidential letter to Rockefeller, Archbold confessed that for the first time their competitors could justly claim a superior product. The trust was now a victim of its own dirty tricks. After the Ohio oil was discovered but before Rockefeller had won over Pratt, Standard had engineered a propaganda campaign to convince consumers that Lima oil was inferior to Pennsylvania oil. This strategy had now boomeranged on them, Archbold told Rockefeller, "so that it is necessary, until this prejudice is gotten out of the way, that the greatest possible care must be taken to have every shipment from both Lima and Whiting absolutely beyond the possibility of legitimate complaint."²¹ The original slander was refuted with difficulty.

As Standard Oil secured complete control of the oil industry, many ordinary citizens were frightened by its gargantuan size, rapacious methods, and inexorable growth, and it came to symbolize all the disquieting forces reshaping America. It was the "parent of the great monopolies which at present masquerade under the new-found name of 'Trusts,' " said one newspaper, and it served as shorthand for the new agglomerations of economic power. A business system based on individual enterprise was creating combinations of monstrous size that seemed to threaten that individualism. And modern industry not only menaced small-scale commerce but appeared to constitute a sinister despotism that endangered democracy itself as giant corporations overshadowed government as the most dynamic force in American society.

As the leading figure in this consolidation, Rockefeller was the emblematic figure of the Gilded Age and hence a lightning rod for criticism. He closely followed political developments and was keenly alert to any potential threats to his business interests. In his personal campaign contributions, though, he won a well-earned reputation as a stingy giver, and some politicians even felt

miffed at his paltry gifts. The clandestine payoffs made by Standard Oil were a different matter, and Rockefeller never stinted in making payments to get the job done.

At the turn of the century, reporters spilled a great deal of ink over charges that Standard Oil had bought Henry B. Payne's election to the U.S. Senate in 1884. This putative case of political corruption received more attention from critics than any other, although little evidence was ever adduced to substantiate it. With his white hair and wire-rimmed glasses, Henry B. Payne—father of Standard Oil's treasurer, Oliver Payne—was an affable man with a distinguished air. A Cleveland lawyer and perpetual candidate for public office, he lobbied for mandatory education in Cleveland, worked ardently for the Union cause, and helped to found the Case School of Applied Sciences, while also serving as part owner of two railroads. Unlike his wealthy Euclid Avenue neighbors, Payne was a Democrat who had campaigned for Stephen Douglas in his 1860 presidential bid against Abraham Lincoln. Ironically, in light of later allegations, when he first ran for Congress, Standard Oil supported his opponent and helped to defeat him. Ambitious for his father, the cold, haughty Oliver Payne acted as his perennial campaign manager, starting with his congressional victory in 1874. Two years later, Oliver tried unsuccessfully to capture the Democratic presidential nomination for his father—a presumptuous bid for an elderly freshman congressman. This lost cause earned Oliver a somewhat Machiavellian reputation, and one newspaper observed acidly: “He's got a purse that is inexhaustible, a silent tongue, and a capacity for the organization and manipulation of men.”²²

In the late 1870s, Henry Payne lost his congressional seat. Approaching seventy, he might have retired gracefully from politics, but he could not seem to shed his daydreams of higher office. When he sought the Democratic presidential nomination in 1880, his opponents cruelly baited him about his age, and one stooped to calling him “an attenuated, dried-up old fossil.”²³ To retire these charges, Payne gave a nimble spring to his step, a youthful vigor to his gestures. Possibly more harmful was Payne's association with Standard Oil, which blemished his reputation among many Democrats. Payne received only eighty-one votes on the first ballot as General Winfield Hancock walked off with the nomination.

At the time, U.S. senators were elected by state legislatures, creating an open season for graft and influence peddling by business interests. When the Ohio legislature elected Henry B. Payne to the Senate in 1884—the

legislature would go down in history as the infamous “Coal-oil Legislature” for its obeisance to Standard Oil—it was widely rumored that Oliver had sat behind a desk in a Columbus hotel room and doled out bills to legislators, the final tab reaching \$100,000. These bribery allegations, though never proved, shadowed Senator Payne and provoked a firestorm of abuse against Standard Oil. Whether Oliver Payne bought the election is uncertain, but it seems far-fetched that Rockefeller or Standard Oil conspired with him. Henry Payne was a staunch Democrat, and Standard Oil was a Republican stronghold. Rockefeller likely spoke the literal truth when he said, “I was opposed to the election of Senator Payne, as a Republican and never anything else but a Republican. And not one farthing of the money of the Standard Oil Company went to his election; nor were the Standard Oil Company favorable to his election, as a company.”²⁴

Aside from his father, Oliver Payne gave Standard Oil a second important link to the Democratic Party through his brother-in-law, William C. Whitney. Even though Oliver had been two years older and infinitely richer than Whitney at the time, the two were fast friends at Yale. To an extent that some observers found unhealthy, Oliver doted on his lovely, gregarious sister Flora; when he arranged for her to meet Whitney in 1868, he already “knew that if they met, they would fall in love with each other,” he later admitted.²⁵ When they married a year later, he became their self-appointed benefactor, buying them a five-story Park Avenue brownstone. This was a mere curtain-raiser to his next gift, a showy \$700,000 mansion, glistening with gorgeous paintings and Gobelin tapestries, at the corner of Fifth Avenue and Fifty-seventh Street, across from Cornelius Vanderbilt’s residence. One historian said that Oliver insouciantly “presented it to the Whitneys as one might present a poodle,” and with his sublime self-assurance, this lifelong bachelor moved into one of its sumptuous second-floor apartments.²⁶

William C. Whitney was a dashing man with a matchless talent for attracting monied patrons. Though he stayed only one year at Harvard Law School, he became a rich Wall Street lawyer, representing Commodore Vanderbilt and other railroad clients. Active in the Democratic Party, he won the patronage of Samuel J. Tilden, who, as governor, had him named New York City’s corporation counsel. In 1884, Whitney shrewdly supported Grover Cleveland, the mayor of Buffalo, for president and brokered a truce between the reform-minded Cleveland and Tammany Hall. When Whitney emerged as an influential insider in Cleveland’s presidential campaign, some

critics thought him a Standard Oil tool. In reality, Rockefeller voted for James G. Blaine, a paladin of business interests, and predicted the election would be “a great calamity” if Cleveland won.²⁷ In an unprecedented step, Rockefeller allowed his name to be listed as vice president for a Republican fund-raising effort in the city of Cleveland.

To further Grover Cleveland’s candidacy, Whitney persuaded Henry B. Payne that the growing furor over Standard Oil made it an inauspicious time for him to vie for the Democratic nomination. Instead, Henry and Oliver Payne poured \$170,000 into Cleveland’s war chest. After Cleveland’s victory, it looked as if Whitney would be named interior secretary. Then the press tagged him with the sobriquet of “Coal Oil Billy” and raised the specter that Standard Oil would loot public lands. As a consolation prize, Whitney settled for an appointment as secretary of the navy. For all the baseless speculation about his links to Standard Oil, Whitney was seldom asked to perform favors for the trust and spent most of his time constructing a new steel navy. Around the time that William and Flora Whitney moved to Washington, Oliver Payne, citing the “need for a rest,” resigned from Standard Oil.²⁸

Despite its many shareholders, the Standard Oil trust was always controlled by a small clique of powerful families. “I think it is true that the Pratt family, the Payne-Whitney family (which were one, as all the stock came from Colonel Payne), the Harkness-Flagler family (which came into the Company together) and the Rockefeller family controlled a majority of the stock during all the history of the Company up to the present time,” Rockefeller commented in 1910.²⁹ Because the Harkness and Payne families were sociable and intermarried with the Vanderbilts and Whitneys, they spread a great deal of Standard Oil bounty through America’s social aristocracy.

While Standard Oil gadflies pounced on the political bonds between the Paynes and William Whitney, they missed a more flagrant case of political corruption: that of Johnson Newlon Camden, who served as a West Virginia senator from 1881 to 1887 but never severed his ties to Standard Oil. Approaching his 1881 election to the U.S. Senate as a straight business proposition, he favored a liberal distribution of cash to the West Virginia legislature to secure results. As he plaintively told Flagler that year, “Politics is dearer than it used to be—and my understood connection with the Standard Oil Co. don’t *tend to cheapen it*—as we are all supposed to have bushels.” This was prelude to an urgent request for “\$10,000 in some turn—stocks or

oil—Please keep an eye out and let me know.”³⁰ Apparently, Standard Oil obliged, for in the next letter, Camden reported victory to Flagler. “I also appreciate sincerely the substantial kindness of the Ex[ecutive] Com[mittee]—and used it without hesitation as I needed it temporarily.”³¹

Even after entering the Senate, Camden continued to correspond with Rockefeller and Flagler as if he was still an active Standard Oil executive, and he discussed the trust’s negotiations with the B&O Railroad on U.S. Senate stationery. He organized a railroad with Oliver Payne and urged Rockefeller, Flagler, and Harkness to join them. Throughout his term, Camden stood sentinel over Standard Oil interests, and when two pipeline bills inimical to the trust appeared in the Maryland legislature in 1882, he acted promptly, informing Flagler with satisfaction, “My dear Mr. Flagler, I have arranged to kill the two bills in Md. legislature at comparatively small expense.”³²

With Grover Cleveland’s election in 1884, many businessmen braced for reform in Washington, but he turned out to be quite moderate. Nonetheless, the public revulsion against monopolies steadily gathered force, producing an Anti-Monopoly Party that condemned railroad pools and rate discrimination. Although grain elevators, meatpackers, and harvesting-machine companies were all feeding off railroad rebates, Standard Oil was thrust into the foreground of antimonopoly indictments. As the *World* wrote in a scorching attack against the trust in 1887, “When the 19th century shall have passed into history, the impartial eyes of the reviewers will be amazed to find that the U.S., supposed to be conservative of human liberty and human right, tolerated the presence of the most gigantic, the most cruel, impudent, pitiless and grasping monopoly that ever fastened itself upon a country.”³³

Nonetheless, it took time to establish the legal rationale for government regulation of private business. In 1876, in *Munn v. Illinois*, the Supreme Court had famously declared, “Property does become clothed with a public interest when used in a manner to make it of public consequence, and affect the community at large.”³⁴ By this point, Standard Oil wasn’t overly worried about an interstate-commerce bill against railroad discrimination. The trust ran its own pipeline system to the seaboard and was confident that if railroad regulation came it could still be bypassed. When Congress finally passed the Interstate Commerce Act in 1887, outlawing railroad pools and rebates and setting up the first regulatory commission, Senators Payne and Camden dutifully voted against the bill, but its defeat had not been assigned a high

priority by the trust.

In public, Standard Oil pretended to welcome the equal treatment mandated by the new act and vowed to accept no more rebates. As Rockefeller and Archbold later claimed in 1907 when their subsequent behavior was questioned, “Since the enactment of the interstate commerce law in 1887, the Standard Oil Co. has most carefully observed its provisions and in no case has wilfully violated the law.”³⁵ Rockefeller tended to portray himself as a hard-driving executive who went as far as the law allowed but not an inch further. Allan Nevins concurred in this view, noting that “following the Interstate Commerce Act of 1887, the Standard, as careful observers generally agree, came close to a general obedience of the new law, and asked no outright rebates.”³⁶

But there is reason to question this assertion. Right before the act’s passage, Standard had to grapple with state challenges to railroad rebates, and the ubiquitous Colonel Thompson, closeted with railway officials, found ways to skirt the new regulations. In the spring of 1886, Thompson conferred with officials of the Lake Shore Railroad after the Ohio Supreme Court had outlawed freight discriminations. They came up with a way to create the illusion that all shippers paid the identical posted rates while Standard Oil was compensated secretly through an accounting gimmick. As Thompson explained this subterfuge to Rockefeller:

*Our arrangement is a very simple one: We are paying the open tariff rates to Michigan and all other points and this same is required of all other shippers. I have a distinct understanding with the proper persons that we are not required or expected to pay more than formerly and in order that we may not be out any money . . . we deduct from Chicago payments an equivalent amounting to what would have been a proper payment on all the other points, each month. You will readily see the object of this and you will observe in the situation we are in that no better or fairer arrangement could possibly have been made or one more satisfactory to us.*³⁷

When the Missouri railroad commissioner ordered uniform freight rates in 1888, Thompson advised Rockefeller, “We have reason to think that this order will be withdrawn. At any rate, the roads will pay no attention to it.”³⁸

Such oral arrangements may have helped to pacify Standard Oil in the wake of the Interstate Commerce Act. Also, no governmental body could strip

it of its giant tank-car fleet and the lucrative royalties they brought in; Standard Oil wasn't compelled to supply tank cars to competitors. There were even unexpected dividends from the equality prescribed by the act. The new Interstate Commerce Commission said the railroads had to charge the same rate for oil in barrels (used by independents) and in tank cars (used by Standard Oil); as a result, the roads, for the first time, could charge for the weight of the barrels, penalizing independent shippers. For a brief period, the Interstate Commerce Act might have chilled collaboration between trusts and railroads, but they gradually figured out ways to evade the law and slip back into well-worn arrangements. The fight against the railroad rebate remained a hardy perennial of reform politics for a generation. In 1907, Standard Oil was briefly slapped with the largest fine in corporate history for a practice it had supposedly given up long before.

By the 1888 election, protests against the trusts—oil, whiskey, sugar, and a score of others—had broken out in so many places that the national platforms of both parties harshly condemned economic concentration. Agrarian reformers in the South and West agitated against the railroads as the midwives of monopoly. Protestant evangelicals deplored the moral crisis that accompanied industrialization and the lopsided distribution of wealth. There was a great upsurge of activity among organized labor as membership in the Knights of Labor soared to 700,000 in 1886. That year, policemen fired on picketers at the McCormick reaper plant in Chicago, provoking the protest at the Haymarket in which a bomb exploded, killing seven people. In 1888, Edward Bellamy published his best-selling utopian novel, *Looking Backward*, with its socialist version of the technocratic society overtaking America. The general public was of two minds and viewed the new entrepreneurs as alternately sinister and heroic. By 1888, Rockefeller began to pop up in fawning magazine features about rich Americans, but he was also singled out as a notorious trust king in Joseph Pulitzer's *World* and other papers. The press kept up an editorial drumbeat against Standard Oil, demanding vigorous state and federal antitrust action.

Amid this crescendo of criticism, Rockefeller again came under the scrutiny of government investigators. When a New York senate committee investigated Standard Oil in 1888, it learned just how elusive he could be. When a process server came to 26 Broadway, he was told that Mr. Rockefeller was out of town. When he went to 4 West Fifty-fourth Street, he was told that Mr. Rockefeller was at home but could not be seen. At this point, the process server spent the night dozing on Rockefeller's stoop, lest the mogul attempt

an early-morning departure. Ringing the doorbell shortly after daybreak, he was told Mr. Rockefeller had left. Blandly denying that he had fled the process server, Rockefeller later explained that he had been in Ohio and hastened back when notified of the investigation. In fact, Rockefeller had also kept his visit to Cleveland a secret because he feared being served there with a subpoena in a suit by local refiners.

To coach Rockefeller for the New York senate hearings, Standard Oil hired an eminent lawyer, Joseph H. Choate. Choate was slow to appreciate his unusual client, who greeted him cordially then stretched out on a couch with a languid air. When Choate tried to sound him out on several company matters, his tight-lipped client revealed nothing. Choate was frustrated by this seemingly indolent man who kept quizzing *him*. “I wonder how we shall make out with Mr. Rockefeller,” Choate asked Flagler in concern. “He seems so helpless. He is asking questions all the time.” Flagler was amused. “Oh, you will find that he can take care of himself,” he replied. “You needn’t worry about him.”³⁹

Several years earlier, during testimony in Albany, Rockefeller had given identical replies to thirty consecutive questions, declining each time to answer on advice of counsel. This time, he knew he had to be, or at least seem, more forthcoming. On a frosty morning in February 1888, clad impeccably in frock coat and top hat, Rockefeller entered a packed hearing room of the superior court in New York City, flanked by Joseph Choate. Since he was fast becoming a mythical figure, his testimony drew extensive press coverage. Still handsome at forty-eight, with a full head of close-cropped hair and a neat reddish brown mustache, he strode in with a purposeful air. On closer inspection, however, one could detect lines around his eyes, and he seemed older and more tired than a few years earlier. He was now carrying a more onerous burden than he knew.

Choate soon discovered that he didn’t need to worry about his client. Like many businessmen of his era, Rockefeller prided himself on his obfuscatory powers and excelled at fuzzy answers. Under oath, he turned into a vague and forgetful fellow, pleasant but slightly muddled, who wandered lost in the stupendous maze of Standard Oil. He was also a terrific showman, a trait he inherited from his father. When sworn in on the stand, he “kissed the Bible vehemently,” according to one reporter, underscoring which party had God on its side.⁴⁰

Rockefeller was interrogated by the committee counsel, Roger A. Pryor, a histrionic lawyer who paced back and forth, his lank black hair flying about his shoulders. He fixed Rockefeller with a penetrating eye and shook an accusatory finger at him. Rockefeller remained placid, accentuating the contrast between them in his favor. As one thunderstruck newspaper wrote of Rockefeller, “He seems the embodiment of sweetness and light. His serenity could not be disturbed. . . . In tones melodious, clear, and deliberate he gave his testimony. . . . At times his manner was mildly reproachful, at others tenderly persuasive, but never did he betray an ill temper or vexation.”⁴¹ As Choate watched in amazement, Rockefeller maintained an unruffled exterior: His client was not exactly the absent-minded rube he had pictured.

Standard Oil’s strategy was to furnish as little information as possible. As Rockefeller’s associate Paul Babcock advised him in emphatic language, “I think this anti-Trust fever is a craze, which we should meet in a very dignified way and *parry every question* with answers which while perfectly truthful are evasive of bottom facts! I would avoid the preparation of any statistics.”⁴² True to this advice, Rockefeller economized with the truth, yet so little was known about Standard Oil that the most meager information produced sensational headlines. In his testimony, Rockefeller supplied for the first time the Standard Oil trust agreement that had been drawn up in 1882; named the eight current trustees; revealed that the trust now had seven hundred shareholders; and, most startling of all, listed forty-one companies that belonged to the trust— many of which had never publicly disclosed this association before. To refute the notion that Standard Oil was a monopoly, Rockefeller submitted a list of 111 competing refineries and gave his own stirring account of spirited competition from Russian oil.

The most controversial exchange came when Pryor turned to the darkest episode of Rockefeller’s past: the South Improvement Company. Pryor misspoke and asked if he had ever belonged to the *Southern* Improvement Company; Rockefeller, quick to spot a slip, denied being a member of such a company. With his superb memory, he remembered that an unused charter had been granted for a Southern Improvement Company. Pryor reacted with disbelief:

“There was such a company?”

“I have heard of such a company,” Rockefeller conceded.

“Were you not in it?”

“I was not.”⁴³

Rockefeller’s later gloss on this testimony reveals his craftiness:

*I never undertake to instruct the man who asks me questions. I remember that incident as if it were this morning. . . . I did not stop to correct my questioner. There is the record to stand on. Of course, I knew what I was answering. . . . I did not testify like Mr. Brewster and Mr. Flagler, so hot-tempered that they would fly right into an argument with counsel. I was quiet and self-controlled. It was no part of my duty as a witness to volunteer testimony. While they thought they were leading me into a trap, I let them go into the trap themselves.*⁴⁴

The bane of interrogators, Rockefeller had an eerie gift for catching the subtle drift of a prosecutor’s questions. A distinguished twentieth-century lawyer, Samuel Untermyer, called Rockefeller the ablest mind he had ever encountered on the witness stand, a man with a sixth sense for a legal trap. “He could always read my mind and guess what the next six or seven questions were going to be,” said Untermyer, who cross-examined Rockefeller during litigation in the early 1900s. “I would start with questions intended to lay the foundation for questions far in the future. But I would always see a peculiar light in his eyes which showed that he divined my intention. I have never known a witness who equalled him in this clairvoyant power.”⁴⁵ At the February 1888 hearing, Roger Pryor was so impressed by Rockefeller that at the close of questioning, he came to the railing, pumped his hand heartily, and asked if he could visit Standard Oil plants with Rockefeller. As for Joseph Choate, Rockefeller asked casually during the lunch break how he was doing. The chastened lawyer replied, “I could not ask for a better witness.”⁴⁶ Choate said later that Rockefeller’s partners “seldom knew what he was thinking but he always knew what we were thinking.”⁴⁷

However well Rockefeller handled his testimony, the committee report threw a lurid light on the workings of Standard Oil, calling it “the most active and possibly the most formidable moneyed power on the continent.”⁴⁸ “This is the original trust,” the report stated. “Its success has been the incentive to the formation of all other trusts and combinations. It is the type of a system which has spread like a disease through the commercial system of this

country. ”⁴⁹ The trust floated free of legal restraints, the forty-one constituent companies having “turned their affairs over to an organization having no legal existence, independent of all authority, able to do anything it wanted anywhere, and to this point working in absolute darkness.”⁵⁰ While absolving the trust of charges of rapacity, it also dissented from Rockefeller’s portrait of lively competition, calling Standard Oil “almost the sole occupant of the field of oil operations, from which it had driven nearly every competitor.”⁵¹ Standard Oil stood out as the great test case in the growing national debate on antitrust legislation. When the House Committee on Manufactures issued its report on trusts that spring, it dedicated 1,000 of 1,500 pages to the oil trust, five times the space given to the sugar trust and ten times that given to the whiskey trust.

In a sense, John D. Rockefeller simplified life for the authors of antitrust legislation. His career began in the infancy of the industrial boom, when the economy was still raw and unregulated. Since the rules of the game had not yet been encoded into law, Rockefeller and his fellow industrialists had forged them in the heat of combat. With his customary thoroughness, Rockefeller had devised an encyclopedic stock of anticompetitive weapons. Since he had figured out every conceivable way to restrain trade, rig markets, and suppress competition, all reform-minded legislators had to do was study his career to draw up a comprehensive antitrust agenda.

Standard Oil had taught the American public an important but paradoxical lesson: Free markets, if left completely to their own devices, can wind up terribly *unfree*. Competitive capitalism did not exist in a state of nature but had to be defined or restrained by law. Unfettered markets tended frequently toward monopoly or, at least, toward unhealthy levels of concentration, and government sometimes needed to intervene to ensure the full benefits of competition. This was particularly true in the early stages of industrial development. This notion is now so deeply embedded in our laws that it has become all but invisible to us, replaced by secondary debates over the precise nature or extent of antitrust enforcement.

During the antitrust agitation of the late 1880s, Standard Oil consistently underestimated the ability of critics to marshal public support. Small businessmen, alleging that the great corporations thwarted individual opportunity, formed a particularly potent lobby for reform. When both Grover Cleveland and Benjamin Harrison inveighed against the trusts in the 1888 presidential campaign, Archbold wrote dismissively to Rockefeller that these

strident speeches were just for show. “We do not think that much will come of the talk at Washington regarding Trusts,” he reported that summer. “The demagogues are simply trying to outtalk each other for political effect.”⁵²

Archbold proved a poor prognosticator. In a legislative flurry, many states enacted antitrust laws in the late 1880s, while fifteen or sixteen bills circulated in Congress. From Standard Oil’s viewpoint, the most threatening bill was introduced in December 1889 by Ohio senator John Sherman, brother of General William Tecumseh Sherman. A few years earlier, Rockefeller tried to buy his way into the senator’s good graces. In August 1885, soliciting a campaign contribution for Sherman, Mark Hanna had told Rockefeller that “John Sherman is today our main dependence in the Senate for the protection of our business interests.”⁵³ Dubious at first, Rockefeller finally sent a check for six hundred dollars. Before long, the protector of business interests proved a turn-coat, flailing Standard Oil as a corporation so rich that it bought entire railroads. In debates over the senator’s antitrust bill, Standard Oil was constantly held up as a prime example of the problem to be remedied. Flushed into the open, Rockefeller took the unusual step of publicly rebuking Sherman’s legislation. “Senator Sherman’s bill is of a very radical and destructive character, proposing to fine and imprison all who directly or indirectly participate in organizations over which it is even doubtful whether Congress holds any jurisdiction.”⁵⁴

The opposition of the trusts only hastened passage of the law. On July 2, 1890, President Harrison signed the Sherman Antitrust Act, which outlawed trusts and combinations in restraint of trade and subjected violators to fines of up to \$5,000 or a year’s imprisonment or both. President William Howard Taft later identified Standard Oil as the chief reason for the law’s passage. To its proponents, the law proved a severe disappointment, a stillborn piece of legislation. It was vague in meaning and poorly enforced and so riddled with loopholes that it was popularly derided as the Swiss Cheese Act. By outlawing cooperative efforts through trade associations, it forced many companies into mergers to curb excess capacity in their industries, spurring further concentration and subverting the act’s intention. As for the main target of the law, the Standard Oil juggernaut was not deflected by this nuisance. For many years, the Sherman Act was a dead letter, and big business happily went on as usual.

Rockefeller was never tempted to reconsider the issues raised by the Sherman Act. As far as he was concerned, practical, hardheaded businessmen

had long ago resolved these issues to their satisfaction, and only fanciful scribblers and tendentious rabble-rousers saw the need to tamper with current practice, which had served the country well. He remained an unreconstructed believer in trusts. Never one to hold grudges in business, unfazed by the new law, Rockefeller supported the reelection of Senator Sherman in 1891.

CHAPTER 17

Captains of Erudition

By the late 1880s, it seemed as if half the country wanted to lynch John D. Rockefeller, while the other half only wanted to cadge a loan from him. He was assailed by journalists, reform politicians, and embittered rivals but also besieged by a growing legion of flatterers and schemers with designs on his fortune. This national ambivalence must have confirmed Rockefeller's view that his critics were just envious hypocrites. The press fed this fascination with him. One 1889 newspaper article showcased Rockefeller as America's richest man, with a net worth of \$150 million—an estimate he regarded as much too high, pegging forty to sixty million as the correct range. (That would translate into between \$635 and \$950 million in contemporary money.) Another article clocked his income pouring in at \$750 an hour. Whenever such articles appeared, hordes of supplicants emerged, making bad publicity in many ways less troublesome than favorable coverage. "I have been run down by adventurers during the last few days, owing to some foolish newspaper article," Rockefeller complained after one flattering piece.¹ He mused, "Great wealth is a great burden, a great responsibility. It invariably proves to be one of two things—either a great blessing or a great curse."²

Wherever he went, he was now trailed by a small army of petitioners. For someone of Rockefeller's private nature, it was disconcerting to be approached in the street by strangers seeking money. "Mr. Rockefeller was constantly hunted, stalked and hounded almost like a wild animal," said Frederick T. Gates, the Baptist minister who would soon help to alleviate the problem. "Neither in the privacy of his home nor at his table, nor in the aisles of his church, nor during his business hours, nor anywhere else, was Mr. Rockefeller secure from insistent appeal."³ Supplicants breakfasted with him, rode to and from work with him, dined with him in the evening, then retired with him to the privacy of his study. "The good people who wanted me to help them with their good work seemed to come in crowds," Rockefeller moaned. "They brought their trunks and lived with me."⁴

Rockefeller had always required rest and solitude, but by the late 1880s

these petitioners had stolen from his daily schedule those all-important intervals of relaxation:

*At dinner they talked to me and, after dinner, when a little nap and a comfortable lounge, or a restful chair and a quiet family chat seemed about the most desirable occupations until bedtime, these good people would pull up their chairs and begin, "Now, Mr. Rockefeller—" Then they would tell their story. . . . There was only one of me and they were a crowd—a crowd increasing in numbers every day. I wanted to retain personal supervision of what little I did in the way of giving, but I also wanted to avoid a breakdown.*⁵

Mountains of mail tumbled in from around the globe, and by 1887 Rockefeller was so oppressed by appeals that he grumbled to brother Frank, "I have been overwhelmed with this sort of thing of late and want to shut down brakes a little until I can catch breath."⁶ The begging letters—many scarcely literate, often scrawled in pencil in foreign tongues—typically pleaded for money to relieve some personal misfortune. People wrote to Rockefeller the way small children pray to God for presents. In 1887, a distraught lady told him, "I wish I could see you and talk with you as I can with God but it seems harder," while another woman confessed, "Last night as I lay thinking (for I could not sleep for the anxiety) asking the Lord for deliverance you came to me in a way that I could not banish it."⁷

The volume of mail defied the imagination. One steamer alone brought five thousand begging letters from Europe. After the announcement of one large educational gift, Rockefeller received fifteen thousand letters during the first week and fifty thousand by the end of the month. He needed a staff just to sift through these appeals. His overtaxed subordinates opened each envelope and tried to identify genuine cases of need, but they could gratify only a tiny fraction of such hopefuls. Many requests were frankly selfish, as Rockefeller tartly noted. "Four-fifths of these letters are, however, requests of money for personal use, with no other title to consideration than that the writer would be gratified to have it."⁸

Although Rockefeller didn't recognize it at first, brewing here was a personal crisis more debilitating than anything he had encountered in business. As early as 1882, he lamented to the Reverend Edward Judson that he was swamped by charitable appeals, many from Baptist causes. "I am about leaving Cleveland and have a regular deluge of calls from every hand. .

. . I was up until eleven o'clock last night and the night before on this general character of work trying to help to devise ways and means." ⁹ Personal charity had long been his pleasure, his pride, his recreation, not something delegated to underlings, and he found it hard to break these honorable habits, especially in the midst of so much controversy about his business methods. As Gates noted of his early years, "He used to meet people, read letters, weigh appeals, send checks and receive grateful replies, all in his own person."¹⁰ For such a perfectionist, giving money away was fraught with far more nervous tension than making it. He valued money too highly to dispense it lightly and wanted to investigate all requests before acting upon them. As the Lord's fiduciary, he was responsible for seeing the money well invested. As he said in 1886, "I haven't a farthing to give to this or any other interest unless I am perfectly satisfied it is the very best I can do with the money."¹¹



John D. Rockefeller striding briskly across the University of Chicago campus with William Rainey Harper. (Courtesy of the University of Chicago Library)

Now, as the sheer magnitude of his wealth rendered his accustomed approach obsolete, he was frustrated that he couldn't give money away quickly enough to keep pace with his mounting income. It took several years before he learned to donate money in the systematic, scientific fashion that

befit the scale of his fortune. He needed to forge a new set of working principles for his charity, and it was in his creation of the University of Chicago that he came to define his future style as a philanthropist.

Rockefeller's involvement in the university started in a roundabout fashion through his friendship with the Reverend Augustus H. Strong, an eminent Baptist theologian and exponent of the social gospel. For seven years after the Civil War, Dr. Strong had served as pastor of the First Baptist Church of Cleveland, where he officiated at the funeral of Rockefeller's second child, Alice, who died in infancy. In 1872, he headed east to assume the presidency of Rochester Theological Seminary, the citadel of Baptist orthodoxy. Awed by the erudite piety of this Yale graduate, Rockefeller supplemented his income, paid his vacation expenses, and, heeding his entreaties, gave \$500,000 to his seminary over the years. A fine-looking man with a bushy mustache, Strong was grave, witty, and charming but tightly buttoned up and incapable of levity. An autocrat by nature, he didn't become convinced by an idea so much as possessed by it to an extent that other people could find insufferable.

Starting in the early 1880s, Dr. Strong began to pitch to Rockefeller a grandiose scheme for an elite Baptist university in New York City over which he would himself preside. Convinced that the Baptists were lagging in the denominational race, he feared that many young Baptists were going by default to Harvard, Yale, or Princeton. His "university of the future," as he dubbed it, would sit on Morningside Heights and cost Rockefeller a breathtaking \$20 million. Since New York was becoming America's foremost metropolis, Dr. Strong thought it a fitting home for this institution. Modeled after Johns Hopkins, it would accept only graduate students and research fellows, attracting the cream of Baptist undergraduates from around the country. Above all, the university would defend the faith against the encroaching forces of modernism, banning "infidel" teachers from the campus. This educational vision was Dr. Strong's monomania throughout the 1880s—he contended that he had a "divine mission" to promote it—and he badgered Rockefeller about it at every turn.¹² Strong knew how to couch his appeals in religious terminology and dress up self-interest as heaven-sent duty.

Hypersensitive to pressure, Rockefeller tended to stiffen up whenever he felt pushed. He feared the elaborate nature of Strong's project and grew deaf to his entreaties. Several times, he asked Strong to table the subject and finally imposed a moratorium on all further discussion of it. Rockefeller was

always quick to spy the worldly ambition when men of the cloth falsely claimed to pursue godly objectives. Ordinarily, he would have made quick work of such a pushy supplicant, but he tolerated Strong out of respect for his scholarship as well as because of growing ties between their two families.

Whenever Dr. Strong returned to Cleveland, his children were among the very few who frequented Forest Hill, and the Rockefeller children were especially fond of his brilliant eldest son, Charles. Tall and handsome, with curly black hair, Charles would sit in their favorite beech tree, reading ballads to them while perched on a bough. At first, Charles was attracted to Alta, then moved on to her older sister, Bessie. The striking compatibility of the Strong and Rockefeller children must have comforted John and Cettie, who worried that less-religious children might spoil their wholesome environment. For years, John Strong corresponded with Edith and might even have proposed to her, while Junior had a schoolboy crush on Mary Strong, ten years his senior. Later, he wrote affectionate, flirtatious letters to Kate Strong—addressing her as “My dear sister Kate”—even though she, too, was many years older.

Bessie and Charles became so wildly smitten with each other that friends said they were almost foolishly in love. They might have been secretly engaged as early as 1885, when Bessie was nineteen and Charles twenty-three. Charles was a prodigious young philosopher, a perfect reasoning machine, who inhabited a cold world of abstractions. He graduated *summa cum laude* from Harvard in 1885, where he was both a pupil and a friend of William James. As the two star philosophers among the Harvard undergraduates, Charles and George Santayana cofounded a philosophy club and were natural rivals for the Walker Travelling Fellowship, which paid for two years of study in Germany. Santayana was so daunted by Strong’s intellect that before the winner was announced, he prevailed upon Strong to split the prize. It was awarded to these two remarkable students with the understanding that they would divide the money.

In 1886, John and Cettie were searching for a suitable college for Bessie after she graduated from the Rye Female Seminary, and Dr. Strong accompanied them on a tour of Vassar, Smith, and Wellesley. That the Rockefellers finally opted for Vassar owed much to the fact that the strong-willed Dr. Strong chaired its board of trustees. Since Bessie had eye trouble and found it difficult to read, Dr. Strong made special arrangements that allowed her to skip the entrance exams and room with a friend who read aloud to her. When Kate Strong decided to share a suite of rooms with Bessie,

it seemed to seal a sacred bond between the two families—surely what the Reverend Strong coveted. He accomplished another strategic objective when Rockefeller became a trustee of Vassar and erected buildings bearing the names Strong, Davison, and Rockefeller.

The only Rockefeller daughter to attend college, Bessie must have been smart and tenacious to overcome her eye troubles. Her few surviving letters evoke a lively, appealing young woman. She was perhaps the most eloquent Rockefeller child, very fond of music and charitable to the poor. As one friend said, “Bessie was a slender rosy-cheeked girl, vivacious, pretty and charming.”¹³ George Santayana, who met Bessie fresh from Vassar, fondly recalled her as “the image of vigorous health and good sense, nice-looking, frank, and with manlike college airs.”¹⁴ Santayana always suspected that Reverend Strong conspired to marry off his eldest son to Bessie to snare the Rockefeller millions for his beloved university project. He also believed that Rockefeller had welcomed this match of his favorite daughter to a “good-looking, high-principled young man” who would “never separate her from her father, either in place or residence or in sound Christian sentiments.”¹⁵ If those were the hidden hopes superimposed upon this youthful romance, both fathers were cruelly disappointed.

During the interval between his graduation from Harvard and his two-year German sojourn with Santayana, Charles underwent a spiritual crisis that had profound repercussions for the Rockefeller family. For two months, he preached in Salem, Ohio, then entered the Rochester Theological Seminary, where he was to study for the Baptist ministry under his father’s vigilant supervision. For the first year, he faithfully attended prayer meetings and taught Sunday school, but his rational Harvard education now corroded the spiritual verities of his youth. Later on, Charles made the terrible confession that he had lost his faith while correcting proofs of one of his father’s theology books. A wholly cerebral man, fearless in exploring forbidden thoughts, Charles realized that he could no longer accept supernatural revelation. He went to his father and announced that he couldn’t stay at the seminary and would openly declare himself an agnostic.

For Reverend Strong, it was a shattering moment—one that he later characterized as his life’s most agonizing ordeal. As a distinguished Baptist theologian, he had groomed Charles as his successor and boasted of his intellectual prowess, confident it would be put to the service of the faith. “He depreciates insight,” he said of Charles, struggling to comprehend his

apostasy. “He is critical rather than constructive.”¹⁶ Once his son decided to leave the seminary, the unforgiving Dr. Strong even had him excommunicated, bidding the First Baptist Church of Rochester to withdraw the “hand of fellowship” from his son because he had “ceased to believe in the fundamentals of doctrine.”¹⁷ Only later did Dr. Strong realize that his own rigidly doctrinaire attitudes about religion had helped to drive Charles from the church.

Charles’s confidential admission must have stunned his father on several levels. If this loss of faith upset his marriage to Bessie, it might also derail Dr. Strong’s scheme to have Rockefeller finance a Baptist superuniversity in New York; it might even jeopardize Rockefeller’s future gifts to the Rochester seminary. It is not clear when Charles confided his spiritual turmoil to Bessie, or when Rockefeller became aware that his daughter’s suitor was a radical freethinker. Santayana’s comment clearly suggests that during Bessie’s courtship with Charles, Rockefeller was ignorant of Charles’s heretical tendencies and derived comfort from his sound views. This leads one to wonder whether Augustus and Charles—the one for money and the other love—tacitly decided to draw a discreet veil across Charles’s loss of faith.

The family association emboldened Dr. Strong to renew his pleas for a university in New York. While Bessie was still a freshman at Vassar, Dr. Strong dared to reopen the taboo subject. In a January 1887 letter, he began by telling Rockefeller that he had abided by his promise not to broach the forbidden subject, but time constraints now forced him to break long silence. “It has haunted me day and night for years,” Strong said of his proposal, “but I have had to keep my mouth shut. Meantime, years are passing and we are hurrying on to meet God.”¹⁸ Competing plans were now afoot for a Baptist university in Chicago, and Dr. Strong panicked at the thought of others gaining ground on him.

Rockefeller rebuffed this overture, then sweetened the pill by giving another \$50,000 to the seminary. Since he admired Dr. Strong and didn’t wish to alienate him, he proposed that they travel through Europe that summer with Charles and Bessie. For Strong, this presented a miraculous chance to push his scheme in an intimate setting. “He accepted an invitation to tour Europe with Mr. Rockefeller for the reason chiefly, as he once told me, of using the opportunities daily association at leisure would give him of expounding his great theme and winning Mr. Rockefeller’s adherence,” said one theologian

friendly with Strong.¹⁹ In their travels, Dr. Strong planned to acquaint Rockefeller with the great European universities to whet his interest in founding an American school.

On the other side of the Atlantic, George Santayana was sharing the Walker Travelling Fellowship with Charles Strong in Germany and noted his friend's moody behavior. In January 1887, Santayana wrote to William James that Charles was "very reticent about all personal matters, so that I know less about what has been troubling him than you probably do."²⁰ A month later, Santayana told James that he had "no idea what has been the matter with [Charles] this winter except that evidently he has not been at ease."²¹ Charles kept his engagement to Bessie so secret that when he went to Paris that spring he didn't tell Santayana that he was meeting the Rockefellers. Santayana caught up with the party in London, where they were enjoying the festivities of Queen Victoria's jubilee. Though Santayana met and liked Bessie, he was repelled by Rockefeller, who seemed devious and avaricious as he meditated ways to expand Standard Oil sales to Spain.

Encouraged by their travels together that summer, Dr. Strong increased the pressure on Rockefeller in the autumn. He completely misread Rockefeller's psychology. Where Rockefeller preferred a modest approach, Dr. Strong was often overbearing, as if trying to bully him into endorsing the project. He committed an unforgivable sin by suggesting that Rockefeller could sanitize his reputation by funding the university. "You have the opportunity of turning the unfavorable judgments of the world at large into favorable judgments—and not only that—of going down to history as one of the world's greatest benefactors."²² This argument miscarried on several counts: Rockefeller resented any references to his infamy, felt no need to cleanse his reputation, and rebelled against any insinuation that his charity was selfishly motivated. Four days later, he decided to postpone consideration of Dr. Strong's project.

Meanwhile, Charles Strong's suit to win Bessie's hand prospered, and sixteen months later, on March 22, 1889, Bessie Rockefeller, twenty-three, adorned with \$8,000 in pearls, married Charles, twenty-seven, in the front drawing room of 4 West Fifty-fourth Street in a marriage performed by Reverend Augustus H. Strong. With 125 guests, it was as opulent an occasion as the Rockefellers had ever staged, and Bessie's favorite teachers and classmates were brought down from Vassar in a private railroad car. The morning after the wedding, Charles and Bessie sailed for Germany so he

could resume his philosophical studies, which explains why Bessie didn't finish her final year at Vassar. She was also suffering from psychological problems, the first sign of nervous symptoms that made her adult life a huge mystery to posterity. In his letters, Rockefeller urged her to avoid all unnecessary excitement and strain, old-fashioned advice that would prove increasingly inadequate in coping with her deep-rooted troubles.

Having piqued Rockefeller's interest in endowing a major Baptist university, the Reverend Augustus H. Strong had to ward off competing plans backed by no less spirited advocates. The most promising alternative, for a university in Chicago, had the advantage of building on preexisting foundations. In 1856, Stephen A. Douglas had contributed ten acres of land to start a small University of Chicago under Baptist auspices. It expired exactly thirty years later, the victim of debt and mismanagement. Many of its alumni considered this a disgrace to the Baptists and tried, at the last minute, to salvage the institution. Quite naturally, they turned to Rockefeller, who had aided the Baptist Union Theological Seminary in suburban Morgan Park, a sister institution. The seminary's secretary, Thomas W. Goodspeed, unfortunately broached his rescue plan to Rockefeller at an inopportune moment, when the latter was being hounded mercilessly by Dr. Strong; the proposal was consequently rejected. In spring 1887, on the eve of Rockefeller's European trip, Goodspeed again sounded out Rockefeller, but the titan cordially sent back fruit and flowers, not cash. Nevertheless, Goodspeed had drawn Rockefeller's attention to Chicago's merits as a home to a great Baptist university.

Goodspeed was a much better lobbyist than Dr. Strong, with a finer instinct for Rockefeller's sensibility. With snow-white beard and blue eyes, he was a dignified man who knew how to lobby a rich donor with exquisite tact as opposed to Dr. Strong's blunderbuss approach. He saw that Rockefeller flinched at anything that smacked of coercion and that patience was better than highpressure salesmanship. From the outset, Goodspeed made practical arguments, pointing out that construction costs were cheap in Chicago and that the Baptists lacked a first-rate midwestern college, forcing their children to study at eastern schools. Goodspeed was heartened by Rockefeller's response when the most gifted member of the Morgan Park faculty, the thirty-year-old biblical scholar William Rainey Harper, was being wooed by Yale. Rockefeller knew Harper's reputation as one of the foremost Baptist scholars of the Old Testament and urged Goodspeed to retain him at all costs. Though Harper was eventually spirited off to Yale, he stayed in close touch with

Goodspeed and consistently supported a Chicago university project, though without committing himself to any role beyond a consulting one. As early as January 1887, he wrote to Rockefeller, “There is no greater work to be done on this continent than the work of establishing a University in or near Chicago.”²³

Rockefeller felt comfortable with worldly theologians, people determined to find an honored place in both this life and the next, and he was absolutely enthralled by Harper, the student of sacred literature who yearned to build an academic kingdom. Born in New Concord, Ohio, in 1856, Harper gave new meaning to the term wunderkind. He had entered college at ten, took a B.A. at fourteen, and completed his Ph.D. at eighteen. When this prodigy joined the Morgan Park faculty at twenty-two, he was younger than many of his seminary students. Many Baptist leaders recognized him as a man with a special future in the denomination, a dynamo bursting with energy and ideas. While still in his thirties, he opened Bible schools in five cities, founded a correspondence school, and coaxed seventy professors to join an American Institute of Hebrew that was assisted financially by Rockefeller.

While teaching at Yale, Harper often traveled to Vassar on Sundays to teach a Bible class and stayed with the college president, Dr. James M. Taylor. Since Rockefeller often visited Bessie for the weekend, Taylor brought the two together for breakfast, and the mutual attraction was instantaneous. Rockefeller later paid tribute to Harper as “a man of exquisite personal charm” and admitted that he had “caught in some degree the contagion of his enthusiasm. . . . As a friend and companion, in daily intercourse, no one could be more delightful than he.”²⁴ Rockefeller didn’t issue such glowing testimonials lightly.

Harper was a pudgy man with a soft, jowly face behind round, thick spectacles. He exuded optimism and captivated people with his visionary ardor. As one newspaper noted, “Dr. Harper is a marvel of energy. His face shows as much eagerness and aggressiveness as that of Luther.”²⁵ Yet he had enough tact to steer clear of the pitfalls that tripped up the more egotistical Dr. Strong. In October 1887, fresh from his transatlantic voyage with Strong, Rockefeller invited Harper to lunch at 26 Broadway. The meeting went swimmingly, and a week later the impossibly busy and resolutely private Rockefeller cleared his schedule and spent an entire day with Harper—lunching with him at noon, then driving for a few hours in Central Park, then chatting again in the evening. For Rockefeller, this was an eternity of

conversation. Equally unprecedented, he gave Harper a standing invitation to speak with him at any time. As he plumbed the plans for Baptist universities in different cities, Rockefeller always regarded Harper as an emissary for the Chicago group. After his heady day in Manhattan, Harper wrote excitedly to Goodspeed, “Again and again [Rockefeller] referred to you and to his thorough appreciation of your excellence and worth.”²⁶ On future visits to Vassar, Rockefeller and Harper were often seen cycling around the campus together.

With all the hostile publicity directed against Standard Oil during the debate over the Interstate Commerce Act of 1887, it was certainly an auspicious time for Rockefeller to consider a major philanthropic bequest. The newspapers were now puffing him as one of America’s richest men, possibly *the* richest man, so he was under a certain pressure to show that he could discharge this large responsibility. Education was a safe, neutral area in which he had twenty years of experience, having contributed generously to Denison University in Granville, Ohio; Indian University in Muskogee, Oklahoma; Barnard College in New York, which appointed Cettie to its first board of trustees; and Cornell University, whose president, Andrew D. White, he had met on a European trip. Most notably, he was the godfather of Spelman Seminary in Atlanta. Yet Rockefeller was, in many ways, an improbable university founder, for he was not bookish, never attended college, and operated more in a world of facts than theories. Having skipped college, he never automatically recommended it to young people, telling one minister, “I should say in general the advantage of education is to better fit a man for life’s work. I would advise young men to take a college course, as a rule, but think some are just as well off with a thorough business training.”²⁷

Yet precisely because Rockefeller had missed college, no school could stake a claim on him. While he had the option of distributing his educational largesse widely, such dispersed giving didn’t jibe with his philosophy. In religion and education no less than in business, Rockefeller thought it a mistake to prop up weak entities that might otherwise perish in the evolutionary race. “I think mistakes are made by organizing too many feeble institutions—rather consolidate and have good, strong working church organizations,” he wrote in 1886—a remark that could have applied to his educational views.²⁸ In the long run, Rockefeller transposed to philanthropy the same principle of consolidation that had worked so well for him in business. Worn down by masses of people clamoring for his money,

Rockefeller knew that he now needed a larger and more efficient method for disposing of his fortune. Without it, he would lapse into the slipshod amateurism that he detested. Dr. Strong and Dr. Harper had planted a vision of a large project in his mind, but it would require the careful tending of a lapsed Baptist minister named Frederick T. Gates to bring this seed to glorious life.

While Rockefeller was casting about for some means to spend money more liberally without compromising his scrupulous standards, a group of Baptist leaders met in Washington in May 1888 to form the American Baptist Education Society (ABES). The driving force behind this new association was Dr. Henry Morehouse, the executive officer of the American Baptist Home Mission Society who had advised Rockefeller on Spelman Seminary. Morehouse thought Baptist education was in a woeful state and urgently in need of reform. For Rockefeller, the new group was providential, promising to serve as a handy conduit for channeling large amounts of money to worthy, well-researched Baptist schools.

To serve as executive secretary of the new group, Morehouse drafted a fiery, articulate young Baptist minister, the thirty-five-year-old Frederick T. Gates, who had recently resigned a pastorate in Minnesota and now gravitated toward more worldly affairs. Soon after he assumed the post, Gates championed a Baptist university in Chicago to fill a glaring void. The eastern churches held more money, but the fastest-growing part of the membership resided in the Mississippi Valley and Great Lakes region. Before writing his report, he conducted an intensive study of Baptist education with prosecutorial zeal and ministerial fervor and he confirmed many of the arguments that Thomas W. Goodspeed had adduced. Because many Baptist schools were located in rural backwaters, midwestern congregants often attended schools of other denominations. Having tripled in size in two decades and ranking as America's second largest metropolis with 1.7 million residents, Chicago seemed the optimal site for a major college.

Gates presented his findings in a richly detailed report that exhibited the exhaustive research that would endear him to Rockefeller. At the beginning, Gates, still unfamiliar with his patron, believed that Rockefeller would respond better to a bold plan than something tentative or equivocal. Hence, he portrayed this new Baptist university as the nucleus of a national educational network, confiding to Morehouse, "A scheme so vast, so continental, so orderly, so comprehensive, so detailed, will in my view capture a mind so

constituted as Mr. Rockefeller's is."²⁹ On October 15, 1888, he electrified a Baptist convention in Chicago with an impassioned paper entitled "The Need for a Baptist University in Chicago, as Illustrated by a Study of Baptist College Education in the West."

The Gates report has often been credited with convincing Rockefeller to opt for Chicago, yet William Rainey Harper provided timely assistance. Two weeks after Gates made his sensational address, Dr. Harper spent ten hours at Vassar with Rockefeller and then joined him on the train to New York. During this momentous day, Rockefeller first declared his intention to found a Baptist university in Chicago. As Harper informed Goodspeed, "[Rockefeller] himself made out a list of reasons why it would be better to go to Chicago than to remain in New York."³⁰ Rockefeller leaned toward the Midwest for several reasons. He feared the complications that might result from the bullheaded Dr. Strong's leadership of any New York school. He also worried that an eastern school might be encrusted with tradition, whereas a Chicago school could "strike out upon lines in full sympathy with the spirit of the age."³¹ Then there was a political dimension that Rockefeller never dared to articulate openly. He had to convince the public that he would not meddle or convert the school into a mouthpiece for his corporate interests. As he put it three decades later, Chicago "was sufficiently removed from Wall Street to encourage the hope that it would escape suspicion of being dominated by the so-called interests." ³²

Twice during the next month, Rockefeller spent a day with Harper, first in Poughkeepsie, then in New Haven, for nonstop talks about the proposed university. Harper was astonished by his patron's unreserved passion. "I have never known him to be so interested in anything," Harper told Goodspeed, "and this promises much."³³ Growing more enthusiastic by the hour, Rockefeller advanced a three-pronged plan for a college and university in Chicago, a theological seminary in New York (doubtless to placate Dr. Strong), and an educational trust of western colleges. This last step, a brainchild of Harper, envisioned a string of colleges throughout the West sharing common management with the Chicago university. Warming to the project, Rockefeller planned to visit Cornell on an inspection tour and court three Baptist professors for Chicago. In eloquent testimony to his commitment, Rockefeller told Harper of his readiness to give three million of the first four million dollars needed by the Chicago school. On December 3, 1888, the ABES formally endorsed the plan to found a new school in

Chicago; ABES would be the official channel for Rockefeller's contributions.

Then suddenly, in early 1889, Rockefeller grew aloof toward William Rainey Harper, who had committed the classic error of promoting his cause too assertively. What especially distressed Rockefeller was that Harper wanted to start with a full-blown university, whereas he preferred to begin with a college and expand incrementally. To break this impasse, Harper tactfully bowed out and allowed Gates to take charge of the lobbying campaign. A master at reading the minds of potential donors, Gates intuited that Rockefeller felt put upon by Harper's quixotic plans and, to lessen his anxieties, he sent Rockefeller a scaled-down plan for a plain Chicago college. Much relieved, Rockefeller invited Gates and Morehouse for lunch on January 21, 1889. When Gates first set eyes on the great sphinx, he found him polite and decorous, if cryptic. "In parting with me," Gates reported to Harper, "he said that his mind worked slowly in these matters, but he was glad to have had this opportunity for extended conversation, and closed by saying, 'I think we are in the way of progress.'"³⁴

An important upshot of the lunch was that Rockefeller invited Gates to accompany him on a train trip to Cleveland. Gates saw that a low-key approach was the perfect antidote to Harper's rousing oratory, and he decided to let Rockefeller initiate discussion about the Chicago school aboard the train. "I think this was soon perceived by Mr. Rockefeller," Gates said in his memoirs, "that it surprised and pleased him, and that he amused himself by putting my sense of propriety to the test." Though the train left New York at 6 P.M., the two men never referred to what was uppermost in their minds. When they were joined by a phalanx of Standard Oil men, Gates noted the magnetic power Rockefeller had over them. "I observed that he spoke very little indeed, and always in a low and quiet voice."³⁵ At one point, when the porter making up Rockefeller's berth accidentally smacked him over the head, Rockefeller "uttered no word, made no exclamation, gave not one word of reproof to the careless porter, and reassured him when he offered profuse apologies," recalled Gates.³⁶

Having failed to broach the Chicago question with Rockefeller, Gates crept into his sleeping berth that night "a miserable, disappointed man."³⁷ As it turned out, Rockefeller was coyly enjoying a cat-and-mouse game, and as they neared Cleveland the next morning, he began to pummel Gates with questions about the ABES. Rockefeller wanted reassurance that the ABES

board was truly disinterested and devoid of unstated agendas. He also wanted Gates to make on-site inspections of schools and not rely on secondhand reports. On the strength of these assurances, Rockefeller decided to make the Baptist society his preferred vehicle for denominational gifts, an important first step on the road to wholesale philanthropy. Clearly, Rockefeller was contemplating new ways of distributing money through central agencies that could offer expert advice and buffer him from applicants.

Gates often marveled at the inexplicable ways of his new patron, who enjoyed keeping everyone in suspense. As the ABES board meeting approached on February 20, 1889, Gates awaited word of a large contribution from Rockefeller. Only as the meeting was called to order did a messenger arrive with a \$100,000 pledge to the organization. Later on, when Rockefeller asked him what the society did with the money, Gates said it went into a bank account that paid no interest. This so mortified Rockefeller's sense of thrift that he borrowed back the \$100,000 and paid the society 6 percent. "I can't endure to see that money idle," Rockefeller told Gates. "I feel about it as one does to come into a room, ill swept, with the corners full of cobwebs and dust. I want to clean up that room."³⁸

In the spring of 1889, Gates went through another baffling period of silence. He was hoping to announce Rockefeller's decision to bankroll a Chicago university when the ABES held its general meeting in Boston on May 18. At the last minute, Rockefeller advised Gates to stop by his home en route to Boston and listened silently to the latter's appeal for a large commitment to the Chicago project. Sticking with his habitual policy of creative procrastination, Rockefeller promised nothing and invited Gates for breakfast the next morning.

After all these excruciating dilatory tactics, the campaign for a Chicago college or university reached a surprisingly swift climax on a clear spring morning in May 1889. After breakfast, the two men strolled to and fro before the Rockefeller house on Fifty-fourth Street. After months of stalling, Rockefeller said he was ready to provide \$400,000—considerably short of the figure he had quoted to Harper six months before. When Gates rejected this as insufficient, Rockefeller raised the ante to \$500,000. Once again, Gates spurned the offer, citing the advantages of Rockefeller contributing the majority of the money. Gates held out for a stunning \$600,000 contribution—equal to \$9.5 million today—which was predicated upon another \$400,000 being raised from other sources. Eager to commit this historic pledge to paper,

they went down to Rockefeller's office where he put his promise in writing.

The next day, clutching this paper, Gates rose before the Baptists in the Tremont Temple in Boston. Rumors had circulated about the gift, creating a tingling mood of expectation. "I hold in my hand," Gates thundered, "a letter from our great patron of education, Mr. John D. Rockefeller." A groundswell of cheers surged from the floor. "A letter in which, on the basis of the resolutions adopted by our board, he promises that he will give six hundred thousand dollars—" At this point, pandemonium erupted, with clergymen waving their handkerchiefs, whistling, and applauding. Driven to ecstasy by this earthly bounty, one minister on the podium flung his hat heavenward, while another theologian sprang to his feet and praised "the coming to the front of such a princely giver. . . . It is the Lord's day. . . . As an American, a Baptist, and a Christian I rejoice in this consummation. God has kept Chicago for us; I wonder at his patience."³⁹ On this note, the ecstatic holy men rose up to offer a lusty rendition of "Praise God from Whom All Blessings Flow."⁴⁰ Overnight, for all his infamy in business, Rockefeller wore a golden nimbus in the eyes of many Baptists.

This was a bruising repudiation of Dr. Augustus H. Strong, who had ridden his hobbyhorse too hard and given the victory to his enemies. At first, it was exceedingly difficult for him to renounce his dream and concede defeat. Falling into deep dejection, he went on plying Gates with letters for Rockefeller until Gates had to inform him point-blank, "There is no hope. Mr. Rockefeller returned your letter to me with the request that the subject be dropped, and that I so write you as would leave no hope of any interest on his part."⁴¹ After a time, when Strong's name surfaced in conversation, Rockefeller would drawl sarcastically, "Well, I hope Dr. Strong finds his man!"⁴² It took Strong years to recuperate.

In June 1889, a few weeks after Rockefeller's gift, Andrew Carnegie began to publish in the *North American Review* an influential essay entitled "Wealth." Carnegie saw capitalism as threatened by the widening gulf between the swelling fortunes of the great industrialists and the meager wages of downtrodden workers. To defuse tensions and spread economic benefits more widely, he argued that the rich should donate large sums to worthy causes during their lifetimes, lest their money be frittered away by idle heirs. "The man who dies thus rich dies disgraced," Carnegie declared bluntly.⁴³ Rockefeller was greatly influenced by Carnegie and when the Carnegie

Library opened in Pittsburgh in 1896 dashed off a congratulatory note. “I would that more men of wealth were doing as you are doing with your money; but, be assured, your example will bear fruits, and the time will come when men of wealth will more generally be willing to use it for the good of others.”⁴⁴ Rockefeller was especially struck by the broadly systematic nature of Carnegie’s library program, which would bring some twenty-eight hundred public libraries into existence worldwide. When Rockefeller later addressed Marshall Field, Philip D. Armour, and other Chicago moguls about philanthropy, he echoed Carnegie’s plea to make bequests before they died.

In private, Rockefeller and Gates sometimes faulted Carnegie for letting his vanity peep out behind his benevolence. As Gates griped to Rockefeller, “Mr. Carnegie’s intimate friends tell me that it is no secret between them and him that he does these things for the sake of having his name written in stone all over the country. Have you observed that he always gives buildings while somebody else furnishes the money to keep them in repair?”⁴⁵ Rockefeller’s philanthropy was relatively discreet. Another tycoon might have been tempted to plaster his name on the Chicago college, especially during a contentious period that saw the passage of both antitrust and railroad-reform legislation. Yet this only hardened Rockefeller’s resolve to prove that he was not currying public favor. With the University of Chicago, his sole concession to vanity was to allow the trustees to affix his name to the school seal, official documents, and letter-heads. A proposal to place a lamp on the university seal was rejected, lest anyone mistake it for a vulgar allusion to oil. Even though Rockefeller was the Prospero who single-handedly conjured the University of Chicago into being, he didn’t allow any campus building to bear his name, and the Rockefeller Memorial Chapel was christened only after his death.

It was an auspicious time for such a venture. While enjoying the wealth of a nascent world power, America was still saddled with cultural institutions that seemed provincial beside their European counterparts, and many businessmen were eager to endow schools and museums. Rockefeller was not the only magnate to create a major university in the late nineteenth century: The railroad fortunes of both Johns Hopkins and Leland Stanford were similarly applied, while closer to home Rockefeller had the example of the Pratt Institute, set up by Charles Pratt in 1887. Instead of making isolated gifts, Rockefeller wanted to finance institutions whose research would have a pervasive influence. Of the University of Chicago, he later said, “Following the principle of trying to abolish evils by destroying them at the source, we felt that to aid colleges and universities, whose graduates would spread their

culture far and wide, was the surest way to fight ignorance and promote the growth of useful knowledge.”⁴⁶ To Rockefeller, the least imaginative use of money was to give it to people outright instead of delving into the causes of human misery. “That has been our guiding principle, to benefit as many people as possible,” he affirmed. “Instead of giving alms to beggars, if anything can be done to remove the causes which lead to the existence of beggars, then something deeper and broader and more worthwhile will have been accomplished.”⁴⁷

Businessmen such as Rockefeller and Carnegie saw themselves as applying their managerial wisdom to the charity world. As at Standard Oil, Rockefeller wanted to reduce waste and duplication in the charitable sphere and deplored the lack of study behind much giving. “Today the whole machinery of benevolence is conducted upon more or less haphazard principles,” he stated in his memoirs.⁴⁸ The University of Chicago was Rockefeller’s signature project in which he clarified his approach and schooled Frederick T. Gates, his son, and other advisers as his future surrogates.

From the outset, Rockefeller swore that he would avoid the rich man’s trap of endowing institutions that would become dependent wards. His ideal was to create organizations that would take on independent lives and outgrow him. Having pledged \$600,000 for the Chicago college, he gave the ABES one year from June 1, 1890, to drum up the other \$400,000 from outside sources. To accomplish this, Gates moved temporarily to Chicago and joined forces with Goodspeed in a grueling fund-raising drive that nearly drove them to distraction. They were stymied by restrictions written into the school’s articles of incorporation, which stipulated that two-thirds of the trustees and the president be members of Baptist churches. If the enterprise’s spirit was ecumenical (several prominent Jews contributed), the institution’s charter was explicitly denominational. This confusion emanated from Rockefeller, who insisted that the new institution remain under Baptist auspices yet be “conducted in a spirit of the widest liberality,” with students drawn from every class of society.⁴⁹ Unfortunately, Chicago numbered few Baptists among its high-spending citizens. Instead of being stimulated by Rockefeller’s involvement, many potential donors smugly assumed that the fledgling school would never want for money. Of their excruciating year of pleading, Gates later said it “cost more brain work, anxiety, anguish, tears, prayers and shoe leather than all the millions that have since gone into the university.”⁵⁰ A promising contribution came in January 1890 when

Marshall Field donated a ten-acre parcel for the new school on the south side of Chicago, just north of the site of an upcoming fair that would attract worldwide attention: the World's Columbian Exposition. Delighted by this act of faith, Rockefeller agreed that he and Field would jointly review the names of proposed trustees.

Having devoted his career to eliminating risk from the petroleum business, Rockefeller was unsettled by the uncertainties that dogged the Chicago project. For a long time, the question of who would lead the college was every bit as vexing as who—besides Rockefeller—would support it. William Rainey Harper seemed the natural candidate. As the star salesman who had converted Rockefeller to the cause, he enjoyed his special trust. Whatever his occasional qualms about Harper's flamboyant rhetoric, Rockefeller was sure the young biblical scholar had unique credentials to run the school. Although Harper might not have known it, Rockefeller revealed his thoughts to him in an unprecedented fashion. Right after Christmas 1888, Harper had dropped by 26 Broadway. Since Rockefeller had been ailing, he asked after his health and Rockefeller replied:

I have made little progress, Doctor Harper. My wife has been sick and I have been anxious about her. My time has been taken up with the consideration of petitions from many sources—I have never known them so numerous. Montreal has come down upon me. Richmond, with a great reinforcement, has come down upon me. From every quarter the demands are growing more numerous, and more insistent. . . . I did not ask you to come and see me Sunday because I spent the day in bed; Christmas, too, I spent in bed—I was so tired. I have had some unusually worrying business matters in the last three weeks; still, the thing [the University of Chicago] is on my mind and I want to hear more about it.⁵¹

For a man who lived behind the heavy draperies of Victorian reticence, this was a remarkably candid response.

The intuitive Harper sensed that something else was preying on his mind, and Rockefeller confided that he had received a jarring letter from Dr. Strong. While masquerading as a family Christmas greeting—Charles's marriage to Bessie lay just ahead—it was a transparent attempt to sabotage Harper and the Chicago project. A self-styled inquisitor, Dr. Strong had examined the class notes of his daughter Kate, who was taking a Bible course at Vassar with Harper, and written to Rockefeller that he had unearthed heretical tendencies

in Harper's teachings. Rockefeller was far more disturbed by Strong's defamatory tactics than the specific charges leveled against Harper. When Harper was next in Poughkeepsie, he was greeted by a letter from Dr. Strong, who threatened, as a Vassar trustee, to lodge an official complaint if Harper continued to teach the Sunday Bible class there. When Goodspeed found out about this mean-spirited attack, he said to Harper, "The man seems mad, daft."⁵²

Harper was always Rockefeller's choice for president, and at times the venture seemed to hinge upon his acceptance. In his grandiloquent visions of this new institution, Harper was not above gently flattering Rockefeller, making the new institution sound like the collegiate equivalent of Standard Oil. "And let it be a university made up of a score of colleges with a large degree of uniformity in their management; in other words, an educational trust," Harper advised him.⁵³ These sublime words both inspired and petrified Rockefeller. Hounded by requests for money, he didn't know if he had the income to juggle so many commitments. In January 1889, he told Harper that they should start modestly with a college and defer the university till a later day. "So many claims have pressed upon me," he explained, "I have not really needed a University to absorb my surplus."⁵⁴

Harper agonized over whether to take the presidential post at Chicago or stick with the biblical scholarship he loved. The question was a proxy for the larger issue of whether he sought power and status in life or the quieter rewards of scholarship. Harper was an original theorist and a charismatic teacher who hated to lose contact with his students, but he was also intensely ambitious. To pin him down, Yale offered him a generous, six-year compensation package that would allow him to hold two prestigious chairs at once. Learning of this, Rockefeller wrote Harper, "It would break my heart if I did not believe you would stay in the fold all right. For all the reasons I believe you will. Be sure you do."⁵⁵ When Harper conferred with him two weeks later, Rockefeller pleaded with him to avoid any permanent commitment to Yale.

When the University of Chicago charter was adopted in May 1890, the school still lacked a president. To force the issue, Rockefeller dispatched Gates to New Haven that July to notify Harper that he was the board's unanimous choice to head the school. Far from settling things, this only sent Harper into fresh paroxysms of indecision. In spite of Rockefeller's reiterated

preference for a small college, Harper wanted nothing less than a full-fledged university and believed the one million dollars raised so far a mere pittance that fell short of his visions. As Harper wrestled with the dilemma, Rockefeller wrote to him in August, promising to add a premium to his salary. “I do not forget that the effort to establish the University grew out of your suggestion to me at Vassar and I regard you as the father of the institution, starting out under God with such great promise of future usefulness.”⁵⁶ Harper must have noted Rockefeller’s use of the hitherto taboo word *university*.

This letter alerted Harper to the fact that he now enjoyed considerable bargaining power in shaping the new institution, and his rhetoric only grew more sonorous. “The denomination and indeed the whole country are expecting the University of Chicago to be from the very beginning an institution of the highest rank and character,” he replied to Rockefeller. “Already it is talked of in connection with Yale, Harvard, Princeton, Johns Hopkins, the University of Michigan, and Cornell.”⁵⁷ Harper characterized the money raised so far as insufficient to realize such lofty aims. Among other things, he envisaged a university where he could perpetuate his own scholarly interests and act as president and professor. When Rockefeller consented to his demand for an extra million dollars to transfer the Morgan Park Theological Seminary to the new Chicago campus, the thirty-four-year-old Harper capitulated and formally accepted the presidency in February 1891. It now seemed clear that his spacious dreams would carry him beyond the small, cloistered world of a biblical scholar.

Over time, the immoderate Harper gave liberal interpretations to Rockefeller’s vague promises of money, but he never misrepresented the scope of his plans. Even before accepting the presidency, he boasted to Rockefeller, “I believe that ten years will show an institution at Chicago which will amaze the multitudes.”⁵⁸ Working sixteen-hour days, Harper now negotiated more than 120 faculty appointments in little more than a year. Rockefeller might think the university a plant of slow growth, but Harper wanted it to bloom overnight. The new president raided so many Ivy League faculties—the ranks of Yale and Cornell were especially depleted—that his ransacked rivals complained of foul play. Harper dangled sizable sums before reluctant prospects, enlarging the school’s future financial requirements. This nationwide talent search netted nine college presidents for the first faculty. Harper signed up John Dewey and George Herbert Mead for the philosophy

department and enticed novelist Robert Herrick to join the English department, while Albion Small initiated America's first graduate department in sociology. Another eminent recruit, economist Thorstein Veblen, came to regard Harper as the educational counterpart of capitalists such as Rockefeller and satirized him as a captain of erudition, one of a new species of empire builders in higher education.

However inspired he was by Harper, Rockefeller felt sorely beset by his extravagant spending, and their relations began to fray. With outside fundraising stalled, it seemed that Rockefeller's worst nightmare was coming true: He would end up sole benefactor of an institution that would bleed him dry for years. Whenever they met, they stayed away from money talk and spoke of educational policy. Financial matters were shunted off into increasingly testy private exchanges between Gates and Harper—exchanges that Rockefeller reviewed privately. By the spring of 1891, Rockefeller began to develop the queasy sense that Harper regarded his money as a blank check to cover annual deficits. To their surprise and disbelief, Rockefeller and Gates saw that the new president would not drop his busy lecture schedule (which netted him \$4,000 a year) and contemplated a \$3,000 offer to head the Chautauqua School of the English Bible, while also planning a fancy European trip—all the while banking a handsome \$10,000 salary at the University of Chicago. As Rockefeller fumed in the summer of 1891, Gates met with Harper and urged him to shed his outside activities. "Of course he rejected these proposals," Gates informed Rockefeller, "as well as the intimation contained in it that his motives are not without their mercenary side."⁵⁹ It was an odd situation: the world's richest man chastising a biblical scholar for unseemly materialism.

To some extent, Rockefeller sent out conflicting messages and was partly to blame for Harper's profligacy. It was Rockefeller, after all, who urged Harper to pay top dollar for America's best academic minds. As Gates told Harper after one meeting with Rockefeller, "We talked *at great length* about salaries of head professors pro and con and as a result *he wished me to say to you positively that* the best men must be had."⁶⁰ Such talk could easily inspire a cavalier attitude toward money. Gates also had an ulterior motive for wishing Harper away from the lecture circuit. Though he was not the freethinker darkly portrayed by Dr. Strong, Harper did have heterodox religious views and brooded morbidly on his own heresy. Practicing the higher criticism, he had moved away from a stress on biblical inerrancy to a scholarly search for the authorship of sacred texts. Though becoming a

modernist in his own right, Gates wanted Harper to muzzle his unorthodox views in public. Potential donors were already worried about the new university's diluted Baptism and questioned Harper's doctrinal purity. To one such critic, Gates insisted, "Dr. Harper is a man of evangelistic spirit and *annually secures scores of conversions at Yale,*" implying that he would continue this practice at Chicago.⁶¹ When Gates expressed concern to Harper about his views, the latter made a clean breast of his liberal religious views to Rockefeller so that he would never be shocked by his unorthodoxy.

The newspapers were not privy to these internal tensions and lampooned the implausible pairing of the trust king and the biblical scholar. Harper was irritated by cartoons that showed him sprinting after Rockefeller and his money bags. In one cartoon strip, Harper desperately pursued Rockefeller across a frozen Hudson River, hopping from one ice floe to the next until a weary Rockefeller dropped a thick wad of bills behind him to sate the university president. When Rockefeller later gave one million dollars to Yale, another cartoonist drew Harper astride a college building marked "University of Chicago," glaring enviously at another college building marked "Yale." Harper was often portrayed as a sycophant of the rich. In one cartoon, he was seen greeting fashionable ladies at the train station and carrying their luggage, which was marked "Proper Function of College Presidents."

There must have been moments in 1891 when John D. Rockefeller wondered how he had gotten entangled in a project so vast and headed by such a brilliantly erratic man. Had he known what lay ahead, it seems doubtful that he would have persevered. But he had now publicly staked his reputation on this hugely expensive endeavor and, in the last analysis, wherever William Rainey Harper led, John D. Rockefeller would grudgingly follow. He was not a man to abandon a project that had received his blessing.

However mingled with joy, Rockefeller's anguish over the University of Chicago came at a moment of physical vulnerability and tipped him over the edge toward a breakdown. Gates's letters to Harper are laced with references to their patron's sharply deteriorating health. In April 1891, Gates said after a tête-à-tête with Rockefeller: "He was kindness itself, but appeared very sad and depressed. . . . He even told me that anxiety and worry about the matter [i.e., university finances] had made him sick and it was this that took him from his business and drove him to Cleveland. We *must* not press him for money. Let us see to it and see if we can not cut down expenses and get through the first year with the smallest possible deficit."⁶²

This was more than mere bluff or tactical posturing on Gates's part, though there was doubtless some of that. Starting in early 1889, Rockefeller had complained continually of fatigue and depression. For several decades, he had expended superhuman energy in the creation of Standard Oil, mastering myriad details; all the while, pressure had built steadily beneath the surface repose. One could now see in his face the subdued melancholy of a man who had sacrificed too much for work. In early 1890, Rockefeller stayed away from the office for several months due to an unspecified illness. Later in the year, he promised to stop working on Saturdays and take more vacations, but the symptoms harried him into the following spring.

By 1891, the top executive ranks were beginning to thin at Standard Oil. Charles Pratt died suddenly that year, and Henry Flagler was increasingly distracted by his Florida hotel and railway ventures. Having groomed John D. Archbold as his successor, Rockefeller began to shift day-to-day power to his feisty, bantam protégé. More reviled than honored for his triumphs, Rockefeller, fifty-two, felt embattled by endless subpoenas from court cases and congressional hearings. Though he brushed off his critics as minor irritants and professed faith in his own integrity, it could not have been easy to face such universal opprobrium. Keeping up the pose of indifference must have taken its own toll.

Nevertheless, Rockefeller had come through earlier assaults unscathed. What really disturbed him was not so much making money but spending it. One Cleveland society woman, a friend, told a story of sitting beside him on a streetcar when the conductor came to collect fares. When Rockefeller handed him a quarter, the conductor deducted two nickel fares, assuming he would pay for the lady, and gave him fifteen cents change. "My change is five cents short," Rockefeller declared. "Why, no. I took out two fares and gave you back fifteen cents," explained the conductor. "But I did not tell you to take out two fares," Rockefeller retorted. "Let this be a lesson to you, and never assume that a passenger is paying for two people unless he says so."⁶³ Rockefeller reviewed every bill that arrived at home and often patrolled the hallways, turning off gaslights. Such habits were not simply reflexive stinginess but were rooted in bedrock beliefs about the value of money. When he discovered that one railroad overcharged him \$117 for carrying his family and horses, he had the Standard Oil treasurer immediately retrieve the money. "I need the \$117 to build mission churches in the West," he explained, showing the association in his own mind between savings and charity.⁶⁴

With such uncommon respect for the dollar, he couldn't cope with the psychological demands of the University of Chicago and other philanthropic commitments. As Rockefeller said, "I investigated and worked myself almost to a nervous breakdown in groping my way, without sufficient guide or chart, through the ever-widening field of philanthropic endeavor. It was forced upon me to organize and plan this department upon as distinct lines of progress as our other business affairs."⁶⁵ The figures of Rockefeller's contributions between 1889 and 1892 reflect the expanding nature of his giving. From \$124,000 in 1889 (right before his big pledge to Gates), his donations soared to \$304,000 in 1890, \$510,000 in 1891, and then a spectacular \$1.35 million in 1892 (\$22 million today) as he opened the spigot for the University of Chicago. Clearly, he needed someone to help with the avalanche of appeals overwhelming him, and by late 1889 he began to forward begging letters to Frederick T. Gates. "I am disposed more and more to give only through organized agencies," he told Gates.⁶⁶ Finally, in March 1891, suffering from broken health and all too aware of his mortal limitations, Rockefeller summoned Gates for a confidential parley:

"I am in trouble, Mr. Gates. The pressure of these appeals for gifts has become too great for endurance. I haven't the time or strength, with all my heavy business responsibilities, to deal with these demands properly. I am so constituted as to be unable to give away money with any satisfaction until I have made the most careful inquiry as to the worthiness of the cause. These investigations are now taking more of my time and energy than the Standard Oil itself. Either I must shift part of the burden, or stop giving entirely. And I cannot do the latter."

"Indeed you cannot, Mr. Rockefeller," Gates replied.

"Well, I must have a helper. I have been watching you. I think you are the man. I want you to come to New York and open an office here. You can aid me in my benefactions by taking interviews and inquiries, and reporting the results for action. What do you say?"⁶⁷

Gates accepted and in March 1891 transplanted his family to Montclair, New Jersey, and took up offices in the Temple Court, near 26 Broadway. This action, which ended his ministerial career, made him an earthly potentate instead. At first, Gates retained his position as secretary of the ABES and funneled Rockefeller money around the country. By 1892, Gates joyously proclaimed to Rockefeller, "Our denomination has a larger, better distributed,

better organized, and more efficient educational property than any other denomination in America.”⁶⁸ Only after 1900 did the two men begin to branch out into the revolutionary schemes that transformed old-fashioned denominational charity into modern philanthropy. By that point, Gates had assembled a team of advisers tutored in Rockefeller’s principles, trained in his methods, and fired with his evangelical zeal.

For the remainder of his life, Rockefeller’s medical status provoked so much fantasy, gossip, and speculation that we should try to define it here with some precision. Rockefeller had been fit and youthful well into his fifties. He never adopted the sleek, portly look of his fellow plutocrats and seemed ten years younger than his age. What, then, ailed him in the early 1890s? Broadly speaking, the answer was overwork, brought on by the combined stress of work and charity. As his inseparable companion and homeopathic physician, Dr. Hamilton Biggar, said, “A little more of that would have killed him. Mr. Rockefeller was close to the edge of a breakdown . . . when he finally let himself be persuaded that he could no longer do the work of several men with the strength of one.”⁶⁹ But if overwork weakened his immune system, he also succumbed to opportunistic diseases. In 1891, a national gripe swept the nation, and Rockefeller was laid low. Dr. Biggar also diagnosed him as having a catarrh of the upper part of the bronchial tubes. For years, Rockefeller suffered from liver trouble—at one point he bought a “liver pad” from a local drugstore, wearing it with beneficial results—and in the early 1890s, Dr. Biggar plugged him full of an unnamed brew he had concocted for this trouble.

It was Rockefeller’s prolonged digestive troubles that most titillated the public, providing enduring satisfaction to moralists who believed that if Rockefeller could not be brought to justice, he could at least be tormented through his bodily afflictions. He had serious digestive problems in the early 1890s, perhaps even stress-related ulcers, and looked pale and haggard. For a time, to soothe his stomach, he lunched on milk and crackers at 26 Broadway, spartan fare that he enjoyed and sometimes even ordered by choice. He recovered from his digestive troubles, however, and they never recurred in any really threatening way. Yet he remained extremely fussy about his food, taking small, sparing bites in a manner that spawned a thousand myths about his ruined system. For years it was bruited that he had a standing million-dollar offer for any doctor who could repair his stomach.

Those who believed that Rockefeller was suffering divine retribution would

have been interested to learn that in November 1888 Cettie was seriously injured in an alcohol-lamp explosion that badly burned both her hands and face. She had to be bedridden for several weeks. Only a few mystifying references to this ghastly accident appear in Rockefeller's letters. One can't help but wonder whether the lamp was actually burning Standard Oil kerosene and whether Rockefeller turned it into an alcohol lamp in his correspondence. Would the wife of John D. Rockefeller have used alcohol lamps? If Cettie was the casualty of impure Standard Oil kerosene, her husband might well have viewed her accident as celestial judgment upon him.

During 1891, under doctor's orders, Rockefeller took time off from work and spent eight months at Forest Hill, the family's sovereign cure for illness. His private secretary, George D. Rogers, was placed under strict instructions to spare him all but urgent business matters. For the first time in twenty-one years, his mind was cleansed of Standard Oil. To restore his health, he worked with his farm laborers in the field, rode his bike, ate simply, and jokingly claimed he was becoming a "great concert singer."⁷⁰ These traditional remedies worked like a charm, for by June 1891 he wrote Archbold, "I am happy to state that my health is steadily improving. I can hardly tell you how different the world begins to look to me. Yesterday was the best day I have seen for three months."⁷¹ By the end of the summer, he had gained fifteen pounds, fresh color was restored to his face, and he resumed a more normal schedule. On February 23, 1892, he had Gates post a letter to the University of Chicago trustees, pledging another million dollars with these words: "I make this gift as a thank offering to Almighty God for returning health."⁷² In fact, the offering was as much a grudging response to Harper's improvident spending as a token of Rockefeller's gratitude to the Lord.

Having always enjoyed ruddy health, Rockefeller was evidently shaken by his lengthy illness, for he dreaded rushing back to work and precipitating a relapse. He now contemplated something inconceivable for most other restless tycoons of the period: retirement. He had no psychological need to spend his life amassing money and told Gates that he had all he wanted. As he later explained, "I felt that at fifty it was due me to have freedom from absorption in active business affairs and to devote myself to a variety of interests other than money making, which had claimed a portion of my time since the beginning of my business career."⁷³ Though he craved retirement, several crises tethered him to business for another three or four years until he stopped going to 26 Broadway altogether in 1897. In the meantime, he

reported to the office less and less, as the focus of his life shifted slowly from earning money to dispensing it as intelligently as possible.

Although Harper had the founder's promise that he would attend opening ceremonies, Rockefeller, eager to prove that he would not meddle with the school, later rejected the idea. One also suspects that he subtly wished to telegraph his displeasure to Harper over the handling of university finances. In early 1892, Gates visited Chicago and was "utterly appalled" at the yawning chasm between Harper's extravagant schemes and the available money. Yet with all his openhanded spending, Harper had accomplished one of the great feats in education history. True to his wishes, he opened the school on October 1, 1892, without ceremony "as if it were the continuation of a work which has been conducted for a thousand years."⁷⁴ His hastily gathered faculty was so studded with renowned scholars that the university was catapulted instantly into the front ranks of higher education. On the first day of classes, the new school boasted 750 students, one-fourth of them women, with ten Jewish students, eight Catholics, and a handful of blacks.

Architect Henry Ives Cobb had little more than a year to summon a campus into being, and five major buildings were completed in 1892, another five in 1893. Built at a moment of civic pride, the new university sprang up beside the fabled White City of the 1893 Columbian Exposition. The fairgrounds featured a spectacular Standard Oil exhibit of a miniature refinery surrounded by a strange colonnade of Ionic columns with alternating oil-filled lamps and vases. From a Ferris wheel on the midway, visitors received a superb aerial view of the new school that Standard Oil profits had produced. Since Henry Ives Cobb also helped to plan the fairgrounds, the two projects appeared to blend into a seamless whole.

Once the university was inaugurated, President Harper did not stand still. Impulsive, never satisfied, he began to advance on a hundred fronts. Heedless of costs, he broached new initiatives to create a junior college, a night school, a correspondence school, extension courses for adults, a university press, a special division for laboratories, and museums. As leader of this educational trust, he wanted to dispatch scholars to teach at affiliated colleges in other states—an expensive initiative vetoed by Rockefeller. Harper also believed a university should benefit the surrounding city, and sociologists fanned out from the campus to undertake studies at Hull House and other settlement houses.

For all his pride in the university, Rockefeller dreaded this unbridled growth, which postponed the day when the new university might survive without him. Often, when Harper bagged another famous scholar, the university had to buy equipment for the newcomer—money Harper neglected to figure into his calculations. For all their mutual attraction, Rockefeller and Harper were destined to clash. As Gates framed the contrast:

*Mr. Rockefeller, with a breadth of vision as great as Dr. Harper's, was temperamentally cool, reserved, cautious, circumspect, deliberate, amazingly patient, but in the end, inflexible, adapting means to ends with long and accurate prevision. Dr. Harper was ardent, highly imaginative, with limitless capacity and insatiable eagerness for work, an undaunted optimist, minimizing difficulties, magnifying opportunities, rapid in conception, confiding, unsuspecting, bent on immediate results, willful, and impatient of opposition or delay.*⁷⁵

As a businessman, Rockefeller believed in praying for good times while bracing for bad, and his recurring pleas for caution were vindicated in 1893 when panic seized the American economy and the university had to stall on paying salaries. To surmount the crisis, Rockefeller transferred another \$500,000 to the university that October. He was now drawn in so deep that he couldn't withdraw—and Harper knew it. Having sworn he would never cover operating deficits, Rockefeller had to renounce that policy and cover the budget shortfall for the next two years.

What made it so hard to enforce discipline in Chicago was that, after the obligatory protest, Rockefeller always came through with the money. In October 1895, Gates went to Chicago armed with a letter from Rockefeller pledging another three million dollars for the school's endowment—possibly the largest such sum ever given at one time by one man for educational purposes and worth about \$50 million today. Soon after, Harper and the university secretary, Thomas W. Goodspeed, attended a football game between Chicago and Wisconsin. During the first half, they told coach Amos Alonzo Stagg—who set up the first department of physical culture at an American university—about the gift. With Chicago trailing twelve to ten at halftime, Stagg suggested that the team be informed “because I felt that it would be a strong piece of psychology to do so,” as he said.⁷⁶ When told by Harper of the gift in the locker room, the team's captain roared, “Three million dollars!” and gave another player a gleeful slap on the back. “Just watch us play football.”⁷⁷ With that, the born-again squad streamed back

onto the field and beat Wisconsin twenty-two to twelve. Later on, students lit a huge celebratory bonfire on campus and sang hymns to Rockefeller, including one that began, “There was a man sent from God whose name was John.”⁷⁸

Despite a standing offer to tour his creation, Rockefeller declined to visit Chicago for several years, reluctant to have the university overly identified with his name. As Gates told Harper, “There are as you know advantages to the University (advantages in your canvass for funds) in the disinterested way in which Mr. Rockefeller has given his money.”⁷⁹ Beyond that, Rockefeller cherished his privacy and hated public occasions. When Harper finally persuaded John and Cettie to attend the first class quinquennial celebration in July 1897, he promised that Rockefeller would not need to speak. The patron’s ideal was to amble unseen through the campus for a couple of hours, an anonymous voyeur, relishing his creation.

As hundreds of students and professors, clad in caps and gowns, trooped into a huge tent in the central quadrangle on a sweltering July day, only one figure wore a plain frock coat and silk hat: the university founder, who marched, as he had since boyhood, with his eyes fixed on the ground. Far from being a fire-breathing mogul, he seemed quiet and faintly embarrassed by the fuss being made over him. When he got up on stage, three thousand people gazed in fascination at this reclusive American legend who had mesmerized the public as both a sinner and saint. It was so stifling inside the tent that hundreds of palm-leaf fans undulated in the audience. When Harper rose and reviewed the future needs of the university, he turned expectantly toward Rockefeller and referred to the pressing need for a hall to replace this temporary tent, eliciting an ambiguous smile from Rockefeller, who must have squirmed in his seat. Then the titan rose to address the crowd:

“I want to thank your Board of Trustees, your President and all who have shared in this most wonderful beginning. It is but a beginning”—he was interrupted by frenzied applause—“and you will do the rest.” The audience quieted down. “You have the privilege to complete it, you and your sons and your daughters. I believe in the work. It is the best investment I ever made in my life. Why shouldn’t people give to the University of Chicago money, time, their best efforts? Why not? It is the grandest opportunity ever presented. Where were gathered ever a better Board of Trustees, a better Faculty? I am profoundly, profoundly thankful that I had anything to do with this affair.” A roar of appreciative laughter. “The good Lord gave me the money, and how

*could I withhold it from Chicago?”*⁸⁰

Whatever his own discomfort, Rockefeller made an excellent impression. Before the day was out, he had laid cornerstones, listened to sermons, and given two more short talks. He spent the night at Harper's house and was so unnerved by the absence of clocks—the visit made him deviate from his usual daily schedule—that he gave Mrs. Harper a thousand-dollar check as a gift and suggested she buy clocks. The next morning, Rockefeller mounted a bike and set off on a campus tour with university administrators in tow. Attired in a bicycle suit, he set off at a brisk pace, waving at cheering students along the route. The entourage flew down the midway to Jackson Park, circled the ghostly remains of the Columbian Exposition, stopped for refreshments, then whirled back down the midway. Rockefeller was enormously gratified and touched by the warm, spontaneous enthusiasm of the students. Everywhere he went they chanted, “John D. Rockefeller, wonderful man is he / Gives all his spare change to the U. of C.” Another knot of students burst into a fight song: “Who's the feller? Who's the feller? Rah, Rah, Rah / Rockefeller, he's the feller, Sis, Boom Bah!”⁸¹

As a philanthropist, Rockefeller chose to cultivate a wise detachment from his creations and told Harper that he saw himself as a silent partner in the operation. Despite intermittent accusations to the contrary, he did not interfere with academic appointments or free expression, though sometimes tempted to do so. When several Chicago students denounced his monopolistic practices, an enraged Rockefeller complained to Gates of “statements from the students, derogatory to the founder, careless and inexcusable; but whether the report is correct, I do not know. . . . It seemed to me if . . . [it was] correct the men should be expelled from the Chicago University.”⁸² In this and other cases, as best as one can tell, Rockefeller then countermanded the order, fearing the threat to academic freedom or at least to his own reputation.

It took courage to start a university in the 1890s, when academe swarmed with vocal critics of big business, and many of Rockefeller's industrialist friends saw universities as so many breeding grounds for subversion. William chided his brother for sponsoring the school: “You are getting together a lot of scribblers, a crowd of Socialists who won't do any good.”⁸³ Rockefeller wrestled with the issue but believed, on balance, that “while scribblers of the worthless kind brought poison with their ink to the minds of the people, yet multitudes of others come out of these institutions of learning to strengthen

the good among us. Let us so hope.”⁸⁴ The University of Chicago was scarcely immune to the radical currents on campus. In 1899, while at Chicago, Thorstein Veblen published *The Theory of the Leisure Class*, which portrayed the new captains of industry as brutal troglodytes and exposed the primitive impulses lurking behind their gaudy consumption habits.

The best-publicized controversy about Rockefeller’s role at Chicago involved the dismissal in 1895 of a young political economist, Edward Bemis, who advocated municipal gas ownership and attacked the Standard Oil–controlled United Gas Improvement Company. The official explanation for the firing was that Bemis was more an activist than a scholar and did not measure up to the university’s high standards. Since Bemis had been hired by Harper himself and went on to a career of some distinction in utility regulation, one suspects a political motive behind his dismissal, yet there is no evidence that Rockefeller was the culprit. It seems more likely that Harper sacked him in anticipation of Rockefeller’s wrath. A year earlier, Harper had warned Bemis about his political activities after he made an inflammatory speech criticizing the railroads’ behavior during the Pullman strike. Such visible activism handicapped Harper in courting local business, as he made clear in a letter to Bemis in July 1894:

*Your speech at the First Presbyterian Church has caused me a great deal of annoyance. It is hardly safe for me to venture into any of the Chicago clubs. I am pounced upon from all sides. I propose that during the remainder of your connection with the university you exercise great care in public utterances about questions that are agitating the minds of the people.*⁸⁵

Rockefeller refrained from such pressure because he knew the political value of his nonpartisan patronage of a university at a time when he was being accused of subverting other institutions to advance his own interests.

Rockefeller did, however, request a voice in fiscal matters—the one thing that Harper denied him. Like many donors, Rockefeller wished to give freely, but Harper was constantly trying to speed up the process. In appointing Gates as his buffer with Harper, Rockefeller hoped to keep the university guessing about future gifts, but the tactic did not work. “Harper was insatiable in his appetite for money,” said one Standard Oil counsel. “Gates was the guardian of the treasurer.”⁸⁶ As time passed, the strains between Gates and Harper grew intolerable. Both men were idealists steeped in religion, marred by a streak of worldly ambition, and each accused the other of hypocritically

exploiting Rockefeller for personal gain.

At first, Gates admired Harper as an inspirational figure who overspent out of naive enthusiasm. He later modified this sanguine view when Harper stoutly denied that a first-rate university could be run as an efficient business and declared, “A university that is properly operated always has a deficit.” When this remark appeared in the press, it grated on Rockefeller and Gates as rank betrayal.

According to Gates, Harper flouted several clear understandings with Rockefeller: that the university would never be indebted; would never use endowment funds for university buildings; and would never form an alliance with any medical college in Chicago. When Gates put these points in writing and asked Harper to circulate them to board members, they mysteriously disappeared. When he remonstrated with Harper for hiring more expensive professors and launching new journals, the university president simply ignored him. Soon after Gates insisted that he forgo new buildings, Harper appealed to Chicago’s citizens to support a new building campaign. Just as Rockefeller feared, Harper had rashly leaped straight from a small college to a big university.

As Harper rolled up deficits, his patron kept adding millions to the endowment, but he could only be pushed so far. As legions of business rivals had learned, he sometimes groped toward a solution then acted in a swift, decisive manner. “I warned Dr. Harper,” Gates said. “I warned him many times. I warned him in words, in deed and in every possible way.”⁸⁷ Sometimes, when Harper journeyed to New York, Gates thought the president had learned the error of his ways. Then Harper returned to Chicago and relapsed into free-spending habits.

After years of fruitless wrangling, the university was still struggling with a deficit of \$200,000 in early 1897 when Rockefeller decided he had had enough. Bypassing Harper, he summoned two representatives from Chicago, Goodspeed and Henry Rust, to meet with Gates and Junior. Rockefeller himself did not attend these meetings, leaving these negotiations to his proxies. On this historic occasion, Gates expressed Rockefeller’s disappointment at Harper’s failure to raise money from outside sources to reduce the deficit. As Gates pointed out, Rockefeller believed that nonprofit institutions should be even *more* circumspect with money than business organizations:

*[Rockefeller] feels that an institution of learning should be far more conservatively managed than, for instance, a bank, or even a savings bank or a trust company. These companies need only assure the depositor or investor that his funds will be duly cared for during the limited time in which they may be deposited. But a university invests the funds of those who are seeking to make an investment of money for the good of humanity, which shall last, if possible, as long as the world stands.*⁸⁸

Like Dr. Augustus H. Strong before him, Harper had fundamentally miscalculated in approaching Rockefeller for money. Gates noted that Rockefeller had long ago planned to found a great university and had ample resources to do so. It was the cavalier, high-handed way that Harper dunned him for money that rankled. “Mr. Rockefeller comes instinctively to feel that the methods of securing his assistance are too often methods of compulsion,” said Gates. “The appeals come to him in the shape almost of forced contributions.”⁸⁹

Though the meeting ended with Gates acknowledging Harper’s accomplishments, he had delivered a humiliating rebuke to his leadership. After reading a stenographic transcript of the meeting, Rockefeller asked that every university board member read it and took the unusual step of having it deposited in his safe as a personal testament of his future wishes for the school. Two months later, the University of Chicago trustees instituted drastic changes. Henceforth, Rockefeller would be notified of new expenditures and given a chance to protest. Gates had joined the board the year before, and Junior followed a year later, giving John D. direct representation in the university’s management.

The breach that had opened up between the university’s patron saint and its charismatic president was distressing to both men, who had enjoyed an intimate, father-son relationship. Now proscribed from asking Rockefeller for more money, Harper forfeited the easy access he had long cherished. For the emotional Harper, prone to both wild elation and inconsolable gloom, it was hard to be muzzled in his patron’s presence. According to legend, when prohibited from talking about money directly to Rockefeller, Harper circumvented the ban by praying aloud for money in his presence. The story, if true, suggests that he still had not absorbed the lesson that Rockefeller had reluctantly and repeatedly tried to teach him.



The powerful Eastman Johnson portrait of John D. Rockefeller, painted in 1895. (Courtesy of the Rockefeller Archive Center)

CHAPTER 18

Nemesis

Even as Rockefeller tried to shift his attention away from business in the 1890s, the political backlash against him gained fresh momentum, making it impossible for him to sever himself from his brilliant but tarnished record. As he tried to move ahead, his past loomed ever larger in the public imagination. During the next twenty years, it kept returning to haunt him, like an inescapable shadow.

The Sherman Antitrust Act had proved an ineffectual piece of legislation. The real threat to Standard Oil arose in an improbable spot: a small bookstore in Columbus, Ohio. In 1889, the state's young Republican attorney general, David K. Watson, wandered into the shop one evening and happened upon a slim volume by William W. Cook, cheaply bound in imitation leather and bearing the title *Trusts: The Recent Combinations in Trade*. He took the book home and perused it late into the night. In the appendix, Watson was fascinated to discover Standard Oil's trust deed, which he had never seen before. He was aghast to learn that for the past seven years Standard Oil of Ohio had violated its state charter by transferring control of the organization to mostly out-of-state trustees in New York. Capitalizing on this discovery, Watson filed a quo warranto petition against Ohio Standard in the state supreme court in May 1890, seeking nothing less than the dissolution of Standard Oil.

Standard Oil executives reacted, as always, by denigrating such measures as transparent harassment by their business enemies. Frank sent a letter to John saying that he was "not sure as to who the instigators are but believe Cleveland refiners have a hand in it" and conjectured that Watson was feeding off information from John Sherman.¹ In rebutting the charges, Standard's attorney, Samuel C. T. Dodd, offered the same legal fig leaf that the combine had exploited for years: that Ohio Standard shares had been transferred by individual stockholders, not the company itself, to its New York trustees. By now, the ruse was wearing thin.

Ironically, this sortie against Standard Oil came in a conservative, industrial state where its influence was pervasive. As a rock-ribbed Republican

contributor, Rockefeller felt betrayed by such ingratitude and protested to a Cleveland friend that “we have not received fair treatment from the Republican party.”² Never one to mince words, Mark Hanna, the party kingpin, sent a strongly worded message to Watson, telling him that “the Standard Oil Company is officered and managed by some of the best and strongest men in the country. They are pretty much all Republicans and have been most liberal in their contributions to the party, as I personally know, Mr. Rockefeller always quietly doing his share.”³ Although Hanna urged him to drop the suit, Watson would not relent. While Rockefeller blandly denied knowledge of Hanna’s action, his memory was conveniently faulty, for on April 7, 1891, Hanna had written to him, “I caught our distinguished Attorney General Watson here the other day and gave him a piece of my mind.”⁴ Watson’s successor, Frank Monnett, alleged that on six occasions Watson was offered bribes to terminate the case—in one instance as much as \$100,000 in cash—but Monnett never provided corroborating evidence, perhaps fearing Standard Oil reprisals against his sources.

Such intimidation, if it did occur, only stiffened Watson’s resistance to pressure. On March 2, 1892, he won a famous victory when the Ohio Supreme Court ruled that Standard Oil of Ohio was indeed controlled by trustees at 26 Broadway and had to renounce the trust agreement. The trust was also accused of trying to monopolize every phase of the petroleum business. One enterprising reporter who rushed to 26 Broadway was assured that the decision would in no way affect the trust. When a reporter showed up on Samuel Dodd’s doorstep, the Standard counsel was a model of urbanity: “The [trust] agreements were not really necessary,” he said. “They were simply made as a matter of conscience. The only effect of the decision will be to inconvenience us a little.”⁵

This insouciance was only partly studied. In responding to legal challenges, the combine had reconstituted itself many times, like some mythical, protean creature that could metamorphose into infinite shapes to elude lawmakers. For several years, Dodd and Rockefeller had studied possible responses in case the trust had to be dissolved in an antitrust suit. They had taken note of an 1889 New Jersey law that permitted corporations resident in the state to hold stock in other corporations. This revolutionary development opened the possibility of forming holding companies that could operate nationwide and provided a critical escape hatch for embattled trusts. As a result, Standard Oil calmly greeted the 1892 Ohio decision less as a mortal threat than an

opportunity for a long-overdue reorganization.

For several days, Standard executives tried to figure out how best to comply with the ruling. Their minds were focused by the knowledge that if they didn't act, the New York attorney general was poised to file antitrust papers. On March 10, 1892, one week after the Ohio decision, Samuel Dodd announced that the trust would be dissolved. The next day, a mailing went out to all holders of Standard Oil trust certificates, summoning them to a March 21 meeting and inviting them to exchange their certificates for proportionate shares of twenty constituent companies. The distribution of power, money, and dividends within the Standard Oil empire would remain exactly the same, a deft maneuver that would be copied by other corporations harried by antitrust laws.

As the holder of 256,854 of 972,500 outstanding shares of the Standard Oil trust, John D. Rockefeller chaired the March 21 meeting. Even though 300 people were jammed into a room designed to hold only 200, the stage-managed event was brief and businesslike; the unanimous vote to dissolve the trust was a foregone conclusion. Though designated one of eight liquidating trustees, Rockefeller had just recuperated from the breakdown in his health and wanted to transfer the burden of reorganization to his colleagues. He was spared a terrible ordeal, since the liquidation proved highly contentious. Small shareholders balked at trading in trust certificates for fractional shares that paid no dividends and could not be redeemed in any secondary market. In the eyes of Standard's detractors, the exchange dragged on for a suspiciously long time.

Aided by changes in New Jersey's incorporation law, Standard Oil of New Jersey took on a unique status in the transformed company. Renamed Standard Oil (New Jersey), it bought in whole or in part huge blocks of stock in the other Standard companies and thus legally held stock in properties from coast to coast, functioning as both an operating and holding company. Standard of New York also attained new status in a reorganization that initiated the seven-year period of the so-called Standard Oil Interests.

The 1892 overhaul was mostly shadow play, a charade to appease the courts. The executive committee at 26 Broadway was formally dissolved, but the members lost only their titles and were soon converted, by the nicest legal cunning, into the presidents of twenty affiliated companies. In Standard parlance, these men were now the "gentlemen upstairs" or the "gentlemen in Room 1400." Nobody had to switch seats at the lunch table, and Rockefeller

and his coterie ruled as absolutely as before. Seventeen individual stockholders—almost all Standard Oil executives or family members—controlled a majority of stock in the twenty companies and elected their directors. This legal legerdemain again frustrated lawmakers who felt that the combine was so vast, slippery, and elusive that it could never be tamed or held accountable.

Standard Oil executives saw the major threat to the company in 1892 as the aging of their leadership. The organization was still piloted by the same sturdy souls who had steered it since the 1870s and were now beginning to die off or retire. The alarm bells must have sounded when Rockefeller sought retirement, a decision postponed temporarily by the economic crisis of 1893. The panic showed him functioning less as a Standard Oil executive than as a sovereign power, endowed with resources rivaling those of government. He continued, however, to operate in the shadows, a spectral figure whose presence was mostly felt, not seen.

The depression heralded by the June 1893 stock-market crash was one of such excruciating length, such grinding and unrelieved misery, that economic historians labeled it the Great Depression until that title was usurped in the 1930s. During the troubled summer of 1893, the Erie and Northern Pacific railroads failed, followed by many others bloated with debt and riddled with fraud. Mass unemployment across the nation sharpened class tensions. During the sanguinary clash a year earlier at the Homestead, Pennsylvania, steel mill, Henry Clay Frick had ordered Pinkerton detectives to fire at workers—a step that drew a rousing congratulatory telegram from John D. Such corporate truculence provoked calls by the new Populist Party for a graduated income tax, government ownership of railroad and telegraph companies, and tougher safeguards for trade unions. Rockefeller stood high on the list of bogeymen regularly berated by Populists, and legend has it that he began to sleep with a revolver by his bed. As the country grew more polarized, many people wondered whether America had paid too dear a price for the industrialization that had so quickly propelled it from an agrarian society to a world economic power.

By early 1894, the slump had toppled six hundred shaky banks, and an almost palpable threat of insurrection hovered in the air, prompting financial writer Alexander Dana Noyes to observe that “there were periods when industrial unrest seemed to assume the proportions of anarchy.”⁶ In the spring of 1894, General Jacob Coxey of Ohio led his bedraggled Army of the

Commonwealth of Christ in a doomed march on Washington to entreat Congress for legislative relief. Two months later, workers at the Pullman Palace Car Company struck to reverse massive layoffs and wage cuts, triggering a sympathy strike by the American Railway Union under Eugene V. Debs. When President Cleveland sent troops to Chicago, Debs was jailed, and seven strikers were gunned down. All the pent-up frustrations produced by the accelerated change of the late nineteenth century were vented in spontaneous, often violent dissent.

To the dismay of critics, Standard Oil and other trusts fared quite well during the prolonged downturn. Demand for illuminating oil and lubricants—now necessities of life—remained healthy, leading Standard Oil to prosper amid the general austerity. Meanwhile, a new source of future profits beckoned in the middle distance. In the early 1880s, Gottlieb Daimler strapped light gasoline engines onto bicycles, tricycles, and other vehicles, experiments that culminated in the motorcar, while another German inventor, Karl Benz, patented a three-wheeled automobile with a single-cylinder engine in 1886. In 1892, the Duryea brothers were tinkering with their first automobile. Recognizing a fantastic market in the offing, Standard Oil sent a representative to attend the test of a new gasoline engine for a streetcar motor. The next year, Henry Ford tested a two-cylinder auto that sped along at thirty miles an hour, resuscitating fears that existing oil supplies might fall short of needs—an anxiety somewhat assuaged by oil discoveries in Los Angeles and elsewhere in California in the 1890s. So remarkable was this West Coast boom that it soon furnished more oil than the old Pennsylvania and Ohio fields that had formed the basis of Rockefeller's wealth. The advent of the automobile was a godsend for Standard Oil, for the more lightbulbs shone across America, the more kerosene was relegated to remote rural areas without access to electric power.

Standard Oil again benefited from hard times to extend its powerful reach. For several years, the trust had watched the exploits of Pittsburgh's Mellon family with apprehension, and Archbold was under strict orders from Rockefeller to grab any of their oil properties that came on the market. As the Mellons emerged as a worrisome threat in the export market, Rockefeller feared they might strike an alliance with the French Rothschilds. In August 1895, having borrowed heavily against Pittsburgh real estate to build their budding oil empire, the Mellons were forced to sell their Crescent Pipe Line Company and other properties to Standard—a huge windfall that yielded 14,000 acres and 135 producing wells. It now seemed that Standard Oil

owned the entire industry, lock, stock, and barrel. When the Geodetic Association announced plans to measure the earth, the *World* opined that the information would “enable the Standard Oil Trust and other trusts to learn the exact size of their property.”⁷

Soon thereafter, to everyone’s amazement, the independents, after so many hapless drubbings, rallied one last time and made a successful run at the trust. Through a new company, the Producers’ and Refiners’ Oil Company, a thousand well owners agreed to supply crude oil to fifteen independent refineries, linked by a new network of local pipelines. In the fall of 1892, that perennial Standard scourge, Lewis Emery, Jr., had organized United States Pipe Line, which now promised to give the rebels a vital pipeline to the seaboard. To lay the pipe, Emery’s men had to ward off savage harassment from the railroads; locomotives would roar by and douse them with scalding steam, boiling water, and glowing coals. Despite these obstructive tactics, independent oil began to flow in 1893. Shifting tactics, the trust then engineered a steep decline in kerosene prices—no mean trick in a period of rising crude prices. Squeezed by dwindling profit margins, three large independent refineries finally submitted to the trust’s suzerainty, but the Producers’ and Refiners’ Oil Company miraculously survived. In 1895, emboldened by a new sense of Rockefeller’s vulnerability, thirty independent refiners coalesced into the Pure Oil Company—the first enduring domestic competitor of Standard Oil. To preserve their autonomy, they sequestered half their voting stock in the hands of five men eternally sworn to keep it free of Standard influence. Thus, several years before federal trustbusters mobilized to smash the Rockefeller monopoly, serious competition had already taken root in the marketplace.

Despite this setback, Rockefeller was not hurting in the 1890s. There was now a self-perpetuating quality to his wealth. Whether he was gardening, eating, or just lying in bed, his prolific savings quietly grew around the clock. He was receiving about \$3 million yearly in Standard Oil dividends (more than \$50 million in 1996 dollars) and redirecting that into a vast portfolio of outside investments that made him a one-man holding company. With \$24 million now invested outside the oil and gas business, he held sizable stakes in 16 railroad companies, 9 real-estate firms, 6 steel companies, 6 steamship companies, 9 banks and financial houses, and even 2 orange groves.

The oil trust’s resilience during the depression of the 1890s, its tested immunity from market fluctuations, cheered Rockefeller, who attributed this

to Standard's large cash reserves and conservative dividend policy. The panic seemed to offer irrefutable proof to Rockefeller that cooperation was superior to the vagaries of cutthroat competition. It certainly allowed him the luxury of a benevolent paternalism at a time of labor strife in other industries. "We held things together so steady that our fortunate laboring men got their pay, though in other concerns many of them were compelled to go, and without bread," he later told William O. Inglis. "It was a matter of congratulation with us that we could look into the happy faces of our workmen in these perilous times and hand them the wages they had earned."⁸

Since the early 1880s, Standard Oil had been self-financing, very liquid at all times, and free from the thrall of Wall Street bankers. As a result, no other industrial corporation was so fearless or independent. It was one of Rockefeller's proudest boasts that unlike other trusts, he had not needed a J. P. Morgan to forge his combine. Standard Oil anticipated a major feature of the twentieth-century economy: the tendency of sophisticated, cash-rich corporations to outgrow their traditional bankers and become financial-service giants in their own rights. As journalist John Moody perceptively wrote, "The Standard Oil Trust was really a bank of the most gigantic character—a bank within an industry, financing this industry against all competition and continually lending vast sums of money to needy borrowers on high class collateral, just as the other great banks were doing."⁹

It was Standard Oil of New York that functioned as the main banker for the affiliated companies, governing what was arguably the most stupendous cash flow ever produced in American industry. To maximize its leverage over Wall Street, it scattered its gigantic balances among many banks; a single Standard Oil entity, the National Transit Company, sometimes kept as much as \$40 million on deposit. Standard Oil of New York also made large loans to banks, brokerage houses, railroads, and steel companies. So rich in cash, Standard Oil wielded a make-or-break power over Wall Street houses, which defied it at their peril. Standard directors often took out prodigious loans from the trust. On the eve of the 1893 panic, John D. had a \$1.36 million loan outstanding while brother William owed \$865,000.

As president of New York Standard, William Rockefeller parlayed his position into one of exceptional prominence on Wall Street. For John, the street might be a sinful haunt, but it had its own sulfurous charms for William. In 1884, while they both served as directors of the Chicago, Milwaukee, and St. Paul Railroad, William had met James Stillman, the youngest director of

National City Bank. In an inspired move, Stillman recruited William as a director. By the time Stillman became the bank's president in 1891, National City had been so enriched by the Standard Oil bounty that it was nicknamed the Oil Bank.

When the 1893 panic struck, John D. was just emerging from the seclusion occasioned by his medical problems. He raced back to New York from Cleveland to orchestrate a massive salvage operation. In the course of the panic, he provided almost \$6 million to fifty-eight individuals and firms who were turned down by banks and desperately needed his intervention. To bail out these borrowers, Rockefeller had to borrow almost \$4 million, and nearly \$3 million of that came from Standard of New York. This was a tricky balancing act, since he was borrowing on the collateral of securities then collapsing in value. In October 1893, the Standard Oil treasurer, William T. Wardwell, having decided that Rockefeller had reached the permissible limit, did the unthinkable: He shut down the lending window on the company founder. A stupefied George Rogers relayed this verdict to his boss: "He has refused to give me any more money, because he had no assurance of getting it back when he wanted."¹⁰ After frantic negotiations, Wardwell boosted Rockefeller's credit line to \$2.8 million in exchange for a lien on his quarterly dividend of \$775,000 from Standard Oil stock. Some of Rockefeller's letters reflect tragicomic confusion as he struggled to collect loans from debtors in order to pay off his own debt to Standard Oil. In early September, he wrote to Cettie from New York that he had settled his debts, with \$550,000 to spare. "We are steadily emerging from the panic, but I hope never to go through with another such experience."¹¹

When it came to old friends, his generosity could be dazzling. When Captain Vandergrift telegraphed from Pittsburgh that a trust company he directed stood in mortal peril, Rockefeller telegraphed promptly, "How much do you want?" "One million dollars," came the response to which Rockefeller replied, "Check for one million is on the way."¹² But he was so inundated with pleas that many more people were spurned than saved, generating unavoidable bitterness. Frederick T. Gates referred to these painful quandaries in an October 1893 letter: "I have today on my desk urgent imperative appeals to save old friends [of Mr. Rockefeller's] amounting to many hundreds of thousands of dollars. I have incurred the enmity of many important business enterprises because I have had to decline to assist them in the last few days."¹³ More than one person who was refused later accused Rockefeller of

having ruined him.

During the panic, Rockefeller awakened to the public responsibilities attending great wealth. Having long been reflexively hostile to government, he now found himself cooperating with Washington to calm the jitters in financial markets. In 1894, the U.S. Treasury, alarmed by the outflow of gold that legally backed the gold standard, turned to J. P. Morgan for a rescue operation. After telling John G. Carlisle, the Treasury secretary, that this was impossible, Morgan conferred hastily with Stillman—a measure of Stillman’s new stature on Wall Street. “He was greatly upset and overcharged,” recalled Stillman, “nearly wept, put his head in his hands and cried: ‘They expect the impossible!’ So I calmed him down and told him to give me an hour and by that time I cabled for ten millions from Europe for the Standard Oil and ten more from other resources.” When Stillman walked into Morgan’s office to report the \$20 million, Morgan grew giddy and triumphant. “He took the pose of savior of his country and assumed all the credit,” Stillman observed archly, crediting the real success to himself and Standard Oil. “But then you see, he is a poet; Morgan is a poet.”¹⁴ Rockefeller never claimed credit for his action and preferred no publicity.

Stillman’s behavior during the panic had a deleterious effect on his relationship with Rockefeller, who had given him \$5 million amid multiple demands. Rockefeller believed that the crafty Stillman had not only held his money longer than necessary but employed it to buy stocks at bargain prices instead of using it to shore up his bank. Under any circumstance, Rockefeller would have been critical of an alliance between Standard Oil and a Wall Street bank, but after the 1893 panic his disenchantment with Stillman gave him extra misgivings about William’s policy of placing large balances in his bank. One of Rockefeller’s financial advisers, Henry E. Cooper, indignantly told him, “You ought to get after him hard!” “No, Mr. Cooper, we will do nothing,” said Rockefeller evenly. “But we shall not forget it!”¹⁵

In November 1887, as he listened to Rockefeller testify before the new Interstate Commerce Commission, Henry Demarest Lloyd saw the witness as the prince of darkness, evil incarnate. Afterward, he furiously scribbled notes that he headed “Fanatic Standard Oil,” and had this to say about Rockefeller:

He is . . . a depredator . . . not a worshipper of liberty . . . a Czar of plutocracy, a worshipper of his own Money Power over mankind. He will never sacrifice any of his plans for the restraints of law or patriotism or

philanthropy. . . . His greed, rapacity, flow as a Universal solvent wherever they can, melting down into gold for him, private enterprise, public morals, judicial honor, legislative faith, gifts of nature. He will stop when he is stopped—not before. Not a tiger but a lynx . . . a make-up like that of the “gentleman pirate” of romance, think cold ruthless. ¹⁶

Convinced that Standard Oil was the archetypal trust, Lloyd embarked on a book-length study two years later, and by the time *Wealth Against Commonwealth* appeared in 1894, he was sure that the public was ripe for his revelations. As he wrote on the eve of publication, “the sky seems full of signs that the time for the appearance of such information has come.” ¹⁷

Known as “the Millionaire Socialist,” the natty Lloyd had longish hair, wire-rimmed spectacles, and a flowing mustache, which gave him a vaguely artistic air. Among his friends he included Clarence Darrow, Jane Addams, Eugene Debs, and Booker T. Washington. He was toasted by many literary figures, and Robert Louis Stevenson called him a “very capable, clever fellow,” asserting that “he writes the most workmanlike article of any man known to me in America.”¹⁸ A foppish reformer, Lloyd attended trade-union meetings wearing pince-nez on a gold chain, a gray top hat, and glossily polished boots. When he supported anarchists blamed for the Haymarket Square riot in Chicago in 1886, his outraged father-in-law, a co-owner of the *Chicago Tribune*, disinherited him and placed his estate in trust for Lloyd’s children. To maintain his existence as a dapper millionaire and literary troubadour for radical causes, Lloyd relied on his wife’s income.

Lloyd’s politics became more radical over time. With a messianic outlook, he had promiscuous sympathy for every crusade. Starting out as a free-market liberal, he then turned to socialism, trade unions, worker cooperatives, and utopian communities. He once referred to himself as “a socialist-anarchist-communist-individualist-collectivist-cooperative-aristocratic-democrat”—and that was just for starters.¹⁹ Scarcely a cause in the Progressive panoply—from attacking tariffs to favoring municipal ownership of utilities to combating sweatshops—escaped his wide-ranging vision. Like Karl Marx, he believed in the inevitable collapse of capitalism, which he thought corrupt and predatory. Also like Marx, he imagined that competition led to monopoly—a welcome step since it was “a necessary and indubitable step toward national and international cooperation.” ²⁰

Lloyd returned to Standard Oil—the subject of his 1881 story in the *Atlantic Monthly*—for several reasons. Dismayed by the failure of the Sherman law to curb monopolies, he ridiculed it as “The Anti-Trades Union Law,” a mere ruse perpetrated by “a world-wide concert of action of a money power, crazy with greed, and fanatical to the hilt, to re-enslave the working people.”²¹ He could also now draw upon a wide body of material churned up by government investigations against Standard Oil. Drawing on a small army of Rockefeller haters, including George Rice, Lewis Emery, and Roger Sherman, he gathered court records and trial transcripts, which he stuffed into pigeonholes at his home in Winnetka, outside Chicago. When one acquaintance visited him there, Lloyd told him, “I will prove that John D. Rockefeller is the most selfish usurper that ever lived.”²² With Dostoyevskian passion, he filled notebooks with flaming diatribes against the American plutocracy, describing the Rockefellers and Vanderbilts as members of a “cruel, selfish, carnivorous, short-sighted herd.”²³ The lists of sensational titles he compiled for his Standard Oil book—including *Slime in Genesis*, *Fountains of Pitch*, and *Barbarians of Business*—said as much about his overheated imagination as they did about the trust.²⁴ In fact, Lloyd spouted so much fustian that it made it easy for businessmen to dismiss him despite his often accurate insights.

Wealth Against Commonwealth had no kind words to spare for Standard Oil. Lloyd marshaled every wispy allegation made against the trust and printed it as gospel truth. Where Ida Tarbell later portrayed Rockefeller and his cohorts as superb if immoral businessmen, Lloyd presented them as brazen criminals who owed everything to diabolical deeds. Later on, speaking privately of the “criminal character” of the Standard Oil executives, he insisted that they “ought to be in the penitentiary.”²⁵ Like his *Atlantic Monthly* piece, his book was chockablock with errors and egregious misrepresentations—for instance, he described the Rothschilds as Standard Oil’s agents abroad. Accusing Rockefeller of rigging artificial shortages to drive up kerosene prices, Lloyd failed to see that the trust maintained its dominance by keeping prices low and selectively engaging in predatory pricing. He ennobled any businessman, however greedy or inept, who opposed Rockefeller.

Yet for all its weaknesses, the book had a profound and lasting impact and ranks as a classic of muckraking literature. Lloyd was a superb stylist whose mellifluous prose captivated readers. Every paragraph was a call to arms.²⁶

Whatever the holes in his argument, he gave a clear, intelligent shape to a complex story, especially when it came to the importance of railroad rebates in the rise of Standard Oil. When he argued that the South Improvement Company never died but became Rockefeller's master blueprint, he laid down a line of argument followed by Ida Tarbell. What also gave the book its force was Lloyd's political message: "Liberty produces wealth, and wealth destroys liberty."²⁷ As the trusts' power rippled through society, he said, it corrupted every corner of American life. The noble experiment of American democracy was being undermined by businessmen who had grown more powerful than the state and controlled its elected representatives. "Our system, so fair in its theory and so fertile in its happiness and prosperity in its first century, is now, following the fate of systems, becoming artificial, technical, corrupt."²⁸

In *Wealth Against Commonwealth*, Lloyd omitted all names, even though Rockefeller, Flagler, and others were all too recognizable. Standard Oil was never mentioned and was usually referred to as the "oil combination" or some other euphemism. This technique protected Lloyd from libel prosecution, though he fell back upon a highfalutin explanation for it. "It seems of the highest importance that the book should retain its character of an *illustration* of the motives and results of our commercial civilization, not an attack on a particular corporation or body of men."²⁹

Lloyd's manuscript found a publisher with difficulty. Mark Twain, who then had his own publishing venture, turned it down in deference to his close friendship with Henry H. Rogers. As Twain told his wife, "I wanted to say [to Lloyd] the only man I care for in the world; the only man I would give a *damn* for; the only man who is lavishing his sweat and blood to save me & mine from starvation and shame, is a Standard Oil fiend . . . but I didn't say that. I said I didn't want any book; I wanted to get out of the publishing business."³⁰ Luckily for Lloyd, he won the passionate sponsorship of another literary luminary, his former *Atlantic Monthly* editor, William Dean Howells, who was bowled over by his indictment of Rockefeller. "I think that the monstrous iniquity whose story you tell so powerfully, accomplished itself in our time, is so astounding, so infuriating, that I have to stop from chapter to chapter, and take breath."³¹ Howells steered Lloyd to Harper and Brothers, who agreed to issue the book if the author substantially condensed it, paid for publication, and guaranteed a sale of fifteen hundred copies—a deal only a rich radical could afford.

Published in 1894, the book passed through four printings within a year and sold a respectable eight thousand copies in its first decade. Some sour notes were heard amid the praise. The *Nation* began its scathing review by saying, “This book is a notable example of the rhetorical blunder of overstatement,” and it branded the book “five hundred pages of the wildest rant.”³² Yet the work was praised widely by many reformers, including Louis Brandeis, and Edward Everett Hale called it the most important American book since *Uncle Tom’s Cabin*. Since Lloyd distributed free copies to politicians, it became the bible of Washington trustbusters.

With his penchant for melodrama, Lloyd claimed he had been tailed by Standard Oil detectives and told friends that he “expected to be *crushed* by the Standard people.” He seemed half disappointed when 26 Broadway reacted to his book with stern silence. Although colleagues informed him of the book’s accusations, Rockefeller did not read it and said Standard Oil “paid no more attention to all this nonsense than an elephant might be expected to pay to a tiny mosquito.”³³ Rockefeller now declined almost weekly requests to sit for magazine profiles, including one from a new magazine being launched by Samuel S. McClure, who was then in Paris trying to sign up an obscure young writer from Pennsylvania, Ida Minerva Tarbell.

Even after the publication of *Wealth Against Commonwealth*, Lloyd regaled friends with scurrilous gossip about Rockefeller, telling one correspondent, with cynical relish, that the mogul had recently gone abroad, ostensibly to recuperate from the strain of his charities. Sure that Rockefeller had left the country to divide up global oil markets with the Russians, Lloyd guffawed at reports that Rockefeller’s health had broken down under the crushing weight of his beneficence. “The wonder is that he expects people to believe that sort of thing, and that they do believe it!” Lloyd told a friend.³⁴ The irony, of course, is that Rockefeller spoke the unvarnished truth. Lloyd was always as blind to Rockefeller’s virtues as he was sensitive to his glaring vices.

By 1895, Rockefeller, age fifty-six, had begun to fade by imperceptible degrees into retirement. That year, he sat for a haunting portrait by Eastman Johnson that was commissioned by the board of the University of Chicago and that shows him toward the close of his business career. Set against a dark backdrop, the titan sits on a simple wooden chair, fixing the viewer with a fiery stare. His long, tapered fingers are delicately interlaced and his legs urbanely crossed, but there is a blazing intensity, an inextinguishable fire, in his eyes. Rockefeller still looks powerful and surprisingly youthful, but there

is a sadness about him, as if he were stooped under a great weight and enveloped in unfathomable gloom.

Since he dated his retirement as early as 1894 and as late as 1897, there is some uncertainty as to when Rockefeller officially left 26 Broadway, but 1895 and 1896 are the likely watershed years. Though he was still suffering from sporadic digestive problems and nervous strain, the 1893 panic had forced him to postpone his departure several times. In explaining his retirement, the Rockefeller literature has always stressed his health and the heavy burden of his charities, though another factor contributed as well: He had perfected the gleaming machinery of Standard Oil, and, his appointed task done, he felt he should pass the reins to younger men. As Gates put it, the business “had ceased to amuse him, it lacked freshness and variety and had become merely irksome and he withdrew.”³⁵ By 1896, Rockefeller was skipping the daily lunch meetings at 26 Broadway and only occasionally exchanged memos with other executives. By June 4, 1896, he had already relinquished most of his duties, for he ended a letter to Archbold, “I shall be very pleased at any time to hear anything new that is important in the business, if it will not trouble you too much, or if you will kindly call Mr. Rogers.”³⁶

In September 1897, Rockefeller suffered another medical setback, apparently related to circulatory problems, and his doctors insisted that he promptly transfer more day-to-day decisions to his representatives. “I do not call myself sick,” Rockefeller commented to one relative, “but this little warning I will promptly heed, as health is of the first importance.”³⁷ So in 1897—the year his son graduated from Brown—Rockefeller walked away from the empire that had consumed his energies for more than thirty years, and during the next fifteen years he scarcely appeared at 26 Broadway. He was succeeded by John D. Archbold, his jovial, pugnacious protégé, who gave a more defiant and combative tone to the trust in its duels with government investigators, committing a public-relations blunder of no small magnitude.

In a grave misstep, Rockefeller never publicly announced his retirement and retained the titular presidency of Standard Oil of New Jersey. As a result, he remained an inviting target for critics and was personally held liable for many of the questionable judgments made by Archbold, who was nominally vice president of New Jersey Standard.

In our age of an assertive business press, when corporate secrets are readily

ferreted out by reporters, it is scarcely conceivable that the world's richest man, running the world's largest business, could have drifted away from business without public knowledge. Yet much of the press—to Rockefeller's later chagrin—swallowed the cover story whole. While some reporters knew that he no longer reported to work, they doubted that he had really surrendered supervisory power. The misconception was understandable. He owned nearly 30 percent of Standard Oil stock—far more than anyone else—and did not hesitate to proffer advice as the urge seized him. Small groups of company lawyers and executives periodically briefed him, and Archbold made regular weekend pilgrimages to consult him at his Westchester estate. As trustbusters took dead aim at the company, Rockefeller was driven to develop a common defense with current executives, pulling him back into the past even as he tried to move on to new pursuits.

Rockefeller entered retirement just at the birth of the American automobile industry. As he noted, “When I retired from business . . . we had just begun to hope that some day [autos] would be practical.”³⁸ That year, Frank and Charles Duryea produced thirteen two-cylinder runabouts in Springfield, Massachusetts—the first time a car company had produced several cars from a standardized model—and Henry Ford put the finishing touches to the quadri-cycle, his first horseless carriage. The automobile would make John D. Rockefeller far richer in retirement than at work. When he stepped down from Standard Oil, he was probably worth about \$200 million—\$3.5 billion today—whereas, thanks to the internal-combustion engine, his fortune soared to \$1 billion by 1913—surely history's most lucrative retirement, and one that must have softened the sting of press vituperation.

In 1897, Joseph Pulitzer's *World* showcased John D. Rockefeller and Henry M. Flagler as two of the five chief overlords of the Standard Oil trust, yet Flagler had now ranged even farther afield than Rockefeller. A man with many cronies but few close friends, Rockefeller reserved warm praise for Flagler. “You and I have been associated in business upwards of thirty-five years,” Rockefeller wrote to him in 1902, “and while there have been times when we have not agreed on questions of policy I do not know that one unkind word has ever passed or unkind thought existed between us. . . . I feel that my pecuniary success is due to my association with you, if I have contributed anything to yours I am thankful.”³⁹ Flagler repaid the compliment, telling one Baptist preacher that “if he would spend the remainder of his life in praising Mr. Rockefeller he could not say too much

nor more than was actually deserved.”⁴⁰

But these high-flown, touching tributes masked a certain *froideur* that had crept into their relationship as they neared retirement. Although Rockefeller never said so outright, one senses that he thought Flagler had become a slave to fashion and ostentation, a traitor to the austere puritanical creed that had united them. Though his hair and mustache were now dusted with gray, Flagler had a lean, handsome face and was highly susceptible to female charm. He had suffered many personal misfortunes in marriage and exercised woefully bad judgment. His consumptive first wife, Mary, had become a professional invalid. When doctors recommended an extended winter stay for her in 1878, Henry joined her in Florida, but, itching to get back to Standard Oil, he bolted for New York after a few weeks. Unwilling to stay alone, Mary followed him back instead of taking time to recuperate properly. When she died in May 1881, Henry felt profoundly guilty. At that point, he took stock of his life and decided he had sacrificed too much to business, telling one reporter, “I have been giving all my days to the Lord hitherto, and now I’m taking one for myself.”⁴¹ During the winter of 1882–1883, he was hospitalized with a liver ailment and began to pore over newspaper articles about Florida land deals. In 1883, at age fifty-three, Flagler married Ida Alice Shourds, thirty-five, a former actress who had nursed Mary during her illness. A short woman with red hair, electric blue eyes, and an incendiary temper, Ida Alice seemed determined to run through Flagler’s money, gathering an expensive wardrobe and trying to buy her way into New York high society.

Whatever his reservations about the match, Rockefeller visited Henry and Ida Alice on their honeymoon in Saint Augustine, Florida, during the winter of 1883–1884. No less prophetic in his business hunches than at Standard Oil, Flagler had faith that Florida would someday be converted from a pestilential, mosquito-ridden jungle into a place of wonder, recreation, and exotic beauty. The next winter, when the Rockefellers and Flaglers again traveled to Saint Augustine, Henry bought several acres of orange grove as the site for the future Ponce de Leon Hotel. To cater to a less-affluent clientele, he added the Alcazar Hotel across the street, its façade patterned after the Alcazar Palace of Seville. As the resident railroad expert of Standard Oil, Flagler saw that Florida’s development had been retarded by inadequate transport, and in the late 1880s he bought two railroads that opened for settlement a coastal stretch around Ormond and Daytona beaches. Buying a large hotel on the Halifax River, he re-modeled it, grafted on an eighteen-hole golf course, and renamed it the Ormond Beach Hotel. Years later, John D. Rockefeller’s winter home,

The Casements, stood directly across the street.

Driven by his faith in Florida's future, Flagler merged his railroads in 1892 and conceived a master plan for a railroad that would snake down the length of Florida's Atlantic coast to Key West, with Flagler resorts dotting the route—a vision he realized in 1912. Each time Flagler pushed the railway farther south, it opened more swamp to development, triggering another land boom.

As always when infected with development fever, Flagler ran up bills that taxed even his massive fortune. In 1890, he sold 2,500 shares of Standard Oil stock to Rockefeller for \$375,000 and made further stock sales to him for several years—right on the verge of the auto boom that would send those shares soaring. Rockefeller followed Flagler's business adventures in Florida with sympathy but at a distance. "Henry did a great job in Florida," he said. "Think of pouring out all that money on a whim. But then Henry was always bold."⁴² Yet he turned a deaf ear to his friend's repeated entreaties to visit again. "I believe this country would be a revelation to you, if you would take a week to look into it," Flagler pleaded with him in 1889.⁴³ Yet Rockefeller still stayed away from the state after his 1884–1885 visit. "It is marvelous what Mr. Flagler has wrought in that southern country," Rockefeller told William Rainey Harper in 1898, "and I regret not to have paid him a visit long ago."⁴⁴

Why this sudden distance in so singular a friendship? When they did see each other, Rockefeller and Flagler were always nostalgic, yet they seldom contrived to meet. One suspects that John and Cettie were scandalized by the showy airs and sybaritic indulgence of Ida Alice Flagler. Bowing to his second wife, Henry had bought a private railroad car and a 160-foot yacht (both tellingly named the *Alicia*), and the Flaglers behaved more and more like the gaudy arrivistes the Rockefellers abhorred. Then Ida Alice began to show incipient signs of the mental illness that overtook her in later years. Out of the blue she began to chatter about her husband's adultery—a real enough situation, but one magnified in Ida Alice's fevered mind. In 1891, Henry became infatuated with Mary Lily Kenan, a beautiful, gifted twenty-four-year-old from a prominent North Carolina family who offered him respite from his moody, unstable wife, and Ida Alice became pathologically obsessed with this relationship.

During the summer of 1893, Ida Alice's manic behavior worsened when she obtained a Ouija board. Closeted in her room, she spent hours communing

with astral spirits, convinced the czar of Russia had fallen madly in love with her. When she threatened to kill Flagler in October 1895 and accused him of trying to poison her, she was committed to a sanatorium in Pleasantville, New York. In the spring of 1896, after the doctors declared Ida Alice cured, she returned to live with Henry at their large estate, Satan's Toe, in Mamaroneck, New York. For a few happy weeks, they rode bikes together and read aloud to each other, suggesting a tenuous return to happier times. Then Ida Alice bribed a servant to smuggle in a Ouija board and promptly succumbed to old demons. Once back at the board, she relapsed into her paranoid dreamworld. When she flew at one doctor, wielding a pair of scissors, she was returned to the Pleasantville sanatorium in March 1897. There she renamed herself Princess Ida Alice von Schotten Tech and never saw Henry again.

After the courts ruled Ida Alice Flagler insane in 1899, Henry set up a trust fund for her, stocked with \$2 million in Standard Oil shares, which would appreciate to more than \$15 million by her death in July 1930. Henry, meanwhile, was in a bind: New York state law would not permit divorce on grounds other than adultery, and he could not prove adultery against a woman confined to an asylum. Never deterred by restrictive laws, Flagler switched his legal residence to Florida and applied his influence with state legislators. On April 9, 1901, a special law was enacted permitting divorce on grounds of incurable insanity—a law known as the Flagler divorce law. Within two weeks, Flagler married Mary Lily Kenan. The wedding was performed in high style, Flagler bringing friends down from New York in a private railroad car, but Rockefeller did not attend. He must have felt Flagler was making a spectacle of himself, especially when he was named correspondent in a divorce suit in Syracuse, New York, one month after his marriage. That the Rockefellers had drifted away from Flagler is suggested by a note Cettie wrote her son in August 1900. “We have the announcement of Mr. Flagler’s marriage to a Miss Kenan, of N. Carolina. She is thirty-six, he, seventy-two.”⁴⁵ Cettie expresses no pleasure at the marriage, but only cites, with implicit disapproval, the difference in age. Mary Kenan was actually thirty-three at the time.

CHAPTER 19

The Dauphin

When he entered college in 1893, John D. Rockefeller, Jr., seemed like the prototype of the poor little rich boy, stuck with an overdeveloped conscience and the badge of being the son of one of the world's wealthiest men. Having had a rather solitary childhood in mansions and on estates, he did not have the social ease of other young men of his age and class. Desperately eager to please his parents, he had exhausted himself in trying to scrub sin from his soul.

Much like his father, Junior couldn't make decisions lightly and fretted over his choice of a college. Set to go to Yale, he passed its preliminary entrance exam and had even selected a room when reports reached him from one minister that a fast set dominated the Yale social scene. Others might have found this decidedly in Yale's favor, but Junior decided to look elsewhere and finally selected Brown because three close friends had chosen to attend it. As he told Dr. William Rainey Harper, whom he consulted, in a tone of excruciating humility, about the choice of schools, "Being naturally somewhat retiring (I beg you to pardon personal references), I do not make friends readily, and some of those interested in my welfare fear if I go to Yale in a class wholly strange to me, I will be 'lost in the crowd' so to speak and remain much by myself, instead of getting the social contact I so greatly need."¹ Junior tended to discuss himself clinically, as if he were a laboratory specimen wriggling under glass, his parents, especially his mother, having taught him to probe his behavior with such antiseptic detachment.

Junior entered Brown in September 1893, just as the industrial slump worsened, and his college years unfolded against a turbulent backdrop of radical rhetoric and labor unrest, much of it directed against his father. Founded in the eighteenth century, Brown was the oldest and best-endowed Baptist college, and its president, E. Benjamin Andrews, was a Baptist clergyman—cum—political economist. In those days, college presidents were often ordained ministers who had a profound impact on the student body in classroom and chapel alike. During the Civil War, Andrews had lost an eye in the Petersburg siege, and his glass eye endowed him with a visionary gaze.

Junior admired his spiritual zeal and keen intelligence and was especially struck one day when Andrews told him, “Rockefeller, never be afraid to stand up for a position when you know you are right.”²

Six months before Junior arrived at Brown, Andrews had composed a flattering letter to Henry Demarest Lloyd about *Wealth Against Commonwealth*. “It is decidedly in my line,” he assured him, “although you are more radical than I am at some points.”³ Not averse to trusts, Andrews wanted to regulate them for the public good and distribute their benefits more equitably. When Junior took a course with him in practical ethics, Andrews gave him a finer appreciation for employer responsibility in big business. In one undergraduate essay, Junior already evinced the proclivity for corporate reform that would mark his adult life: “Who can look about upon the millions of laborers whose life is a treadmill, a continuous round of work to which they are driven by dire necessity . . . without being fired with a desire to revolutionize their condition by adopting the profit-sharing system?”⁴ However idolized by students, Andrews was roundly condemned by many alumni when he supported William Jennings Bryan’s presidential bid in 1896 and endorsed free coinage of silver, an episode that cost him his job. Henry Demarest Lloyd spied Rockefeller’s fine hand in the ouster, telling a friend, “One of the reasons which actuated the trustees in crowding [Andrews] out was the statement that as long as he remained, Mr. Rockefeller would never give the university any money.”⁵

The bashful young Rockefeller, quartered in Slater Hall, was much shorter than his father but broad chested and square shouldered. Both his mother and Grandma Spelman exhorted him to be vigilant against dormitory vice. In his first letter home, he reassured them by saying that he had already attended a prayer meeting, adding, “Grandmother will be interested to know that there are three colored men in the class.”⁶ He also had begun teaching a Sunday-school class at a Baptist church in Providence, and his relieved father wrote him that “the moral and religious tone seem of the best.”⁷ During his busy freshman year, Junior joined the glee club, the mandolin club, and a string quartet with some young ladies. As he ventured timidly beyond the self-contained world of his youth, he could not just enjoy spontaneous pleasure and had to justify it in terms of self-improvement. When he joined a college operetta, he wrote his mother, “Then too appearing on the platform before people as I would do and have done in the Glee Club gives me confidence in

myself, and helps me to become easy in public which I always need.”⁸



Abby Aldrich Rockefeller and John D. Rockefeller, Jr., around the time they were married. (Courtesy of the Rockefeller Archive Center)

Doggedly earnest, tenacious in his studies, Junior was a good enough student to make Phi Beta Kappa, and he especially enjoyed economics and sociology. Unlike his father, however, his self-confidence was a fragile bloom, easily crushed. “If a person scolded me,” he said, “I shut up like a clam. I wasn’t much of a scholar, but I always tried hard and I didn’t like to be reproached.”⁹ Everybody noticed his Baptist austerity: He did not drink, smoke, play cards, go to the theater, or even read Sunday papers. True to his temperance pledge, he plied students with crackers and hot chocolate when they came to his room, but he terribly upset Grandma Spelman when he let boys smoke there.

Junior’s frugality was the stuff of campus legend, and everybody had a favorite anecdote: how he soaked apart two two-cent stamps that got stuck

together or how he pressed his own trousers, sewed his own buttons, and mended his own dish towels. Following his father's example, he recorded every expense in his little book—sometimes to snickers from classmates—and even recorded bouquets of flowers bought for dates. Whether putting money in the plate at church or buying a pencil from a beggar, he jotted down everything to the last decimal. “He told me that his father allowed him all the money he wanted,” said a friend, “but insisted on an exact account of every penny.”¹⁰ Another classmate recalled, “It used to be a great joke, particularly among the girls in Providence, and they used to laugh a good deal about being treated to a soda by John D. Rockefeller, Jr., and having him enter it into his book as he sat at the soda fountain.”¹¹

Despite his shy formality, Junior was generally popular at Brown or, at least, highly respected. Some students were bound to see him as a hopeless prig, and one day as he was crossing the campus, one heckled him, “Here comes Johnny Rock, reeking with virtue and without one redeeming vice!”¹² For the most part, however, he became more sociable and self-assured and slowly weaned himself from the airless morality of his upbringing. He was tolerant by nature, telling Grandma Spelman in one letter, “One sees all sorts and conditions of men here viewing life, duty, pleasure and the hereafter, so differently. My ideas and opinions change I find in many ways. I would stickle less for the letter of the law, now, more for the spirit.”¹³ Haltingly, he forged an identity separate from those of his forebears. He was more ecumenical, more open to the outside world, more considerate of alternate views. As president of his junior class, he got his classmates to desist from drinking alcohol at the class supper, which had traditionally been a drunken debauch. And when his class took its annual stag cruise to Newport, Junior agreed to keep kegs of beer on hand but tried to avert heavy indulgence. His parents were ecstatic. “Dear John,” his mother wrote, “you have been our pride and comfort from the day of your birth but at no time have we been more grateful for such a son as at the present moment—Tears of joy filled dear father's eyes when your letter was read and he wants me to tell you how proud and happy it made him.”¹⁴

At Brown, Junior learned to savor such illicit pleasures as theater and dancing, small triumphs for a Baptist boy bred with such unrelenting morality. After his sophomore year, he took a bicycle trip through England with Everett Colby, a classmate whose father was a railroad builder. (John D. had invested in his ventures.) In London, Junior saw his first plays: *The Two Gentlemen of*

Verona, Charley's Aunt, and A Midsummer Night's Dream. As if admitting to a furtive visit to a brothel, he told his mother: "I shouldn't have done it at home on account of the example but thought it not harmful in London, where I knew no one and had an opportunity of seeing several of Shakespeare's plays."¹⁵ Junior made it through his freshman year without dancing, then succumbed to this vice sophomore year by dancing all evening at a party thrown at the home of a university trustee. To practice for the event, he whirled his friend Lefferts Dashiell around his dormitory room. The whole evening, as he danced with a Miss Foster, he feared that he would crash to the floor. Holding on for dear life, he had the distinct impression that Miss Foster was propping him up. That evening, he met the vivacious Abby Aldrich, daughter of Rhode Island senator Nelson Aldrich, but could not muster the courage to dance with her. The love of dancing lasted, and by the time he graduated Junior indulged this sinful passion two or three times a week.

Cettie Rockefeller never entirely relaxed her militance about this pastime. During his senior year, Junior wanted to repay his classmates for their kindness to him and asked his parents to host a dance in Providence. Striking a compromise, John and Cettie agreed to have a musical evening of Mendelssohn, Bach, Chopin, and Liszt, followed by informal dancing. When they mailed out the invitations, the infernal word *dancing* appeared in small, almost apologetic lettering in the lower left-hand corner of the card. Yet when the evening arrived, Cettie developed a headache and took refuge in her hotel room. As a result, Senior, resplendent in tails and white gloves, stood alone on the receiving line, cordially greeting three hundred guests. Cettie's behavior on this and other occasions supports the thesis that she retreated to her bed as an escape from threatening realities.

Before Brown, Junior had known little about sports: The Rockefellers were more interested in exercise, which stressed health, than in sports, which stressed pleasure. When he became a manager of the football team his senior year, Junior endured endless ribbing when he referred to the center as "the middle." He was so much his thrifty father's son that when one husky lineman asked for new shoestrings, Junior retorted, "What did you do with the pair I gave you last week?"¹⁶ Because of his son's position, Senior, who had never been to a football game, attended one in New York between Brown and the Carlisle Indians. He started out in the stands, calmly surveying the spectacle, then grew so excited that he rushed down to the field in his tall silk hat and began to race up and down the sidelines with the coaches. The captain of the team assigned a lineman to explain the fine points of the game to him,

and with his exceptional mind for tactical maneuvers John D. Rockefeller gave the impression that he had mastered the game, with all its subtleties, within five minutes.

Junior needed somebody who would release him from the suffocating prudery of his upbringing, and that liberating figure was Abby Aldrich. She was a confident girl who did not need his money and was not awed by his name. Something about the socially maladroit Junior appealed to the maternal instincts of this sophisticated young lady with the gracious manners and erect carriage of a senator's daughter. One of eight children, she had often hosted her father's Washington receptions and had met everyone from General Ambrose Burnside to William McKinley to Custer's widow. Tall, voluptuous, and somewhat matronly in appearance, she was handsome rather than pretty. She liked to wear broad-brimmed, eccentric hats, a symbol of her outgoing personality. She seemed to give Junior the faith in himself that his parents couldn't foster. As he said of their meeting sophomore year, "She treated me as if I had all the savoir faire in the world and her confidence did me a lot of good."¹⁷ Through Abby, Junior made a startling discovery that had been artfully concealed from him: Life could be fun.

Abby came from old New England stock on her mother's side and was descended from Elder William Brewster, a passenger on the *Mayflower*. Though the son of a mill hand, Senator Aldrich claimed Roger Williams, the founder of Rhode Island colony, as an ancestor. Tall and virile, with thick mustache and side-whiskers, the unflappable Senator Aldrich had escaped from poverty, but he never lost his dread of it. He was elected to the U.S. Senate in 1881 and held that seat for the next thirty years, winding up as chairman of the Senate Finance Committee. A confirmed protectionist and devoted servant of the trusts, he used public office to feather his own nest. Bolstered by a \$5 million loan from the American Sugar Refining Company—the so-called sugar trust—he invested in four Providence street-railway companies while also representing the New Haven Railroad. Senator Aldrich turned public service into such a lucrative racket that he amassed \$16 million by his death. As if he were a mogul, not a public servant, he built a 99-room château at Warwick Neck on Narragansett Bay and sailed a 200-foot yacht, equipped with 8 staterooms and a crew of 27. He bore a host of pejoratives, most notably those conferred by Lincoln Steffens, who referred to him in *McClure's Magazine* as the "political boss of the United States, the power behind the throne, the general manager of the U.S."¹⁸ Too entrenched to be ruffled by such journalistic pinpricks, Senator Aldrich stuck by his policy of

“Deny nothing, explain nothing.”¹⁹

Abby grew up in a lively atmosphere of balls, parties, and plays. Opposed to religious severity, Aldrich spoiled his children with presents and seldom disciplined them. At the Aldrich mansion at 110 Benevolent Street in Providence, the senator liked to play bridge or even poker with Abby. (In later years, Junior would not join the game but sat quietly with a book, unable to break that taboo.) A self-taught aesthete with a highly cultivated taste for books and art, the senator had an excellent library of antique books, frequented auctions for furniture, rugs, and art, and so thoroughly schooled Abby in European museums that she knew their paintings by heart. As a teenager, she dipped into the novels of Dickens, Trollope, Hawthorne, Jane Austen, and George Eliot.

Junior’s romance with Abby played itself out amid a whirl of college dances, football games, tandem-bike rides, and canoe trips, as well as church services on Sundays. When they strolled along, Junior carried graham crackers in his pocket, and Abby freely reached in and helped herself. As Junior said, “She was so gay and young and so in love with everything.”²⁰ By the spring of junior year, Junior was a regular visitor at Benevolent Street. One Sunday, he mentioned in passing to the senator his summer plans to cruise the Norwegian fjords with his sister Alta. The senator must have warmed to the idea of Abby marrying young Rockefeller, for a few weeks later he bought tickets for himself, his wife, and two daughters on the same ship, and they dined together during the cruise. Back in Providence in the fall, Junior saw Abby so frequently that people began to speculate when they would marry. But Junior approached the matter with the same soul-searching and nervous energy that he brought to every major decision, and he vacillated through four years of tortured introspection. It was perhaps apparent to everybody in Providence except him that he would someday marry Abby.

Certainly the size of his projected inheritance made the choice of wife a momentous decision. Junior idealized his father, and yet he had to deal with a mounting drumbeat of criticism against him. Abby seemed tailor-made to help him with this predicament, for they were both the children of public pariahs. Junior must have admired her ability to be the loyal daughter of a controversial senator while clinging to her own liberal beliefs. She lived in a way that betrayed neither her father nor herself and thereby pointed a path for Junior.

As he approached graduation, Junior still engaged in hero worship of Senior. His glorified image of his father was inextricably bound up with his lowly image of himself. On his son's twenty-first birthday, Senior sent him twenty-one dollars, along with a tender note. "We are grateful beyond measure for your promise and for the confidence your life inspires in us, not only, but in all your friends and acquaintances and this is of more value than all earthly possessions." To this, Junior replied, "People talk about sons being better than their fathers, but if I can be half as generous, half as unselfish, half as kindly affectionate to my fellow men as you have been, I shall not feel that my life has been in vain."²¹ As Junior contemplated the duties that awaited him after college, the prospect only magnified his sense of inadequacy. Shortly before graduation, he was invited to join the board of the American Baptist Home Mission Society. When he asked his father's advice, Junior made clear that "my first duty as well as my pleasure after this year would be to help you in whatever capacity or position you might see fit."²² He never wavered in this decision to subordinate his life to his father's.

As graduation neared, Junior grew wistful about his years at Brown and the relaxed camaraderie it had allowed him. He would shortly emerge into the spotlight of public attention, which would burn brightly for the rest of his life. As he thought of following in his father's footsteps, his courage failed him, and he told his mother soon after graduation, "I feel but little confidence in my ability to fill the position which is before me, but know that I am not afraid to work or do whatever is required of me, and with God's help I will do my best."²³ "The future is glowing with possibilities of service for God and man," Cettie wrote back. "May the Holy Spirit take possession of your entire being, and guide you into all truth."²⁴ By making him view life so loftily, by encouraging him to see himself as a valiant Christian soldier, she might have inadvertently exacerbated his anxieties. This transcendent perspective seemed to allow little room for normal human failure. Junior's father, meanwhile, remained inscrutably silent about Junior's forthcoming role at 26 Broadway, which could only have deepened his dread of the unknown.

When John D. Rockefeller, Jr., started work on October 1, 1897, he was entering 26 Broadway not long after Senior had left it. He was installed at an oak rolltop desk on the austere and slightly shabby ninth floor, in an office suite dedicated to his father's outside investments and philanthropies. He worked cheek by jowl with Frederick T. Gates, George Rogers, and a telegrapher, Mrs. Tuttle, who had the dubious honor of opening Rockefeller's

crank mail—and “there was a great deal of it,” said Junior.²⁵ Though he worked in the Standard Oil building, Junior was uninvolved in its management, and he belonged instead to the incipient Rockefeller family office. If his \$6,000 annual salary, paid by father, seemed generous, it was a disguised allowance that kept Junior in a state of childlike dependence.

Junior turned aside suggestions that he go to law school or treat himself to an around-the-world trip. “I felt that I had no time for either, that if I was going to learn to help Father in the care of his affairs, the sooner my apprenticeship under his guidance began, the better.”²⁶ Junior was again living at 4 West Fifty-fourth Street and had ample opportunity to sound him out, yet the taciturn Senior provided no clues about what he expected of his son, leaving him in limbo. “Father never said a word to me about what I was to do in the office before I began work there, nor has he ever since. Moreover, he did not say anything on the subject to anyone else in the office, so far as I have ever learned. Apparently he intended that I should make my own way.”²⁷ Junior never admitted to being bothered by this tight-lipped approach. Like God, father’s ways were mysterious but, it was always assumed, benevolent in the end. As a stout believer in self-reliance, Senior probably wanted to test his son’s aptitude for business and let him find his own way without coaching.

Rockefeller had numerous channels of intelligence, and Junior marveled at his knowledge of everything that went on at 26 Broadway. At a certain point during dinner, Rockefeller would apologize to guests for changing the subject and query Junior about his day’s work, displaying seeming omniscience about affairs downtown. Rockefeller’s gentle, probing questions were the closest Junior came to a business education from him. Father and son disagreed more than they publicly acknowledged, and Rockefeller was once heard to grumble, “You know, boys go to college and come back knowing everything about business and everything else.”²⁸

At work, Junior had no formal place in the hierarchy and had to guess at his powers. He performed some menial tasks, such as filling inkwells. Never given his father’s power of attorney, he began to sign papers for him, unsure whether father would object; when he did not, Junior took this for a sign of approval and continued the practice. The first major task that Senior assigned his son was a ghoulish one: to supervise the design and transport of a soaring granite obelisk for the family burial plot in Cleveland, a shaft so huge it took

up two freight cars. The young Brown graduate also picked out wallpaper for the family houses, sold worn-out buckboards and carriages, and managed Rockefeller real estate in Cleveland. One observer called it an “anxious and troubled” time for Junior, who felt that his performance was wanting, that he was not earning his keep, and that he was unequal to his appointed destiny.²⁹

If Junior did not feel totally adrift in these years, the credit must go to Frederick T. Gates, who gave him the guidance he sorely missed from his father. Together, they toured iron ranges in Minnesota and timberlands in the Pacific Northwest, often playing violins together in their private railroad car. Gates invited Junior to audit business meetings, and he responded with everlasting gratitude. Under Gates’s tutelage, Junior began to assume his rightful place in the Rockefeller firmament and joined the University of Chicago board just three months after starting work. While still in his twenties, he became a director of U.S. Steel, National City Bank, the Delaware, Lackawanna and Western Railroad, and, of course, Standard Oil.

Bowed by a sense of premature failure, Junior was desperate to succeed at *something* and decided to try his hand at the stock market. Since his father had professed a puritan contempt for Wall Street, Junior was surprised to learn that he had played the market for years and traded actively. To teach them the art of investing, Rockefeller allowed Junior and his sister Alta to borrow from him at 6 percent and invest in equities. During his maiden year at 26 Broadway, Junior made several thousand dollars in the market and, like all giddy novices, began to take more risks and place ever-larger bets.

Meanwhile, a Wall Street operator named David Lamar—later styled the Wolf of Wall Street—began to cultivate George Rogers, Senior’s private secretary. In the fall of 1899, Rogers served as the gullible go-between for a scam. Transmitting information from Lamar, Rogers informed Junior that James R. Keene, a celebrated stock trader, had taken a big position in U.S. Leather and suggested that Junior join the buying. Led to believe that he was acting in concert with Keene, Junior took a gigantic stake in the stock. Upon learning that George Rogers was meeting secretly with Lamar at lunchtime, he had a queasy intuition of foul play. Junior summoned Lamar to his office, and he arrived with a flushed, agitated air. As Junior recalled, “One look at him was enough. I knew I had been sold out.”³⁰ It turned out Keene knew nothing of the affair and that Lamar was liquidating leather stock as fast as Junior bid it up. The unthinkable had happened: The meek Junior had dropped nearly a million dollars—equal to more than \$17 million today—of father’s

money in the market. He knew the situation was unforgivable: He had never asked to meet Keene, had done no research, and had thrown away a fortune on a wild tip.

One can only guess Junior's emotional turmoil when he broke this astonishing news to father, a harrowing meeting that was forever seared into his memory. "Never shall I forget my shame and humiliation as I went up to report the affair to Father. I hadn't the money to meet the loss; there was nothing else to do."³¹ Senior listened quietly and conducted a calm but thorough inquiry, investigating every detail of the transaction—all without a syllable of reproach. At the end, he simply said, "All right, I'll take care of it, John."³² Junior waited for some criticism, some outburst, some paternal homily about future behavior. But nothing further was said. It was a vintage Rockefeller performance: The true lesson lay in what he did not say and what he did not do. Rockefeller sensed that his insecure son had castigated himself so unmercifully that bitter reproaches were superfluous. By showing generosity, he enlisted his son's loyalty forever. The incident must have reinforced Junior's innate conservatism, for the one time he had entered into a rash, immoderate scheme he had been severely punished.

Working for months without a break, Junior began to carry a lot of pent-up tension. To purge this nervous energy, he went after work to the West Fifty-fifth Street stable, where his father's horses exercised in bad weather, and furiously chopped firewood from twenty-foot logs. Over lunch one day with Henry E. Cooper, a former Brown classmate, Junior brooded about his own inadequacy. Startled by the personality change, Cooper followed up with a letter of friendly advice. "You are altogether too grumpy, too morose and gloomy, John. . . . I truly think it would do you good, for instance, to take up smoking an occasional cigarette, or something of that sort. I am not joking. Just try being a shade more reckless or careless as to whether or not you reach perfection within five years, and see if you don't find more happiness."³³ Pathetically eager to please, Junior noted in his ledger a few days later, "pack of cigarettes— 10 cents." It was the last time he ever smoked.

Trapped on a treadmill of work, duty, and prayer, Junior found it hard to squeeze in time for Abby Aldrich. Sometimes on weekends, he took the train to Providence after work, dined with her, then grabbed the midnight train back to New York. In Manhattan, Junior often attended dances and parties with Alta, who was also living at home. She developed such an excessive attachment to her brother that she treated Abby as a rival and tried to

undermine her. Alta's adamant opposition could only have prolonged Junior's doubts about marrying Abby.

Senior saw that his son could not carry his load lightly and begged him to relax more. Cettie, however, insistently pushed him forward in his quest for moral perfection. Two days after he began at 26 Broadway, she prodded him to join the Bible class at the Fifth Avenue Baptist Church, telling him to be "mighty in the Scriptures. The most powerful Christians are Bible Christians."³⁴ Sometimes she made it seem that humanity's salvation hinged upon his personal purity. In an astonishing letter of July 23, 1899, Cettie likened her husband to God and Junior to the Christ child. "You can never forget that you are a prince, the Son of the King of kings, and so you can never do what will dishonor your Father or be disloyal to the King."³⁵ Cettie's tone is especially revealing amid the rising attacks against Standard Oil. Much like her husband, she had fashioned an alternate reality in which, instead of being a corporate villain, he was converted into an American saint. There were no shades of gray permitted in the Rockefeller household.

Exhausted by work and beset by self-doubt, Junior pondered whether to marry Abby Aldrich and prayed daily for divine guidance for four years. "I always had a dread of marrying someone and finding out later that I loved someone else more. I knew a great many girls and I had so little confidence in my own judgment."³⁶ Things looked promising in April 1900, when Junior joined Senator Aldrich and Abby on a journey to Cuba aboard President McKinley's yacht, the *Dolphin*, a senatorial trip to study conditions there following the Spanish-American War. Still, Junior hesitated, unable to suppress his doubts. In the stuffy Rockefeller household, both parents and son balked at bringing up the subject. Finally, his sister Edith, acting as intermediary, told her brother that their parents were worried about him and felt that they were being kept in the dark, at last opening the forbidden subject to discussion.

In February 1901, Junior and Abby submitted to a six-month separation as a trial of their affections. After the time had expired, Junior was strolling by the lake at Forest Hill with Cettie when he summoned up the strength to ask her opinion of Abby Aldrich. Her hearty, laughing response was categorical. "Of course you love Miss Aldrich. Why don't you go at once and tell her so?"³⁷ Junior needed that maternal validation, that direct push. Soon afterward at West Fifty-fourth Street, he heard God's voice in the wee hours,

blessing his choice of Abby. “After many years of doubt and uncertainty, great longing and hope, there came a supreme peace of calm.”³⁸ Before dawn, he dashed off a letter to Abby, asking if he could visit her. Stopping off to see Senator Aldrich on his yacht in Newport, he asked for his daughter’s hand and began to lay out his salary and financial prospects. Doubtless with some amusement, the senator brushed aside all money concerns and delivered the predictable bromide, “I am only interested in what will make my daughter happy.”³⁹ An ecstatic Junior went to the Aldrich summer estate at Narragansett Bay and proposed to Abby by moonlight. “I can’t believe that it is really true that all this sacred joy . . . is mine. . . . For so long, long a time it has been the one thing in life above all others that I have yearned for,” Junior wrote his mother.⁴⁰ Abby then had six suitors, leading Junior to observe retrospectively, “I kept wondering why she ever consented to marry a man like me.”⁴¹ But she never regretted her decision. As she wrote to a cousin many years later, “Don’t you think him quite the dearest man that ever was?”⁴²

When the engagement was announced in August 1901, the press had a field day. “Croesus Captured,” trumpeted one paper.⁴³ Many articles commented upon the odd match of the fun-loving Aldriches and the dour Rockefellers. As one paper said, “Young Mr. Rockefeller . . . is a Sunday-school teacher, and doesn’t believe in cards, dancing or décolleté gowns, and Miss Abbie [*sic*] has never been able to make up her mind that she can renounce these things.”⁴⁴ Although Senator Aldrich and Senior came in for their usual rough treatment, Abby and Junior were applauded for their more progressive views.

The extravagant wedding at Warwick on October 9, 1901, reflected the cosmopolitan style of Senator Aldrich, who made scant concessions to his Baptist in-laws. By chartered steamer and private railway car, he transported a huge portion of the American plutocracy to the affair, which glittered with Goulds and Whitneys, McCormicks and Havemeyers. The marriage was a satirical bonanza for muckrakers. As David Graham Phillips darkly interpreted the union, “the chief exploiter of the American people is closely allied by marriage with the chief schemer in the service of their exploiters.”⁴⁵

The affair began with a small private wedding, limited to thirty-five guests and presided over by the Reverend J. G. Colby, who had married John and Cettie thirty-seven years before. Then a thousand people trooped gaily

through a vast reception in the ballroom. Senator Aldrich refused to truckle to the temperance views of his in-laws and personally selected an array of vintage wines. This was too much for Cettie, who developed chills, asthma, and diarrhea the night before the wedding and took to her bed for spiritual safety, skipping the ceremony the next day—an exact replica of her performance at Junior’s senior-year dance at Brown. Once the stylish guests had fled, Junior and Abby spent a glorious month in seclusion at the house Senior had purchased in the Pocantico Hills of Westchester.

For the first months of married life, the newlyweds lived with John and Cettie at 4 West Fifty-fourth Street then crossed the street to a rented four-story mansion at number 13. Junior tried, with some trepidation, to initiate his free-spirited wife into the cramped, clerical ways of the Rockefellers, suggesting she might like to keep a weekly expense account. “I won’t,” Abby said bluntly, ending the matter forever. To a family muzzled by taboos, she brought a refreshing candor. When a visitor asked her, “Whatever are you going to do with this great big empty house, Abby?” she looked at him in astonishment. “Why, we shall fill it up with children!” 46



The young Frederick T. Gates. (Courtesy of the University of Chicago Library)

CHAPTER 20

The Standard Oil Crowd

Outwardly at least, Frederick T. Gates was the antithesis of his famous patron, as florid and melodramatic as Rockefeller was cool and withdrawn. With close-set eyes that looked slightly crossed, head tilted to one side with a sardonic smile, the philanthropic chief often looked as if he was skeptically sizing up the world. A tall, well-built man with a restless, energetic air, he could talk with gusto for hours at a stretch, as if delivering a fiery sermon or Shakespearean soliloquy. Capable of tremendous flashes of wrath or indignation, he was colorful in both action and speech. When he pontificated, he threw his feet up on the desk, jabbing his finger through swirling cigar smoke, or jumped up from his seat, hair tousled, tie askew, to pace the floor with lawyerly deliberation. One colleague said he had “a voice that thundered out of Sinai” and he knew no middle ground in advocating a cause.¹ In a prose self-portrait, Gates described himself as “eager, impetuous, insistent, and withal exacting and irritable.”²

Like Rockefeller himself, Gates yoked together two separate selves—one shrewd and worldly, the other noble and high-flown. Born in upstate New York in 1853, not far from the Susquehanna River that flowed through Rockefeller’s boyhood, Gates was the son of a high-minded, impecunious Baptist minister, who had eked out a meager existence in small, impoverished towns. As a boy, Gates rebelled against the Puritan heritage that viewed earthly life as a melancholy sojourn. In his memoirs, he recalled that the “singing was pleasing, but otherwise Sunday school was a bore, as was church. I remember well my weekly relief when it was over and we could go home for dinner.”³ Of his twice-daily prayers, he said, “If it taught anything, it taught us thus early that prayer is a mere empty form of words.”⁴ The wonder was that the boy grew up to be a preacher.

When Gates was a teenager, his father went to Kansas for the American Baptist Home Mission Society, which only aggravated the family’s financial woes. Gates had to quit school at fifteen to help pay off their debt. For several years, he taught school and clerked in a dry-goods store and a bank, storing

up valuable business experience. After briefly attending Highland University in Kansas, he entered the University of Rochester in 1875, where his interest in religion was rekindled. A good Baptist, he would not dance, play cards, or frequent the theater. Two years later, he entered the Rochester Theological Seminary, then under the sway of its president, Dr. Augustus H. Strong. Gates was briefly entranced by Strong's theological system. "His instruction formed the foundation of our seminary course, and at that time it was almost wholly imaginary" was his later mordant judgment.⁵ Gates was drawn to the ministry, not as a retreat into an otherworldly life so much as a liberation from poverty and academic drudgery.

After graduating from the seminary in 1880, Gates was assigned his first pastorate in Minnesota. When his young bride, Lucia Fowler Perkins, dropped dead from a massive internal hemorrhage after sixteen months of marriage, the novice pastor not only suffered an erosion of faith but began to question the competence of American doctors—a skepticism that later had far-reaching ramifications for Rockefeller's philanthropies. A period photo shows a handsome young man with a long, lean face, a handlebar mustache, and a somewhat wistful air. After launching into "a zealous campaign to convert sinners," Gates soon lightened up, scrapping much of the scholastic baggage he had picked up in the seminary. To succeed as a pastor, he decided that he had to study the economic, intellectual, and social forces of his time. A biblical modernist, he employed science, history, and reason to explicate sacred texts. He also worked to retire the church's debt and wrote essays for the *Minneapolis Tribune*.

After eight years in Minnesota, Gates, thin and emaciated, seemed destined for a career as theadbare as his father's. Then one day in 1888, heaven sent relief in the shape of a rich man, George A. Pillsbury, a founder of the flour fortune, the state's wealthiest Baptist, and then the mayor of Minneapolis. He told Gates in confidence that he suffered from an incurable disease and needed advice about making a \$200,000 bequest to a local Baptist academy. Gates advised Pillsbury to start out by giving the academy \$50,000, contingent on the Baptists raising an equal sum—what we would today call a matching grant—then leave the remaining \$150,000 in his will. Gates was subsequently drafted to drum up the \$50,000, which he did so superlatively well that he threw up the ministry for good and became executive secretary of the new American Baptist Education Society. His contact with Rockefeller and involvement in the University of Chicago followed soon thereafter.

Those Baptists who thought they had slipped an advocate into Rockefeller's inner sanctum were grievously disappointed. At first, Rockefeller still gave disproportionately to Baptist causes, as missionaries from every continent descended upon Gates's office in droves. But despite his fondness for Baptist clergy, Rockefeller was also exposed to many greedy, calculating pastors and began to retreat from the sectarian spirit that had guided his giving. As Gates said, "I think his greatest trouble was with ministers because he had a natural liking for them and they were always trying to get money out of him."⁶ By 1895, Rockefeller told Gates that he wanted to give to the five main Protestant denominations. This delighted the lapsed minister, who had grown so dismayed by the Baptist church in his town of Montclair, New Jersey, that he had switched to the local Congregational church. He was increasingly convinced "that Christ neither founded nor intended to found the Baptist Church, nor any church."⁷

For someone like Gates, torn between heaven and earth, serving as Rockefeller's chief philanthropic adviser was an ideal synthesis. When they started working together in 1891, Rockefeller was fifty-two and Gates thirty-eight. In spite of his uncommon intelligence, Gates often felt self-conscious under Rockefeller's icy scrutiny. As he grew more comfortable in his presence, he developed a powerful loyalty to him. "I will do my best to serve in any business capacity," Gates humbly told him early on, "but I beg you not to place any confidence in me (I have little in myself) and to begin with matters in which I could not possibly do much harm." He ended by saying, "No one but my father has been so kind to me."⁸ Having long chafed at a minister's salary, Gates could now indulge his ripest fantasies of wealth. Where his father had made less than \$400 a year, Gates started with Rockefeller at \$4,000 a year, his salary rising to \$32,000 by 1902.

What Gates gave to his boss was no less vital. Rockefeller desperately needed intelligent assistance in donating his money at a time when he could not draw on a profession of philanthropic experts. Painstakingly thorough, Gates combined moral passion with great intellect. He spent his evenings bent over tomes of medicine, economics, history, and sociology, trying to improve himself and find clues on how best to govern philanthropy. Skeptical by nature, Gates saw a world crawling with quacks and frauds, and he enjoyed grilling people with trenchant questions to test their sincerity. Outspoken, uncompromising, he never hesitated to speak his piece to Rockefeller and was a peerless troubleshooter.

Gates believed implicitly in Rockefeller's goodness and wisdom. "If he were placed in a group of say twenty of the greatest men of affairs of today," he once remarked in a speech, "before these giants had been with him for long, the most self-confident, self-assertive of them would be coming to him in private for his counsel."⁹ Having known many rich people, Gates was impressed that Rockefeller had no private yachts or railroad cars. He was always quick to defend Rockefeller, sometimes wittily. When a man complained to him that Rockefeller in his Cleveland years cared only for money, Gates retorted, "In heaven's name, what else could he do in that city!"¹⁰ In a typical utterance, Gates said, "The Rockefellers have done incomparably more to permanently enrich the commonwealth than any other family since the founding of the republic."¹¹

Gates did not consider Rockefeller totally innocent in business, but he believed that whatever reprehensible deeds he had committed had simply reflected the business morals of his time. Yet he had no firsthand knowledge of the matter, for while he supervised Rockefeller's philanthropic and outside business investments, he was always excluded from anything pertaining to Standard Oil. As Junior said, "The oil companies didn't like him and consequently I was the person who was the liaison."¹² Since Gates entered the scene just as Rockefeller was retiring and was sequestered from his single largest holding, he had the luxury of believing in Rockefeller's innocence by assuming that he had behaved as well at Standard Oil as in his subsequent ventures.

Significantly, Rockefeller surrounded himself in the early 1890s with brand-new men who could defend his past with total sincerity—and total ignorance. By recruiting subordinates who had never worked at Standard Oil, he had a chance for a fresh start, where he could make his behavior, for the first time, as ethical as his rhetoric. Led by Gates, these subordinates guaranteed that the Rockefeller millions were donated or invested scrupulously. Once he had an ex-pastor on the payroll, Rockefeller was necessarily kept on his best behavior, locked into a new moral regimen. Junior's presence at 26 Broadway further ensured that father would behave more ethically than in the past.

As at Standard Oil, Rockefeller encouraged independence, and once he had carefully trained his philanthropic lieutenants, he gave them a wide berth. Gates found his boss patient, kind, and considerate, but realized that

Rockefeller's genial midwestern manner and humor were something of a cover. "His usual attitude towards all men was one of deep reserve, concealed beneath commonplaces and humorous anecdotes. He had the art with friends and guests of chatting freely, of calling out others, but of revealing little or nothing of his own innermost thoughts."¹³ When Gates went to the oracle for guidance, he sometimes left more mystified than before. As he wrote of Rockefeller, "His deliberation was sometimes extreme; his reluctance to argue and speak out his thoughts fully, his skill in not exposing the slightest surface for attack, his long silences, so that we could not locate even his objections, were sometimes baffling."¹⁴ Rockefeller never offered blame or praise and revealed his opinion of employees only by adding or subtracting to their duties. His psyche was like a set of Chinese boxes: If you penetrated the outer wall, then you faced another wall, then another, ad infinitum.

As Rockefeller moved into retirement, his wealth was accumulating at an astonishing rate. During his tenure at Standard Oil, the trust had usually paid a fixed dividend of 12 percent, reflecting his prudent leadership. With Archbold at the helm, by contrast, the dividends surged, jumping to 31 percent in 1896 and 33 percent in 1897 and 1899. Buoyed by these dividends, the price of Standard Oil shares leaped from 176 in 1896 to a high of 458 three years later. However much Rockefeller deplored this extravagant dividend policy, he was its foremost beneficiary, and it heightened the pressure on him to gear up his philanthropy to handle increasing amounts of money.

With hundreds of appeals pouring in daily from around the world, Rockefeller made Gates promise that he would never forward begging letters to him or reveal his address. While Rockefeller continued to give out hundreds, if not thousands, of individual bequests to needy friends, relatives, and strangers—he sent one upstate cousin a pair of well-worn shoes, another an old suit—he increasingly followed a policy enunciated in an 1889 letter to Gates: "I am more and more disposed to give only through organized institutions."¹⁵ Gates executed this policy of wholesale giving faithfully, dismissing small requests for money with the fatal remark, "This is a retail business."¹⁶

Sometimes Rockefeller gave Gates glimpses into his inner sadness. One day, Gates remarked to Rockefeller that benevolence was its own reward, that the man who looked for gratitude would die embittered. "His only reply, uttered with deliberation and unwonted emphasis, was, 'DON'T I KNOW

THAT?’ ”¹⁷ Gates saw that while he was always surrounded by people, Rockefeller had few, if any, real friends and was isolated by his wealth. Visiting Rockefeller at a southern hotel around 1910, Gates found him rather lonely and forlorn and suggested he contact some cultivated local men. “Well, Mr. Gates,” said Rockefeller, “if you suppose I have not thought about the matter you are mistaken. I have made some experiments. And nearly always the result is the same—along about the ninth hole out comes some proposition, charitable or financial!”¹⁸ Rockefeller experienced more disenchantment with people in charity than in commerce, once telling his son, “I have lent and given people money, and then seen them cross the street so that they would not have to speak to me.”¹⁹

From the time he signed on as chief almoner, Gates knew his life had changed irrevocably. “I now saw myself largely cut off from disinterested friendships and almost of necessity a centre of intrigue and dislike,” he wrote in his memoirs.²⁰ As he watched people scheme and grovel for Rockefeller’s fortune, it was hard to preserve his faith in human nature. “If you could be here in this office,” he once wrote William Rainey Harper, explaining his own caution, “and see the exhibition of human meanness, and even dishonor, among otherwise respectable men when they come to negotiate with Mr. Rockefeller’s wealth, you would appreciate better than you can now how this perhaps unnatural caution has arisen.”²¹

A close student of the boss’s psychology, Gates was aware of Rockefeller’s preferred self-image and played on it effectively. There was a manipulative side to Gates, as shown by a letter he wrote a friend in which he set forth twenty-two fund-raising tips. Tip number six read: “If you find [the prospective donor] big with gift do not rush him too eagerly to the birth. Let him take his time, with gentle management. Make him feel that *he* is *giving* it, not that it is being taken from him with violence.” Number seven advised: “Appeal only to the noblest motives. His own mind will suggest to him the lower and selfish ones.”²² One suspects Gates applied some of these pointers to Rockefeller himself, posing all the while as the faithful servant.

Gates had a talent for dressing up proposals to Rockefeller with the right touch of historic drama. He made each gift seem a momentous advance in human civilization and often mimicked Rockefeller’s own business rhetoric—talking about educational trusts, for instance—to sell him a program. Gates knew that Rockefeller viewed himself as an instrument of God in business

and philanthropy. By striking this note, Gates could always capture his mentor's attention. Many years later, Gates sent him the following New Year's greeting:

Certainly no man can survey your marvelous career without feeling that it bears in very high and special degree the marks of a "Plan of God." I remember well how your life has been to yourself a series of great surprises, how vistas altogether unexpected have suddenly opened before your astonished gaze, and now that you have arrived at a point when you can look back over a long course, how often and how deeply must it have impressed itself on your mind that you have been simply an instrument in the hands of the Great Power that is not ourselves. How clear must it now be to you in the retrospect that this Great Unseen Power was guiding you all the time and ever to ends unseen, vaster, more varied, more far reaching than any human wisdom could compass or conceive. If now at the beginning of this new year I may venture to offer you a toast, it would be—John D. Rockefeller, His Life, A Plan of God.²³

While Gates would function as a never-ending source of ideas for the philanthropies, it is important to credit Rockefeller's own contribution. The same mind that created the Standard Oil empire was actively engaged in building up his charitable empire. As Gates noted, Rockefeller "came to have hardly less pleasure in the organization of his philanthropy than in the efficiency of his business."²⁴ In retirement, he actually gave more time to philanthropy than to investments. While Gates often generated ideas, Rockefeller never hesitated to wield his veto power or force Gates to rethink proposals. Gates had to take account of the many things that Rockefeller had ruled off-limits, such as funding social-welfare agencies. He never had infinite freedom to draw up programs and needed to conform to Rockefeller's wishes. His power, if vast, was circumscribed.

Rockefeller developed such a mystique of infallibility that people assumed his touch was no less unerring in his private investments than at Standard Oil. Whenever it was known that he had bought a stock, exultant investors rushed to join him. Sometimes, Rockefeller contributed to his own myth. "It has always been my rule in business to make everything count," he once told an old friend. "To make every cent something. I never go into an enterprise unless I feel sure it is coming out all right."²⁵

If he ever set eyes on that windy boast, Frederick T. Gates would have

grinned, for he had found Rockefeller's personal finances in a shocking state, run haphazardly without a full-time portfolio manager. The mastermind of Standard Oil had proved to be a passive and easily hoodwinked investor. By 1890, as he banked ten million dollars in annual income, Rockefeller still deferred, with surprising credulity, to advice proffered by supposed friends. He fell particularly under the sway of two fellow congregants from the Fifth Avenue Baptist Church, Colgate Hoyt and Charles Colby. Hoyt often dropped by his house in the morning and accompanied him downtown, touting stocks all the while. Rockefeller reposed implicit faith in these two churchgoers, who induced him to pour millions into ruinous investments in a score of companies. Through their exertions, he acquired an investment empire that he knew solely from misleading figures on a statement. What reconciled Rockefeller to this setup was that he took minority stakes and imagined that his partners were investing equivalent amounts.

As members of the executive committee of the Northern Pacific Railroad when Rockefeller was its major stockholder, Colby and Hoyt avidly pushed investments in timber stands of the Pacific Northwest. They planned to build up the town of Everett, Washington, at the juncture where the Northern Pacific would supposedly establish its major terminus on Puget Sound. As the Great Northern Railroad also neared completion, the whole area was convulsed by a speculative mania. Colby and Hoyt erred, however, in one small but costly matter: The Northern Pacific terminal ended up in Tacoma, not Everett. Meanwhile, blindly following their counsel, Rockefeller had added mines, steel mills, paper mills, railroads, and even a nail factory to his holdings.

Rockefeller's unwonted lack of vigilance owed something to his fragile health during the early 1890s, when he was trying to clear his mind of cares. Sensing that some of his outside investments might not be as sound as advertised, he mentioned to Gates one day that if, on his philanthropic excursions, he happened to be near one of these investments, he might want to scout out the premises. While Rockefeller was already impressed by Gates's resourcefulness, he also knew that with Gates he risked less potential embarrassment than with a professional financial analyst who might broadcast his failures on Wall Street.

Soon after Gates moved to New York in 1891, he was about to embark on a tour of Baptist schools in Alabama when Rockefeller asked if he would inspect an iron furnace he had bought there on an old friend's advice; he said

he was perplexed why it had fallen into a receiver's hands. When Gates filed his report, it was instantly clear that he was no courtier serving up syrupy lies to soothe his sovereign. The entire operation, Gates said bluntly, had nothing to do with iron but was a thinly veiled attempt to boom local real estate; many Baptist ministers had been tricked into buying nearby land that was supposed to appreciate because of its proximity to the iron operation. Rockefeller hid his amazement and contended breezily that he had taken this "little flyer" to help an old friend's son learn the iron business. By way of comparison, Rockefeller alluded to his lucrative iron business in Wisconsin, then allegedly yielding \$1,000 per day. A few months later, he sent the intrepid Gates to take a look.

Gates traveled to Wisconsin and with quiet tenacity began asking questions. He found exactly the same fraud as that perpetrated in Alabama: The iron-works were being used to pump up local real estate and auction off lots at inflated prices. The supposed profits were pure moonshine: Rockefeller was actually *losing* about \$1,000 per day. To anyone who knew Rockefeller, the situation seemed inconceivable: He had made large investments without independently verifying the numbers sent by his friends.

When he appeared at Forest Hill to relay the bad news, Gates knew that the boss could not dismiss \$600,000 in mortgage bonds as a "little flyer," and Rockefeller was visibly upset. As Gates recounted the meeting:

He was deeply agitated and, had I not been able to give him the most positive assurances, would have been incredulous. He kept me with him at Forest Hill until he could get the old friend to his side from Wall Street, who had been mainly instrumental in selling him the bonds. This gentleman denied every one of my allegations, but he could only meet my proofs with protestations and tears of rage and apprehension.²⁶

A few days later, the contrite scoundrel—whether Colby or Hoyt is unclear—returned to Rockefeller, confirmed the truth of Gates's allegations, and agreed to have the mortgage-bond covenants rewritten.

Shaken by this duplicity, Rockefeller sent his sleuth to probe his investment in the San Miguel Consolidated Mines high in the Rocky Mountains. The scheme's promoter had entertained many previous investors who had journeyed westward to tour the site. At once, Gates scented trouble when he quizzed a mining engineer in Denver about the San Miguel properties. "What!" the man shouted. "Do you mean to tell me that John D. Rockefeller

has invested money in that Damned Swindle!!”²⁷ When Gates journeyed to Telluride, he learned that the mines were phantoms and that the company had only abandoned claims.

At this point—it was now late 1892—Gates was still operating at one remove from Rockefeller in a nearby office in the Temple Court; after the San Miguel fiasco, Rockefeller moved him into his office at 26 Broadway. He saw that Gates had a flair for business that surpassed anything he had encountered at Standard Oil. In a stunning display of trust, Rockefeller gave him unrestricted access to his files for all investments outside of Standard Oil. As Gates poked around in this fetid swamp, he was appalled by what he found. “I unearthed some twenty of these sick and dying corporations,” he recalled, “every one of which showed a balance sheet in red ink.”²⁸

As Gates sorted through the failed investments, George Rogers joined the chorus of those urging Rockefeller to institute new oversight procedures for his \$23 million investment portfolio, including \$14 million in railroad securities. Emboldened by Gates’s findings, Rogers suggested creation of an executive committee. Gates would handle investments and benevolent matters; Gates’s Montclair neighbor Starr Murphy would assume legal responsibilities; and Rogers would take care of office matters, each to be paid \$10,000 a year. As Rogers candidly told his chastened boss, “This will seem to you at first as very high but it will be considerable [*sic*] cheaper than being robbed as you have been and even now you are without exact knowledge as to many of the investments in which you have large sums involved.”²⁹ Pointing out the perils of passive investment, he suggested that Rockefeller assign deputies to oversee these companies.

Beyond the shocking misrepresentation of his investments, Rockefeller had another dispiriting discovery in store: Hoyt and Colby had surreptitiously bailed out of the worthless operations and left him holding the bag, often with a majority stake. Even though he terminated relations with this pair, he could not dispose of their sour investments so easily and thought the most prudent course was to buy total control of the companies and turn them around. Holding practically all the stock of thirteen foundering companies, Rockefeller made Gates president of virtually all of them. Overnight, the young minister who had dreaded poverty was running two railroads plus a far-flung group of mines, timber, and manufacturing concerns. Most of these highly speculative investments never panned out.

As if born to rule business empires instead of saving souls, Gates operated with great swagger and panache. While he jettisoned many money-losing enterprises, he developed great affection for the Everett Timber and Investment Company. Touring this terrain each year in a luxurious private railroad car, he bought up for Rockefeller all the forests in sight, a spree that finally netted 50,000 acres in Washington State and another 40,000 on Vancouver Island. Eventually, these timber tracts fetched five or six times their purchase price, compensating Rockefeller for the losses he had sustained in the Pacific Northwest debacle. Gates himself invested in several of the companies he managed for Rockefeller, and in 1902 he cashed in a tidy \$500,000 profit.

In Gates, Rockefeller had found not merely an able investor but a prodigy. In 1917, asked by B. C. Forbes to name the greatest businessman he had ever encountered, Rockefeller startled readers by skipping Flagler and Archbold—not to mention Henry Ford and Andrew Carnegie—and naming Frederick T. Gates. “He combines business skill and philanthropic aptitude to a higher degree than any other man I have ever known,” stated Rockefeller.³⁰ Enough Puritan guilt resided in Gates’s soul that he always stressed his charitable work and deprecated his business exploits. When Adolph Ochs, publisher of *The New York Times*, asked for background information about him in 1912, Gates replied modestly, even evasively, “While I have had intimate relation with Mr. Rockefeller’s private business, that is, his private and personal investments, my interests are and always have been rather in his benevolent work than in his business.”³¹ This would have been news to many on Wall Street who had experienced the temper of this hard-driving, cigar-smoking, flamboyant majordomo of the world’s largest private fortune.

Even though he stayed in the background, the press soon detected the power held by the eccentric, shaggy-haired Gates. “In appearance Mr. Gates is not the ordinary type of financier,” the *New York Daily Tribune* noted. “Everything about him, from the carelessly brushed iron gray hair and cropped moustache to his feet indicate breezy indifference to what others may think about him.”³² Investment houses trifled with him at their peril, for Gates oversaw a securities portfolio of unprecedented size for a private individual. At a time of thin capital markets, he needed to scrounge to find gilt-edged securities to absorb the Rockefeller millions. As if he were a one-man investment bank, Rockefeller participated, under Gates’s supervision, in major stock-and-bond underwriting syndicates alongside the most august Wall

Street houses. While it was not unusual in that era for rich individuals to complete syndicates, the sheer scope of Rockefeller's involvement was something novel.

Even in old age, Rockefeller received stock quotes twice daily and could rattle off the precise number of shares he owned in many stocks. He adhered to several hallowed investing rules. Perhaps the most sacred was that Gates not disturb his Standard Oil stock, the bulk of his fortune. As at Standard Oil, Rockefeller insisted upon keeping a cash balance that never dipped below \$10 million. Since he also had a sizable stake in U.S. government bonds, he felt he could play the market with impunity. A born contrarian, Rockefeller insisted upon buying in declining markets and selling in rising ones. When accumulating a position, he bought stocks each time they declined an eighth of a point; when unwinding a position, he sold each time the stock rose an eighth of a point—a technique that gave him an average over an extended period. Having twice been sued by people for offering incorrect market advice, he refrained from offering stock tips. There was also some genuine humility at work, for Rockefeller admitted that he had no “prophetic vision as would make me try to mislead anybody else . . . by one of my miserable guesses.”³³

Since his aides superintended a royal treasury of securities, he had to implement special security precautions. He laid down an ironclad rule that no employee could invest in stocks or bonds of any company in which he held a major stake, and a minimum of two people had to be present whenever the safe housing his securities was opened. Rockefeller's subordinates seemed more jittery than their phlegmatic boss about dealing with such stupendous sums. Starr Murphy recalled an occasion when the boss asked him and a colleague to bring \$60 million in securities to his Pocantico estate for his personal inspection. With no small dread, the two men drove up to Westchester, totally unguarded. Rockefeller did not show any anxiety about the absence of security and only at the end alluded to the situation by remarking, with deadpan face and humorous drawl, “I suppose that you gentlemen will return to New York together.”³⁴

Efforts to manipulate Rockefeller often backfired after the Colby and Hoyt affair. In 1910, for instance, Rockefeller was vacationing in Augusta, Georgia, when he received a visit in his hotel suite from Henry Clay Frick, who solemnly advised him to buy 50,000 shares of Reading Railroad stock. The moment Frick left, Rockefeller got on the phone and issued orders to liquidate

his block of 47,500 shares; he had the satisfaction of selling the final 2,500 shares at the stock's peak.

Rockefeller grappled with the classic dilemma faced by all large investors: how to buy stocks without pumping them up or sell without dragging them down. As his fame spread, his market moves could set off frenzied stampedes of traders. To forestall this, Rockefeller employed a double set of brokers: a primary broker parceled out orders among dozens of secondary brokers who were ignorant of his identity, thus masking his steps behind a maze of intermediaries. For a long time, he paid double commissions, before he worked out a single-commission arrangement with a broker named Paul D. Langdon. On fin-de-siècle Wall Street, stock pools were both legal and vogueish, and Rockefeller had no ethical qualms about participating in them.

Entering the autumnal phase of his life, Rockefeller preferred sure, steady gains to speculative killings. When one promoter tried to peddle some gold-mining shares, Gates cut him off short. "If you were to say that the vein was pure gold, 24 karats fine, broad, easily workable, and close to a railway, to be had for a song, I doubt if Mr. Rockefeller's attention could be attracted. . . . He has come to a time in life and circumstances in fortune when these things no longer attract his cupidity."³⁵ Rockefeller seldom responded to the countless inventors who trooped to his office hoping to sell patents. It was easier to lend large sums, backed by first-class securities as collateral, than to have investments dispersed among dozens of enterprises. For all his fabled rapacity, Rockefeller was a forgiving lender and, by all accounts, lenient to a fault. "Never have I known Mr. Rockefeller to call a private loan, foreclose a private mortgage, or oppress a debtor," complained Gates.³⁶ Another investment adviser, Henry E. Cooper, concurred: "He was never too hard on people in business; he was too easy."³⁷

To finance sporadic stock-market forays, Rockefeller borrowed huge sums from banks, up to fifteen or twenty million at a time, pledging his government bonds as collateral. This was all a trifle confusing for Junior, who continued to take his father's straitlaced pronouncements against speculative investing at face value. As he moved into middle age, the son even took to lecturing his wayward father, chiding him with his own rhetoric. On the eve of World War I, when Senior's borrowings swelled to nearly \$10 million, Junior reminded him of how he had "frequently given utterance to my belief, that you should never be a borrower, but always long of cash."³⁸

For a long time, Rockefeller resisted efforts to professionalize his investment team, and Gates soldiered on as best he could. In 1897, Charles O. Heydt—later Rockefeller’s expert on real-estate matters—joined the staff, followed a few years later by Bertram Cutler, who helped manage the family investments for the next fifty years. Even with this team in place, the investment operation was still slipshod, and in 1907 Gates told Rockefeller, “I have long thought that it would prove helpful if you could have a man in the office who had before him at all times every day the complete list of your investments and whose business it is to familiarize himself intimately with every one of them—to have his finger, so to speak, on the pulse of every one of them all the time.”³⁹ The following year, Rockefeller finally capitulated and formed a four-member committee, including Gates and Junior, to manage his money.

As with the Rockefeller philanthropies, Gates operated tentatively at first in the wolfish world of Wall Street but was soon very much master of the situation. Before long, he confidently conveyed to Rockefeller his scathing opinions of such globe-straddling moguls as Andrew Carnegie and J. Pierpont Morgan. At the time, the world of high finance revolved around a spirited rivalry between Morgan and Jacob Schiff of Kuhn, Loeb. Convinced that Rockefeller was already controversial enough, Gates tried, whenever possible, to avoid clashes between these two financiers, and he balked at joining boardroom revolts, stock-market squeezes, and other activities that might bring Rockefeller into any further disrepute.

Famished for blue-chip securities, Gates clamored for inclusion in both J. P. Morgan and Company *and* Kuhn, Loeb syndicates, but always believed that he got superior treatment from Kuhn, Loeb. Under the aegis of this house, Rockefeller swallowed huge chunks of railroad issues, including giant stakes in the Southern Pacific, the Union Pacific, and the Pennsylvania Railroads. He also took a large share in loans floated for the Imperial Japanese government in 1904–1905 during the Russo-Japanese War and for the Chinese government in 1911. He contributed to Kuhn, Loeb’s consolidation of the Chicago meatpackers, led by Armour and Swift, helping to foster another trust. Constantly on the prowl for good securities, he sometimes bought from Kuhn, Loeb just to maintain harmonious relations.

Gates and his minions smarted at the high-handed treatment they received from J. P. Morgan and Company, where they were routinely assigned small portions of mediocre issues—curious treatment for the world’s richest

investor. In the early 1900s, Rockefeller found himself with disconcerting frequency involved in Morgan's biggest blunders, including the Chicago Street Railway that he financed for the magnate Charles Yerkes and the International Mercantile Marine, Morgan's abortive effort to forge a North Atlantic shipping cartel. For Rockefeller, this was not happenstance but reflected Morgan's settled antipathy. Bruised by these bad investments, Rockefeller told his son in 1911, "In future, when investments are offered us by this house, we will be of one mind, I think, in accepting nothing which we do not all agree is very desirable for us to have."⁴⁰ After J. P. Morgan, Sr., died in 1913, Rockefeller told his advisers to keep up cordial relations with the Morgan bank while tartly reminding them that "we have had sufficient experience with the House of Morgan & Company in the role of 'pack horses' for their poor investments."⁴¹

In spite of his phalanx of able advisers, Rockefeller had a very uneven record as an investor. Among his triumphs, he extended a six-million-dollar loan to the fledgling General Motors in 1906—about \$98 million today—taking notes for his cash. When the notes were paid off, Rockefeller took payment in General Motors shares, which then obligingly soared from 200 to 1,500. He also fared well as the premier investor in Consolidation Coal and the B&O Railroad. Yet Rockefeller could stumble abysmally, as evidenced by his mystifying relationship with George Gould. When Jay Gould, who had memorably looted the Erie Railroad, died in late 1892, leaving an estate of more than \$100 million, his twenty-eight-year-old spendthrift son George inherited his investments. He proved an unlikely business partner for Rockefeller. Where Rockefeller frowned upon the expense of private railroad cars, George Gould owned an entire train and savored the patrician pleasures of fencing, hunting, yachting, and polo. The New York tabloids also delighted in reporting upon his racy relations with women. Whatever his misgivings about George's philandering, Rockefeller was attracted by the Missouri Pacific and other western railroads that Gould wanted to weld into a transcontinental empire. In 1902, Rockefeller took giant portions of a Missouri Pacific stock offering, and before long he had buried \$40 million in this graveyard, as much as George Gould himself had.

Troubles soon developed. In 1906, irate over Gould's profligate spending and failure to consult him, Rockefeller had his son withdraw from the Missouri Pacific board. By 1909, Rockefeller felt so abominably treated by Gould that he refused further cooperation unless his representatives controlled the board. As the price of rescuing the Missouri Pacific, Jacob Schiff of

Kuhn, Loeb likewise insisted upon heavy board representation. When Gould finally resigned the presidency, he installed a crony in his stead, leading Gates to declare it high time to terminate relations with “the mad failed Gould.”⁴² In 1912, Rockefeller unloaded his holdings in the Missouri Pacific stock, ending the misadventure.

Starting in the late 1890s, newspapers published sensational accounts of a shadowy cabal known on Wall Street as the “Standard Oil Crowd.” As diarist Henry Clews recorded, “A new order had come, due to the most powerful influence that had ever manifested itself in Wall Street. This influence was very largely composed of the Standard Oil combination, who introduced in their Wall Street operations the same quiet, unostentatious, but resistless measures that they had always employed in the conduct of their corporate affairs.”⁴³ It was popularly assumed that John D. Rockefeller masterminded these diabolical exploits and was determined to digest Wall Street itself. “It has been said that I control all the banks, all the trust companies, all the insurance companies, even all the railroads in the United States,” a chagrined Rockefeller told one reporter in 1906. “Will you believe me when I say that I do not own a controlling interest in any bank, trust company or insurance company?”⁴⁴

Rockefeller dabbled in stocks more than he admitted, but he was largely a passive investor and remained as leery of Wall Street as any cracker-barrel Populist. Once pressed for investment advice, he retorted, “I suppose if I were to give advice it would be to keep out of Wall Street.”⁴⁵ When he bought a seat on the New York Stock Exchange in 1883, he made an obligatory appearance before the admissions committee, then avoided the exchange for the next fiftyfour years. He proudly pointed out that, during his tenure, Standard Oil was never listed on the exchange and that management’s attention was “directed to the administration of the business rather than to the stock gambling.”⁴⁶ Although he never issued a public refutation, Rockefeller played no part in the Standard Oil crowd and cringed at the exploits of its three mainstays: Henry H. Rogers, James Stillman, and his own brother William. Rogers and William paid for their speculations with Standard Oil checks, a practice that always riled John D.

While John always professed warm friendship for his brother, their values had radically diverged over the years as William became a typical grandee of the Gilded Age and plunged lustily into a world of fashionable clubs and

resorts. Having sold much of his Standard Oil stock to his brother, William was not nearly as rich as John, but he was still one of the six major recipients of Standard Oil stock and was often listed among the ten richest Americans. A connoisseur of the good life, he loved cocktails, gambling, fast-trotting horses, hunting, fishing, opera, theater, and yachts. His Fifth Avenue mansion faced Alva Vanderbilt's French limestone chateau, and he frequented her costume balls. His weekend house, Rockwood Hall, a vast pile of towers and turrets with 204 rooms and gardens landscaped by Frederick Law Olmsted, loomed over the Hudson River. He also had a rugged Adirondack estate of several thousand acres. In 1888, along with such moguls as J. P. Morgan, William K. Vanderbilt, and Cyrus McCormick, William founded the Jekyll Island Club—the posh resort of the “One Hundred Millionaires”—on an island off the Georgia coast that soon boasted roads with names such as Morgan Road and Rockefeller Path. In his later years, William traded in his Baptist upbringing for a more epicurean life. “I used to be very much interested in the church,” he told a friend in later years, “but I haven't attended for many a day.”⁴⁷ Unlike John, William gave little to charity and turned a deaf ear to John's entreaties to contribute to the University of Chicago. At one point, when pressing William to help build a church, John needled him by saying: “Paintings are good, this would be better.”⁴⁸ William was more jaundiced than John was about the motives of people who solicited his money.

It was in their stock-market operations that the two brothers differed most — so much so that John stayed aloof from enterprises in which William was involved. In declining a proposed investment, John simply told his financial staff, “No, that is William's,” and that ended all discussion.⁴⁹ As a denizen of Wall Street, William was often found in his downtown office, puffing on a cigar and glancing at a stock ticker by the window. Besides being president of Standard Oil of New York, he was a director of forty companies, including railroads, banks, and copper mines, plus steamship, gas, and water companies. What irked John was that William engaged in stock promotions and market raids and other activities that he equated with gambling and manipulation. It might have been friction over this issue that caused their relationship to cool in the late 1890s. In 1897, John omitted William's name alone from a list of top Standard Oil executives slated to receive large salary increases, prompting this plaintive protest from Flagler:

I wish you would include Will—from a purely business standpoint. I think he

is worth as much as the younger of “the three others” and I doubt if you realize what a reflection upon him it would seem to be left out. The last day of this month will round out thirty years since I joined you and Will in business. Do not let us at this late day do anything that will have the appearance even of unkindness. I think I know Will’s personal feeling for you better than you do—it is far more kindly than you imagine. ⁵⁰

John held back from William’s stock-market deals in part because he associated them with James Stillman, who on the strength of his Standard Oil connections and his friendship with William had converted National City Bank into New York’s largest bank. “I like William,” said Stillman, a darkly elegant, taciturn man, “because we don’t have to talk. Often we sit fifteen minutes in silence before one of us breaks it!” ⁵¹ They were an oddly matched pair, William good-natured and easygoing, Stillman an icy individual who played his cards close to the vest. One of Stillman’s descendants left this description of him: “Stern, brooding, forever silent except when dropping sardonic remarks, he was known on Wall Street as ‘the man with the iron mask.’” ⁵² At one point, Stillman feuded with his wife and banished her forever from the house, forbidding his five children from mentioning her name. The rapport between James Stillman and William Rockefeller was transferred to their children. Stillman’s daughters, Elsie and Isabel, married William’s sons, William G. and Percy, breeding a line of Stillman Rockefellers who would be central figures in the subsequent history of National City Bank, today’s Citicorp.

Many contemporary critics assumed that John D. formed an investing triumvirate with his brother and Stillman; in fact, he had serious reservations about Stillman’s character and regretted his friendship with William. Evidently, Stillman repaid the compliment. One day, he dropped by 26 Broadway to visit William, strolled over to Junior’s desk, and proceeded to make derogatory comments about Senior. At once, Junior rose stiffly to his feet, spluttering, “Mr. Stillman, you can say those things to my father but you can’t say them to his son. Good day.” ⁵³

In spite of their uneasy relationship, Stillman invited Junior to become a National City Bank director in 1901. Junior was tempted to accept but feared that Stillman’s rival J. P. Morgan might retaliate by excluding his father from underwriting syndicates. Senior was more concerned that the appointment might lend credence to the bothersome canard that he held a major stake in

National City Bank. If Junior took the position, Senior warned him, it “might seem to indicate a closer relation in that quarter than really exists, or would be wise for us to publish to the world.”⁵⁴ For once defying his father’s wishes, Junior joined the National City Bank board; Senior, relenting, bought ten thousand shares of the bank’s stock. As it turned out, Junior resigned from the bank board the following year, finding some of its practices questionable.

The significance of Senior’s stake in National City Bank should not be overstated. A 1906 statement of his holdings shows that he had \$415,000 invested in the bank as opposed to \$375,000 in the First National Bank—controlled by Morgan’s crony George F. Baker—while his largest bank holding was \$1.4 million in New York Trust, dominated by the Harkness family. He also bought a substantial stake in Bankers Trust when it was started in 1903. In general, Rockefeller deliberately avoided National City Bank and the Standard Oil crowd, but he chose never to make that public and thought it unconscionably craven that William, Stillman, and Henry Rogers failed to disabuse the press. Once asked privately about Stillman’s bank, he replied dryly, “It is called, I am told, the Rockefeller institution. But I don’t control it. I have perhaps \$300,000 of its stock, and its capital is \$200,000,000. . . . I have never been in the building in my life. Why, I declare I don’t even know where it is located.”⁵⁵

Rockefeller did acquire a major interest in one bank. After the Armstrong investigation of 1905 exposed massive double-dealing between insurance companies and their bankers, reform legislation was enacted in 1911 that forced the Equitable Life Assurance Company to spin off its subsidiary, the Equitable Trust Company. Seizing this chance, Rockefeller, George Gould, and Kuhn, Loeb took control, with Rockefeller the principal shareholder. Rockefeller hoped to participate in the bank’s lucrative financial operations and soon urged all companies within the Standard Oil universe to switch their accounts to the bank. Profiting from the Rockefeller tie, the Equitable Trust became within a decade America’s eighth-largest bank. The move was fraught with significance for the Rockefellers, for the bank was to merge with the Chase Bank following the 1929 crash; the resulting institution would be the fortress of Rockefeller-family finance. If the descendants of William Rockefeller were identified with National City, the progeny of John D. were always associated with Chase.

Of the three principals in the Standard Oil crowd—Rogers, Stillman, and William Rockefeller—it was Henry H. Rogers who most entranced the public.

In the pantheon of Standard directors, nobody save John D. himself achieved wider fame. There was something lithe and lethal, charming and fierce, about Rogers that made him a magnetic figure even to those he repelled. At Standard Oil, they affectionately dubbed him the “Savage Old Tiger,” while Wall Street, taking his initials, christened him Hell Hound Rogers. He was a handsome and athletic man, with a theatrical mustache, a sharp gaze, and a swashbuckling aura.

Rogers had a chameleon personality. He could be sensitive and generous one moment, a pitiless foe the next. In Manhattan clubs and drawing rooms, he charmed companions, relating hilarious stories and playing a wicked game of poker. He was also very charitable: He helped Colonel Edwin Drake’s impoverished widow and also built a school, library, church, parish house, and masonic hall in his hometown of Fairhaven, Massachusetts. “He looked at you and he owned you,” said one Standard Oil colleague, fascinated by his kaleidoscopic moods. “He was affable unless you tramped on his little toe. He was a man of the fiercest likes and dislikes that I ever knew in the business.”⁵⁶ “His expression could transform itself totally while he blinked his eyes,” a reporter wrote in the *Evening Post*. “His voice could travel through the scale of vindictiveness, indifference, politeness, affability and friendliness in a single sentence.”⁵⁷

Rogers’s journey from an impecunious boyhood to the summit of Wall Street affluence was startling. A sea captain’s son, he spent his adolescence clerking in a grocery store, hawking newspapers, and working on a railroad before setting off with a friend to operate a small refinery outside Oil City. Through a mutual friend, he was introduced to Charles Pratt, who bought his operation and ushered him into the Standard Oil fold. Had he stuck to oil, Rogers would have fared far better in his relations with Rockefeller, who thought he divided both his time and loyalty. From his elegant mahogany office, decorated with small bronze bulls and bears, Rogers hatched deals by the dozen, forcing reporters to work full-time to track his machinations. At one point, he became the veritable czar of Staten Island, controlling its trolleys, railroads, ferries, and electric and gas companies. In 1884, he and William Rockefeller formed the Consolidated Gas Company to provide gas to Brooklyn, and he also vied with J. Edward Addicks for control of Boston gas.

With his executive flair, Rogers thought he was the ideal candidate to succeed Rockefeller and he was elevated to vice president of the trust in 1890. He therefore bristled when Archbold was tapped for the top spot. The

decision was partly a question of style. Rockefeller was irked by Rogers's gambling and profanity, his strutting in public and mingling with high society. Rockefeller also favored Archbold because he was wedded to Standard Oil business, whereas Rogers was often distracted by other interests. Rogers sometimes bullied Standard Oil subordinates to starve his gas competitors of needed oil, even if this hurt Standard profits—a cardinal sin in Rockefeller's view.

The flash point in the feud between Rockefeller and Rogers came in 1899 when James Stillman, William Rockefeller, and Rogers acquired secret control of Anaconda Copper of Butte, Montana, a mining venture formerly owned by Senator George Hearst. They made the purchase with a \$39 million loan from National City Bank. They then turned around, restyled the new holding company Amalgamated Copper, and fobbed it off on a gullible public for \$75 million, retiring the \$39 million loan and pocketing a \$36 million profit. Rockefeller was incensed by the issuance of so much watered stock, which gave him a chance to feel self-righteous when his own virtue was under attack. The new company was floated by Stillman and National City Bank, and both William and Rogers exploited their Standard Oil connections to stoke a speculative fever.

To execute this deal, Rogers made the mistake of inviting a sharp-eyed Boston stockbroker named Thomas W. Lawson into the project. Starting in July 1904, Lawson published a tell-all account in *Everybody's* magazine that was later collected into a classic volume entitled *Frenzied Finance*. The most melodramatic potboiler in American financial history, the book opened with this histrionic dedication: "TO PENITENCE: that those whose deviltry is exposed within its pages may see in a true light the wrongs they have wrought—and repent."⁵⁸ Describing himself as a mere "neophyte in crime," Lawson gave his exposé a confessional note: "I have unwittingly been made the instrument by which thousands upon thousands of investors in America and Europe have been plundered."⁵⁹

The gist of his indictment was that the public paid two-thirds of the purchase price for Amalgamated Copper while Rogers and his comrades took two-thirds of the stock. At the time, Lawson noted, Standard Oil was considered "the greatest power in the land," and its supposed involvement had stimulated a buying mania.⁶⁰ At the subscription deadline on May 4, 1899, mobs had formed outside National City Bank, and four burly policemen had to shut the doors against these disappointed investors. With the offering five

times oversubscribed, Rogers handed out preferred allotments to favored politicians. Rogers and William Rockefeller had lured investors with the promise of their own involvement, but they dumped stock soon after it was issued. Lawson's character sketches were as memorable as his revelations about the syndicate's methods. Oddly, he expressed affection for William Rockefeller, whom he portrayed as solid, laconic, and far more trustworthy than Rogers. In Henry Rogers, he found his true protagonist, a mutable man of violent extremes, an actor of genius who got lost in the many roles he shuffled:

*Yet away from the intoxicating spell of dollar-making this remarkable man is one of the most charming and lovable human beings I have ever encountered, a man whom any man or woman would be proud to have for a brother. . . . Once he passes under the baleful influence of "The Machine," however, he becomes a relentless, ravenous creature, pitiless as a shark, knowing no law of God or man in the execution of his purpose.*⁶¹

By liberally splashing the names *Rockefeller* and *Standard Oil* across his pages, Lawson made it seem as if John D. had formed a conspiratorial trio with Rogers and William. At one point, he said more truthfully, "It was the first venture of size these two strong wheelmen [Rogers and William] of 'Standard Oil' had undertaken without the cooperation of John D. Rockefeller, and it appeared that he was considerably worked up over the public hubbub, and so opposed to the whole Amalgamated affair that nothing short of a great success could justify his subordinates' temerity."⁶² In a footnote, Lawson further conceded that Rockefeller never put a dime into the Amalgamated flotation. Nevertheless, the general public came away with the impression that John D. was pulling the strings.

At one point, Lawson quoted Rogers's views on the merits of cartels versus competition: "No man has done his business properly who has missed a single dollar he could have secured in the doing of it. . . . It is one of the first principles Mr. Rockefeller taught me; it is one he has inculcated in every 'Standard Oil' man, until today it is a religion with us all."⁶³ While Rogers was talking in general terms, it again left the impression that John D. lurked somewhere behind the copper trust.

Had he not been unfairly implicated, Rockefeller might have enjoyed the rebuke delivered to Rogers. When the Lawson series began, Junior rushed him a copy, declaring, "I think you will be well repaid for reading this article,

although it seems to be written in a bitter, vituperative, sensational manner.”⁶⁴ Any such satisfaction, however, paled before the sense that he had been unjustly slandered. “They said I owned copper stock—that Boston man said it— when as a matter of fact it belonged to my partners and I had nothing to do with it,” he was still seething years later. “It was not pleasant to sit still and take all the abuse and not hear one word of explanation from them.”⁶⁵ Rockefeller suffered in silence, knowing that if he spoke up he would have to repudiate his brother. After the Lawson series, John D. and Rogers saw each other only twice during the next five years.

In early 1907, Rockefeller took revenge against Rogers at a meeting of Standard Oil’s board of directors. After investing millions of his own money in the Virginia Railway, a coal-carrying railroad in Virginia, Rogers could no longer carry the debt and sought relief from Standard Oil. Spying his chance to cut Rogers down to size, Rockefeller told his partners, “Gentlemen, we should not as an organization become involved in other corporations or side issues. We are making money and success as an oil corporation and we should confine our efforts to Standard alone.” When a vote was taken, Rockefeller prevailed, and Rogers grew so enraged that he slammed his fist on the table, threatening to sell every share of Standard Oil stock he owned. To this, Rockefeller placidly replied, “What is your price?” When Rogers named it, Rockefeller rejoined, “I will meet you here with a certified check tomorrow at 10.” The next day, in an incalculable blunder, Rogers handed over his block of Standard Oil stock to Rockefeller, surrendering in a moment of pique a vast fortune in future dividends and appreciation.⁶⁶ As we shall see shortly, Rockefeller might have had more than the Lawson series on his mind, for he thought that Rogers had played a treacherous trick on him by meeting with Ida Tarbell.

Posterity has received another portrait of Henry H. Rogers, and, given the power of the pen that drew it, it has been an imperishable one. Something of a literary man, Rogers had long admired Mark Twain and read his books aloud to his children. “If I ever meet that man,” he once commented, “I’d like to do something for him.”⁶⁷ He thus responded with alacrity in 1893 when Twain’s friend Clarence Rice asked if Rogers would meet the author at the Murray Hill Hotel to discuss the bankruptcy of Twain’s publishing house, which was staggering under heavy debts. The two men, who had met on a yacht two years before, were both legendary raconteurs and wits and developed an instant rapport. Rogers decided to mount a rescue effort and the next morning

wrote out a check for eight thousand dollars. Taking Twain's finances in hand, he kept Twain's creditors at bay and rallied his spirits, inviting him along with Archbold to prizefights at the New York Athletic Club. With canny foresight, Rogers insisted that Twain retain all his copyrights, "a service which saved me and my family from want and assured us permanent comfort and prosperity," Twain said later.⁶⁸ Under Rogers's tutelage, Twain invested his royalties wisely and paid off his debts. Awash with gratitude, Twain refused to publish Henry Demarest Lloyd's *Wealth Against Commonwealth*.

A friend of infinite tact, Rogers endeared himself to Twain as much by the manner as the substance of what he did. "By no sign, no hint, no word did he ever betray any consciousness that I was under obligations to him," Twain wrote. "I have never been so great as that, and I have not known another who was."⁶⁹ Their friendship survived Twain's financial crisis, and Rogers later negotiated lucrative book contracts for Twain, who became a frequent guest aboard Rogers's steam yacht, the *Kanawha*. (During one cruise, Twain composed his sketch "The Loaves and the Fishes," in which he argued that the true miracle of the biblical story was not the multiplication of bread and fishes but that twelve disciples served five thousand people and lived to tell the tale.) When Rogers was devastated by Lawson's vitriolic portrait in *Frenzied Finance*, Twain supplied favorable anecdotes about him for a profile in *The World's Work*, a magazine published by Frank Doubleday. For Rogers, Twain reserved his highest encomium: "He is not only the best friend I have ever had, but is the best man I have known."⁷⁰

A frequent visitor to 26 Broadway, Twain loved to smoke cigars, read, and lounge on the sofa in Rogers's office while his friend entertained a steady stream of visitors. He had no concerns about Rogers's reputation. "He's a pirate all right," Twain said, "but he owns up to it and enjoys being a pirate. That's the reason I like him."⁷¹ For a time, Twain turned 26 Broadway into his downtown clubhouse and sometimes lunched with Junior. "I got down here to the Standard Oil in time for late luncheon with young Rockefeller—it is the best homemade table in the North," Twain once told his wife.⁷² He formed a favorable opinion of Junior as "a plain, simple, earnest, sincere, honest, well-meaning, commonplace person, destitute of originality or any suggestion of it."⁷³ A defender to the end, Twain later blamed the muckrakers and Teddy Roosevelt for Standard Oil's infamy. That the trust had scarcely had a strike in more than four decades proved to him that "the Standard Oil chiefs cannot be altogether bad or they would oppress their sixty-five

thousand employees from habit and instinct, if they are so constituted that it is instinctive with them to oppress everybody else.”⁷⁴

Another perceptive author developed intense affection for Rogers. In 1896, the sixteen-year-old Helen Keller, who was blind and deaf, met him and Twain at a gathering to raise money for her future education. Even before the meeting, Twain laid the groundwork, telling Mrs. Rogers, “It won’t do for America to allow this marvelous child to retire from her studies because of poverty.”⁷⁵ Rogers paid for much of Helen Keller’s education at Radcliffe College, which she gratefully acknowledged. “That I haven’t missed my small part of usefulness in the world, I owe to Mr. Clemens and Mr. Rogers,” she wrote.⁷⁶ After graduating cum laude, Helen stayed in touch with Rogers and poignantly dedicated her book *The World I Live In* to “My Dear Friend of Many Years.”⁷⁷ Before he died, Rogers established an annuity that gave her lifelong security. Helen Keller’s teacher, Anne Sullivan, later revealed that “Mr. Rockefeller [Junior] and his father have been interested in Helen most of her life.”⁷⁸ Unlike the help from Rogers, the Rockefeller money was given anonymously.

In the 1890s, Rockefeller stumbled, almost by accident, into owning most of the iron ore on the Mesabi Range, the last business project that he executed on a monumental scale.

This legendary investment began as another blunder bequeathed by his bumbling former advisers, Colby and Hoyt. When Gates first examined the iron-ore properties the two had bought in Cuba, Michigan, and Wisconsin, he thought they were worthless holes. Colby and Hoyt had, however, unearthed one promising entity: the Minnesota Iron Company. Gates was impressed on a westward journey by the potential of the Mesabi Range, which contained a broad band of iron ore laid across a 120-mile strip in northern Minnesota. Though it held out hope of being the richest such vein ever found in North America, its commercial utility had not been demonstrated. Unlike hard rock dug from underground mines and fed into blast furnaces, the Mesabi ore was fine, powdery stuff that either clogged furnaces or blew out their chimneys, scattering dust across the countryside. On the other hand, it lay close to the surface and in such abundance that it could be scooped out by steam shovels at a fraction of the expense of underground mines.

Among the pioneers in Mesabi ore were the backwoods Merritt family.

These so-called seven men of iron—four brothers and three nephews—borrowed recklessly, snapped up tremendous tracts of land, then launched construction of a railroad to carry the ore to Lake Superior. When the 1893 panic savaged iron prices, however, they faced a severe cash squeeze. The atmosphere in Duluth grew incendiary as workers with drawn pistols forced their way into the office of the Merritts' railroad to demand payment of overdue wages.

In rescuing the Merritts, Rockefeller reenacted his old pattern of swooping down, fortified with cash, on distressed properties and seizing a commanding position. As with the malodorous Lima oil, he wagered that the Mesabi ore would someday be of value—even as Andrew Carnegie and his experts gleefully scoffed at this preposterous idea. As Carnegie's right-hand man, Charles Schwab, said of these naysayers, "They couldn't understand how [Rockefeller], without knowledge of the iron business, could invest money in ores that were useless—at least for a long time to come."⁷⁹ To which Rockefeller retorted tersely, "It was a surprise to me that the great iron and steel manufacturers did not place what seemed to be an adequate value on these mines."⁸⁰ He believed that, like the early days in oil, the steel industry was on the verge of overproduction and would soon fall prey to suicidal competition unless stabilized by strong owners. An expert in the strategic importance of transportation, he avidly eyed the extensive rail and dock facilities controlled by the Merritts.

When Rockefeller advanced money to the Merritts in the panic summer of 1893, he was one of the few people who could have saved them. Naively, he expected to disburse a modest \$100,000, and he never imagined that the Mesabi project would tax his colossal resources and consume eight years of his time. In exchange for his investment, Rockefeller negotiated a deal with the Merritts to set up a holding company, the Lake Superior Consolidated Iron Mines, which would combine the Merritts' rail and mining assets and the rather mediocre mining properties cobbled together by Colby and Hoyt. The idea was that the Merritts would run the company and employ Rockefeller's cash infusion to finish the stalled railroad. At first, Rockefeller owned only a fifth of the stock, but he exercised final control through his first mortgage bonds, which enjoyed a lien on the entire company in the event of a default.

Given their intertwined fates, it seems odd that Rockefeller met the head of the Minnesota family, Leonidas Merritt, on only a single occasion and then briefly in June 1893. Gates tried to shield Rockefeller from such contacts, but

Merritt warmly insisted that he wished to shake his savior's hand. When they met at 26 Broadway, the meeting lasted five minutes, and Rockefeller was the pattern of affability. He touted the virtues of the Mesabi venture then turned to the Minnesota weather. After a few more pleasantries, he politely excused himself and never saw any of the Merritts again. Afterward, Gates made it clear that his boss would now withdraw behind his customary screen. "In talking to me," he told Leonidas Merritt, "you are talking to Mr. Rockefeller."⁸¹ Even by his own extremely reclusive standards, Rockefeller was remarkably aloof during his eight-year fling in the iron business. Though he became chief landlord of the Mesabi Range, he set foot on its slopes only once and that was long after he had disposed of his properties.

In the autumn, Rockefeller's goodwill toward the Merritts ebbed. As their notes matured, they frantically pressed Gates for cash, and Rockefeller reluctantly obliged them with loans. Gates matured as a businessman during this crisis, and Rockefeller bestowed exceptional authority on him. When Gates visited Duluth in September, Rockefeller confided to Cettie, "[Gates] reports progress daily, and has one hundred thousand dollars in his pocket to use at his discretion."⁸² By October, the initial loan had burgeoned to nearly \$2 million, with no guarantee that the Mesabi ore would ever demonstrate commercial value. It all seemed a gamble gone hideously wrong. Pacing the Forest Hill porches, Rockefeller later remembered the harrowing, sometimes daily emergencies forced upon him by the uncouth Merritts, who kept their securities stuffed in their pockets: "I had to loan my personal securities to raise money, and finally we were compelled to supply a great deal of actual cash, and to get it we were obliged to go into the then greatly upset money market and buy currency at a high premium and ship west by express to pay the laborers and the railroad and to keep them alive."⁸³

In early 1894, still burdened by debt, the Merritts were forced to offer Rockefeller ninety thousand shares of Consolidated stock at ten dollars a share. As with Standard Oil, Rockefeller kept adding to his Consolidated holdings, the ten-dollar price being on a par with his other purchases at the time; the Merritts, though, vociferously claimed they had been swindled. A year later, they had to forfeit to Rockefeller an option on another 55,000 shares of Consolidated stock, surrendering to him complete control of the company. With fullthroated passion, Gates urged Rockefeller to expand his investment. "It is, in my opinion, the opportunity of a lifetime, one of those opportunities, the seizing or failing to seize, which marks the difference

between success and failure in life.”⁸⁴

During the next few years, as steelmakers found ways to adapt their furnaces to the bargain-priced Mesabi ore, Consolidated stock rose to stratospheric heights. In a paroxysm of frustrated rage, the Merritts demonized the man they had earlier heralded as their savior. In a rancorous suit filed against Rockefeller in federal circuit court in Duluth, they portrayed themselves as innocent lumberjacks fleeced by the eastern mogul. Fearing a biased local jury, Rockefeller retained a Minnesota newspaperman to counteract local hostility toward him and even stepped up his Baptist-missionary donations in the state. As Rockefeller feared, the Duluth jury reached a verdict in favor of the Merritts, though it was overturned on appeal. The whole feud was finally settled out of court: Rockefeller paid \$525,000 to the Merritts, who publicly retracted their charges. Of this settlement, Rockefeller commented sarcastically, “We settled, paid money, rather than submit to larger robbery by the twelve just and good men, as we could not get to a higher court.”⁸⁵ Stung by the controversy, Gates was still defending his behavior almost twenty years later in a short polemical pamphlet, *The Truth About Mr. Rockefeller and the Merritts*, which he mailed out gratis to ten thousand people.

While Rockefeller and Gates were irked by the Merritts’ ingratitude, they were not entirely blameless. The Merritts alleged that Rockefeller had inflated the value of the mining properties he contributed to Consolidated, a charge that seems substantiated by Gates’s own papers. In early 1893, he had written two letters to Frank Rockefeller, expressing shock at the high prices Colby and Hoyt had paid for the mines. He summed up their value as follows: “Whatever induced Colby Hoyt & Co. to form syndicates to pay such enormous figures for these worthless properties, I cannot understand. I mean to keep pegging along at it from time to time until the whole thing comes out.”⁸⁶

Having acquired several million tons of iron ore and a railroad to cart it off, Rockefeller was now stymied by a group of Lake Superior shippers who would lease him vessels only at extortionate rates. To end the deadlock, Rockefeller again recruited a talented man from the enemy ranks, Samuel Mather of Cleveland, a son-in-law of Amasa Stone. On one of those historic occasions when the curtain parted fleetingly to reveal the wizard working the levers, Rockefeller held a cordial, ten-minute, predinner chat with Mather at West Fifty-fourth Street. The visitor left with a three-million-dollar order to

build twelve ore-carrying ships, steel monsters that would surpass in size anything ever floated on the Great Lakes. After shaking hands with Rockefeller, Mather never saw him again.

Given the large number of ships that he had to build, Mather figured that the shipyards would gang up and gouge him, so he pretended that he needed only one or two. After the contractors submitted their bids, they were stunned to discover that they all had contracts. The operation of this fleet required another engineering feat: the creation of specially constructed docks on Lake Superior with long railroad trestles extending hundreds of feet into the water. As the lake's shipping cartel watched in consternation, the Rockefeller operation began to load ore at the stupefying rate of ten thousand tons every six hours. Where the schooners had charged \$4.20 a ton, Rockefeller's operators carried their mineral cargo at a cost of 80 cents a ton.

When Mather declined to manage the fleet, Rockefeller asked Gates to suggest an experienced firm to pilot the ships. "No," said Gates, increasingly showing flashes of a quirky independence, "I do not know of any firm to suggest at the moment, but why not run them ourselves?" Taken aback, Rockefeller replied, "You don't know anything about ships, do you?" Gates confessed not but nominated his uncle LaMont Montgomery Bowers as a candidate. "He lives up the state, and never was on a ship in his life. He probably wouldn't know the bow from the stern, or a sea-anchor from an umbrella, but he has good sense, he is honest, enterprising, keen, and thrifty."⁸⁷ Having often hired people based on general ability, not specific skills—Gates himself being a prime example—Rockefeller acceded to the choice.

Bald and well-tailored, Bowers had an extensive business résumé, ranging from selling soap to running a real-estate agency in Omaha to selling groceries in upstate New York. Much to Rockefeller's delight, he not only ably commanded but considerably expanded the fleet. Mostly under the aegis of the Cleveland-based Bessemer Steamship Company, Rockefeller acquired fifty-six steel vessels, the largest fleet on the Great Lakes and the world's biggest assemblage of ore carriers. His position in lake shipping was so unassailable that he could dictate rates on Lake Superior, much as they had been dictated to him a few years earlier—a situation that galvanized Andrew Carnegie into organizing the competing Pittsburgh Steamship Company.

Tutored by Gates in the eccentric ways of Mr. Rockefeller, Bowers was told

that he must not, under any circumstances, communicate with the boss. Rockefeller never saw the vast majority of ships in his armada. One day, however, Rockefeller dropped by unexpectedly to consult him on a shipping matter, prompting a humorous exchange. “You are making me break the orders I have from your own office, Mr. Rockefeller,” Bowers reminded him. “Oh, Mr. Bowers, I am getting along in years,” Rockefeller replied in his droll, midwestern manner. “I think I may really be allowed a little liberty by my office!”⁸⁸ Bowers’s success in managing the fleet was perhaps unfortunate, for it led directly to his later assignment to a Rockefeller-controlled mining venture in the Rocky Mountains called Colorado Fuel and Iron, where he would bring lasting disgrace to the Rockefeller name.

Rockefeller’s success on the Mesabi Range precipitated a clash between America’s two wealthiest individuals, John D. Rockefeller and Andrew Carnegie. In their approach to business, the two men had often mirrored each other, stressing attention to detail, ruthlessly slashing costs, and keeping dividends low. Both had struggled with their own unacknowledged avarice, pioneered in philanthropy, and prided themselves on being friends of the working man. Yet they never seemed to get along. Each Christmas, they perfunctorily exchanged gifts, Rockefeller giving Carnegie a paper vest, while Carnegie sent the teetotaler excellent whiskey. In letters to his colleagues, Carnegie often struck a jeering tone toward Rockefeller, refusing to concede his business acumen, and he suffered under the misapprehension that Rockefeller had conspired with Standard Oil colleagues in the Mesabi venture. Upon first hearing of his pact with the Merritts, Carnegie lectured his steel-company board, “Remember Rockafellows [*sic*] & Porter will own the [railroad] and that’s like owning the pipe lines—Producers will not have much of a show. . . . I don’t think Standard people will succeed in making ore a monopoly like oil, they have failed in every new venture and Rockefeller’s reputation now is one of the poorest investors in the world.”⁸⁹

Much too patronizing toward Rockefeller, Carnegie had seriously misjudged developments in the ore business. Having moved decisively to control coke and coal supplies, he assumed that ore would always remain cheap and plentiful and flatly told colleagues that their “brilliant and talented young partners” should stay clear of that business.⁹⁰ When a colorful Pittsburgh promoter, Henry Oliver, tried to interest Carnegie in a joint venture with the Merritts, he responded with a tongue-lashing: “If there is any department of business which offers no inducement, it is ore.”⁹¹ Luckily,

Carnegie's subordinates overruled him and took a stake in the Mesabi ore. As a result, Carnegie Steel was not entirely excluded from the rush to secure properties in northern Minnesota.

Having failed to move aggressively, Carnegie looked on impotently as Rockefeller applied to iron ore lessons he had learned in oil, such as controlling an industry through transportation and demoralizing competitors with prices too low for them to match. Two industry trends finally compelled Carnegie to broker a deal with Rockefeller. As mergers consolidated the steel industry, it became essential to pin down sure sources of supply. And as new furnaces were equipped to use the dirt-cheap Mesabi ore, it developed into the industry standard. By 1896, the press buzzed with speculation that Rockefeller would build a huge steel mill in Cleveland or south Chicago, forge a steel trust on the Standard Oil model, and go head-to-head with Andrew Carnegie. Meanwhile, Rockefeller poured another nineteen million dollars into the Mesabi Range to buttress his railroad and shipping operations.

It vexed Carnegie that Rockefeller, an oilman, had possessed such superior foresight in the iron-ore business. In his private correspondence, he vented his frustration in petty digs, referring to him derisively as Rockafellow and later on as Wreckafellow. In December 1896, a humbled Carnegie at last consented to a sweeping deal. He promised to consume the entire output of Rockefeller's chief mines (a minimum of 600,000 tons of ore) at the rock-bottom royalty rate of twenty-five cents a ton. In exchange for this steep discount, however, Carnegie agreed to ship the entire amount plus another 600,000 tons from his own mines over Rockefeller's railroads and on his vessels. It was the same kind of back-scratching arrangement that Rockefeller had negotiated with the railroads to monopolize the oil industry. To complete their truce, Carnegie pledged to refrain from buying new Mesabi fields or transporting iron ore, while Rockefeller renounced any ambition to construct a steel mill. A generation later, Carnegie still boasted of this deal before a Senate committee. "Don't you know, it does my heart good to think I got ahead of John D. Rockefeller on a bargain."⁹² In fact, the bargain had been Carnegie's belated attempt to redress his own error.

Small competitors found it impossible to survive the union of the largest producer and largest consumer of iron ore, and Carnegie and Rockefeller profited smartly. As with oil, ore prices skidded lower, bankrupting marginal producers and bolstering the Rockefeller-Carnegie alliance. As the decade closed, ferocious competition broke out for the remaining Mesabi properties.

The price of Lake Superior Consolidated stock that Rockefeller had bought for \$10 in 1894 levitated to \$60 in 1899, \$70 in 1900, then a staggering \$100 in 1901.

America now stood on the threshold of an era of economic consolidation that saw trusts spread to many industries. What Rockefeller had accomplished in oil a generation earlier was now being imitated in steel, copper, rubber, tobacco, leather, and other products—much to the alarm of many voters. The ideological lines were drawn sharply in the 1896 presidential election. The Democratic candidate, William Jennings Bryan, an eloquent orator adored by socialists, populists, and silverites, vied with former Ohio governor William McKinley, a staunch advocate of tariffs, trusts, and hard currency. Apprehensive about a Bryan presidency, businessmen transformed the McKinley campaign into a crusade against trustbusting infidels. Standard Oil supplied \$250,000 to McKinley's coffers—equal to half of the total Democratic contributions—and Rockefeller sent another \$2,500 to campaign manager Mark Hanna. For a man normally scornful of politicians, Rockefeller displayed unusual passion for McKinley, asserting, "I can see nothing else for us to do, to serve the Country and our honor."⁹³

The business community reacted to the McKinley victory as if America had been blessedly spared a revolution, a mood summed up in Hanna's congratulatory telegram to McKinley: "God's in his heaven—all's right with the world."⁹⁴ During the next few years, a new faith arose in business circles about the inevitability and unrivaled efficiency of monopolies. Mark Hanna, now tagged "Dollar Mark" by the press, proclaimed loudly that the Sherman Antitrust Act would never be allowed to thwart this trend in a Republican administration.

Stimulated by the Spanish-American War, the Klondike gold strike, and McKinley's reassuring presence, the American economy surged ahead in the late 1890s, propelling the United States past all other nations in industrial capacity. In a country that still liked to picture itself as composed of small businesses, huge companies now blanketed markets from coast to coast. As satirist Finley Peter Dunne observed in 1897, "I have seen America spread out from th' Atlantic to th' Pacific, with a branch office iv th' Standard Ile Comp'ny in ivry hamlet."⁹⁵ Between 1898 and 1902, 198 trusts or giant new corporations were created in coal, sugar, and other industries, prompting a growing backlash. At a Chicago antitrust conference in 1898, William Jennings Bryan drew roars from the faithful when he shouted, "One of the

great purposes of government is to put rings in the noses of hogs!”⁹⁶ The McKinley administration, true to its promises, stood guard over the new corporate giants.

The merger wave conferred a new centrality on Wall Street investment houses, for the capital needs of the new trusts dwarfed the resources of small-town banks and private individuals. Only the prestigious Wall Street firms such as J. P. Morgan and Company or Kuhn, Loeb could tap the foreign and domestic capital needed to execute these transactions. Switching their focus from railroad bonds to industrial securities, they forged the new trusts, issued their stock, tucked away shares for themselves, and handpicked their executives. However much reformers deplored the trusts, they excited many investors, who absorbed wave after wave of new issues sponsored by Wall Street. While many Americans quaked before these giant new concerns, many others were trying to figure out how to profit from them.

When J. P. Morgan decided to create a steel trust in late 1900, he knew he would have to tangle with two men who were confirmed cynics about Wall Street: Carnegie, master of the steel mills, and Rockefeller, king of the iron ore. Morgan was worried that Carnegie would diversify into finished steel products and threaten his recently launched Federal Steel Company, while Carnegie feared a reverse maneuver by Morgan. Meanwhile, Carnegie and Morgan were both alarmed by reports that Rockefeller might diversify into steel mills. To avert overbuilding and internecine price wars, Morgan decided to spearhead a new steel consolidation.

Morgan was not thrilled about catering to Rockefeller, who had flouted Wall Street by financing his trust from retained earnings and holding cash reserves equal to those of many banks. He was also well aware of William Rockefeller’s intimacy with James Stillman of National City Bank. When Morgan contemplated a merger with the London house of Barings in 1904, his counterpart, Lord Revelstoke, reported afterward to a partner that Morgan “inveighed bitterly against the growing power of the Jews and of the Rockefeller crowd, and said more than once that our firm and his were the only two composed of white men in New York.”⁹⁷

In many respects, Rockefeller and Morgan were antithetical types, offering a vivid contrast between the ascetic and the sybarite, the Roundhead and the Cavalier. As the chieftain of the Anglo-American financial establishment, the wellborn Morgan, expensively educated in America and Europe, was a

consummate insider in the business world. For more than forty years, he had been the chief conduit for British capital that had financed American railroads and industry. Blustery and theatrical, Morgan was impetuous and hot-blooded, cursed with a short attention span. At his headquarters at 23 Wall Street, he often seemed harried, ruling by brilliant snap judgments. Fond of luxury, Morgan inhabited the world of the ultrarich, with their gargantuan cigars, fine port, and oversized steam yachts.

For Rockefeller, Morgan embodied all the sins of pride, luxury, and arrogance. When they first met at William Rockefeller's Hudson River mansion, they took an instant dislike to each other. "We had a few pleasant words," noted Rockefeller. "But I could see that Mr. Morgan was very much—well, like Mr. Morgan; very haughty, very inclined to look down on other men. I looked at him. For my part, I have never been able to see why any man should have such a high and mighty feeling about himself."⁹⁸ For Morgan, Rockefeller was too dry and prudish, devoid of manly charms and vices. And how could he not grumble at the effrontery of someone who had created a cartel without him?

Nevertheless, both men detested competition as a destructive force, a dangerously antiquated notion. For years, Morgan had arbitrated disputes among railroad presidents, helping them to carve up territories, and his formation of industrial trusts constituted a logical progression in his career. When Judge Elbert H. Gary informed Morgan in early 1901 that Rockefeller's Mesabi interests had to form part of any steel cartel, Morgan balked. "We have got all we can attend to," he told Gary. When Gary persisted, Morgan glumly agreed that they had to incorporate Lake Superior Consolidated Iron Mines and Bessemer Steamship into U.S. Steel.

"How are we going to get them?" he asked.

"You are going to talk to Mr. Rockefeller," said Gary.

"I would not think of it," said Morgan.

"Why?"

"I don't like him."

"Mr. Morgan," Gary retorted, "when a business proposition of so great importance to the Steel Corporation is involved, would you let a personal

prejudice interfere with your success?”

“I don’t know,” said Morgan.⁹⁹

In all likelihood, Morgan’s attitude was a mixture of haughtiness and cowardice, for Rockefeller was one of the few people he could not intimidate. In an act of considerable self-mortification, Morgan asked Rockefeller if he could see him at 26 Broadway. Explaining that he was retired and never went to the office, Rockefeller said he would be happy to receive him at West Fifty-fourth Street. Rockefeller knew the bargaining edge of the last-minute holdout and enjoyed tweaking Wall Street’s foremost banker. Soon after he arrived at Rockefeller’s house, Morgan gruffly asked the price of the ore properties. Rockefeller threw up his hands in mock despair, reminded Morgan that he was retired, and told him to discuss the deal with his twenty-seven-year-old son, “who would undoubtedly be glad” to talk with him.¹⁰⁰ This was a blatant affront, but the banker grudgingly said that Junior should call at his office at Broad and Wall Streets.

Relishing their little game, Senior and Junior stalled in arranging the meeting and very nearly overplayed their hand. Then, on the morning of February 25, 1901, Henry Rogers stopped by Junior’s desk and inquired, “Would you like to go with me to meet Mr. Morgan?”¹⁰¹ Sensing that the time had come to put Morgan out of his misery, Junior accompanied Rogers that afternoon. Now it was Morgan’s turn to behave in a condescending manner. When Rogers and Junior entered his office, he was consulting with his partner Charles Steele and did not look up from his desk. When Steele left, Morgan finally lifted his eyes, and Rogers introduced Junior. Morgan complained about the delay and said matters had to be wrapped up within twenty-four hours. Junior explained that it had taken time to appraise the properties. “Well,” Morgan barked, glowering at Junior, “what’s your price?”

If Morgan thought he was dealing with a choirboy, he was soon undeceived. Showing an unexpected pluck that nobody, not even Junior, knew was there, he shot back, “Mr. Morgan, I think there must be some mistake. I did not come here to sell. I understood you wished to buy.”¹⁰² He asked Morgan to name a price that his father might accept or decline. For Junior, it must have been a revelatory moment: He was sparring with Wall Street’s potentate. When Morgan stepped out briefly, Henry Rogers, flabbergasted, advised Junior to soften his tone, but Junior said he meant every word and

that he and father were “absolutely indifferent about coming into the consolidation.”¹⁰³ The tense standoff ended in a compromise: Morgan and Junior agreed that Henry Clay Frick would serve as an honest broker to establish a mutually agreeable price. As Junior was leaving, he asked Morgan whether his father might take a share in the steel syndication. Taking another jab, Morgan replied that the offering was oversubscribed and that he had delayed too long in submitting his request. Since Morgan had already set aside five-million-dollar allotments for William Rockefeller and James Stillman, he must have known that John D. would be stung by this exclusion.

When Junior returned to 26 Broadway, he immediately wrote to his parents, describing Morgan’s brusqueness and his response. “The whole thing suggested the final sweep-up of the room and we seemed to be the crumbs around the edge which of course must be swept up and expect to be swept up and which it was most annoying to find at this late date still on the floor.”¹⁰⁴ His parents were overjoyed that Junior had stood up to Morgan. His father, reading the letter aloud to Cettie, paused every few sentences to exclaim, “Great Caesar, but John is a trump!” Cettie—every inch the Spartan mother—was no less amazed. “Indeed you were masterly in the conduct of the negotiation,” she wrote back, “and you are so quiet and unassuming in both words and manner. Control of self wins the battle, for it means control of others.”¹⁰⁵ The ecstatic response of Junior’s parents perhaps hints at relief from unspoken doubts, as if they both had wondered whether he could meet the demands imposed by the family fortune.

After the meeting, Morgan urged Frick to visit Rockefeller at his Pocantico estate. To avoid publicity, Frick took a carriage up after dark, and the coachman waited at the front gate while Frick and Rockefeller huddled behind some shrubbery. “Wouldn’t it have made quite a story for the newspapers—our skulking around in the bushes in the dark?” Rockefeller later mused.¹⁰⁶ As usual, he was wary and distant, not tipping his hand. “As my son told Mr. Morgan, I am not anxious to sell my own properties. But as you surmise, I never wish to stand in the way of a worthy enterprise. I do frankly object, however, to a prospective purchaser arbitrarily fixing an ‘outside figure,’ and I cannot deal on such a basis.”¹⁰⁷ When Frick finally told him that Judge Gary’s figure for Rockefeller’s ore properties was five million dollars below its true value, Rockefeller said curtly, “Then, I will trust you to represent me.”¹⁰⁸ With his usual minimalist art, Rockefeller had concluded this epochal meeting in about fifteen minutes. On February 28,

when Gates and Junior sat down with Frick at 26 Broadway, they maintained the party line that Rockefeller was not eager to sell. Just two weeks later, Rockefeller's papers show a startling development that altered the course of the negotiations. Gates had commissioned new maps of potential ore deposits along the Mesabi Range that disclosed for the first time the likely existence of undiscovered mines. As Junior interpreted this catastrophic news to his father, "We had supposed up to date that we now controlled practically all of the ore reserve of the range. In view of this new map, the information of which is known only to ourselves, we are more inclined to make some trade."¹⁰⁹ After this, the Rockefellers subtly softened their negotiating posture, aided by a rapport between Junior and Frick so strong that Junior was later made an executor of Frick's estate. "I have met no one in business whom I have been more strongly drawn to and have greater confidence in than Mr. Frick," Junior told his father in mid-March.¹¹⁰ The talks were also assisted by Rockefeller's declared resolve not to extract the last penny so as "to leave a favorable and friendly impression on Mr. Morgan," as Junior put it.¹¹¹

For all that, Rockefeller reaped a fantastic profit in the creation of U.S. Steel, the first billion-dollar corporation and the first trust to overtake Standard Oil in size. The Consolidated stock originally bought for \$10 a share in 1893 now fetched the equivalent of \$160 in cash in 1901. Gates and Junior made an agreement with Frick that the Rockefellers would receive \$80 million for the Consolidated stock—half in the form of U.S. Steel common stock and half in preferred—and another \$8.5 million for the fifty-six lake vessels of the Bessemer fleet. Gates estimated that \$55 million of the \$88.5 million was clear profit. The U.S. Steel deal swelled Rockefeller's net worth beyond \$200 million (\$3.5 billion today) and made him the second-richest man in America. On the other hand, he fell further behind Andrew Carnegie, who had received \$300 million in bonds as his portion for the sale of Carnegie Steel. But this moment marked the zenith of Carnegie's wealth, whereas Rockefeller was just warming up.

Having overseen the Mesabi operation, Gates was not shy about demanding his due. When he delivered an oral report on the \$55 million profit, Rockefeller saluted his effort and murmured quietly, "Thank you, Mr. Gates—thank you!" Gates fixed Rockefeller with a steady, quizzical look. For a long time, he had shown an almost filial deference toward his boss, but he was now well aware of his worth. Seizing the moment, he had the courage to say, " 'Thank you' is not enough, Mr. Rockefeller." Forced to reconsider,

Rockefeller evidently came up with a large enough bonus, although Gates never revealed the exact amount.¹¹² Notwithstanding his veneration of his mentor, Gates griped for years about his compensation and sometimes stooped to nasty jokes about Rockefeller's avarice.

For a time, it seemed the steel trust might effect a rapprochement between Rockefeller and J. P. Morgan. As one of the largest U.S. Steel stockholders, Rockefeller demanded and won board seats for himself and his son. Yet financial differences quickly soured his relations with Morgan. Rockefeller was upset by U.S. Steel's extravagant dividends, even though he was a major recipient. In 1904, to register his protest, he resigned from the board, never having attended a meeting, and left Junior behind to represent him. By 1911, the Rockefellers liquidated the last of their U.S. Steel holdings. During the next two years, Morgan enjoyed an unspoken revenge by continuing to assign Rockefeller inferior positions in the weaker bond syndicates while excluding him from the sounder issues. Gates was always mystified by Morgan's success. "He seems to be a man incapable of calm and reasoning reflection; the victim of a succession of unreasoning impulses."¹¹³

Before leaving Rockefeller's exploits in the realm of iron ore, we should mark a prominent casualty of this adventure: his already troubled relationship with brother Frank. During the 1890s, Frank remained a vice president of Standard Oil of Ohio and took home a generous salary, despite his extended absences from Cleveland and a scornful indifference to business. As irascible as ever, he wrote testy letters to Standard Oil colleagues, forcing John and William to mediate. Frank was devoured by bitterness and often lapsed into violent, ungovernable rages that were aggravated by his alcoholism.

Frank could never curb his compulsive gambling. Wanting to emulate the big killings of his brothers, he was tempted again and again into foolhardy ventures. With the best intentions, John fed Frank's gambling addiction, even though Frank often did not realize the source of the loans. John and William continued to carry a \$180,000 mortgage on his Kansas ranch and bailed him out when his crops failed in 1893. This generosity only highlighted Frank's chronic dependency and further embittered him. In extending loans to Frank, John followed his usual strict accounting rules, which he always applied in a compulsive, inflexible fashion. Nevertheless, when it suited his convenience, Frank was offended by his brother's refusal to compromise on his business principles.

Frank's best friend at the time was a bluff Irishman named James Corrigan. They hunted together, maintained adjoining estates in Ohio, and often invested together. A handsome man with a heavy jaw and bull neck, Corrigan was a popular, pugnacious Cleveland businessman. In the early 1880s, he had sold several refineries to John D., who had given him his first job and counted him as a friend. As payment for one refinery, Rockefeller gave Corrigan 2,500 shares of Standard Oil. With this money, Corrigan bought a half interest in the Franklin Iron Mining Company in the Lake Superior region of Wisconsin—the investment that first piqued Rockefeller's interest in the Mesabi Range. John loaned Frank the money to purchase the other half, keeping the mining stock as collateral. Not without reason, John D. later ruefully stated, "Neither my brother nor Corrigan had any reason to complain of my conduct. I made James Corrigan his fortune. I made my brother his fortune."¹¹⁴

When the 1893 panic struck, John D. behaved in exemplary fashion. He and William agreed to cancel their mortgage on Frank's Kansas ranch. Corrigan, meanwhile, took more loans from John D., secured by his Standard Oil stock, bringing the total to more than \$400,000; Frank ran up debts to his brother in excess of \$800,000, or \$13 million in contemporary dollars. By these actions, John D. acquired considerable power over the two men, for he had retained as collateral their Franklin mining stock, Corrigan's Standard Oil shares, and Corrigan's share in a lake shipping fleet.

As the panic deepened, Rockefeller refused to release collateral despite Corrigan's pleas that he could use his lake vessels to raise additional money. In October 1894, Corrigan tried to borrow another \$150,000 from John without posting extra collateral. George Rogers tersely informed Corrigan that "Mr. Rockefeller had advanced all he ought to on the Franklin mine property and that unless he could offer some further collateral, I felt very sure Mr. Rockefeller could not help him out."¹¹⁵ When Corrigan stopped making interest payments altogether, Rockefeller carried him for another year before calling the loan. He offered to pay Corrigan \$168 or \$169 per share for his 2,500 shares of Standard Oil, which would yield enough to retire his \$400,000 in debt.

To gauge the value of this stock, Corrigan's attorney asked Rockefeller to provide detailed information about the trust's stocks, assets, investments, and earnings during the previous five years. Rockefeller refused to publicize such sensitive information. "The securities to which you refer have a well-known market value, which is published in the newspapers every day," Rockefeller

told the attorney.¹¹⁶ At the time, few companies published annual reports. Yet Frank interpreted his brother's behavior in darkly conspiratorial terms. Several years later, he told Ida Tarbell that when he met with him to plead for more time for Corrigan, John said, "Frank, persuade Corrigan to sell me his Standard Oil stock. He is in a tight place. He can never get out and I might as well have the stock as anybody."¹¹⁷ Frank took this to mean that John was bent upon destroying Corrigan to obtain his Standard Oil stock, and Frank advised his friend not to sell under any circumstances.

Corrigan finally sold his Standard Oil stock to John D. at \$168 a share in February 1895. Rockefeller paid the market price, roughly equivalent to what he paid his Standard colleagues for their stock that month. One Standard executive, Joseph Seep, said that Rockefeller did not even keep Corrigan's stock but distributed it among his colleagues. Nevertheless, before a month had elapsed, the stock zoomed to \$185 and then much higher. Instead of blaming bad luck, Corrigan decided he had been swindled and in April 1895 wrote Rockefeller to that effect. When he received the letter, Rockefeller was stunned. "Is it possible that 'Jim Corrigan' should be willing to write me such a letter," he wrote back, "after my uniform kindness to him for a lifetime?"¹¹⁸ Some years later, possibly with the Corrigan affair in mind, Rockefeller lectured his son, "John, never lend money to your friends; it will spoil your friendships."¹¹⁹

Rockefeller had been neither Santa Claus nor Scrooge but simply a hard, un-sentimental lender. It is true that he had more than enough collateral to cover Corrigan's \$400,000 in loans, but he had exercised patience and carried Corrigan for a year after payments ceased. Gates even complained that Rockefeller was coddling him. Corrigan waited until July 1897 before filing suit, saying it had taken that long to serve a subpoena on Rockefeller. The delay was more likely due to the continuing rise in Standard Oil stock, which had jumped to nearly \$350 a share because of Archbold's generous dividend policy. Corrigan issued an ultimatum: Rockefeller could either give back his Standard shares or pay him \$500 a share. The court-appointed arbitrators in the case, given rare access to Standard Oil's confidential books, decided that Rockefeller's conduct had been blameless. Even though Frank hotly insisted that John had cheated his best friend, he continued to touch his brother for money and a year later borrowed another \$130,000. Still unaware of the true depth of Frank's bile, John jotted down a memo for his files in February 1896, saying of Frank, "He is all very nice and pleasant and I think appreciates that

I am doing things for him.”¹²⁰

After the Corrigan case, Frank began to seem deranged on the subject of his brother. He began to materialize at 26 Broadway or on the broad veranda at Forest Hill, boisterously demanding to see him. Because of the pending Corrigan suit, John would receive him only with a secretary present to record what he said. In 1898, John told William that Frank was now threatening him and asked him to intercede. John then had some long talks with a drunken Frank, who made extremely abusive remarks about him. Frank felt that his brother was so rich that he should forgive all his loans. When John differed, the breach between them widened. During their last meeting, as they walked down the street together, John said to him, “Frank, I’ll always be a brother to you.”¹²¹ They never spoke to or set eyes on each other again.

Nursing an obsessive resentment, Frank decided to make a symbolic break with his brother. When John erected the towering obelisk at the family plot in Cleveland’s Lake View Cemetery in 1898, Frank had the caskets of his two children who had died in childhood disinterred from the family plot and transferred to another part of the cemetery. “Not one of my blood,” he declared, “will ever rest upon land controlled by that monster, John D. Rockefeller.”¹²² Soon thereafter, Frank, his wife, and three daughters withdrew from the Euclid Avenue Baptist Church.

Even after these unforgivable insults, John let Frank represent him on several corporate boards. While Frank’s salary was reduced from \$15,000 to \$10,000 for his sinecure at Standard Oil of Ohio, he continued to draw this largely unearned salary until 1912. In September 1901, his finances ravaged by speculation, Frank told William that he would file for bankruptcy if he did not receive an immediate cash infusion of \$86,000. When William secretly asked John to contribute half the amount, John wrote to him: “I will take half of the \$86,000 if you take the other half, but Frank must not know that I am loaning the money.”¹²³ In 1907, John and William again saved Frank from bankruptcy by guaranteeing loans that Frank had gotten from his stockbroker.

After the Corrigan business, Frank no longer felt any need to muzzle himself. Reporters soon learned that to get an inflammatory quote about John D., they simply had to contact Frank Rockefeller. Discussing the Corrigan affair, Frank told one reporter, “That treacherous act was but a detail in my brother’s long record of heartless villainy. . . . He seems never to get enough. I

wonder where it would end—this desire of his for more millions?”¹²⁴ John never commented publicly on these diatribes. Unfortunately for John’s reputation, Frank began to spew forth this invective just as the muckraking era got under way. Coming from a brother, these highly quotable remarks made a tremendous impression upon the public, who never dreamed that John D.’s treatment of Frank was one area of his life where his record was spotless.

CHAPTER 21

The Enthusiast

When Rockefeller receded from the business world in the mid-1890s, the average American was earning less than ten dollars per week. Rockefeller's average income—a stupefying \$10 million per annum in those glory days before income taxes—defied public comprehension. Of more than \$250 million in dividends distributed by Standard Oil between 1893 and 1901, over a quarter went straight into Rockefeller's coffers. As Standard Oil shares took flight in the late 1890s, one periodical computed that Rockefeller's wealth had appreciated by \$55 million (\$972 million today) in nine months. "Where in the history of the world did any man ever make \$55,000,000 in 9 months?" the editorialist demanded.¹ Rockefeller was becoming Mister Money Bags, a byword for wealth.

One might have thought Rockefeller would relax in retirement, but he was still a prisoner to the Protestant work ethic and attacked recreational interests with the same intensity that he had brought to business. "I have not had the experience of the majority of business men," he later told William O. Inglis, "who find time hanging heavily on their hands."² Yet his retirement was equally remarkable for its omissions. For instance, he lacked the wanderlust that infected other rich men, such as J. P. Morgan, in their later years. He never collected art or exploited his wealth to broaden his connections or cultivate fancy people. Aside from the occasional courtesy call from other moguls, he hobnobbed with the same family members, old friends, and Baptist clergy who had always formed his social circle. He showed no interest in old-money clubs, parties, or organizations. Commenting on this, Ida Tarbell branded Rockefeller a "social cripple" and detected an inferiority complex that made him afraid to venture beyond his home turf, but his behavior actually connoted mental health.³ When someone expressed surprise to Rockefeller that he had not gotten a big head, he replied, "Only fools get swelled up over money."⁴ Comfortable with himself, he needed no outward validation of what he had accomplished. We can criticize him for lack of imagination, but not for weakness.

It is striking that Rockefeller, so grave in business, was extremely fond of games in retirement and indulged in a little skylarking. As his body aged, his mind grew younger and more buoyant. Having missed a carefree boyhood, he seemed to want to compensate in his later years and he suddenly showed a lot of his father's jollity. In the 1890s, Cleveland was seized by a bicycle craze, and the "wheel season" was opened each spring by hundreds of colorful tandem bikes gliding down Euclid Avenue. Though in his fifties, Rockefeller joined the fad with boyish élan. A firm believer in appropriate dress, he bought, in assorted shades, sporty riding costumes of corded knickerbocker suits, alpine hats, and cloth leggings. Frederick Gates was at Forest Hill when Rockefeller learned to ride, and he watched Rockefeller teach himself to turn around without alighting. "He would start in with a wide circle," Gates recalled, "and then follow it round and round each time narrowing the circuit until without dismounting he was almost circling the rear wheel."⁵ As with industrial methods, Rockefeller broke down cycling into its component parts then perfected each movement. Much in the spirit of Big Bill, he liked to perform stunts on the bike, often jumping onto the seat as someone held the bike or holding open an umbrella as he rode with no hands. Through his interest in bike riding, Rockefeller came to master the fundamentals of civil engineering, a subject that had long intrigued him. When he wanted to ride his bike up the steep slope to the Forest Hill house, an engineer told him that no practicable grade could be found. "Nothing is impossible," Rockefeller replied.⁶ Burying himself in civil-engineering books, he figured out a suitable angle—a 3 percent grade, in engineering lingo—and, true to his prediction, rode his bike straight up to the door.

Rockefeller proved fatally susceptible to another fad: golf. In 1899, he was staying at a hotel in Lakewood, New Jersey, and pitching horseshoes with a friend, Elias Johnson, who praised his easy style and nearly unbeatable game. Johnson tried to persuade Rockefeller that these skills would serve him well in golf. "He would look me through with those calm, gray-blue eyes but say nothing," said Johnson.⁷ Finally, he convinced Rockefeller to try a few swings on a grassy, secluded spot near their hotel. After a few tips, Johnson later recalled in an interview, Rockefeller drove three balls more than one hundred yards apiece.

"Is that all there is of it?" Rockefeller asked. "Yes, that's all there is of it, but not one in one hundred would do the same thing you've done just now. They want to do too much." His competitive urges surfacing, Rockefeller

said, “Do not some players send the ball farther than that?” “Yes, but long shots come only after much practice.”⁸



A photo of John D. Rockefeller taken in 1904, after alopecia had drastically altered his appearance. (Courtesy of the Rockefeller Archive Center)

Rockefeller decided to play a little prank on his wife. He had a golf pro, Joe Mitchell, come to the hotel and give him lessons on the sly. Every time the caddies saw Cettie approaching, Rockefeller scampered for cover in the bushes. Several weeks later, he said to her offhandedly that golf seemed like a very nice sport and that he might take a shot at it. He then stepped up to a tee and smacked the ball 160 yards straight down the fairway. After marveling for a moment, Cettie shook her head and said, “John, I might have known it. You do things better and more easily than anyone else.”⁹

On April 2, 1899, right before his sixtieth birthday, Rockefeller played his first complete game of golf, finishing nine holes in sixty-four strokes. After this, he took up the sport with a vengeance. Not always a powerful player, he was nonetheless eerily accurate, his swing so exacting that time seemed suspended. “It was the slowest back-swing I ever saw,” said one partner. “It seemed to last for minutes.”¹⁰ Once again, Rockefeller dissected his game like a manufacturing method. Noticing that he twisted his right foot at the end

of his stroke, he had his caddy nail his foot into the ground with a wire croquet wicket—a hazardous trick that he abandoned once the fault was corrected. Since he lifted his head as he shot, he hired a boy to say “Keep your head down” whenever he teed off. Rockefeller was frustrated at one point when he kept slicing his woods. To identify the source of the problem, he commissioned a Cleveland photographer to do snapshots of his swing, a time-and-motion study that enabled him to root out the troublesome flaw. Later, he had movies made of his game, which he studied intently. As part of this studious approach, he recorded all his golf scores in thick little books, with names, dates, and places included.

Rockefeller’s passion for golf was linked to his medical problems of the 1890s, which turned him into a fitness buff. “Played in moderation golf is not only a fascinating game but a valuable aid to health,” he advised friends.¹¹ His physician and frequent golf partner Dr. Hamilton Biggar credited golf with rejuvenating Rockefeller after his near breakdown. “Since he has taken it up with such gusto there has been a marked change in his appearance,” he told a reporter. “His skin, which was formerly pallid and wrinkled, is now firm and ruddy and healthy.”¹² In later years, Rockefeller gave up walking and bicycled from hole to hole to conserve energy for the game. As an old man, he sat upright on the bike and had it pushed along by his caddy to economize further on his strength. Nothing could keep him from his morning game. If it rained or the sun was too strong, a caddy shielded him with a big black umbrella throughout. His retinue came equipped with rubbers for muddy weather, sweaters for chilly weather, and towels to dry the clubs in a drizzle.

Golf made Rockefeller a more gregarious person, bringing out a bonhomie that had been stifled during the Standard Oil years. For a man who shrank from intimate discussion, golf provided an ideal way to socialize in a highly structured, risk-free environment from ten-fifteen to twelve each morning. As soon as he arrived, he would clown around, setting a tone of genial banter, and people responded in kind. He hummed hymns or popular songs, told humorous anecdotes, or even read short poems of his own composition. One of his favorite gags involved an eminent minister who liked to cheat at golf; an adroit mimic, Rockefeller aped the divine giving the ball a secret little kick behind a tree stump. Golf brought out a native drollery that he had never allowed to flower before. “We should not rejoice in the downfall of others,” he wrote his daughter Bessie, “but I slaughtered four men at golf on Saturday

last. . . . This was very wrong, and of course I will never do it again.”¹³

Rockefeller established various taboos on the course, including that no business or charitable bequests should ever be discussed. People who flouted these rules were never invited back, and Rockefeller was extremely uncompromising on the subject. He wanted to keep things on a superficial, slightly unreal level and ward off any serious discussion. In this way, he could be with people yet surrounded by his own ring of silence, an isolated figure amid the crowd, setting the terms of social intercourse.

Despite his unmatched place in America’s urban and industrial growth, Rockefeller remained a country boy at heart and now receded further from the city. Perhaps as a legacy of his upstate boyhood, he was drawn to hilltop houses with spacious water views. Seeking an escape from Manhattan, he was especially attracted to the Hudson River, on which William had built his thousand-acre manor. John D. was moved by the river’s beauty and majestic shoreline, flanked by rolling farmland and picturesque villages. When land prices plunged during the 1893 panic, he bought four hundred acres in the Pocantico Hills of North Tarrytown, just south of Rockwood Hall. Though he considered establishing a weekend house or summer hideaway, he had no exact plan. “As I stated to you before coming,” he wrote to Cettie in early September 1893, “I have no scheme whatever in reference to this new property on the Hudson, further than to own it and let the future determine how [we] wish to use it.”¹⁴

Rockefeller was drawn to the spot by natural beauty, not elegant neighbors. “He chose the site of his house on Pocantico Hills for its glorious view of the Hudson and the Catskills, one of the most magnificent landscapes in America,” reported Gates, who accompanied him on the first trip.¹⁵ The property included a jagged ridge called Kykuit Hill—pronounced *kye-cut* and derived from the Dutch word for lookout—which enjoyed splendid views of the river and distant Palisades. As at Forest Hill, Rockefeller simply took the furnished house that came with the property, a modest frame structure with wide verandas known as the Parsons-Wentworth House. As was his wont, he kept remodeling the house over the years, enlarging a room here, making one more comfortable there. It was his own Walden, a place where “fine views invest the soul and where we can live simply and quietly.”¹⁶

By 1900, Rockefeller had acquired 1,600 acres and eventually the

Pocantico Hills estate expanded to 3,000 acres, threaded by dozens of miles of winding roads and bridle paths. Rockefeller could tolerate extravagance as long as the style was understated and did not trumpet his wealth too loudly. He avoided a gaudy residence and had no desire to impress other people. If anything, he craved seclusion. At one point, Rockefeller decided that he had to purchase a small corner property owned by Thomas Birdsall. He offered an excellent purchase price and said he would buy a nearby strip of land to which Birdsall could move his house. When Birdsall refused, Rockefeller ordered his superintendent to surround the offending property with the largest cedar trees he could find, casting the house into perpetual gloom. Birdsall caved in.

Almost as soon as he caught the golf fever in 1899, Rockefeller laid out four holes at Pocantico. “Mother and Father crazy over golf,” Junior told a college chum in 1900. “Father plays from four to six hours a day, and Mother several hours.”¹⁷ William Tucker, a golf pro from nearby Ardsley, coached Rockefeller regularly. By 1901, the titan hired a golf architect, William Dunn, to plot a twelve-hole course, and he also had a nine-hole course designed for Forest Hill. Gamely trying to please his father, Junior took lessons for a year, but he was not cut out for competitive games and favored the more solitary pleasure of horseback riding.

At some point, Rockefeller decided that he had to play golf daily at Pocantico. In early December 1904, after four inches of snow had fallen on Westchester County, Elias Johnson was taken aback to receive a call from Rockefeller, inviting him up for a foursome. When Johnson objected that they could not possibly play in the snow, Rockefeller said, “Just come up and see.” Even as they spoke, a team of workmen with horses and snowplows were assiduously clearing snow from five fairways and putting greens; the next morning, Johnson found a shimmering green course, carved from a wintry landscape. “We never had a finer game,” said Johnson.¹⁸ Rockefeller played in all kinds of weather. “Yesterday morning I played with the thermometer at 20 in the shade,” he boasted to a niece in 1904. “It was cold indeed on these Pocantico Hills, but a good thing for my health.”¹⁹ To keep his partners warm, he distributed paper vests, which became a trademark gift.

Golf was his greatest indulgence. A full-time crew at Pocantico was charged with keeping the greens clear, and they were often out in the early morning, wiping dew from the grass with special mowers, rollers, and bamboo poles. An account book from early 1906 shows that Rockefeller

spent \$525,211.47 on personal expenses during the previous year, devoting an astounding \$27,537.80—or \$450,000 in 1996 dollars—to golf.²⁰

Another rich man might have turned to his estate for rest, but for Rockefeller much of the charm lay in the construction and heavy labor. At first, he had the firm of Frederick Law Olmsted, who had designed Central Park and many other parks, do the landscaping at Pocantico. Then, he took this work in hand himself, relegating outside firms to advisory roles and building a surveying tower to help him lay out the gardens. Rockefeller had a flair for landscape design and delighted in transplanting trees as tall as ninety feet. By the 1920s, he had some of the world's largest nurseries at Pocantico, where he planted as many as ten thousand young trees at a time, selling some of them at a profit.

Rockefeller belied Thorstein Veblen's generalization that rich men possessed "an instinctive repugnance for the vulgar forms of labor," for he always believed in the dignity of manual labor.²¹ Along with his son, he laid out sinuous trails and framed striking vistas, leading the work gangs himself. "How many miles of roads I have laid out in my time," he reflected, "I can hardly compute, but I have often kept at it until I was exhausted. While surveying roads, I have run the lines until darkness made it impossible to see the little stakes and flags."²² He became so skillful that he built roads without an engineer. "I am thinking of moving that hillock," he would say, quickly sizing up the volume of material involved. "Offhand, I would say there are just about 650,000 cubic feet of dirt here."²³

As at Standard Oil, Rockefeller was a paternalistic boss at home. Among his three hundred mostly black and Italian workmen he outlawed profanity and even tried to purchase and shut down Tarrytown's lone tavern. Though he was exacting and did not pay high salaries, he never yelled at his employees and dealt with them in a patient, considerate manner, occasionally inviting them to sit by the fire for a chat.

Rockefeller's absorption in his estates might well have stemmed from his fear of the general public and preference for staying in a protected home environment. As one early biographer noted, "Universally execrated, broken physically and nervously, he was forced almost three decades ago to retreat behind stone walls, barbed wire fences, grilled iron gates."²⁴ He preferred to socialize on home turf, where guests had to conform to his rules and his timetable. He was also concerned about terrorist acts. In early 1892, George

Rogers told Cettie that he had just gotten a letter signed “Justice or Extermination,” which warned that a packaged bomb was on the way.²⁵ Such threats posed a dilemma for Rockefeller in fashioning his estates, for he wanted to keep his lands open to the public. He finally decided to protect himself by having a secure, private core of four to five hundred acres, including the family houses and golf course, ringed by fences and manned by watchmen. The public was allowed to wander through the rest of the estate, provided that they brought no cars. For decades, Pocantico was a hiker’s and rider’s paradise, making the Rockefeller domain at once exclusive and democratic.

In retirement, Rockefeller subordinated many things to the overriding goal of longevity. “I hope you will take good care of your health,” he once told Junior. “This is a religious duty, and you can accomplish so much for the world if you keep well and strong.”²⁶ His Baptist avoidance of tobacco or alcohol made him a natural advocate of abstemious living, and he was convinced that virtuous habits were medicinal. “I enjoy the best of health,” he said in later years. “What a compensation for the loss of the theaters, the clubs, the dinners, the dissipations which ruined the health of many of my acquaintances long, long years ago. . . . I was satisfied with cold water and skimmed milk, and enjoyed my sleep. What a pity that more men did not enjoy these simple things!”²⁷

Rockefeller’s boon companion was Dr. Hamilton F. Biggar. They had met in the 1870s in the early days on Euclid Avenue when Rockefeller, playing blindman’s buff with the children, was dashing madly about the parlor and ran smack into a doorway; Dr. Biggar came to stitch the wound and remained in the family bosom. Born in Canada, Biggar moved to Cleveland after the Civil War and became a leading figure in the increasingly popular field of homeopathic medicine. He rose to professor of anatomy and clinical surgery in the local Homeopathic Hospital College and counted William McKinley and Mark Hanna among his patients. Founded by the German physician Samuel Hahnemann (1755–1843) and prevalent in nineteenth-century America, homeopathy cured disease by using minute amounts of substances that in larger doses might cause the disease. At Biggar’s behest, Rockefeller served as a vice president and trustee of the Homeopathic Hospital College, providing money for land, building, and instruction. It was a striking paradox that the philanthropist who would create the Rockefeller Institute for Medical Research and did more than anyone else to advance scientific medicine in the

twentieth century was emotionally wedded to traditional remedies. Rockefeller sometimes smoked mullein leaves in a clay pipe to heal respiratory problems and never lost a residual suspicion of medical doctors. “The doctor came to see me today,” he once reported to his son. “He wouldn’t give me the medicine I wanted, and I wouldn’t take the medicine he prescribed, but we had a lovely talk.”²⁸

Portly, tall, and round-faced, given to derby hats and watch chains, Dr. Biggar shared Rockefeller’s love of yarns and dry wisecracks and they took pleasure in good-naturedly ribbing each other. Since Biggar dressed in a more dapper fashion than his rich friend, many people imagined that *he* was the titan when they traveled together. More than anybody, Dr. Biggar brought out Rockefeller’s amiability, as reflected in his description of Rockefeller: “He has a keen sense of humor, is fond of jokes, sharp in repartee, an entertaining conversationalist and a gracious listener.”²⁹

Not everybody was enamored of Dr. Biggar. As Rockefeller’s official doctor, issuing medical bulletins to the press, he struck some as pompous and self-serving. Some physicians even thought him a charlatan with a good bedside manner. One such doubter was Harvard president Charles Eliot, who told Frederick Gates that most Harvard doctors considered Biggar inept. In 1901, according to Eliot, when Biggar had a physical breakdown, Rockefeller paid his expenses for a European trip to recuperate. While he was away, Rockefeller had a renewed attack of hydrocele, an accumulation of serous fluid, which Biggar had pronounced incurable. Rockefeller summoned a doctor from the Harvard Medical School “who not only promptly relieved him of present pain but in a month effected a permanent cure, which Mr. Rockefeller had been led to believe was not possible,” Eliot told Gates nine years later.³⁰ After that, Rockefeller consulted other doctors, especially an elderly German named Dr. Henry N. Moeller, but Biggar was often at his side and had a continuing influence on his views.

By the early 1900s, Dr. Biggar frequently prophesied in the press that Rockefeller would live to one hundred (which doubtless endeared him to his patron), and he became such a zealous spokesman for Rockefeller’s health principles that it became hard to tell where Biggar ended and Rockefeller began. In 1907, Biggar stated his foolproof rules for long life: “At fifty the American businessman should cease to worry, eschew liquor and tobacco and make play in ‘God’s out of doors’ his chief aim in life.”³¹ As time passed,

Biggar added an admonition to rise from the table a little bit hungry, while Rockefeller laid additional stress on nine hours of daily sleep, including a long siesta after lunch.

There are hints that Rockefeller had a more than ordinary dread of death. Years later, he was playing a golf foursome at Ormond Beach, Florida, when one partner, a Mr. Harvey, thought he had a severe attack of indigestion. Rockefeller took his arm and uttered consoling words before Harvey crumpled to the ground from a heart attack. Doctors were summoned while Harvey was carried inside, where he died thirty minutes later. Rockefeller, so compassionate at first, unceremoniously fled the scene. As one golfing partner recalled, "Mr. Rockefeller turned away and walked rapidly to his car and drove off. I always felt that he did not want to witness death."³² Nowhere in his voluminous records does he ever even remotely discuss death.

Rockefeller seemed to believe that he could keep death at bay if he adhered to his fixed rules. Extremely finicky about diet, rest, and exercise, he reduced everything to a routine and repeated the same daily schedule, forcing other people to fall in step with his timetable. In a letter to his son, Rockefeller credited his longevity to his willingness to reject social demands. "I attribute my good condition to my almost reckless independence in determining for myself what to do and the rigid adhering to regulations which give me the maximum of rest and quiet and leisure, and I am being richly paid for it every day."³³

Part of his single-minded program for reaching one hundred was to go through life in a steady, unhurried fashion. He paced himself, husbanded his energy, and took pride in his abnormally low pulse: "That indicates a capacity for enduring and retaining one's balance."³⁴ In his early years, he had struggled to master his temper and clear his mind of petty annoyances; now, he had a medical rationale for purging his system of turbulent emotions, especially anger. "It produces in the blood a lot of toxins that poison the system of the angry person. That tires him out and renders him less efficient, to say nothing of causing him to grow old and wear out before his time."³⁵ Worry was also to be avoided. "I am certain that worry causes a greater strain upon the nerves than hard work."³⁶ This outlook further encouraged him to avoid spontaneous, potentially confrontational encounters with people.

Rockefeller was partial to massage and other forms of bodily manipulation.

In the early 1900s, he became a passionate devotee of osteopathy, which tries to restore the body's structural integrity by manipulating the skeleton and muscles, and he talked Cettie and Lute into going for treatments. In one rapturous outburst in 1905, he told his son that he had profited from osteopathy while at Forest Hill and was "more grateful than I can tell you for the good health which I have and which enables me to do two or three times as much work, Mrs. Tuttle [his telegrapher] says, as I used to do when she was here before. Osteopathy! Osteopathy! Osteopathy!"³⁷ When exponents of more advanced medicine—spurred on, ironically, by Rockefeller philanthropy—tried to enact legislation to bar osteopaths, Rockefeller rushed to the osteopaths' defense. "I believe in osteopathy," he instructed his secretary, "and if any of our people at 26 Broadway can say or do anything to aid the osteopaths at this time of their struggle, I should appreciate it."³⁸ A visit to an osteopath occasioned one of Rockefeller's most celebrated witticisms. As the osteopath cracked his vertebrae, Rockefeller said wryly, "Listen to that, doctor. They say I control all the oil in the country and I haven't enough even to oil my own joints."³⁹

In the early 1900s, the press still circulated preposterous stories of how Rockefeller could digest only milk and crackers and had a standing offer of one million dollars to anyone who could fix his stomach. The most ghoulish myth claimed that he needed mother's milk to survive and that his caddy smuggled it to him daily in a thermos on the golf course. Thousands of letters flooded into 26 Broadway, offering remedies for stomach troubles. Rockefeller was perplexed by these weird rumors. When approaching eighty, he said wearily, "There are multitudes of people in the country today who, from these false reports, believe that I am in such a sad condition that I would give all I possess on earth to be a well man. And I know of no man in better health than I am—and so it goes."⁴⁰ Biggar had, in fact, prescribed bread and milk for Rockefeller's digestive troubles in the 1890s, and he continued to drink milk and cream regularly in the early 1900s, believing that "fresh milk is an excellent food for the nerves."⁴¹ Yet as his health returned in the late 1890s, he resumed a varied menu, which he consumed slowly and in tiny portions. He had a plain but healthy diet: green peas and string beans from his garden, rice, barley water, lettuce, fish, brown bread, and baked potatoes twice a day.

In the early 1900s, portly tycoons such as Morgan incarnated the robust prosperity of the era, while Rockefeller weighed in at a lean 165 pounds. Still

the ascetic Protestant, he decried overeating, warning that it caused more sickness than did any other cause. He never ate hot food, waited for dishes to cool, and encouraged guests to start without him. Food was fuel for Rockefeller, not a source of sensual pleasure. “He could not understand why anyone would eat a piece of candy, if that piece of candy were not good for him, just because that person liked candy,” Junior explained.⁴² Once, in an uncharacteristic moment, he had a craving for ice cream and humbly asked Dr. Moeller for a waiver from his prohibition against eating it. “If I had a license from you to eat a very little ice cream occasionally it would be a special dispensation which I would much appreciate, but, you are the Doctor,” he said meekly.⁴³

Rockefeller’s most distinctive piece of medical advice—and the eternal bane of his dinner guests—was that people should chew each bite ten times before swallowing. So conscientiously did he adhere to this practice that he even advised people to chew liquids, which he would swirl around in his mouth. He would still be eating a half hour after other guests had finished. To promote digestion, he also thought it important to linger at the table for an hour or so after dinner. To pass the time, he played a parlor game with guests called Numerica, a form of competitive solitaire. Since, as a Baptist, he could not play cards, he had square counters made to replace the poker decks that were ordinarily used. Any number of guests could play, and Rockefeller distributed a dime to the winner, nickels to the losers. The game required a certain agility with figures, and Rockefeller grew so proficient from incessant practice that he tended to award himself the dime.

For Americans of a later day, John D. Rockefeller was etched in their minds as a bald, wizened man, a desiccated fossil. Yet before his health troubles of the early 1890s, the few reporters who penetrated his inner sanctum were struck by his youthful demeanor. His correspondence does show that his problem with hair loss began earlier than previously imagined; in 1886, at age forty-seven, he was already ordering bottles of hair restorative. In 1893, Rockefeller’s hair loss, or alopecia, suddenly worsened as he struggled with digestive problems and fretted over the University of Chicago finances.

Generalized alopecia, or total loss of body hair, has been attributed to many causes, ranging from genetic factors to severe stress, but remarkably little is known for certain. For Rockefeller, the onset of the disease coincided with his breakdown of the early 1890s. In 1901, the symptoms worsened markedly, with Cettie recording in a memo book that in March of that year “John’s

moustache began to fall out, and all the hair on his body had followed by August.”⁴⁴

The change in his appearance was startling: He suddenly looked old, puffy, stooped—all but unrecognizable. He seemed to age a generation. Without hair, his facial imperfections grew more pronounced: The skin appeared parchment dry, his lips too thin, his head large and bumpy. Soon after losing his hair, Rockefeller went to a dinner thrown by J. P. Morgan (one of the few public dinners he ever attended) and sat down next to a mystified Charles Schwab, the new president of U.S. Steel. “I see you don’t know me, Charley,” said Rockefeller. “I am Mr. Rockefeller.”⁴⁵

Coming on the eve of the muckraking era, Rockefeller’s alopecia had a devastating effect on his image: It made him look like a hairless ogre, stripped of all youth, warmth, and attractiveness, and this played powerfully on people’s imaginations. For a time, he wore a black skullcap, giving him the impressively gaunt physiognomy of a Renaissance prelate. One French writer wrote that “under his silk skull-cap he seems like an old monk of the inquisition such as one sees in the Spanish picture galleries.”⁴⁶

The alopecia dealt a blow to Rockefeller’s morale—the psychological effect is crushing for most people—and he dabbled restlessly in remedies. Biggar started him on a hair-restoration regimen in which he took phosphorus six days a week and sulfur on the seventh. When such remedies failed, Rockefeller decided to buy a wig. Self-conscious at first and reluctant to wear it, he tested it one Sunday at the Euclid Avenue Baptist Church. Before the service, he stood in the pastor’s office, nervously adjusting it and telling a listener what an ordeal it would be to wear it in the church. When the wig met with a good reception, he was almost boyishly elated. Soon, he grew to love this wig, telling daughter Edith, “I sleep in it and play golf, and I am surprised that I went so long without it, and think I made a great mistake in doing so.”⁴⁷ He became so fond of wigs that he started to wear rotating wigs of different lengths to give the impression of his hair growing then being cut. He even had wigs styled for different occasions: golf, church, short walks, and so on. For all his wealth, however, Rockefeller could never find the ideal wig. Starting out with a fashionable wig maker on the rue Castiglione in Paris, he grew disillusioned when springs in the framework pushed up through the hair. He then switched to a Cleveland wig maker whose product had another maddening defect: The foundation fabric would shrink, making the wig

suddenly slide across his bald pate. What God had taken away, it seems, could never be perfectly restored.

Before Rockefeller's hair fell out, people noted the contrast between him and his often sickly wife. Then, overnight, the alopecia seemed to equalize their ages. John and Cettie had enjoyed a happy marriage, if one constrained by formality. Whether playing with the children or golfing with cronies, John was capable of a certain hilarity—he could kick up his heels and have fun. Cettie—gentle, sweet, charming—remained immured in her cloistered world of religion and clung to her belief in John as a superman. One observer described Cettie as “a dignified, simple-minded, elderly lady, pleasant faced, soft spoken, entirely without ostentation” for whom John “was still her hero after all the years.”⁴⁸ As reformers branded her hero a corporate malefactor, she found a necessary sanctuary in Christianity, her mind soaring to serene religious heights far above the din of political strife.

It is hard to date with precision Cettie's transformation from an alert, capable woman into a professional invalid. She had never had a strong constitution: As early as the 1880s, Junior had taken care of many household tasks, such as buying carpets and overseeing repairs, because his mother lacked the strength. By the early 1890s, she complained of “a general state of prostration.”⁴⁹ John had always confided in her about business and in 1893 was still sending her detailed reports about Mesabi ore. Then, abruptly, in the mid-1890s, his letters to her became empty and platitudinous, stuffed with bland descriptions of weather, garden walks, or golf, and they remained so for twenty years. It is hard to avoid the impression that he was deliberately tiptoeing around unpleasant subjects out of respect for her delicate medical state.

Cettie suffered from so many strange symptoms and vague ailments as to defy precise medical diagnosis. She complained in the 1890s of asthma and colitis, as well as sporadic problems with her eyes and spine. For her intestinal troubles, doctors ordered her to cut out fruits and vegetables in favor of a diet rich in milk, cream, butter, and eggs. At first, despite her problems, she was not bedridden. She and John took long drives before lunch, and around 1900 she often sneaked in several holes of afternoon golf. Then, in April 1904, at the height of the publication of Ida Tarbell's series in *McClure's Magazine*, she had an attack, perhaps a mild stroke, that left her nearly paralyzed. As she told her diary, “Dr. Allen says it will take two years of the most quiet living to be myself again. This I accept and shall gain daily

feeling thankful that it is no worse.”⁵⁰ John took her to Forest Hill, where she sunned on the porch and listened to him read aloud daily portions from *With God in the World* by Bishop Brent. She never entirely recuperated.

The image of Cettie projected by her family was invariably that of the stoic mother. “Everything which came to her, she accepted,” her daughter Edith once wrote, “and she bore her frailty of body with uncomplaining patience.”⁵¹ Outsiders, however, saw less of this patient nobility. Where she had always been considerate with servants, she now became finicky and demanding. “Her hot milk must be brought to her at 11 o’clock each morning,” one of Rockefeller’s secretaries, H. V. Sims, recalled. “The little napkin which went with it must be inserted by the maid between the 4th finger and the little finger—or all was wrong.”⁵² She would ask nurses to extract shawls from the middle of a tall stack without disturbing the others. Everybody crept on eggshells around her.

John learned to coax and humor her to get his way. The nurses often wilted in the stifling heat that Cettie demanded and were afraid to open the window. John would waltz in and say, “Mother, don’t you think you should have the window open just so much?” He would spread his fingers slightly apart. When she replied, “Very well, John, if you think so,” he signaled the nurses, when she wasn’t looking, to open it far more.⁵³ John treated his wife tenderly, but his behavior now became largely ceremonious. If she stayed up too late with guests, he would slip his hand through her arm and announce, “This is good night, as it is Mother’s bedtime.”⁵⁴

In a 1905 portrait of her by Arthur Ferraris, which shows her in a lovely black dress with her hair swept up and holding a prayer book, she seems despondent but still sensitive and wise. She clung ever more assertively to religion and wrote to her children in the elevated language of sermons, telling Junior as he was about to embark on a trip that she was “blessed of God above so many mothers, in my children, my precious jewels—loaned me for a season to be handed back when the call comes.”⁵⁵ On his twenty-first birthday, she congratulated her son thus: “You can celebrate your birthday in no better way, whether at home or not, than by such earnest work as I know you are giving, for God and the saving of the souls of your fellow students.”⁵⁶ It never seemed to dawn on her to encourage her children to have a good time.

Cettie's invalidism must have tormented Rockefeller. Since his boyhood, he had felt a particular affinity for women and taken special delight in their company. He would not have contemplated extramarital affairs, as other moguls might have done. He stayed loyal to Cettie and his Baptist upbringing, and he always had the specter of Big Bill before his eyes to remind him of the extreme perils of philandering. He had long lived with the knowledge of man's sinful nature. As long as Cettie was alive, so far as we can tell, he kept his amorous impulses in check and remained a model paterfamilias.

The Rockefellers found it difficult to confront the infirmities of both the mind and flesh. A whole world of forbidden, subversive feelings simply did not exist for them. If you averted your eyes from unpleasant things, they seemed to believe, they would lose their sting. For this reason, the story of the eldest Rockefeller daughter, Bessie, has long been an impenetrable mystery.

After Charles Strong had married Bessie in 1889, he taught briefly at Clark University and then became an associate professor of philosophy at the new University of Chicago in 1892. While Charles had ambivalent feelings toward his father-in-law, he never hesitated to exploit his connections and largesse. In 1895, the Strongs had to abandon Chicago, owing to Bessie's poor health. As Charles informed his Harvard mentor, William James, his wife's health was "still so delicate that it seems unwise to expose her to the inclemencies of the Chicago climate, and the result is that I find myself permanently settled in New York."⁵⁷ So that Charles could write his treatises and live with Bessie in New York, Rockefeller gave him a thousand-dollar subsidy for a year's work. When Bessie gave birth to a daughter, Margaret, at Pocantico in 1897, Rockefeller declared a holiday for workmen on his estate.

Since Charles had become a freethinker, Rockefeller might have feared for the immortal soul of his granddaughter. "Charles would tell Margaret, 'There is no God,' " Margaret's daughter would recall. "Both mother and father concurred and agreed not to contaminate her with uncertain belief."⁵⁸ Perhaps aware of this indoctrination, Rockefeller was eager to keep the Strongs in New York. He had Junior approach Seth Low, the president of Columbia College, about endowing a professorship in psychology for Charles, who increasingly studied both psychology and philosophy in his work. Junior suggested that it would be more gracious to endow the chair and then let the college voluntarily appoint him, rather than to demean Charles by creating a chair expressly for him. Senior followed this advice and, after making sure that Columbia would give him the chair, gave the school a

\$100,000 endowment, effectively buying his son-in-law's job at considerable expense.

For a time in the early 1900s, Rockefeller saw a lot of Charles and Bessie, thanks in part to his newfound passion for golf. Desperate for a place where he could extend Pocantico's limited golf season, he found it in the tony resort of Lakewood, New Jersey, where George Gould and other rich residents played polo, attended tea parties, rode to hounds, and held cotillions. Rockefeller began buying property there in May 1901, and a year later a dreamlike opportunity appeared. The Ocean County Hunt and Country Club decided to merge with another club and abandon its clubhouse, which was surrounded by a golf course set amid seventy-five acres of spruce, fir, pine, and hemlock. Only eight or nine miles from the sea, this flat, sandy country had "delicious, dry air," Rockefeller told a friend, and would permit him to golf nearly ten months a year.⁵⁹ The big, rambling, three-story wooden clubhouse—which Rockefeller always called Golf House—had striped awnings and a glass-sheltered porch that gave a view of sheep browsing on the lawn. This hideaway could be reached only by a twisting road of crushed bluestone that ran through dense woods—perfect for security purposes. Expanding the house and adding acreage, Rockefeller transplanted thousands of trees from Pocantico to this new estate. Rockefeller loved his new, relaxed place. "I believe I have recovered my health," he wrote to a friend from Lakewood in 1903. "I feel better now than I have felt in years. . . . I believe the improvement in my condition is due to my newly acquired habit of playing golf." ⁶⁰

To provide company, Rockefeller also bought the small Claflin Cottage at Lakewood, where Charles and Bessie stayed for three seasons. To hear William James, a frequent visitor, tell it, it was a gloomy place. When Strong's first major book, *Why the Mind Has a Body*, appeared in 1903, James extolled it as "a sterling work, admirable for clearness of statement & thoroughness of discussion, luminous, and likely to be much used by students of philosophy."⁶¹ During his stays at Lakewood, James accompanied Charles on walks around the lake and the two often paused to sit on pine needles and reflect. On such a stroll, James paid them both a high compliment when he turned to Strong and said, "I am John the Baptist and you are the Messiah."⁶² Yet James was more versatile than Strong and came to dread these Lakewood trips, where he felt trapped by perpetual shoptalk. Charles could convert a pleasant weekend into an interminable seminar, and James voiced his

frustrations to his wife, Alice, tempering them with his great admiration for Charles. “I never knew such an unremitting, untiring, monotonous addiction as that of his mind to truth. He goes by points, pinning each one definitely, and has, I think, the very clearest mind I ever knew. . . . I suspect that he will outgrow us all, for his rate accelerates, and he never stands still.”⁶³

As an antidote to Charles, William James especially welcomed his Lakewood encounters with Rockefeller, who would sometimes materialize at lunch, fresh from golf. Rockefeller had only the most fleeting encounters with the intelligentsia, which makes James’s descriptions of him the more valuable. The philosopher had an uncanny knack for telescoping titanic figures into thumb-nail sketches. He was especially struck by Rockefeller’s willpower and wrote to Alice about the primordial strength that radiated from him, telling her that Rockefeller was a “very *deep* human being” who gave him “more impression of *Urkraft* [primitive or original force] than anyone I ever met.” He was also unexpectedly charmed by his genial style: “Glorious old John D. . . . [is] a most love-able person.” To round out this portrait, he marveled that Rockefeller could be “so complex, subtle, oily, fierce, strongly bad and strongly good a human being.”⁶⁴

William dashed off an even more vivid description to his brother Henry:

*Rockefeller, you know, is reputed the richest man in the world, and he certainly is the most powerfully suggestive personality I have ever seen. A man 10 stories deep, and to me quite unfathomable. Physionomie de Pierrot (not a spear of hair on head or face) flexible, cunning, quakerish, superficially suggestive of naught but goodness and conscientiousness, yet accused of being the greatest villain in business whom our country has produced, a hater of cities and lover of the open air (playing golf & skating all the time at Lakewood) etc.*⁶⁵

James wrote this while Ida Tarbell was inflaming popular opinion against Standard Oil. He urged Rockefeller to discard his policy of silence and combat the attacks by letting the public become better acquainted with him. When Rockefeller published his memoirs in book form in 1909, James applauded. “This is what I proposed to you many years ago!” he wrote to him. “Expansiveness wins a way where reserve fails!”⁶⁶

In 1902, the already somber world of Charles and Bessie Strong darkened suddenly when Bessie, age thirty-six, experienced fresh medical problems.

One cannot state with certainty what this ailment was, but in one letter to her brother, she refers to her “most weak and unreliable heart.”⁶⁷ We do know that her condition deteriorated dramatically in the spring of 1903, for that autumn Charles wrote to William James, “Mrs. Strong is pretty well for her, thank you; but she had an attack in the spring which gave some cause for disquietude.”⁶⁸ Her granddaughter later contended that Bessie had “suffered a stroke and consequent impairments.”⁶⁹

In the few brief, cryptic references to Bessie’s illness in the press, it was always said that she had withdrawn from Lakewood society to lead a quiet life—a cover story that does not begin to capture the pathos of what happened. Overnight, the stroke or heart condition turned this pretty young woman into someone much older and frailer. The Rockefellers always suppressed the fact that it affected her mind. As Strong’s friend George Santayana wrote, “She was always, as they put it, in delicate health, which was a euphemism for not being in her right mind.”⁷⁰ Turned into a semi-invalid who spent much of the day in bed, she shuffled slowly about the cottage in a gray shawl, careworn and bent. She sometimes lapsed into morbid fears of poverty, retrenching on household expenses, reworking gowns to save money, and informing friends that she could no longer afford to entertain. During these periods, Charles supplemented her spartan grocery orders with extra purchases. Even as she wondered darkly in early 1904 how she and Charles would survive, Bessie was worth \$404,489.25, with an estimated annual income of \$20,030. At moments, she also threw off her imaginary cares and gaily announced that they were rich.

After a while, transported into a dreamworld, Bessie started to babble in childlike French. William James arrived in Lakewood one day and was thunderstruck by Bessie’s condition. To his wife, he reported Bessie’s words as follows:

“M. James, cela me fait de joie de voir votre bonne figure, vous avez un coeur généreux comme mon papa. Nous sommes tres riches maintenant. Mais Papa me donne tout ce que je lui demande pour le donner a ceux qui ont besoin. Mois aussi j’ai un bon coeur.” (Translation: “Mr. James, it gives me joy to see your nice face, you have a generous heart like my papa. We are very rich now. But Papa gives me everything I ask him for, to give to those who are in need. I too have a good heart.”)

A flabbergasted James said afterward, "It was just like a fairy-tale."⁷¹ It was an indescribably sad fate for the one Rockefeller daughter who had gone to college.

It was also a bitter irony for Charles Strong, with his overpowering intellect, to become a nursemaid for the blighted, demented Bessie. Solitary and emotionally blocked, he soon grew bored with any conversation that did not revolve around philosophic disputation. His letters to William James contain few personal asides or mundane details, and they read like philosophic abstracts. For such a man to have ended up the caretaker of a wife spouting gibberish must have been an intolerable strain. In the spring of 1904, nervous and rundown, Charles took a leave of absence from Columbia and sailed for Europe with Bessie. He planned to consult with French specialists in nervous diseases and hoped that his wife might be helped by the warm climate of southern France. It might also have been for Charles a chance to escape from both his overbearing father and father-in-law.

Like Bessie, the Rockefeller's youngest daughter, Edith, was beset by nervous troubles throughout her life. Unlike Bessie, her maladies led her on an odyssey of sustained introspection unique in Rockefeller annals. She experimented with psychology and other spheres alien to the rest of the family, subjecting the Rockefeller verities to the cold test of modern skepticism and threatening her relationship with her father along the way.

Among the four children, Edith seemed the family changeling. Where her siblings had been submissive children, Edith was recalcitrant, headstrong, and outspoken. Once, as an adolescent, she greeted Grandma Spelman with a hug so fierce that she cracked one of her ribs. She read voraciously and by an early age entertained religious doubts. In a smart but not reflective family, Edith had intellectual aspirations. "Reading has always been more important to me than eating," she confessed to a newspaper reporter late in life. "Except in a case of dire starvation, if a bottle of milk and a book were placed on the table, I would reach for the book, because I must feed my mind more than my body."⁷² Such a person might well find something antiseptic about the Rockefeller life.

In 1893, twenty-seven-year-old Bessie and twenty-one-year-old Edith went to Philadelphia for a rest cure at the Hospital for Orthopedic and Nervous Diseases, run by the patrician neurologist-cum-novelist, S. Weir Mitchell. A specialist in female nervous disorders, Mitchell separated his patients from

their quotidian world, banning casual visits or even mail from relatives. Rockefeller visited his daughters only once, in February 1894, and would have heartily endorsed their program of relaxation, massage, good food, and electrical stimulation of muscles. Bessie responded better than Edith, who required an extended follow-up rest in a cottage at Saranac Lake in upstate New York.

In November 1895, hard on the heels of her recovery, Edith married Harold McCormick of Chicago, who had just graduated from Princeton. He was the son of Cyrus McCormick, the developer of the mechanical reaper and founder of what became International Harvester. Junior had befriended Harold at the Browning School and was the inadvertent matchmaker. During the World's Columbian Exposition in 1893, he, Cettie, and his three sisters traveled west to Chicago by private railroad car and stayed with Nettie Fowler McCormick, Cyrus's indomitable widow, at her Rush Street mansion. Devout Presbyterians and generous donors to missionary work, the McCormicks resembled the Rockefeller family in many respects. They had raised their children strictly, giving them small allowances and urging them to donate to the poor. There was also a streak of mental instability among the McCormick children that would be far more pernicious than that among the Rockefeller offspring.

The Rockefellers deplored the vogue among rich Americans of marrying off their daughters to titled Europeans and welcomed the McCormicks as an upright, God-fearing industrial family. As the heir to a fortune, Harold McCormick did not have to allay suspicions that might have shadowed another suitor for Edith's hand, and John and Cettie found something winning about his expansive ways. He was an athletic man with luminous blue eyes and a dreamy gaze who wore jeweled cuff links and embroidered vests. Among his tightly wound in-laws, he stood out for his free and open manner. Yet he got along well with Senior and was the only son-in-law allowed to smoke in Cettie's presence.

The only misgivings that John and Cettie had about the marriage centered on Harold's drinking. Several times before the wedding, Rockefeller tried to extract a pledge that he would abstain from liquor, but each time Harold firmly resisted. "While I believe we hold the same general views as to the ruin wrought in the world by strong drink, and as to individual responsibility with regard to it, I am convinced that for me a life pledge is not for the best," Harold told Rockefeller two months before the wedding. As a concession, he stopped drinking briefly. Senior was again receiving threats, and Harold

closed his note by adding, “I am distressed to have the subject renewed, and just at a time, when you, and therefore we, have much anxiety and worry by reason of the cranks.”⁷³

Edith and Harold were to be married in November 1895 at the Fifth Avenue Baptist Church in Manhattan, but Harold got a cold and the ceremony was shifted to the Buckingham Hotel. Right before the wedding, Senior sent for his daughter, telling her that they needed to have one last confidential chat. Once they were alone, Edith recounted in a later interview, he said in his most portentous manner, “I have brought you here to make a request that lies very close to my heart and a request that has been very carefully considered.” “Yes, father,” Edith replied, “but why be so serious. . . . what is this request that stirs you so much?” “It is this daughter. I want you to promise never to serve a drink of liquor in your home. . . . Promise me that and you will never regret it.” As Edith recalled, “Unthinkingly, I said, ‘Why, of course, father,’ and immediately set off in a peal of laughter over the solemnity of what seemed such a trivial request.”⁷⁴ This agreement concluded, father and daughter proceeded to the ceremony, and Edith entered on her father’s arm, wearing a tiara of diamonds and emeralds given to her by Harold. In the press coverage, Edith was labeled the “Princess of Standard Oil” and Harold the “Prince of International Harvester.” Henceforth, Edith was always known as Edith Rockefeller McCormick, signaling that she planned to retain her own identity.

With his children, Rockefeller had tried to create that most elusive thing, a self-perpetuating puritanism, but he was destined to produce at least one rebellious spendthrift and that honor fell to Edith. After an Italian honeymoon, at last emancipated from her austere past, she and Harold moved into a grand stone mansion at 1000 Lake Shore Drive in Chicago. In this Gold Coast fortress, barricaded behind a high iron fence, Edith vied for social preeminence. She displayed in bold relief qualities that Rockefeller had struggled to root out of his children—vanity, ostentation, narcissism, and hedonism—but they were redeemed in part by her prolonged introspection and intellectual fearlessness. In Chicago, away from her father, Edith cultivated a separate set of interests.

All the affectations of European royal courts were displayed in Edith’s mansion, and Chicago society tattled about her “imperial complex.”⁷⁵ After being welcomed by footmen, guests were escorted into sumptuous rooms embellished with beautiful pictures and chandeliers. Edith decided that the Rockefellers were descended from the noble La Rochefoucaulds, and this

accounted for a French motif throughout the house. Her dinner guests, sometimes numbering as many as two hundred, received menus and place cards printed in French and engraved with raised gilt letters. The guests dined off a gilded-silver service that had belonged to the Bonapartes and footmen stood stiffly behind every second chair. Edith had a majestic empire room that featured four of Napoleon Bonaparte's royal chairs—two with *Ns* emblazoned across the back and two with *Bs*. Edith slept in an ornate Louis XVI bed and kept a gold box on her dressing table that had been a gift to the Empress Marie Louise from Napoleon.

Edith was not shy about her self-presentation. She ran through clothes like a queen, renewing her wardrobe yearly, and always shimmered in jewels. A 1908 painting shows a demure, gray-eyed Edith gazing knowingly at the viewer in tiara and expensive décolleté gown, a boa draped over her shoulders. A short, slender woman, she daringly exposed her ankles and wore a gold ankle chain. On one social occasion, she appeared in a silver dress of such imposing weight that it was said she could scarcely breathe. She had one cape of 275 animal skins, laboriously stitched together, which all but smothered her. Doubtless to her father's horror, Edith assembled a jewelry collection that would have made an eastern potentate blush. She had a Cartier necklace strung with ten emeralds and 1,657 tiny diamonds. For her wedding, her parents gave her a \$15,000 rope of pearls, a modest gift soon overshadowed by her \$2 million string of pearls. In 1908, discovering that Edith and Harold were borrowing to support this luxury, Rockefeller scolded Harold: "Since my attention was called to this subject, I have made inquiries of Alta and John as to their expenses, and find that theirs have been less than one-third of what yours have been."⁷⁶

Edith's temperance pledge cramped her style as a hostess. Noticing that her soirées lacked a certain sparkle, she turned to Harold for an explanation. "My dear," he said, "don't you realize that these red-blooded young Chicagoans are used to having liquor? They simply must have their cocktails, their wine, their highballs and cordials."⁷⁷ No child of John D. Rockefeller would flout a temperance oath made to him, so Edith had to contrive ways to compensate. "I invited the most brilliant men and women whom I met," she told one reporter. "I gave musicales at which I presented the greatest artists of the day."⁷⁸ She befriended artists, intellectuals, and society figures and developed into a prominent patroness of the arts, collecting antique furniture, lace, Oriental art, and fine books.

Having always loathed hymns, Edith shared Harold's affection for the opera—she paid for the translation of several librettos into English—and they frequently threw dinner parties on opera nights. In a habit that curiously parodied her father, Edith kept a small jeweled clock at the dinner table and held the guests to a precise schedule, so that everyone arrived at the opera on time. When she pressed a button for the next course, the team of waiters whisked plates away from the startled guests, whether they were finished or not. Edith ran a hierarchical household and never addressed most of the servants directly, dealing exclusively with the top two of them.

It is easy to satirize Edith's foibles and dismiss her as dilettante, yet she was fiercely devoted to her adopted causes. After she had five children—John, Fowler, Muriel, Editha, and Mathilde—Edith created a kindergarten for girls, with classes held in French. Senior doted on her eldest son, John Rockefeller McCormick, known as Jack. During the winter of 1900–1901, Jack and Fowler were staying at Pocantico when both boys contracted scarlet fever. Whatever the latent tensions between them, Edith gratefully remembered her father's behavior during Jack's illness. "As long as I live I shall never forget the great love and the untiring effort which you put forth to save dear Jack's life," she wrote to him a few years later. "Absolutely forgetful of self and showing a love much like the Christ love."⁷⁹ To confine the disease, Rockefeller constructed a special staircase that allowed the children and nurses to go from the upstairs sickroom to a glass-enclosed porch without infecting other household members. Rockefeller offered one New York physician a half-million dollars to save the two boys. Little was then known about the cause or treatment of scarlet fever, and although Fowler recovered, John Rockefeller McCormick, nearly four years old, died at Pocantico on January 2, 1901. The shock was no less profound to Rockefeller than to Edith and Harold. A scurrilous rumor later circulated that Edith had learned of Jack's death from a butler during a dinner party at her Chicago mansion, but the report was bogus. Edith happened to be at Pocantico at the time.

Jack McCormick's death strengthened Rockefeller's resolve to endow a medical-research institute. A year later, as a memorial to their son, Edith and Harold created the John McCormick Institution of Infectious Diseases in Chicago. Among the grants it gave out was one to researchers at Johns Hopkins, who isolated the bacterium that causes scarlet fever and set the stage for a treatment.

After Jack's death, Harold succumbed to depression. His charm and gaiety had always veiled a deep vein of melancholy, and he now sought psychiatric help in Switzerland. In 1908, he returned as a patient to the Burghölzli Psychiatric Clinic outside Zurich under the care of Dr. Carl Jung. Edith had also long exhibited manic-depressive mood swings that only widened after the birth of Mathilde in April 1905. Because she had been ill during the pregnancy, Edith and Harold toured Europe by automobile that summer, leaving the baby with John and Cettie. After a fleeting improvement in her health, Edith relapsed the next spring and was belatedly diagnosed as suffering from tuberculosis of the kidney. Rockefeller knew his daughter's troubles were as much psychological as physical in origin and observed to Harold's brother Cyrus that Edith would "require quiet and rest for some time, after all the severe strain through which she has passed in the last few years."

⁸⁰ For both Harold and Edith, the lure of Europe deepened over the years, a magnetic attraction that the provincial Rockefellers found difficult to fathom.

Edith's marriage to Harold McCormick brought Rockefeller under renewed scrutiny because it attached him to the reaper trust as well as the oil trust and steel trust. In August 1902, George Perkins, a J. P. Morgan partner, amalgamated McCormick Harvesting Machine, Deering Harvester, and three smaller competitors into International Harvester, a behemoth with 85 percent of the farm-equipment market. Harold McCormick was named vice president and brother Cyrus president of the company. It was a troubled merger, and the McCormicks feared that Perkins and the Deerings were secretly plotting to gain control of the company. To create a counterweight, they persuaded Rockefeller to take a five-million-dollar block of preferred stock. Never one to do things by halves, Rockefeller soon expanded his stake to between twenty-five and thirty million dollars. His loans to International Harvester later rose as high as \$60 million, and he took stock in the trust as collateral.

This discreet collaboration did not thaw the icy relations between the Rockefeller family and the house of Morgan. On the contrary, the Rockefellers spied conspiracies everywhere. When Junior learned that control of International Harvester would be vested in a three-man voting-trust committee composed of Perkins, Cyrus McCormick, and one of the Deerings, he felt their worst fears were confirmed. "The object of so tying up these securities is that J.P. Morgan & Co. may be assured of the control of the business for a given period of years, and they have made every effort to make it difficult, yes well nigh impossible, for the securities to change hands," he wrote to Senior.⁸¹ Though Rockefeller requested a board seat, George

Perkins countered that this would tip the power balance toward the McCormicks and “engender feelings so strong that he could not hope to harmonize them,” as Junior told his father.⁸² Since the Rockefellers thought that J. P. Morgan and Company secretly exercised the Deering shares, they were not entirely surprised when their vigorous dissent came to nothing.

Equipped with a fine instinct for flattery, Harold professed the greatest admiration for Senior’s business abilities. “I have always taken you and the Standard Oil Company as my ideals in the progress of a large company,” he told him a year after the reaper trust was formed.⁸³ Rockefeller did not reciprocate the sentiment and grew critical of Harold’s stewardship of International Harvester. He developed a lengthy list of grievances, including Harold’s failure to notify him of upcoming earnings reports. Sounding an old refrain, he also chastised Harold for paying excessive dividends. In time, George Perkins grew adamant that the dividend should be boosted, even though the company was borrowing heavily. When Gates went to Morgan to protest, he came away convinced that the house of Morgan was milking the stock for short-term profit. “It is further highly probable,” he told Rockefeller, “that the reason why Morgan & Co. are so insistent on increasing the dividend from 4 to 6% is to enable them to sell out their stocks at a very high figure on the basis of the increased dividend. The stock has lately been manipulated upward clearly by an insider namely Mr. Perkins who knew that it was closely held and little was to be had.”⁸⁴ Senior was dismayed when Harold and Cyrus McCormick protested this only in the lamest fashion. When the voting trust expired in 1912, the McCormicks, with a majority of shares, grimly maintained control, but Rockefeller gradually sold off his position. He would not allow family sentiment to overrule his business judgment.

Unlike the nonconformist Edith, the middle daughter, Alta, was kind and obedient and always eager to please her parents. Slender and dainty, she was an anxious teenager and wrote to her brother reassuringly from the Rye Female Seminary, “Classes are not very large and I shall not be frightened.”⁸⁵ Of the three daughters, she probably felt most affectionate toward father and never strayed too far from the family fold. “No, I don’t change,” she once confessed to a friend. “I’m still wearing cotton stockings.”⁸⁶ She could exhibit a touching innocence and even when married with children radiated a girlish charm. “She seemed just like the 16 years old daughter of the home,” Cettie told her diary after a visit from the forty-one-year-old Alta.⁸⁷

As would happen to her brother, Alta suffered from terrible headaches. At age eight or nine, she had an attack of scarlet fever that left her partly deaf in one ear, an affliction that brought her closer to her parents. She later found significant relief with a Viennese physician, Dr. Isidor Muller, and for decades thereafter made annual pilgrimages to Karlsbad to renew this ear treatment. Alta was such a fine singer and pianist that many people did not detect the handicap, but close observers noted the quick, subtle way she flicked her good ear toward the speaker to catch his words.

Forever vigilant against fortune hunters with designs on his daughters, John D. worried the most about Alta, who was passionate and impressionable. Easily smitten, she was constantly falling in love with the wrong men, prompting family rescue operations. Often her crushes were mixed up with a missionary impulse to redeem her beloved from some presumed failing.

If Rockefeller had thought Alta safe in the sanctuary of the Baptist Church, he was rudely awakened in early 1891. Though the Rockefellers had moved to Manhattan, they resumed their involvement in the Euclid Avenue Baptist Church every summer when they returned to Forest Hill. As a deacon and superintendent of the Sunday school, Rockefeller still paid half the church expenses from his own pocket. While teaching in the Sunday school, Alta, nineteen, became infatuated with the forty-seven-year-old pastor, the Reverend Dr. L. A. Crandall. Despite the considerable age difference between them, Alta tried to wean him from his evil smoking habit. Though only five years younger than Rockefeller himself, Reverend Crandall was highly susceptible to Alta's adoration. His wife had died a year and a half earlier, leaving him with a son in college, a daughter in private school, and an emotional void in his life.

Persuaded that Alta genuinely loved him, Crandall began to talk to her about marriage. When Rockefeller heard rumors of this, he refused to believe them at first, then summoned people to his home, quizzed them, and was stunned to discover the truth. Rockefeller delivered a stern ultimatum to Dr. Crandall: Either he would resign or the Rockefellers would withdraw from the Euclid Avenue Baptist Church. The church would have been devastated without the Rockefeller money and torn apart by the scandal. Submitting to a superior force, Dr. Crandall left for a Chicago pastorate under the cover that he was moving there to seek a superior education for his children.

Three years later, Alta fell in love with a young minister named Robert A. Ashworth, who was in poor health. When Rockefeller got wind of his

daughter's attachment, he tried to figure out how to cure her of it without showing his hand. In late December 1894, he suddenly organized a party of young people, including Junior, Alta, and Ashworth, for a festive sledding and tobogganing trip to the Adirondack Mountains. Rockefeller chose to emphasize vigorous sports that would expose Ashworth's frailty to Alta. "Most of the young men taken along were highly robust, and the minister in his physical weakness cut a sorry figure beside them," said Junior's friend Everett Colby.⁸⁸ The ploy apparently worked and the problematic relationship ended a week later.

Of all the Rockefeller children, Alta was the most affected by the plight of the poor immigrant populations crowding into American cities in the late nineteenth century. Where her father exercised his benevolence at a distance, Alta rolled up her sleeves, went into the slums, and administered self-help programs for the poor. At Tenth Avenue and Fifty-fifth Street in Manhattan, she set up a sewing school for indigent girls, drafted a corps of volunteer teachers, and enrolled 125 pupils. She also set up a small private clinic for invalid women.

Despite her managerial talents, Alta departed from her father's penchant for building large institutions and favored small-scale charities, of which the best example was Alta House in Cleveland. In the 1890s, a local minister interested Rockefeller and his daughter in a charity, the Day Nursery and Free Kindergarten Association, serving poor Italian immigrants in the Murray Hill district, the Little Italy of Cleveland. Many working couples left their children there during the day. Rockefeller agreed to construct a new settlement building, Alta House, which was dedicated in February 1900 and furnished with a family laundry and medical dispensary. Although he supplied the money and covered the budget for its first twenty years, Alta did the legwork. She enjoyed direct contact with the immigrant families and took special delight in dressing up dolls for their children.

After completion of the settlement house, Alta was desperately eager to marry. When Edith married Harold McCormick in 1895, Alta was openly envious and told her brother that "I must try to enter heartily into all her happiness."⁸⁹ Through Harold McCormick, Alta met Ezra Parmalee Prentice, then working in Chicago as general counsel for the Illinois Steel Company. Cold and smart, a rigid perfectionist, Parmalee was also an amateur scientist with a large collection of meteorological instruments. The scion of an old Albany family and a graduate of Amherst College and Harvard Law School,

he underwent the same microscopic scrutiny that awaited any supplicant for Alta's hand. As she told Junior in early 1900, "[Parmalee] gave Father the names of four of his friends who would answer any questions about him that Father might want to ask and said that he would add to this list if it were desired."⁹⁰ When Parmalee passed muster, he and Alta were married the following year, but Parmalee and Senior had a remote relationship and seldom saw each other. Parmalee penned formal letters to his father-in-law that began, "Dear Mr. Rockefeller" and were signed, "E. Parmalee Prentice."

Unlike Edith, Alta wanted to live near her parents. Perhaps Parmalee erred by abandoning his Chicago job to practice law in New York and join a firm that would one day evolve into Milbank, Tweed, Hadley and McCloy. Surrendering his freedom by slow degrees, he allowed Junior to buy and furnish a new home for them at 5 West Fifty-third Street. A gift from Senior, this house stood behind his own home on West Fifty-fourth Street. "Uncle John did furnish that house," one of Alta and Parmalee's children said. "My father could not have cared less and my mother did not have the know-how. She had grown up in the same rut as Uncle John and had no one to pull her out. She was timid, spiritual like her mother, and besides, she had the idea that her brother always knew best."⁹¹ Parmalee had a fine legal mind, authored two legal books, and argued cases before the Supreme Court. At first, Rockefeller referred legal work to him and advised other moguls to follow suit, but he never got the expected gratitude from his proud son-in-law. In 1905, when Rockefeller asked him to reorganize Colorado Fuel and Iron, he was not only outraged by the fees Parmalee charged but indignant at his high-handed treatment of the bondholder representatives. At that point, Rockefeller advised Gates to refer less business to Parmalee's firm. Unable to compromise on business principles, Rockefeller chose to jeopardize family relations instead.

Instead of distributing money to his children at maturity, Rockefeller kept them on allowances after they married and reserved the right to oversee their finances. Junior was appointed family auditor, and this turned him, perforce, into an irritating, censorious presence in the lives of his three brothers-in-law. When Junior decided in 1904 that Alta and Parmalee were spending twice as much as their income warranted, Parmalee bristled at this intrusion into their private lives. The prodigal generosity displayed by Senior after Alta's wedding now turned into its opposite, and she was placed in the demeaning position of having to beg him for money. After a point, she did not disguise her anger. "Ten years ago when we came into the house you were good

enough to pay for all the lace curtains,” she wrote to her father. “These curtains are now worn out and I have bought new ones. . . . Would you help me out by buying the curtains. If so, I shall be greatly pleased. If not, of course it will be all right.”⁹² Once he had made them feel punished for earlier extravagance, Senior would relent and disburse the money. As long as the right conditions were met, this controlling father was always happy to be generous. In 1910, he offered Alta and Parmalee \$250,000 to purchase a house and land, and they bought a thousand-acre farm, which they christened Mount Hope, in the Berkshire Mountains near Williamstown, Massachusetts.

It is interesting that both Alta and Bessie married cold, remote, self-absorbed men. One can speculate that they chose these men because of their resemblance to their father, yet neither Charles Strong nor Parmalee Prentice had Rockefeller’s redeeming cordiality or spontaneous interest in other people. Many observers felt that Alta had blundered in marrying the autocratic Parmalee. Priggish and straitlaced, he demanded that their three children dress formally for dinner each night, and he never allowed them to bring friends to the table. Highly cerebral, Parmalee translated *Treasure Island* into Latin and insisted that the children converse with him in Latin each evening. Each Sunday, he prepared an essay on a theme and led a family discussion. Parmalee was so fearsome a father that even Junior’s children felt their own home positively wild and decadent in comparison.

Whatever her frustrations, Alta put the best face on the marriage. “Parmalee is beautiful in his thoughts for me and his consideration of me, and if he had his way nothing would ever be allowed to fret me nor disturb me for one single minute,” she wrote to her father. “He makes my life one long, glad song.” While Parmalee had rather cool relations with his children, Alta insisted to her father that they “love him as dearly and respect him so much that they cannot bear to see even the slightest shadow cross his face.”⁹³ The compliment can also be read to connote a certain fear that the children had of him.

After purchasing the farm, Alta and her husband increasingly inhabited a rural world, tramping about the muddy fields and growing corn, oats, potatoes, buckwheat, and McIntosh apples. Alta’s letters abound in talk of plowing, threshing, and manure. Prompted by an interest in Gregor Mendel’s genetic theories, Parmalee began to experiment with scientific agriculture and studied ways to boost the output of their potato crop, dairy herd, and hens. Visitors to Mount Hope were far more likely to meet geneticists from

Williams College than society figures. When Parmalee organized an experiment to cross black and white mice, Alta had to photograph a thousand mice. Where Edith had ventured out into the world, Alta—who had little contact with her sister— stuck to a simple life that revolved around her husband, children, farm, and horses.

Senior wanted all three sons-in-law, along with Junior, to be involved in the Rockefeller philanthropies; for reasons discussed later, he skipped over his three daughters. Senior and Junior made intermittent efforts to interest Parmalee, but he habitually declined their offers. At one point, Harold McCormick tried to relieve tensions between Junior and Parmalee. While admitting to Senior that Parmalee had “a proud and perhaps even haughty spirit,” Harold maintained that he was a good-hearted man who suffered from a “feeling on the part of the harsh world . . . that he is discredited by his family or even viewed with indifference.” Citing the hostility between Junior and Parmalee, Harold added, “Alta is torn almost in two in her love.”⁹⁴ Apparently, Senior was not convinced. Soon after Harold’s plea, he complained to Edith that Junior was overburdened with charitable work and explicitly blamed his sons-in-law: “I could wish that Harold and Parmalee, with their broad shoulders, were heart and soul in this work with us.”⁹⁵ Yet it was never clear how they could do that without subordinating their identities to Rockefeller, who never understood their need for freedom from his domineering presence.

While Parmalee craved distance from Senior, he did not renounce the financial rewards that came with the relationship. In 1912, Rockefeller guaranteed him a \$30,000 annual income from his legal work; if he failed to reach that level, Rockefeller would make up the difference. Whether Parmalee suddenly grew lazy or suffered a sharp downturn in business is unclear, but two years later Rockefeller had to pay \$26,000 of his salary. Two years after that, he doubled Parmalee’s annual guaranteed salary to \$60,000. Meanwhile, Alta’s annual allowance was boosted to \$50,000 in 1914. By transferring more money to Alta and Parmalee and giving them the means to pay their own bills, Rockefeller hoped to end the constant tussles between them and Junior over money— something that he should have done in the first place.

CHAPTER 22

Avenging Angel

The relief that washed through Standard Oil after William McKinley's 1896 election had proved short-lived. Despite a sudden upsurge of prosperity, the electorate remained wary of the new monopolies and the muscular arrivistes who had created them. The crusade to curtail the trusts was very much alive, if temporarily shunted to the state level. Once again, the first salvo against Standard Oil was fired in Ohio. The state attorney general, Frank Monnett—successor to the crusading David K. Watson—was the son of a Methodist preacher, a former railroad attorney, and a hardworking public servant. In 1897, he received a visit from the maverick refiner George Rice, who persuaded him that Standard Oil had never complied with the 1892 decision to sever Ohio Standard from the trust. To check up on his adversaries, Rice had bought six shares of Standard Oil trust certificates. When he tried to redeem them for fractional shares in the twenty constituent companies spun off by the 1892 decision, the liquidating trustees—including Rockefeller—procrastinated for four years. Now, five years after the verdict, \$27 million in trust certificates remained unredeemed. On November 9, 1897, Monnett charged that Standard of Ohio had never seriously planned to leave the trust and was in contempt of court. It had all been a charade to pacify trustbusters.

Rockefeller's retirement began to assume the inexorable nature of a Greek tragedy: Just as he sought to extricate himself from the trust, its legal troubles deepened. Conditioned by a long history of Standard Oil mendacity, both press and public mocked his so-called retirement as a tawdry ruse to evade testimony. It defied the common conception of villainy to think that such a man could simply walk away from his creation.

To expedite the case, Monnett had a master commissioner interrogate witnesses in New York. On October 11, 1898, Rockefeller was summoned to testify at the New Amsterdam Hotel, the prosecution hoping to prod him into an admission that he had stalled in liquidating the trust. Through more than five hours of questioning, Rockefeller, as imperturbable as ever, spoke in such a low voice that people strained to hear him, and he conceded so little that the next day's *World* ran the headline, "Rockefeller Imitates a Clam."¹ Standard

lawyers spent much more time objecting to questions than Rockefeller did in answering them. Once again, he presented the past as a dense fog that he could scarcely penetrate. As the *World* dryly observed, “The virtue of forgetting, which is one of the most valuable virtues that a monopolist can have under cross-examination, is possessed by Mr. Rockefeller in its highest degree.”²

Rockefeller, as always, refused to believe that anybody could have a legitimate objection to Standard Oil. Once again, he fell back on his all-purpose explanation that the suits filed against him were just extortion rackets posing as public service. Later on, he said that Monnett’s motive was to “blackmail the Standard Oil Company” and that he was a “comrade in schemes with George Rice.”³ Rockefeller suppressed signs of irritation at the hearing, yet he seemed edgier than on earlier occasions. Reporters noted telltale nervous habits that called into question his surface composure—the way he kept shifting his weight, crossing and recrossing his legs, rubbing his nape, blowing out his cheeks, and biting his mustache.

At the end of his testimony, Rockefeller, discernibly relieved, did something very unusual for him: He bounded straight over to George Rice, extended his hand, and tried to engage him in conversation. He suddenly grew very chatty, as two newspapers reported:

“How are you, Mr. Rice? We are getting to be old men now, eh? Don’t you wish you had taken my advice years ago?”

“Perhaps it would have been better for me if I had,” said Rice, glaring at him. “You have ruined my business, as you said you would.”

“Pshaw! Pshaw!” replied Rockefeller, moving away.

“You did, you ruined me,” persisted Rice, chasing him. (Rice, a well-to-do businessman, perhaps overstated his case.)

“Pshaw! Pshaw!” said Rockefeller, donning his silk hat. “I would rather have given ten—”

“It’s no use your saying ‘pshaw,’ ” Rice interrupted. “You know damned well you did.”⁴

Rockefeller flashed a funereal smile, then disappeared from the room. It

was one of the few times in his mysterious career that he ever confronted one of his nemeses. If Rockefeller's style was to slip away from attacks, the Monnett investigation displayed the two-fisted style of his successor, John D. Archbold. On the stand, Archbold accused Rice of trying to extort \$500,000 from Standard Oil for his refinery, and at the lunch recess, according to one newspaper, he marched up to Rice, jabbed a finger in his face, and said, "You are nothing but wind and weight." "And you," retorted Rice, "are nothing but money stolen from the people." ⁵ The impetuous Archbold behaved as if public opinion were of no importance. He did not see that the day of reckoning for Standard Oil was fast approaching and that he would soon need all the friends he could get. In a preview of his brawling, arrogant style with authorities, Archbold got into a heated shouting match with a man named Flagg, one of Monnett's assistants:



Ida Minerva Tarbell, seated before her rolltop desk at McClure's Magazine in 1898. (Courtesy of the Drake Well Museum)

"You keep still or I'll expose you right here," Archbold shouted at him.

"You couldn't if you tried," said Flagg. "I'm not afraid of your millions."

"Shut up or I will show you up," cried Archbold.

“Is any one low lived compared with a Standard Oil magnate?”

“You know what you are.”

“You are a coward and a liar,” shouted Flagg.

“You are a stinking liar,” Archbold shot back.⁶

What prompted this vehement exchange was the burning of company records at a Standard Oil facility in Cleveland. Monnett had charged Standard of Ohio with surreptitiously paying dividends to holders of trust certificates after 1892, which Rockefeller and other officials denied. To resolve the matter, the state supreme court ordered Standard of Ohio to produce its books in December 1898. Two weeks later, reports filtered out that sixteen boxes of books had been incinerated by Standard employees. Amid a national furor, Standard attorneys denied that the boxes contained the ledgers in question —“from time to time,” said Standard Oil’s attorney, Virgil Kline, the company destroyed “useless material which accumulates in its business”—but he refused to produce the pertinent ledgers.⁷ Monnett thought the books were torched to shield Rockefeller. As he told Henry Demarest Lloyd, “I am of the opinion that the books were burned at least in part. . . . They were obliged to either let the books contradict Mr. Rockefeller . . . or else take a defiant stand and conceal the books from the court.”⁸

Among other damning accusations, Standard Oil was said to have hired the Malcolm Jennings Advertising Agency to promote its products in Ohio and Indiana newspapers in exchange for favorable news items. The most sensational charge trumpeted by Monnett involved an alleged attempt by Standard Oil to bribe him into dropping the case, much as had been alleged with David K. Watson. Monnett said that a nameless emissary had come to his Columbus office with an offer of \$400,000. The money was to be left in a safety-deposit box in New York, with Monnett given the key. Standard attorneys hotly disputed this, demanding the name of their putative agent. When Monnett would not identify him, citing fears of reprisals, it cast doubt on the story. In a later statement, he named Feargus Charles Haskell and Frank Rockefeller as the culprits. Rockefeller’s papers, unfortunately, shed no light on the situation.

Before Monnett could inflict lasting damage upon Standard Oil, he became persona non grata in many sections of his own Republican Party. He

especially incurred the wrath of U.S. senator Joseph B. Foraker of Ohio, who was on the Standard Oil payroll. (In 1900 alone, Archbold disbursed \$44,500 in lobbying fees to the senator.) At a Washington meeting, Foraker gave Monnett a brief but unforgettable education in Ohio political realities. As Monnett re-created the discussion:

I at first discussed the impropriety and danger of [Foraker's] representing these trusts, criminal and civil violators of his own State, as long as he as well as myself should be interested in the welfare of the people of Ohio. He told me that he never allowed his law practice to interfere with politics or his politics with law practice, and added that he was a judge of ethics of our profession. He then took up the cause of action against these companies and reminded me of the great power financially and politically of the Standard Oil crowd. After talking a short time, he asked me to have the proceedings delayed in order to accommodate him. I firmly declined to concede any time whatever and told him so. He recalled the great power of the Oil Trust to anyone opposed to it.⁹

True to Foraker's warning, Monnett failed to win the Republican renomination for attorney general in 1899; disillusioned, he joined the Democratic Party two years later.

Even though the Ohio suit fizzled, it alerted the trust to the need for a permanent corporate structure that could weather legal challenges. Ever since 1892, Standard Oil had sustained a precarious arrangement in which seventeen leading shareholders, many of them the liquidating trustees, held a majority of the stock of twenty constituent companies. These oil-industry veterans were now graying—Archbold, in his early fifties, was among the youngest—and since they alone bound the Standard Oil units together, they feared that if they died, their heirs might squabble, sell the shares, or otherwise threaten the trust's cohesion. It was time for a less-shaky corporate framework.

The trust had long struggled with the legal straitjacket that prevented companies from holding stock in out-of-state corporations. In 1898, heeding the clamor against the trusts, Congress created the U.S. Industrial Commission to study the American economy. Testifying before that body a year later, Rockefeller bemoaned this legal anachronism. "Our Federal form of government, making every corporation created by a State foreign to every other State, renders it necessary for persons doing business through corporate agency to organize corporations in some or many of the different States in

which their business is located.”¹⁰ To rectify the problem, Rockefeller endorsed a federal incorporation law, even if a measure of government regulation came with it.

In the meantime, Standard Oil was aided by recent amendments to the New Jersey incorporation law. In June 1899, undergoing yet another change in form, Standard Oil became a full-fledged holding company under New Jersey law with the legal parent, Standard Oil of New Jersey, controlling stock in nineteen large and twenty-two small companies. Though he owned more than one-fourth of the shares, Rockefeller wanted to stay retired and avoid operational responsibility. Loath for him to relinquish his titular leadership amid legal troubles, his colleagues insisted that he remain honorary president. “I declined to have any official position in the Standard Oil Company of New Jersey in 1899,” Rockefeller later told Harold McCormick, “and urged my brother [William] to take this position, but as he declined and all the others were very urgent, I was called the President, and have been since, although the position is and has all the time been entirely nominal.”¹¹ Unbeknownst to the general public, Rockefeller never attended a meeting or drew a salary, and Archbold, the new vice president, ran the organization.

In many respects, Standard Oil attained its peak influence in the 1890s. It now marketed 84 percent of all petroleum products sold in America and pumped a third of its crude oil—the highest percentage it ever reached. After years of harrowing prophecies that the industry might vanish, the business outlook had never looked brighter, despite the growing use of electricity. Sales boomed in everything from oil stoves to parlor lamps to varnish, soaking up oil supplies and driving up prices. In 1903, the British navy outfitted some battleships to use fuel oil instead of coal, attracting the notice of the U.S. Navy. Paraffin wax had become a vital insulator in the burgeoning telephone and electrical industries. Most momentous of all, the automobile promised to consume that vile, useless by-product, gasoline, and Standard Oil cultivated the new carmakers. When Henry Ford rolled out his first vehicle, Charlie Ross, a Standard Oil salesman, stood by with a can of the trust’s Atlantic Red Oil. The number of registered automobiles in America leaped from eight hundred in 1898 to eight thousand in 1900. When the Wright brothers took off from Kitty Hawk in 1903, their flight was powered by gasoline brought to the beach by Standard Oil salesmen. These new petroleum applications more than offset the dwindling kerosene business.

Though it had some scrappy competition at home from Pure Oil, Standard

Oil's monopoly seemed secure in the 1890s. But developments at home and abroad soon imperiled its power even before Teddy Roosevelt's trustbusters entered the scene. In the late 1890s, Russia temporarily surpassed the United States to become the world's largest crude-oil producer, capturing 35 percent of the world market. The trust's global monopoly was sharply eroding on other fronts: The new Burmah Oil sold oil actively in Indian markets, Royal Dutch expanded its drilling in Sumatra, and Shell Transport and Trading stepped up its East Asian activities. In October 1901, Sir Marcus Samuel of Shell held secret talks at 26 Broadway. Archbold reported to Rockefeller, "This company [Shell] represents by all means the most important distributing Agency for Refined Oil throughout the World, outside of our own interests. He is here undoubtedly to take up with us the question of some sort of an alliance, preferable on his part of the sale to us of a large interest in their Company." ¹² Two months later, afraid of ceding too much power to Archbold, Samuel signed an agreement instead with Henri Deterding of Royal Dutch, creating a major new alliance along with the French Rothschilds. Archbold responded to this new threat with unrelenting price wars.

The home situation had grown no less treacherous. In 1900, the Waters-Pierce Company, Standard Oil's rogue marketing subsidiary, was ousted from Texas for violating the state's antitrust law. It had cornered 90 percent of the oil market, winning universal infamy for its cutthroat sales practices. This legal setback mattered greatly, for it evicted the trust from the state on the eve of a revolution. In 1901, drillers in Beaumont, Texas, made a major find in a dreary mound called Spindletop, which spouted oil with such explosive force that it spewed tens of thousands of barrels into the air for days before it was capped. The Texas oil boom, which spawned five hundred new companies during its first year alone, redrew the industry map. By 1905, Texas accounted for more than a quarter of the crude oil being pumped in America. Popular antagonism toward Standard Oil in Texas prevented the trust from moving aggressively to exterminate these new competitors, though the trust did have several refining affiliates there. When the Mellons, who had financed Spindletop, offered to sell it to Standard Oil, they were bluntly informed by one director, "We're out. After the way Mr. Rockefeller has been treated by the state of Texas, he'll never put another dime in Texas."¹³ Standard had to sit back and suffer the emergence of a host of competing producers, including Gulf Oil and the Texas Company, later called Texaco.

So while reformers noisily denounced the omnipotence of Standard Oil, its monopoly was swiftly crumbling at home and overseas. With additional oil

strikes in California, Indian Territory (later Oklahoma), Kansas, and Illinois in the early 1900s, the industry became too vast and far-flung for even Standard Oil to control. It might not be too much of an exaggeration to say that the antitrust cases brought against the trust in the early 1900s were not just belated but were fast becoming superfluous.

After a young anarchist assassinated William McKinley in Buffalo in September 1901, the country was swept by widespread trepidation that the shooting had formed part of a broader conspiracy. In Chicago, a traveling salesman captivated reporters with tales of a conversation that he had overheard at a local train depot where J. P. Morgan and John D. Rockefeller were mentioned as potential assassination targets. A heavily armed contingent of guards ringed Rockefeller's residence and he remained incommunicado.

As it turned out, the gravest threat to the titan's welfare emanated not from shadowy, gun-toting subversives but from the new White House occupant, forty-three-year-old Theodore Roosevelt. So long as McKinley was in the White House, Rockefeller had implicit faith that his business interests would be safeguarded. "America is truly to be congratulated upon Mr. McKinley's election," he had written in November 1900. "With financial interests on a sound basis, the next four years ought to accomplish much for the general welfare of the American people."¹⁴ In Roosevelt, however, whom he credited as the "shrewdest of politicians," Rockefeller knew he had a formidable rival.¹⁵

In a political world degraded by corrupt bosses and ward heelers, Teddy Roosevelt was that *rara avis*: a cultivated, well-to-do man. Descended from Dutch settlers who had emigrated to New Amsterdam before 1648 and later made a fortune in Manhattan real estate, Roosevelt, like many of his social peers, was scandalized by the sordid ethics of the new industrial class. As a New York state assemblyman in 1883, this aristocratic renegade reviled Jay Gould and his ilk as members of "the wealthy criminal class," the first of many such rhetorical blasts.¹⁶ In 1886, Rockefeller contributed one thousand dollars to Roosevelt's unsuccessful mayoral campaign only because he feared even more the single-tax policy espoused by one of his opponents, Henry George. Running for New York governor in 1898, Roosevelt accepted contributions from Henry Flagler and a number of Wall Street executives, whom he promptly double-crossed by enacting a tax on corporate franchises and supporting factory regulation. A militant preacher against class divisions, he warned that politicians ignored popular discontent about the trusts at their

peril. If they stuck to laissez-faire neglect, he predicted, “then the multitudes will follow the crank who advocates an absurd policy, but who does advocate something.”¹⁷ A dyspeptic Henry Flagler spluttered: “I have no command of the English language that enables me to express my feelings regarding Mr. Roosevelt.”¹⁸ New York businessmen were so eager to get rid of Roosevelt that they eased him out of the governorship and into the vice presidential slot on the McKinley ticket in 1900. Roosevelt always believed that Standard Oil had formed part of the effort to export him from state politics.

By 1901, virtually all American industrialists were converts to the doctrine of cooperation preached by Rockefeller and feared Teddy Roosevelt’s reputation as a trustbuster, even if that anxiety was somewhat overblown. Like Rockefeller, the new president favored industrial consolidation to exploit economies of scale. Scoffing at calls by William Jennings Bryan and Robert La Follette to dismantle the trusts, he contended that any such course would thwart the economy’s natural tendency. “Much of the legislation not only proposed but enacted against trusts is not one whit more intelligent than the medieval bull against the comet, and has not been one particle more effective.”¹⁹ Roosevelt distinguished between bad trusts, which gouged consumers, and good trusts, which offered fair prices and good service. Instead of indiscriminate trust-busting, he concentrated on the worst offenders, and he singled out Standard Oil as emblematic of the abusive trusts.

When Roosevelt became president, Mark Hanna urged him to reassure skittish businessmen by avoiding provocative statements. With mischievous relish, the young president threw a dinner for J. P. Morgan, telling one cabinet member, “You see, it represents an effort on my part to become a conservative man in touch with the influential class and I think I deserve encouragement.”²⁰ He sought the advice of Senator Aldrich and stayed on his best behavior around businessmen. In November 1901, after a friendly meeting with Roosevelt, an aide to Henry Flagler suggested that he meet with the president and patch up hard feelings between them. “I don’t believe there is a man in America who dreads such a thing as much as I do,” Flagler responded. “I am glad you saw him, for I am sure I don’t want to do it.”²¹ The statement captured the hubris that would soon be the downfall of Standard Oil, which treated the federal government as a meddlesome, inferior power.

Roosevelt trod a tightrope between radical reformers and trust kings. He had a clever way of delivering sharp, sudden blows against business, then following with conciliatory speeches. By nature, he was a political hybrid: Strident reformers brought out his conservatism while stand-pat businessmen brought out his crusading zeal. Much like Franklin Roosevelt in the 1930s, he introduced regulation in order to save the country from social unrest and forestall more extreme measures. He was accused of appropriating the policies of William Jennings Bryan, much as Franklin Roosevelt was later said to have undercut his left-wing critics by appropriating many of their policies.

In February 1902, as businessmen speculated about his true colors, Roosevelt showed that he had not mellowed. Without consulting Wall Street, he launched an antitrust suit against the Northern Securities Company, a holding company created by J. P. Morgan to consolidate railroads in the Pacific Northwest. Stunned businessmen sold stocks on the news. However aggrieved, J. P. Morgan did not declare open warfare on Roosevelt and later in the year helped him arbitrate an end to the anthracite coal strike. As Roosevelt turned the presidency into an honest broker between capital and labor, Morgan, unlike the more myopic Rockefeller, saw that Roosevelt stood ready to make concessions to cooperative businessmen.

In early 1903, Roosevelt supported the Elkins Act, which strengthened penalties for railroad rebates, and energetically promoted plans for a new Department of Commerce and Labor, which would include a Bureau of Corporations with broad powers to investigate the trusts. The new bureau was indispensable to his antitrust program, since the federal government was too small and thinly staffed to tackle the trusts on anything like an equal basis. In the 1890s, the entire Justice Department staff in Washington had only eighteen lawyers. To take on the industrial giants, Roosevelt needed more staff and, especially, more information.

As business interests fought the bureau, Roosevelt artfully manipulated the press to demonize his foes. In February 1903, he informed reporters that six senators had received telegrams from John D. Rockefeller urging defeat of the proposed bureau in these words: "We are opposed to the anti-trust legislation. Our counsel will see you. It must be stopped. John D. Rockefeller."²² This mighty revelation, as Roosevelt expected, caused a terrific commotion. Rockefeller's name was now shorthand for corporate villainy so that his opposition to the bureau appeared conclusively to prove its need. As Teddy

Roosevelt exclaimed jubilantly, “I got the bill through by publishing those telegrams and concentrating public attention on the bill.”²³

In truth, the telegrams were sent by Junior after prodding from Archbold. Shocked and embarrassed by the uproar, Junior resented Archbold for having dragged him into the ill-advised lobbying operation. That everybody believed his revered father had authored the telegrams only made it the more mortifying. “I came out of college something of an idealist,” he later reflected, “and I was immediately thrust into the tough give and take of the business world. I really wasn’t ready for it.”²⁴ No stranger to controversy, Rockefeller told his son to ignore his critics—“Let the world wag,” he said—but Junior kept brooding.²⁵ He desperately wanted to rehabilitate the family name and live an irreproachable life, and here he was already wading hip-deep in Standard Oil muck. It was one of several events that finally convinced him that he was too squeamish for a business career.

Fiercely self-righteous, Teddy Roosevelt never forgot Standard Oil’s attempt to sabotage his new department, but he was a practical politician and recognized the value of winning Standard Oil support in his 1904 election campaign. Trying to mediate a truce between Standard Oil and the White House, Congressman Joseph C. Sibley told Archbold that the president thought the oil trust was hostile toward him, to which Archbold said facetiously, “I have always been an admirer of President Roosevelt and have read every book he ever wrote, and have them, in the best bindings, in my library.” Sibley relayed this flattering news to Roosevelt—minus, of course, the sarcasm. “The ‘book business’ fetched down the game at the very first shot,” Sibley reported back to Archbold. “You had better read, at least, the titles of those volumes to refresh your memory before you come over.”²⁶ The rapprochement did not survive the 1904 election, for once the voting was over the president had an unpleasant surprise in store for Standard Oil.

In stalking Standard Oil, Teddy Roosevelt had no more potent ally than the press. In the spring of 1900, Rockefeller could still reassure a correspondent that favorable publicity about him overshadowed adverse coverage. “No man can succeed in any calling without provoking the jealousy and envy of some,” he observed. “The strong level-headed man will go straight forward and do his work, and history will rightly record.”²⁷

Several trends gave birth to a newly assertive press. The gigantic trusts

swelled the ranks of national advertisers, fattening the pages of many periodicals. Aided by new technologies, including linotype and photoengraving, glossy illustrated magazines streamed forth in such numbers that the era would be memorialized as the golden age of the American magazine. Paralleling this was the rise of mass-circulation newspapers, which catered to an expanding reading public. Competing in fierce circulation wars, Joseph Pulitzer, William Randolph Hearst, and other press barons plied readers with scandals and crusades. Nonetheless, the turn of the century marked more than the heyday of strident tabloids and yellow journalism, as sophisticated publications began to tackle complex stories, illustrating them lavishly and promoting them aggressively. For the first time in history, college graduates went to work on newspapers and magazines, bringing a new literary flair to a world once considered beneath the dignity of the educated elite.

Studded with star writers and editors, the most impressive periodical was McClure's Magazine, which was started by Samuel S. McClure in 1893. In September 1901, the same month that Roosevelt ascended to the presidency, the magazine's managing editor, Ida Minerva Tarbell, sailed to Europe to confer with McClure, then taking a rest from his strenuous life in Vevey, Switzerland. In her suitcase she carried an outline for a three-part series on the Standard Oil Company, though she wondered whether anyone would ever wade through a long, factual account of a business empire—a journalistic enterprise never assayed before.

The Standard Oil story was intertwined with Tarbell's early life. Born in 1857 in a log cabin thirty miles from where Drake struck oil two years later, she was a true daughter of the Oil Regions. "I had grown up with oil derricks, oil tanks, pipe lines, refineries, oil exchanges," she wrote in her memoirs.²⁸ Her father, Franklin Tarbell, crafted vats from hemlock bark, a trade easily converted into barrel making after Drake's discovery. The Tarbells lived beside his Rouseville barrel shop, and Ida as a child rolled luxuriously in the heaps of pine shavings. Down the hill from her house, across a ravine, lived an amiable young refiner named Henry H. Rogers, who later recalled seeing the young girl picking wildflowers on the slope.

Ida watched men with queer gleams in their eyes swarming through Rouseville en route to the miracle-turned-mirage of Pithole Creek. Franklin Tarbell set up a barrel shop there and cashed in on the boom before Pithole's oil gave out. But Franklin's prosperity was tenuous, based on an antiquated technology. Wooden barrels were soon replaced by iron tanks—the first of