Interview: H. H. Rogers, March 5, 1902

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NOTES OF INTERVIEW WITH H. H. ROGERS.

After the overthrow of the South Improvement Co., Mr. Rogers tells me that the refiners of the country determined to form an association and limit production of Refined. Each city was to produce so much, and each refiner in each city, so much. The amount was reported. Shortly after the formation of this association, the New York branch found one of their members was producing and selling more on the sly than his portion. This broke up the body. The second association was formed, and reported monthly the amount each refined. If any man did more than his quota he was fined five cents a gallon. One of the big firms broke the contract and paid the fine for some time, claiming they could make more money by violating the contract and paying their five cents, than by limiting their output. By this time the refiners had concluded that no general association was possible and in 1894 they went into the Standard. I asked Mr. Rogers about the blackmailing. He says that it is true. That in certain cases, refiners sell to the Standard under promise to leave the business. Afterwards they rebuild and force them to buy. The Solar Refining Co., of New York is the chief example here. The Logans in Philadelphia gave them considerable trouble.

He gives me the testimony before the Grand Jury in the Buffalo case. Says that it took him months to get it, and that of course he has no business to have it. That he had to have it. At his request, I read the 60 pages while there. If Mr. Miller's word is to be believed, it is unquestionably true that the Everests were determined to destroy the Mathews concern and that they made a proposition to Miller to burn the place down, or at least ruin the stills. According to this evidence before the Grand Jury, the only connection that Mr. Rogers had with the business was in threatening Mathews to push prosecution for using certain patents. I do not see but what he was within his legal rights in this. Archibald, according to Miller, was behind Everest in every proposition which he (Everest) made to Miller. Miller told the Grand Jury several times of Everest not being able to come to a decision until
he had written Archibald. Mr. Rogers tries to get me to commit myself on Archibald's relation to the case, which I do not do. McGowan is not mentioned in the testimony. R. tells me that this indictment really killed McGowan. He is unwilling that I should take the testimony before the Grand Jury away with me, but sends me a tin box full of testimony taken at the trial. I feel more suspicious now about the case than after my other talk. Tells me about the Empire Limited case, and says he may ask me not to use this. Nothing in his statement, however which is not told much more fully in the investigations. I asked about present organization. He says all the companies are combined in the New Jersey company and that their entire capitalization is 110,000,000. I doubt this, but do not see how the statement can be disputed with the information which has been made public. He says that at the time of the Hepburn investigation the various companies in which he was interested were consolidating with the Standard. His testimony, therefore, was an evasion if not a falsehood. I tell him that I think he was very skillful in evading the commission. He says that that testimony won him the nickname of "Harmony". Seems to have no sense of shame about it. Admits it, laughingly. His point of view evidently was that the commission had no business with information about his private affairs. Says that by 1880 he had stock in nearly all the various companies. That the status of these companies was not known to the public, the value of stocks being kept secret. That in case of his death, there practically would have been no buyer, excepting Flagler, Rockefeller and the few others on the inside. That his heirs could not have reaped the benefit of his holdings. The formation of the Trust Co., however, changed all this, the public realizing the value of the trust certificates. Tells me there are probably not more than a dozen trust certificates out at present. These are held by such persons as Geo. Rice. That a bill is now before the legislature in Albany which will compel stock holders when 95% of the certificates of a liquidation have been turned in, to give up the other 5%. Says Rice only holds his to make trouble. Rogers tells me as we were talking about rebate, that we
have taken none since 1887, but there are other people that have, and why
they now have evidence which they are going to use in suing rival com-
panies for taking rebates. He seems to have no sense of humor in
regard to this, at all. He tells me that they did take rebates, at
that time - 1887 - that they had to, because everybody did it.

I do not succeed in getting any information about the amount
of profit on bye-products, though I asked particularly, and though he
had told me in my former interview that their profits came very largely
from this. In the course of our conversation, he told me that he thinks
it is better that there should be some competition, that their people are
apt to get lazy if they do not have the spur of competition. Before we
began our conversation, Mr. Rogers explained with great care where he liv
lived on the Creek; that he went out there to earn money to get married
with, and that the first year he and his wife lived on $500.

TALK WITH MR. FRADENBURG.

I find that his conclusions are almost exactly my own. He went
into it, he tells me, believing that it was not possible that the pop-
ular notion of the Standard could be true. That they could not have
done the things they were said to have done. He finds that everything
and more, is true. As an economist, his conclusion is, as to the
price of oil, that with their present facilities, they could sell oil
cheaper than any independent refiner. That is, if they were willing to
take a profit of 10% on the investment. That not being willing to do
this they are obliged to keep up the price of oil, so that the 48% of
dividends comes out of the consumer.