

## **Nonfiction Excerpt 1: Excerpts from *The History of the Standard Oil Company* by Ida M. Tarbell**

*In the chapter “The Rise of the Standard Oil Company,” Tarbell describes how John D. Rockefeller joined forces with some partners, bringing Standard Oil together with other businesses to form a trust called the South Improvement Company. At the time, Standard Oil was the largest oil-refining business in Cleveland, which was the center of the oil business in the United States.*

### **Excerpt 1**

In the fall of 1871, . . . certain Pennsylvania refiners brought to [Rockefeller and his partners] a remarkable scheme, the gist of which was to bring together secretly a large enough body of refiners and shippers to persuade all the railroads handling oil to give to the company formed [the new trust] special rebates on its oil, and drawbacks [refunds] on that of other people. If they could get such rates, it was evident that [other companies] could not compete with them long and that they would become eventually the only refiners. They could then limit their output to actual demand, and so keep up prices. . . . [They] began at once to work up a company—secretly. It was evident that a scheme which aimed at concentrating in the hands of one company the business now operated by scores [a “score” is twenty] . . . must be worked with fine discretion if it ever were to be effective.

. . . In order that their great scheme might not be injured by premature public discussion they asked of each [potential partner] whom they approached a pledge of secrecy.

### **Excerpt 2**

. . . There were at that time some twenty-six refineries in the town [of Cleveland]—some of them very large plants. All of them were feeling more or less the discouraging effects of the last three or four years of railroad discriminations in favour of the Standard Oil Company. To the owners of these refineries Mr. Rockefeller now went one by one, and explained the South Improvement Company [the new trust]. “You see,” he told them, “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 [evaluators], 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.” Certain refiners objected.

They did not want to sell. They did want to keep and manage their business. Mr. Rockefeller was regretful, but firm. It was useless to resist, he told [them]; they would certainly be crushed if they did not accept his offer. . . .

. . . Mr. Rockefeller's own brother, Frank Rockefeller, gave most definite evidence on this point in 1876 when he and others were trying to interest Congress in a law regulating interstate commerce.

We had in Cleveland at one time about thirty establishments, but the South Improvement Company [the new trust] was formed, and the Cleveland companies were told that if they didn't sell their property to them it would be valueless, that there was a combination of railroad and oil men, that they would buy all they could, and that all they didn't buy would be totally valueless, because they would be unable to compete with the South Improvement Company, and the result was that out of thirty there were only four or five that didn't sell.

### **Excerpt 3**

. . . A few of the refiners contested [fought back] before surrendering. Among these was . . . the firm of Hanna, Baslington and Company. [They went to discuss the issue with the railroad company.] They were told that the Standard had special rates; that it was useless to try to compete with them. [The railroad] explained to the gentlemen that the privileges granted the Standard were the legitimate and necessary advantage of the larger shipper over the smaller, and that if Hanna, Baslington and Company could give the [railroad] as large a quantity of oil as the Standard did, with the same regularity, they could have the same rate. . . . [They] "reluctantly" sold out. It must have been reluctantly, for they had paid \$75,000 for their works, and had made thirty per cent a year on an average on their investment. . . . Standard [paid] them \$45,000.

. . . Under the combined threat and persuasion of the Standard, armed with the South Improvement Company scheme, almost the entire independent oil interest of Cleveland collapsed in three months' time. Of the twenty-six refineries, at least twenty-one sold out. From a capacity of probably not over 1,500 barrels of crude a day, the Standard Oil Company rose in three months' time to one of 10,000 barrels. By this manoeuvre it became master of over one-fifth of the refining capacity of the United States.