

K. R. Kingsbury

KENNETH R. KINGSBURY, President of this Company since 1919, was stricken by a heart attack on November 22, 1937, while aboard ship in the Panama Canal. Although Mr. Kingsbury was taking a trip for much needed rest, his death was unexpected and without warning. Thus ended the career of a distinguished American citizen, a great figure in the community in which he dwelt, a leader of the American petroleum industry, and one of the country's most enlightened business executives. Had his span of life extended to December 27, 1937, he would have completed forty years of continuous service with Standard Oil companies.

Mr. Kingsbury was born in Columbus, Ohio, in 1876, the son of a railway executive. He was graduated from Princeton University in 1896. His youthful ambition was to be a mining engineer, and on that account he took post graduate work at the Columbia University School of Mines. However, circumstances led in another direction. At Christmas time of 1897 an opportunity came his way. He was offered employment with the Southern Pipe Line Company of Chambersburg, Pennsylvania, a subsidiary of the Standard Oil Company. His first job was a simple one, merely counting lengths of pipe as they were unloaded from a freight-car to horse-drawn trucks. His compensation was likewise simple—\$60.00 per month.

The first years to follow were not unlike the beginning and advancement of many other intelligent and ambitious young men. In these days he was a fireman in a pumping station near Hancock, Maryland, shoveling coal into a hand-truck and delivering it into three voracious boilers. Then he became a time-keeper and an oil gauger. These were the times of a twelve-hour day and a seven-day week. The work was ceaseless, and it is not to be doubted that conditions under which he labored were responsible for his earnest interest in later years in the welfare of the working man—his enthusiasm for the eight-hour day, and, some years later, for the establishment of the six-day week for well drilling crews, and for numerous other "benefits" for the employees. He had a business philosophy and an understanding of the

needs of men under him that could only have come about through his having himself lived the life of the worker far down in the ranks.

The character of his work in the earliest days did not satisfy him, and he asked for a transfer to the Sales Department. This took him out of the oil fields and into a new world, where his business vision broadened and where he was given training for the things he was later so ably to accomplish. As a young salesman he sold candles, greases and other petroleum products. This was before the time of the motor vehicle, when gasoline and lubricating oils became the major products of the petroleum industry. He worked in Jersey City, Hoboken and Bayonne, and later in North Carolina and other parts of the South. There are numerous stories of his energy and ingenuity.

In 1906 he became "Agent" of the Standard Oil Company (California), in New York. At this time the Standard Oil Company (California) was owned and operated by the parent Standard Oil Company, which had a number of subsidiary companies, that were later separated by the dissolution decree of 1911. Mr. Kingsbury served successively as assistant to H. M. Tilford and J. A. Moffett, presidents of Standard Oil Company (California), with headquarters in New York. When the parent company was broken up by the dissolution decree, he was elected Second Vice-President of the Company, now independent and with the home office in California. So, in June, 1912, he came to San Francisco. Here he made his headquarters until the end. The Company immediately felt the effect of his dynamic energy. He traveled up-and-down the Pacific Coast studying markets and arranging marketing facilities. He determined the sites for scores of distributing plants and laid the foundation for the complete system which exists today. And he had much to do with all the other phases of the business.

It was in April, 1919, that he became President of the Company, the youngest man ever to be elected to the position, at the age of 43. The eighteen years to follow reflect the long apprenticeship preceding. Those years proved a period of great expansion and progress. The Company, under his leader-

ship, progressed step-by-step with the business and industrial expansion of the Pacific Coast and with the remarkable development of the use of the automobile, and of petroleum products for power. Shortly after he took office there was a shortage of oil in California, with not enough to meet the public demand. Later there came a period of over-production, then scarcity, followed again by another period of over-abundance and shortage of demand. These disturbances led to many grave problems within the industry; the problem of saving it from economic chaos, the problem of its meeting its obligations to the public. Here Mr. Kingsbury showed his great qualities of leadership. A notable contribution to the welfare of the California oil industry, and co-incidentally to that of the nation, was his leadership in the formation in 1934 of the Pacific Coast Petroleum Agency, which was created to hold together the California oil industry at a time when demoralization threatened. It was successful in its purpose.

The domestic marketing expansion marched steadily on with growth in other directions. The Company had been the first to establish a system of service stations to meet the demands of the rapidly growing motoring public. During Mr. Kingsbury's presidency this system was expanded, and the number of stations was increased, their appearance and operation improved.

Through all this era, the good times and the bad, he led his Company with a sure leadership. During his eighteen years in the presidency there are few years which did not see some major accomplishment — acquisitions, consolidations, major discoveries of oil, increases in foreign and domestic production, extension of marketing from the shores of the Pacific Ocean to an area now beyond the Rocky Mountains, into Western Canada, Mexico and Central America. Along with all this there was constant and increasing trade overseas.

Under his regime the Company engaged in an extensive exploration to discover oil elsewhere than in California. It was always Mr. Kingsbury's thought that the destiny of this Company in the matter of producing crude oil should be world wide.

Today the Company has crude oil producing properties in several other states, with a substantial production, large reserves, and holdings of prospective oil lands, an insur-

ance against the future. Numerous expeditions were sent abroad. Greatest success was achieved on the Island of Bahrein in the Persian Gulf where a major oil field was discovered in 1931. Subsequently this property, together with a refinery which the Company built, was consolidated with certain marketing facilities of The Texas Corporation, so that today the California-Texas Oil Company Ltd., a result of the merger, is a factor in the oil markets of India, the Far East, Australasia, Africa and elsewhere.

Another notable event in the history of the Company's discovery or acquisition of producing properties was the consolidation in 1926 with the Pacific Oil Company, through which the Company acquired holdings of oil lands in the San Joaquin Valley which greatly enhanced production and its reserves of crude oil.

The heritage Mr. Kingsbury left in the matter of human relations is important. His interest in the welfare of employees was one of his most notable characteristics. During the years of his leadership, no group of employees ever struck for higher wages or shorter hours or better working conditions, or for any cause originating within the Company. In fact, with but two unimportant exceptions, this record covers the entire corporate life of this Company, nearly 60 years. The Company's maritime operations have on a few occasions been affected by disturbances, coming in all instances from the outside, never originating within the Company.

He approved highly of the Company's policy of abolishing the daily wage, placing everyone — after a year's service — upon a monthly salary basis. He approved giving vacations to all employees after a year's service, including the "pick - and - shovel" man. He approved the eight-hour day and the six-day week. Also the annuity plan, accident and sickness benefits and insurance benefits, prevention of accidents and annual medical examinations to prevent and reduce illness.

The depression and the condition of unemployment it created affected this Company as it did industry as a whole. Here Mr. Kingsbury's leadership proved most useful to workers of the Company, of the Pacific Coast and of the Nation. At the outset of the epidemic of unemployment the Company adopted a policy of immediately engaging upon projects which normally would have

been undertaken at a later date. For example, a pipe line was constructed that otherwise would not have been built until considerably later. Thus the jobs of some hundreds of men were saved. Then the Company adopted a shorter week period for the individual, thus distributing available work to the greatest possible number of men. Otherwise some 3000 people would have been dropped from the payrolls. Mr. Kingsbury thought that if this plan proved useful in his own Company, it would also be successful in other companies. He first called together business leaders of the San Francisco Bay area and explained to them what could be done if available work should be

“spread.” Then he invited employers from all parts of the Pacific Coast, and again the proposal was explained. Subsequently the movement became national under the auspices of the Federal government and the “share-the-work” principle was adopted in many places. There is no yardstick to indicate how many jobs were saved, but they were many.

His activities outside of his administration of the affairs of this Company were numerous. He had an outstanding sense of civic duty in matters concerning the welfare and progress of San Francisco, the Pacific Coast and the country. There was scarcely

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any civic movement in which his aid was not sought. He was chairman of the Board of Trustees of the San Francisco War Memorial. He was primarily responsible for the building of the fine structures composing the memorial which now stands in San Francisco Civic Center. He was a golfer and an enthusiastic fisherman. He served terms as president of the Pacific Union Club and of the San Francisco Golf Club.

He helped organize and was first President of Californians Inc., an organization responsible for attracting tourists and ultimate residents to California by community advertising.

From the inception of the idea of the Golden Gate International Exposition, scheduled for 1939, he was one of the leading factors. He was chairman of the Finance Committee and one of the four members of the Board of Management of the Exposition.

In 1930 he was chairman of the Industrial and Banking Committee of the Twelfth Federal Reserve District. Under the NIRA he was a member of the Planning and Coordinating Committee for the petroleum industry. He served as Chief of the Fifth Chemical Warfare Procurement District. During the Great War he was a member of the Pacific Coast Petroleum War Service

Committee. From its beginning he was a strong supporter of the American Petroleum Institute and for many years was a vice-president.

The sudden death of K. R. Kingsbury was a great shock to San Francisco, where for so many years he had occupied a prominent place in the affairs of the community. Flags on San Francisco's City Hall were placed half-mast, an unusual tribute to a private citizen. Condolences were received from hundreds; from people and organizations throughout the country and the world; from those who knew him and from great numbers who only knew of him, and of his achievements. Throughout the community a feeling of a great public loss was evident.

Dividend Declared

At a meeting of the Board of Directors of the Standard Oil Company of California, held at San Francisco, November 3, 1937, dividends amounting to eighty cents a share, consisting of a regular dividend of twenty-five cents a share and an extra dividend of fifty-five cents a share, were declared, payable on December 15, 1937, to all stockholders of record as shown by the transfer books of the corporation in San Francisco and New York at the close of business November 15, 1937. This action brings total dividends for the year to \$2.00.