An address delivered at a meeting of the Historical Society of Western Pennsylvania, May 20, 1947, in formal acceptance of a portrait of Judge Mellon, done by Verona Kiralfy after one by the French artist, Théobald Chartran, which had been received as a gift from Mr. William Larimer Mellon, a grandson of Judge Mellon.1

The Historical Society gratefully accepts from Mr. Mellon his very generous gift of this portrait of Judge Mellon, noted son of Western Pennsylvania, and extends to him its hearty thanks for this addition to its gallery. There are many reasons, as it seems to us, why it is eminently appropriate that this portrait should hang upon our walls. Of these many reasons time will suffice to discuss only a few.

One reason is Judge Mellon’s interest in family history. If we consider a community as the sum total of its individual members, the history of these separate members and their ancestors is, in that sense, the history of the community. The gathering together, recording, and preserving of genealogical data and family history is, of course, a most prominent

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1On exhibit for this occasion was a considerable collection of items relating to the history of the Mellon family, including a copy of Judge Mellon’s published autobiography and family history, McGuffey Readers used in his private school, books from his library, pictures of his banking houses, his lawyer’s account book, two bank ledgers, and other items referred to in the course of the address.—Ed.
function of an historical society. Fortunately, Judge Mellon's interest in such history was intense and was reflected in a most interesting way in his autobiography, *Thomas Mellon and His Times*, a wonderful book and one which we submit should be available to all historical students. It is true that Judge Mellon expressly stated that this worth-while record was written and intended for members of his family only, but we think it has such general value that others should be permitted to share it.

The importance of genealogical and family history in Judge Mellon's mind may be seen from the fact that he devoted some 135 out of the 648 pages in his book to the history of the Mellon family, going back as far as 1641. He wrote in his foreword: "I believe that knowledge of the hereditary defects as well as other qualities in ancestry might be utilized." On the first page of his book he says: "If you would know yourself, begin with the study of your forefathers." As a Scotch-Irishman, born in County Tyrone, Ulster, he was preeminently realistic, as witness his further comment: "It may not be amiss to remind my descendants that whilst family pride founded on ancestry, without good qualities in themselves to sustain it, is a sure sign of weakness and degeneracy, yet just enough such pride to produce self-respect, in connection with average good qualities, is a valuable preservative against low associations and bad habits." Moreover, he was realistic enough to exhibit no mock modesty in assessing himself and the other members of his family in these words: "I think it would be difficult to find a family coming into the country under similar circumstances which has done so well, and looking back into their antecedents as far as we can penetrate, it will not be claiming too much should their posterity claim to be descended of good stock."

EDUCATION

The Scotch-Irish have always been strong supporters of and great believers in education. Almost their first step when they reached the frontier was to establish schools and churches. Judge Mellon's education began at his mother's knee, with the Speller and New England Primer, one of the colonist's first printed schoolbooks, and continued through the remaining ninety years of his life. A graduate of the Western University of Pennsylvania, now the University of Pittsburgh, he taught school, as many did in his day, and, doubting the adequacy of the public
schools of that day he established his own private school, with a tutor for his own children and those of some of his friends.

Judge Mellon's wide ranging interest in intellectual problems is shown by a mere enumeration of some of the authors he mentioned and discerningly discussed in his autobiography. In history he mentions Jefferson, Adams, Madison, and De Tocqueville. As a lawyer and investor the Judge was, of course, intensely interested in political economy and he mentions Ricardo, John Stuart Mill, Prudhon, Kropotkin, Bakunin, Marx, and La Salle. What we now loosely speak of as communism was, in the Judge's day, called socialism. Experiments in communal life were prominent then, and so we find in the book references to Owen, Fourier, Rapp, de Laveleye, and Henry George in socialism.

The closing years of the 50's and the early 60's were stirring times in intellectual changes, as well as in public affairs. Probably no more startling bombshell ever burst in the intellectual world than the publication of Charles Darwin's "Origin of Species." The Judge's alertness of mind led him to many references to Darwin, Huxley, and Herbert Spencer.

In addition to the law, banking, and his books, the Judge also took his part in public life, both in national campaigns and as an active member of the Select Council of the City of Pittsburgh, a body, in his time, of prominent citizens.

PRACTICE OF THE LAW

Judge Mellon was one who walked cautiously and thoroughly considered every step in his life. At the age of fifteen he began to think about what his career should be. In his copy of Locke's "Essay concerning Human Understanding" there is a notation made by the Judge on February 3, 1899: "Whilst contemplating a college education in 1828 I bought this and 'Watts Improvement of the Mind' to find out if I could whether I had such mental machinery as might suit me for a professional life and now as my grand son and name sake is contemplating such an education I transfer them to him."

After mature consideration, at the age of twenty-six, the Judge began practice of the law, with success from the start. So far as can be judged now, he came to have the second largest practice at the Pittsburgh Bar.
He records that all he expected for the first five years was a living and the accumulation of $1,500, but by the end of his first year this "five year plan" of his had worked out, and at the end of three years his accumulations were $12,000.

Among the most interesting of surviving mementos of the Judge are three ledgers. In one of them, for example, is recorded in his own handwriting his account with one of his clients, and lawyers, but more particularly clients, would be interested to compare the scale of charges in 1856 with those of today, his almost uniform charge being $5 per case.

**FAMILY LIFE**

But the accumulation of money was not the Judge's supreme aim. In his autobiography he records:

If asked the sources from which I derived the most happiness, I would name but two; the free interchange of thought and implicit trust and confidence between me and my children in their youth; a unity of sentiment and opinion between us after they grew up. Congeniality of sentiment and desires is not so common between parent and child—too often they are antagonistic. Nor was it through constraint or deference to authority that such concurrence arose on their part. Very little restraint on my part was exercised. Their inclination seemed to concur with mine spontaneously.

Family life among all members of the Mellon family has always been strikingly close. Judge Mellon records: "My wedding day (at 30 years of age) was the luckiest day of my life."

**COMMON PLEAS JUDGE**

After twenty-one years of active, successful practice, three of the most prominent Pittsburgh lawyers, Stephen F. Geyer, the famous "old Tom" Marshall, and A. M. Watson, came to the Judge as a committee to suggest his candidacy for a seat on the Common Pleas Bench of Allegheny County. The Judge records that he thought it was a joke on their part but he was finally persuaded to run, if they would undertake all the work of campaigning. He made no speeches, he kissed no babies, and patted no voters on the back, but, despite competition by two well-known members of the Bar, James I. Kuhn, one of the leaders, and the young and active Edwin B. Stowe, he was elected by a large majority. The total cost to him was a subscription of $150. Quite a contrast with our day!
BANKING

Judge Mellon served one term and although solicited to run again, refused re-election and entered into the business of banking with his establishment of the private bank of T. Mellon & Sons in 1870, at the age of fifty-seven. His first banking house was on the north side of Smithfield Street in the middle of the block now occupied by the Henry W. Oliver Building. The second banking house was in the middle of the block now occupied by the building of the Mellon National Bank & Trust Company.

After discussing in his book the various motives which led him to leave the law and engage in banking, the Judge records as the main reason for his new departure: “And above all this, I had two bright boys just out of school, the idols of my heart, merging on manhood and with fine business capacity, whom I was eager to launch and to pilot in the channel for some part of their way.” These two sons were, of course, Andrew W. and Richard B. Mellon. The older sons, Thomas A. Mellon and James R. Mellon, had early embarked on business and the Judge records with pardonable pride the fact that before they were twenty-one, these two were “worth over $100,000.”

Very soon his bank ran into the storm of the panic of 1873 and its aftermath. Of his part in it the Judge gives a very interesting and colorful account in his book. Two surviving ledgers of the bank show a drop in his deposits from $600,000 to about $200,000, and the gradual rise to $375,000 by January 1, 1875.

A very interesting letter from the Judge to his son Andrew reads as follows.

T. MELLON & SONS, BANKERS

Pittsburgh, January 5, 1882

Proposition to son Andrew for services past and future.

He to have the entire net profits of the Bank from January 1, 1881, including my salary. The books to be readjusted accordingly. From 1st January instant. He to have entire net profits of bank and pay me an annual salary of two thousand dollars as its attorney and fifteen hundred per annum rent for the banking room; and I to allow him
forty five hundred per annum for attending to my private affairs and estate selling lots collecting rents &c as done heretofor.

This arrangement to last till superseded by another or annuled by either party.

Thos. Mellon

His son, Richard B. Mellon, had gone with a younger son, George Negley Mellon, to Bismark, North Dakota, on account of the health of his son George. There they conducted an active banking and real estate business. Later on, the Judge made a present to Andrew W. Mellon of the T. Mellon & Sons Pittsburgh bank, which, upon Richard B. Mellon's return to Pittsburgh, Andrew shared with Richard B.

The Judge gradually retired from the active management of the bank but we are not surprised to find that he did not retire entirely. Except for advice, he did leave his sons free but the Judge went to Kansas City, where he had some real estate interests, and engaged in a very exciting contest with high-binding city councilmen over franchises for bringing to Kansas City the benefits of incline planes such as were then prominent in Pittsburgh.

RETRAITEMNT FROM ACTIVE BUSINESS

Eventually, the Judge and Mrs. Mellon turned over to a trust for their children all their property. The Judge was a good Latinist, and among the books in his library were copies of Sallust and Justinian. The Western University of Pennsylvania thought enough of his ability to recruit him as Professor of Latin in substitution for a retiring professor. Of course he had a copy of Horace, and we may speculate that he may have read, with the approval so generally given to it, Horace's famous second Ode in Book 5, "In Praise of a Peaceful Life":

Beatus ille qui procul negotiis  
Ut prisca gens mortalium  
Paterna rura bobus exercet suis  
Solutus monei faenore.

Happy the man, in busy schemes unskilled,  
Who, living simply, like our sires of old,  
Tills the few acres which his father tilled,  
Vexed by no thoughts of usury or gold;  
The shrilling clarion ne'er his slumber mars,  
Nor quails he at the howl of angry seas;  
He shuns the forum, with its wordy jars  
Nor at the great man's door consents to freeze.
UNIQUE POSITION OF THE MELLON FAMILY

As we have said, the Judge and Mrs. Mellon had turned over to their sons all their property. Accustomed as we are to the astronomical figures of today, this might not now seem a large amount but in that day it was a large amount, especially when we consider that the Judge himself treated it as "venture capital" and had educated his sons to the same viewpoint. We hear a great deal of discussion of the subjects of "Free Enterprise" and "Rugged Individualism" and all the impediments placed upon, and the need for, the use of "venture capital." We come then to our second reason for holding that a portrait of Judge Mellon is fittingly and appropriately displayed on the Society's walls. This reason is that we view him as the founder of a family which is the example of the best type of the leadership which has advanced Western Pennsylvania to its high place in the industrial history of the United States.

When Judge Mellon began his active business career in the late 1830's, Pittsburgh was largely a principal forwarding point between the East and West. Transportation by canals was at its highest point and the railroad era was just beginning. Pittsburgh plants were largely engaged in fabricating into domestic utensils materials produced elsewhere. Agriculture was prominent, land was still the largest asset. Corporations were then generally not large, with securities a minor feature.

Accordingly, Judge Mellon's business activities, which began when he was a law student working in the prothonotary's office, were largely in real estate, banking and insurance, with some connections with coal mining. When Judge Mellon retired, Pittsburgh was just entering upon its rise in the production of iron and steel, coal and coke, glass, oil and gas, aluminum, electrical machinery, and other bulk products.

A NEW ERA

It may be truly said that Judge Mellon's retirement marked the end of one era, and the coming into action of Andrew W. and Richard B. Mellon the beginning of another era. As we have said, the Judge endowed his family with a large fund of "venture capital" but he passed on to them much more valuable gifts. One of these was industry—a desire, willingness and interest in work. One of the anecdotes told of Andrew W. Mellon is an illustration of this trait. After conferring
with a business associate Mr. Mellon ended by saying: "Think the matter over and we will get together again to discuss it. How would Saturday suit you?" His associate looked at the ceiling, as many people do when concentrating, and Mr. Mellon added with the characteristic Mellon consideration for other people, "or any other day which will suit you."

The associate then said with a grin: "Well, to tell you the truth, Mr. Mellon, I have an appointment for golf on Saturday and I was trying to figure out how I could communicate with my partner and tell him that I couldn't keep our golf appointment." "No, no," said Mr. Mellon, "don't break your appointment. You know I have never done anything but work in my life and have accumulated very little in the way of hobbies or outside interests. I'm sorry now that this is the case, so do not put off your golf engagement. Do not let business absorb you entirely."

Fortunately for us, later on Mr. Mellon did accumulate other interests in art, architecture, and education, from which we profit in the National Gallery at Washington and the magnificent collections there, and the Mellon Institute and the University of Pittsburgh here.

Another most valuable bequest by Judge Mellon to his sons was an open mind towards new ideas and businesses. Such an attitude of mind has always been a characteristic of the American way of life. "Trade" was not looked down upon here as it was in the old countries from which the colonists came. But perhaps there was no period in our history when an open-minded attitude was more valuable. There were those then, just as there have been in our day, who were faint-hearted and had cloudy, pessimistic visions of the future.

OPEN MINDS

Unsound, poorly informed prophets were abroad in the land then as they have been in our day. Elevation to a high place often leads to giddiness, especially in the case of those advocating a completely planned economy. We were told in 1932 that our industrial plant was all built, that we should be hard put merely to keep what we had, and that the enterpriser was a menace.

Since this jeremiad of our day, our output of electric power has trebled,
the petroleum industry is producing the greatest profits in all manufacturing, steel and railroad tonnage have doubled, not to speak of large increases in new, or comparatively new, industries such as electronics, radio, aviation, aluminum, and chemicals, all resulting in the largest national income in history. For instance, in radio we have 53,000,000 sets in 35,000,000 homes, and the revenues of broadcasters are seven times what they were in 1932. Aviation tells the same story. Airline revenues are fifty-five times what they were in 1932, and one single air line flies more miles than did all the air lines we had in 1932 put together. Aluminum capacity is almost five times as great as it was in 1932. In 1932 we were dependent on Germany for chemicals; today we are practically independent, with a productive capacity six times that of 1932.

The head of a new department of government, in his first annual report in 1886, announced that all needed railroads, river and harbor improvements and means of communication had been built; all needed wooden ships had been replaced by iron, and that the means of production were beyond the needs of consumption.

And yet, by 1900, railroad mileage had doubled, telephone and telegraph wires were counted by the million miles, we were building as many steel ships per year as the total number we had in 1886, steel production had trebled, horse power per worker rose four times, and half of the public lands had been placed under the plow by the flood of over six million immigrants in fourteen years.

The Mellons, however, following the Judge’s precepts, did not listen to Jeremiahs. They had alert, optimistic minds so that when, for instance, a new metal like aluminum was presented to them, they were quick to realize its possibilities and staunch in support of its development. Along the same line, the fact that the Guffey Petroleum Company had not been a success was no reason, in their minds, why they should not go into it, under the new name, Gulf Oil. Many have struggled with the too common inability of inventors to keep to the track long enough to carry their inventions to commercial success, but the Mellons did not throw up their hands in disgust when inventors wandered from the track, as many people do. One result of their tenacity in working out managerial problems was the success of Carborundum.
Judge Mellon passed on sound advice to his sons: 'You will always deal more safely and profitably with the better class. . . . In short, I would advise you to keep the best company you can get into, in your business life as well as in social life.'

The Judge was quick to recognize ability. When H. C. Frick came to him for a loan, and the first report of an investigator sent by the Judge to Broadford was not favorable, the Judge did not refuse the loan, as most bankers would, but sent another and more practical investigator with the outstanding result which we have seen from the union of powerful minds.

The Judge's sons were equally quick in recognizing ability. Two young Lehigh men came to the Mellons for a small loan. They were quiet and unassuming but created a strong impression of ability. The Mellons had been "stuck," as many bankers have been, with a bad loan on a structural erection plant. They asked these young men to look over the situation and give their advice. As a result, McClintic-Marshall came into being, the largest "independent" business of its kind in the world, with the Koppers Company as a by-product.

CORPORATION POLICIES

While the Mellons began their business life in an era of what we now call "rugged individualism," of "close" corporations without wide distribution of their securities, they were also very active figures during the succeeding "trust" era of promotion and wide distribution of stock. Nevertheless, one reason we select them as the most characteristic example of the earlier tradition is that they did not participate in these practices of our day but held to the doctrine of "close" corporations. Perhaps this stemmed from the Judge's advice, which has already been quoted, or perhaps from another of the strong characteristics of the family, that of plowing back the largest part of the earnings of their enterprises into the business, with the consequent result of very conservative dividends, which necessitated having stockholders who were, in effect, partners, and were willing to go along with this policy.

A striking example of this policy was the Union Trust Company of Pittsburgh with the largest percentage of surplus, as against capital, of
world banks. We do not always stop to think that this policy of retaining earnings, peculiar to our country, has been one of the strong reasons why American industry has been so progressive. The British policy of paying larger dividends and obtaining the money for new plants and extension of business by selling new company securities may be theoretically sound, but one of the anecdotes told of Andrew W. Mellon illustrates its disadvantages.

The story is that Andrew W. and Richard B. Mellon, "my brother and I," as they always referred to themselves, sat in at a meeting to discuss the planning of a drive for contributions to some community enterprise. The leader of the meeting read off a list of possible contributors with suggested amounts, and comments were made by those at the meeting advocating raising or lowering of these amounts. At the conclusion of the meeting the leader said to Andrew W. Mellon: "Mr. Mellon, you haven't made many comments and I was wondering whether you agreed with our method of handling this matter." Mr. Mellon answered: "Yes, I agree with it. It reminds me of the story of the young girl who made her first visit to a farm. Her uncle took her around and showed her everything, ending at last in the dairy with its long rows of cows being milked, where the young girl asked, 'do they all give milk?' and the farmer answered, 'no, you have to take it away from them.'"

When the money has reached the stockholders through dividends, it is much more difficult to sell more securities, as the British do, than to take the money out of the earnings retained by the corporation. Spending money for new plants is much slower. The British are now endeavoring to follow our practice. Their last tax measure includes incentives for plowing back earnings.

We have had in this country numerous examples of long continued family leadership. The Du Pont family, from 1739 on, at once comes to our mind; the Weyerhausers are another instance. The Rockefellers, Morgans, Fords, and others could be cited but, in general, these families have been concerned with but one industry. A distinguishing characteristic of the Mellon family, and one which we repeat leads us to select it as the outstanding example, is the fact that the Mellons have been concerned with the largest number and variety of industries.
These are some of the reasons why the Historical Society is happy to have on its walls this portrait of the founder of this family which has done, and is doing and, we are sure, will continue to do so much to bring about Western Pennsylvania's high place in American industrial history.