

Baku and the Nobel Brothers

For centuries, oil seeps were known on the Aspheron Peninsula in the Caspian Sea. In the thirteenth century, Marco Polo reported hearing of a spring near Baku that produced oil that was good to burn and useful for curing mange on camels. Baku was also known for “eternal pillars of fire” worshiped by the Zoroastrians. Those pillars were due to natural gas venting from the ground.

Baku was annexed by the Russian empire early in the nineteenth century. The first wells were drilled in 1871-72 and by 1873 more than 20 small refineries were producing illuminating oil (kerosene). About this time, a chemist named Robert Nobel arrived in Baku. He was the eldest son of Immanuel Nobel, a Swedish inventor who had emigrated to Russia in 1837. His invention of the underwater mine was adopted by the Russian military. From this beginning, Immanuel built a large company, only to have it fail when the Russian government switched from domestic to foreign procurement.

One son, Ludwig, built a new armaments company from his father's failed business. Another son, Alfred, created a worldwide dynamite empire based on a suggestion about nitroglycerine from a tutor. Robert was not as lucky and failed at several businesses. He was forced to take a job working for Ludwig in St Petersburg.

Ludwig won a large contract to make rifles for the Russian government. He needed wood for the rifle stocks and sent Robert south to the Caucasus region to buy Russian walnut. In March 1873, Robert arrived in Baku where he was caught up in the fever of the recent oil development. Robert took Ludwig's 25,000 rubles for buying wood and instead bought a small refinery.

Robert modernized the refinery and with additional money from his brother, he became the most efficient refiner in Baku. In 1876, Ludwig came to Baku. He could work with the imperial system and was a great industrial leader. He studied all aspects of the oil business and gave it his full attention. In a few years, the Russian oil business surpassed the American oil business, for awhile. Ludwig Nobel would become “the Oil King of Baku”.

Ludwig Nobel's determination continued in spite of increased competition but at age 57 he was physically worn out. In 1888, the Oil King of Baku died of a heart attack while on vacation in the French Riviera. Some of the European newspapers confused the Nobel brothers and instead reported the death of Alfred.

In these obituaries, Alfred was condemned as a munitions maker, dynamite king and a merchant of death who made a fortune by finding new ways to kill. His concern about his legacy caused him to eventually rewrite his will, leaving his money for the establishment of the prizes that would associate his name with the best in human endeavor. ¹

1. Yergin, Daniel. *The Prize The Epic Quest for Oil, Money and Power*. New York: Simon and Schuster, 1991, pp 57-63.