

Tom Marshall's Weekly News, June 16, 2014

Pharmaceutical Giants, American Success Stories: Eli Lilly (1838–1898) and Robert Wood Johnson (1845–1910) may not have known each other personally, but their careers and fabulous success stories typified the American Dream, as it used to be. Each of them founded a small company to make pharmaceutical products, their successes were phenomenal, and their sons and grandsons ran their empires long after their deaths. Both established large charitable endowments, augmented and managed by their heirs, the benefits from which are shared widely today.

Lilly was born in Baltimore but moved to Indianapolis and worked in the infant pharmacy business before enlisting in the Union Army at the start of the American Civil War. Soon promoted to colonel, he fought in several campaigns before being captured and spending a year or more in a POW camp. At the end of the war, he tried his luck at running a Mississippi Plantation but soon gave up and returned to pharmaceuticals in Indiana. Eli Lilly and Company was founded in 1876 and was immediately successful. Two of his early inventions included putting medication inside capsules for easy swallowing and shielding some of the awful taste with fruit flavoring. His Indiana foundation to distribute profits to charity was founded in 1890, long before the U. S. government had thought about an income tax. Despite his spectacular success without government intervention, Lilly promoted ideas that led to the founding of the Food and Drug Administration in 1906.

Joseph K. Lilly (1861–1948) ran the company after his father's death. Joseph's two sons, Eli Lilly II (1885–1977) and Joseph K. Lilly, Jr. (1893–1966) were the last family members to head the huge Eli Lilly and Company. Joseph K. Lilly III (1916–1995) fell in love with Cape Cod and bought large tracts of land around Falmouth and Sandwich. A very quiet and unassuming man who wanted nothing in return, he gave much of his land to charity, establishing the Heritage Foundation and a large hospital on the Cape. Eli Lilly and Company continues to be by far the largest business in Indiana. Pioneer products included insulin, penicillin, the Salk Vaccine, and Prozac.

Dr. I. S. Lilly (ca. 1890–ca. 1975) a beloved family doctor of Stanton, Michigan, and his son Ned (1916–1988) were related in some way to Eli and his family but were not direct descendants. For many years, they were prominent trapshooters and attended the Yorklyn tournament every year during the 1930s. From the early 1930s until 1975, Ned was one of the top shooters in the world.

Robert Wood Johnson was born to poor farming parents in Carbondale, Pennsylvania, and was apprenticed to relatives in the pharmacy business in Poughkeepsie in 1861. Seeing the potential in this field, he had various partners in early business ventures before founding Johnson & Johnson, along with his two brothers. Settling in New Brunswick, New Jersey, one of the company's first "inventions" was first aid kits, designed for train wrecks and other emergencies, and was soon followed by Band-Aids. The founder's son, Robert Wood Johnson II (1893–1968) ran the company with spectacular success until the early 1960s, after which Robert Wood Johnson III (1920–1970) took over. As a young man just before World War II, Johnson III came to Yorklyn with the "New Brunswick squad" several times to participate in the Marshall Trapshooting Tournament. He was the last family member to head the company.

Philanthropy has been a huge beneficiary of the Johnson family success, and numerous foundations are funded from Johnson & Johnson profits. Many programs on public TV are funded by the Robert Wood Johnson Foundation. In addition to Band Aids and First Aid Kits, popular products today are Baby Powder, Tylenol, Listerine, BenGay, and medications for HIV/Aids.

Like many large corporations today, both Johnson & Johnson and Lilly have had problems with quality control and have been subject to several product recalls. The huge benefits to society they have made are never mentioned in these lawsuits.