

ROOSEVELT SCORES OIL TRUST IN SPECIAL MESSAGE TO CONGRESS

President Transmits Report of Commissioner Garfield with Comments on Document.

ROGERS AND ARCHBOLD REPLY TO NATION'S EXECUTIVE

Issue Elaborate Defense of Great Corporation, Contending It Is Conducted Along Honorable Business Lines and That Home Competition Is Not Crushed.

Washington.—President Roosevelt Friday transmitted to congress the report of James R. Garfield, commissioner of corporations, giving the results of his investigation of the subject of transportation and freight rates in connection with the oil industry.

In his message the president expresses the view that the report is of capital importance because of the effort now being made to secure such enlargement of the powers of the interstate commerce commission as will confer upon the commission power in some measure adequate to meet the clearly demonstrated needs of the situation. The facts set forth in the report, he declares, are for the most part not disputed. That the Standard Oil company has benefited enormously up almost to the present moment by secret rates, many of which were clearly unlawful, the president says the report clearly shows.

Abolish Secret Rates.

The president then says: A very striking result of the investigation has been that shortly after the discovery of these secret rates by the commissioner of corporations the major portion of them was promptly corrected by the railroads, so that most of them have now been done

away with. This immediate correction, partial or complete, of the evil of the secret rates is, of course, on the one hand an acknowledgment that they were wrong and yet were persevered in until exposed; and, on the other hand, a proof of the efficiency of the work that has been done by the bureau of corporations.

But in addition to these secret rates the Standard Oil profits immensely by open rates, which are so arranged as to give it an overwhelming advantage over its independent competitors.

Controls the Market.

It is not possible, he says, to put into figures the exact amount by which the Standard profits through the gross favoritism shown it by the railroads in connection with the open rates. "The profit, of course, comes not merely by the saving in the rate itself as compared with its competitors, but by the higher prices it is able to charge and by the complete control of the market which it secures, thereby getting the profit on the whole consumption."

There Are Others.

It is unfortunately not true, he says, that the Standard Oil company is the only corporation which has benefited and is benefiting in wholly improper fashion by an elaborate series of rate discriminations. The sugar trust, he adds, according to the results of the investigation now in progress, rarely if ever pays the lawful rate for transportation. He declares that in the effort to prevent the railroads from uniting for improper purposes "we have very unwisely prohibited them from uniting for proper purposes; that is, for purposes of protecting themselves and the general public as against the power of the great corporations."

Corrective Measures.

He favors as an element of competition the passage of some such law

STANDARD OIL COMPANY. Its Beginning, Growth, Ramifications, Capital and Profit.

PERSONNEL.

1862—Andrews, Clark & Co. Company formed by Samuel Andrews; capital furnished by M. B. Clark and John D. Rockefeller.

1868—Standard Oil company. In this company were John D. Rockefeller, Henry M. Flagler, Samuel Andrews, S. V. Harkness, and William Rockefeller; daily capacity, 1,500 barrels.

1872—Standard Oil company of Cleveland. Began buying up rival companies, paying in cash and Standard Oil stock; took in twenty-one out of twenty-six independent refineries in Cleveland; daily capacity 10,000 barrels. Invaded Pennsylvania.

1875—Standard Oil company. Purchased works of Charles Pratt & Co. and invaded New York; began to extend pipe lines to seaboard.

1882—Standard Oil Trust. Included thirty-six companies in Ohio, Pennsylvania, West Virginia, Maryland, New York, and New Jersey. Disrupted in 1882.

1886—Standard Oil company of New Jersey. This company formed after Rockefeller company had left Ohio. It did not include constituent companies.

1889—Standard Oil company of New Jersey. In this company were John D. Rockefeller, Henry M. Flagler, Samuel Andrews, S. V. Harkness, and William Rockefeller; daily capacity, 1,500 barrels.

CONSTITUENT COMPANIES.

Capitalization \$102,232,700
Assets 121,621,312

Standard Oil company, made the following statement to the press:

"In the president's effort to secure the passage of a bill enlarging the powers of interstate commerce commission and just and equitable railway rates, we have precisely the same interest that any good citizen has. No more and no less. Regarding his criticisms upon the management of the railroads, or his strictures upon any acts of the interstate commerce commission, we have neither responsibility nor concern. When, however, he or Commissioner Garfield attacks the Standard Oil company and uses its methods of doing business an object lesson for the purpose of promoting his views, we protest. It may be frankly stated at the outset that the Standard Oil company has at all times within the limits of fairness and with due regard for the law, sought to secure the most advantageous freight rates and routes possible.

"We say frankly that any assertion that the Standard Oil company has been or is now knowingly engaged in practices which are unlawful is alike untruthful and unjust.

"The commissioner's report, upon which the president's message is based, opens with the statement that the manufacture of refined oil in this country is about 26,000,000 barrels annually. It would have been fair for him to have stated that over 15,000,000 of barrels of this annual manufacture is exported.

"He next calls attention to the fact that the Standard Oil refineries are located at centers of distribution, while the independent refineries are usually in the crude oil fields. He charges

TRANSPORTATION GREAT FACTOR IN COMPETITION.

In summarizing his report Commissioner Garfield speaks of his personal visit to the oil fields and of the great mass of data obtained by him either personally or through agents of the bureau of corporations. The preliminary study of this material, he says, showed that the most important subject was transportation, which enters so largely into the cost of furnished product and hence a most important factor in competition.

"The Standard claims that the location of its refineries and the use of pipe lines are natural advantages to which it is justly entitled by reason of the energy and foresight of its managers. While in a measure that is true, it may not be forgotten that these advantages were in part obtained by means of unfair competitive methods after years of industrial strife.

"The development of the pipe line system by the Standard Oil company was the result of special agreements with railroad companies. Furthermore, those so-called natural advantages have been and are being greatly increased by discriminations in freight rates, both published and secret, interstate and state, which give the Standard monopolistic control in the greater portion of the country.

Oil Price Is Gauge.

"An immediate result of this delimitation of the competitive area is shown by the prices of ordinary illuminating oil. After deducting the freight rate the price of such oil is shown to range from two cents to five cents a gallon higher in the non-competitive than in the competitive fields. A reasonable profit upon refined oil is about one-half a cent per gallon. It is clear that exorbitant profits are obtained in the non-competitive fields."

In 1904 these secret rates saved the Standard Oil company three-quarters of a million dollars, representing the difference between the open rates and the rates actually paid. "These discriminations," he says, "have been so long continued, and so secret, so ingeniously applied to new conditions of trade, and so large in amount as to make it certain that they were due to concerted action by the Standard and the railroads." He says further that the Standard Oil company is receiving unjust discriminations in the matter of open rates, the published rates from the leading Standard shipping points being relatively much lower than rates from the shipping points of its competitors.

Roads Abolish Secret Tariffs.

Mr. Garfield then refers to seven instances of important discriminations in favor of the Standard Oil company in various parts of the country, and says that most of the secret rates and some of the open discriminations discovered by the bureau were abolished by the railroads shortly after such discovery. After calling attention to the good which already has resulted from the investigation, Mr. Garfield says that the changes effected have put the independents upon a fairer footing and make competition possible in territories heretofore inaccessible. The report concludes as follows:

"Tariffs may be made and rates may be combined in such a manner as to make it practically impossible for the ordinary shipper to find them."

STANDARD MAGNATES REPLY TO PRESIDENT.

New York.—In reply to President Roosevelt's message and the report of Commissioner Garfield, Messrs. H. H. Rogers and John D. Archbold, of the

THE FOOD SUPPLY. It is Growing Short in San Francisco.

SAN FRANCISCO—With no immediate prospects that conditions will be so normalized that the community will be able to feed and take care of itself, the supply of food on hand or under way is becoming distressingly small. No man connected with the relief affairs is willing to hazard an opinion as to when relief work may be abandoned. Yet Mayor Schmitz informed the general committee that from information in his possession it appeared that 700 car loads of food and supplies of various descriptions had been distributed since the morning of the earthquake in April 18, and the Southern Pacific, the Santa Fe and other transportation lines had information of only 108 cars on the way.

"If," said the mayor, "this information is correct, and I have no reason to doubt it, we will soon be worse off than we were a week ago. If the information has gone abroad throughout the country that we are amply supplied it is most unfortunate, for it is apparent that we are not. It is not even known how much money we can use to purchase supplies, for you have heard from Mr. Phelan on several occasions that part, at least, of this money subscribed by individuals or companies in the east is being disbursed through private agents here. While it is true that contributions of money will be much more to the purpose than contributions of supplies, the world should be notified that if the one is not available the other will be most gratefully received. I am not speaking of non-perishable supplies, and as to such things as eggs, milk, butter and the like it will be better if we continue to buy these things in the immediate vicinity."

Basing his calculations on reports received within the last twenty-four hours, General Greely stated that the entire available food supply, including shipments on hand and those en route, would be sufficient for the present population during a period of fifteen days. This reckoning is made upon the rate at which supplies have been consumed since the fire. Under the army ration system that will hereafter prevail, General Greely stated his belief that the same amount of food would last twenty-one days.

THE ELECTION IN OMAHA.

Democratic Candidates Win by Unexpected Majorities.

OMAHA—For the first time in sixteen years Omaha has elected a democratic mayor, J. C. Dahlgren. It was a Dahlgren day and when the votes were counted the democratic candidate for mayor had been elected by 2,800. The balloting began early, fast and furious and never ceased until the polls closed at 6 o'clock. Only one republican—Zimman for the council—pulled through. Dahlgren's victory was so decisive that his three heaviest wards, where he received his largest majorities, 1,162 in the Third, 729 in the Second, and 795 in the Tenth, could all have been thrown out, and he would still have a majority of four over Benson.

The Herald, speaking of the result, says: "That it was a landslide would seem quite plain to an unprejudiced observer. The normal republican majority of nearly 2,000 was wiped out. And Dahlgren was elected by 2,790, while Building Inspector Withnell was re-elected by 4,111. The other city elective officers were given majorities ranging from 700 to 1,400. It should not be understood that there is grief in the republican heart, for there were some 3,000 republicans who pulled the democratic lever, and they were quite as jubilant as if it were their own baby. One of them declared, 'It was a sweeping republican victory—the Fontenelle machine has been knocked higher than Gilroy's kite.'"

Witte Likely to Retire.

ST. PETERSBURG—Absolute confirmation of the reported retirement of Premier Witte, which has been the sole topic of conversation in political circles, is still lacking, but in St. Petersburg only a few skeptics express doubt that the once powerful premier has surrendered the reins. Witte himself is as silent as the sphinx on the subject. Intimation was given that the appearance of Count Witte's resignation will not be announced until after convocation of the national parliament.

WILL MOVE ON THE BANDITS.

Attempt to Be Made to Capture Outlaw Philippine Band.

MANILA—Next week a force of constabulary, acting in conjunction with Gov. Juan Schack, of the province of Cavite, will begin a movement to capture Montalvo and his band of outlaws now located south of the Taal volcano. The authorities predict that it will be impossible for the bandits and their leaders to escape on this occasion.

Copyright Bill is Ready.

WASHINGTON—It is understood the third and final draft of the bill to codify the copyright laws of the United States is practically completed and will be submitted to congress by the copyright commission in about ten days.

New Trade Mark Treaty.

WASHINGTON—A trade mark treaty between the United States and Roumania has been ordered favorably reported by the senate committee on foreign relations.

Loss of Hartford Companies.

HARTFORD—The estimated net losses of the Hartford insurance companies in the San Francisco fires aggregate \$13,150,000.

Monster Benefit is Arranged.

NEW YORK—The program of the monster benefit for the San Francisco sufferers to be given at the Metropolitan opera house was completed on Thursday night. There are forty-five numbers on the bill and in order that all may appear the performance will be continued from 11 a. m. until midnight. Jacob H. Schiff, treasurer of the Red Cross and mayors' San Francisco relief funds, reports that since the last public acknowledgment the combined amount of the two funds has reached \$916,883.

AS TO RATE BILL.

REPUBLICAN SENATORS PRACTICALLY AGREE TO COMPROMISE. AMENDMENTS ARE CONSIDERED.

It is Done Under the Thirteen-Minute Rule—Suggestion Drawn by Senator Allison Expected to Command Support of the Party.

WASHINGTON—In accordance with agreement the senate on Friday entered upon the consideration of amendments to the railroad rate bill under the fifteen-minute rule, but made little progress. The greater part of the day was devoted to Mr. Lodge's provision bringing pipe lines with the terms of the bill and it was ultimately unanimously agreed to, after so amending it as to exclude gas and water lines from its operation, thus practically confining it to oil lines. There were two roll calls, but neither was of importance as, on one accepting the amendment, there was no division whatever, while the action taken on the other, on the question of confining it to oil lines, was practically nullified by the subsequent elimination of gas and water pipes from the amendment. The provision was so amended as to make it applicable to the oil pipe line in the Panama canal zone.

A proposition by Mr. Foraker to exclude refrigerator cars from the requirements of the bill and another by Mr. McCumber making the requirements concerning those cars more stringent than in the original bill, were impartially voted down.

During the day there were many short speeches on the amendments, and also more or less discussion of points of order. Upon the whole the day's proceedings were quite uneventful, being rendered so by the general knowledge of the fact that the republican senators were on the eve of an agreement and an adjournment over Saturday was taken for the purpose of permitting it to be perfected.

What amounts practically to an agreement on the existing differences concerning court features of the railroad rate bill has been reached by senate conferences extending over the last week, and Senator Allison will offer an amendment conferring jurisdiction upon the circuit court to hear and determine suits brought against the interstate commission. The amendment will not suggest to the court whether the judicial review shall be confined to constitutional questions or whether it shall be an inquiry into the justice or reasonableness of the rates fixed by the commission.

Senator Long made the principal legal argument for the house bill, and Senators Aldrich and Crane, the leaders in the movement seeking an amendment providing for a board court review expressed themselves today as favoring the amendment and both factions are agreed that the compromise is satisfactory to President Roosevelt. Undoubtedly this means that obstacles to the speedy passage of the measure have been removed.

MESSAGE FROM PRESIDENT.

Chief Executive Tells Why He Refuses Offers of Foreign Donations.

WASHINGTON—A special message was sent to congress by President Roosevelt in which he explained the attitude of this government regarding the offer of contributions to the San Francisco fire and earthquake sufferers from foreign countries. He says that where the contributions were made to this government he did not feel warranted in accepting them, but where they were made to the citizens' relief committee no action was or could be taken in regard to them.

Governor to Live in Omaha.

LINCOLN—Gov. John H. Mickey contemplates making his home in Omaha after he retires from office in January.

The chief executive will go to the metropolis to deliver a deed to his ranch property in Keya Paha county and take in exchange a deed for some 800 acres of land in Iowa, located across the river from Florence, two miles from Crescent. It is the governor's intention to reside with his family in Omaha, and from that city direct the work on his Iowa farm.

Iroquois Company Fails.

CHICAGO—The Iroquois Theater company of Chicago was placed in the hands of a receiver at Jersey City, N. J. The company confessed to no assets and liabilities of \$2,000,000 in damage suits, filed by scores of people after the burning of the theater in 1903. The merchandise creditors of the theater company have been paid.

Coal Land Law for Alaska.

WASHINGTON—The senate committee on public lands has decided not to report the house bill to authorize assignees of coal land locations to make entry under coal land laws to 1,280 acres of coal lands in Alaska. The measure applies to associations of eight or more persons.

General Manderson Goes East.

OMAHA—General Manderson left for Atlantic City to recuperate from effects of his long illness. Mrs. Manderson and Dr. Mattson accompany him, the doctor returning to this city after seeing the general to the Jersey coast.

No Agreement on Statehood.

WASHINGTON—The conferences on the statehood bill have not yet reached the main point of difference—that of admitting Arizona and New Mexico.

Tornado in Furnas County.

OXFORD, Neb.—The most destructive tornado in the history of Furnas county passed over this section at 6 o'clock Monday evening, leaving wide devastation in its path. So far as known there were no fatalities, though a number were injured. The starting point of the storm is not known here, but, coming from a southwesterly direction, is first known to have struck at the farm house of John Reynolds, five miles west of Oxford, where it demolished two large barns. Reports so far are meagre.

SITUATION TODAY.

San Francisco as Seen After Eleven Days.

SAN FRANCISCO—An investigation has demonstrated that the fear that San Francisco will suffer a period of hard times as an aftermath of the disastrous fire is unfounded. Careful estimates made by authorities competent to speak show that within the next year there will be over \$200,000,000 available for the rehabilitation of San Francisco. The following figures make clear where this sum is to originate:

Investment of new Geary street municipal road, \$340,000; Home Telephone company expenditures, \$1,000,000; insurance losses now due and payable, approximately \$175,000,000; United railroads, new construction, \$9,000,000; city bonds for 1904, sum still available, \$17,000,000; Ocean Shore railway, approximate expenditure here, \$1,000,000; restoration of government buildings, \$770,000; building of sea wall, \$2,000,000; total, \$207,110,000.

It is expected that a large part of this money will come from eastern and foreign capitalists.

In figuring the odd \$200,000,000 which will be available the investigators did not take into consideration the sums that may be raised for the beautification and improvement of the city. The vexatious problems of locating the new Chinatown will probably be settled to the satisfaction of the Chinese colony. It is the desire of the municipality not to harass this portion of its foreign population and the desire of the diplomatic representatives of China will be considered.

Conditions of life are gradually becoming more normal in this city and the work of clearing up the wreck in preparation for rebuilding in the downtown section of the city is going on more rapidly.

Business is being rapidly resumed by retail tradesmen of every description throughout the burned sections of the city. George Wittman, chairman of the committee on retail trade, reports that the places of business are open, as follows:

Forty-four butcher shops, twenty-nine restaurants, twenty-two bakeries, twenty-two fruit and vegetable stands, seventy-one dairies, fifteen refreshment parlors, fifty-three groceries and seventy-one miscellaneous establishments, including tailors, plumbers, dry goods stores, druggists and cigar stands.

WALL STREET SMASH.

Anaconda Goes Down 14 Points and Big Decline in Steel.

NEW YORK—Prices were smashed at the opening of the stock market Wednesday as a result of the continuance of the heavy selling. The rush to dispose of the securities seemed to indicate that liquidation of an important character was under way and speculative holders of stocks generally became alarmed and made a precipitate rush to get out of the market.

Food Supply Running Low.

SAN FRANCISCO—General Greely gave warning to the finance committee of the citizens' relief committee that he had only eleven days' rations on hand, that the army could not furnish an ounce of food beyond that already purchased or in sight and that the feeding of the people is a problem which demands immediate attention. After considerable discussion the committee decided to have a summing up of resources and needs. Following this it is possible that an appeal for supplies will be made.

Senators Against Smoot.

WASHINGTON—A pool of the senate committee on privileges and elections developed that a majority will vote to sustain the charges against Senator Smoot, but that the full strength of the opposition cannot be held for a report recommending the exclusion of the senator, which would require only a majority vote of the senate. In view of this, those who believe the charges against the Utah senator were proved, are seeking an agreement by which a report can be made in favor of unseating Smoot.

Interprets Cigarette Law.

INDIANAPOLIS, IND.—The Park's anti-cigarette law passed by the last session of the Indiana legislature was declared valid on Thursday by the supreme court. The court interpreted the act as meaning that it is illegal to sell cigarettes in Indiana or keep them for sale, but it is not illegal to smoke them and it is not illegal to bring them into the state.

Thinks Rate Bill Will Pass.

WASHINGTON—Representative Hepburn is sanguine that the Hepburn-Dolliver railroad rate bill will be passed by the senate. "The outlook appears to grow more favorable every day," said Colonel Hepburn. "I do not believe there will be any substantial amendments."

Vote on Rate Bill.

WASHINGTON—The senate will begin voting on the amendments to the railroad rate bill on Friday, May 4. An agreement to that effect was reached Monday, but it proved impossible to so extend the understanding as to have it include the fixing of a date for taking a final vote on the bill as a whole.

Agricultural Bill Passed.

WASHINGTON—The house completed the agricultural appropriation bill and passed the military academy bill. The agricultural appropriation bill as it passed the house carried \$7,491,440. The military academy bill carries \$1,563,115.

Plague is Spreading.

ST. PETERSBURG—The plague situation in Selstan (on the Persian-Afghan border) has assumed an appalling dimensions, spreading rapidly in North-eastern Persia and numbering its victims by hundreds.

Total Dead May Be 1,500.

SAN FRANCISCO, Cal.—Coroner Walsh said: "When the debris is cleared away there will be at least 1,000 additions to the death roll. I would not be surprised if the number reached 1,500."

AFTER OIL TRUST.

THAT AND OFFENDING RAILROADS TO BE PROSECUTED. GARFIELD LOOKS INTO REBATES.

Matter to Be Brought Before Grand Jury and Where it is Found Violations of Law Have Occurred Evidence Will Be Taken.

WASHINGTON—The statement was authoritatively made that the department of justice will immediately begin an investigation of the relations of the so-called oil trust and a number of railroads, with a view of determining whether there have been violations of the anti-trust law.

The basis for this investigation will be the information recently submitted to the president in a report of Commissioner Garfield of the bureau of corporations, which is soon to be made public. This report, it is learned, deals only with the subject of rebates and does not go into the questions of violations of the anti-trust law.

If it is found that rebates have been given by the railroads and accepted by the so-called trust, steps will be at once taken, it is asserted, to bring the matter before the grand juries in the localities where the alleged violations took place, with a view to prosecutions in the courts. It is not thought that the department of justice in conducting its inquiries will require the service of any one outside of the department proper, and the United States attorneys and other officers under its immediate direction.

It is stated that Mr. Garfield in conducting his investigation traveled extensively and visited all important sections covered by the operations of the so-called trust, from New England to California, and the south, and that the evidence obtained is amply sufficient to warrant the department of justice in taking the course decided upon.

JAMES E BOYD DEAD.

Only Democratic Governor of Nebraska Succumbs After a Long Struggle.

OMAHA—Former Governor James E. Boyd died at his residence in this city, Monday afternoon. The end came calmly and without pain after a long struggle for life.

The death of Governor Boyd follows closely upon the death of former Governor Thayer, whom Boyd succeeded as chief executive of Nebraska and with whom he was embroiled in one of the most bitter political contests in the history of the state, but with whom he became cordially associated in friendship warmer because of the other relations that had existed.

Governor Boyd had been in poor health peculiar to old age for over a year. For months his life had been despaired of. He was 71 years old.

CONFERENCE ON STATEHOOD.

Two Important Conclusions Reached by Conferees.

WASHINGTON—Two important conclusions were reached by the statehood conferees Thursday. One settles the school lands question and the other makes the present registration districts temporary counties for the purpose of court jurisdiction during the formation of the new state and the erection of permanent county boundaries.

As to the school lands, the Warren amendment voted on by the senate provided that where school lands were found to be mineral lands, the selections should be made. The substitute agreed upon provided in substance that the state may lease its mineral school lands and shall thus not be deprived of their greater value.

CREDIT FOR STRICKEN CITY.

Senator Newlands Introduces Resolution for Home Government Guarantee Bonds.

WASHINGTON—That the California senators do not consider that there should at present be an effort to secure government aid in the general reconstruction of the city of San Francisco was made evident in the senate Wednesday. The question came up on Mr. Newlands' resolution directing the finance committee of the senate and the ways and means committee of the house to consider the feasibility of the government's guaranteeing bonds to aid in the rehabilitation of the stricken city. The resolution was discussed and referred to the committee on finance.

FINDS CELESTIAL'S GOLD.

It Was Melted into Lump and Then Stolen.

SAN FRANCISCO—A mass of gold and silver valued at \$35,000 melted in the store of Che King, a Chinese merchant at Washington and Dupont streets, and which had disappeared from the ruins, has been recovered by the police at Broadway and Stockton streets, where it was found hidden. The gold and silver were melted with other metal articles.

Child Burned in Prairie Fire.

BOWDLE, S. D.—The little son of Lenhart Aldinger, a farmer of this place, was burned to death. The child followed his father to a field adjoining the farm, where the latter went to start a stubble fire. The flames came down the field rapidly and caught the little child, who, up to this time had not been seen by his father.

Nebraskan Killed in Earthquake.

NORFOLK, Neb.—Dr. Kelley, assistant superintendent at St. Agnew's insane asylum at Agnew, Cal., who was killed in the earthquake, was the first superintendent of the Nebraska insane hospital at Norfolk fifteen years ago.

Juror Captures Prisoner.

ST. LOUIS—John W. Waterhouse, who came here from Seattle in February and was arrested on a charge of forgery and found guilty, was sentenced to five years' imprisonment. When Judge Bishop pronounced sentence, Waterhouse sprang towards an open window and was just jumping through when a juror leaped from the box and seized him by the coattail. Deputy Sheriff's draged Waterhouse from the window and a lively fight ensued before the prisoner was finally subdued.