

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

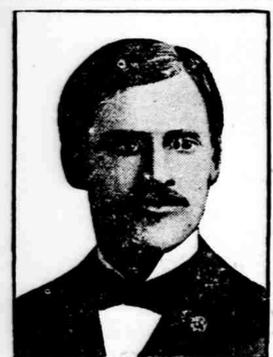
Issue Elaborate Defense of Great Corporation, Contending It Is Conducted Along Honorable Business Lines and That Home Competition Is Not Crushed.

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."



COMMISSIONER JAMES R. GARFIELD.

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."

Controls the Market.

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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."

Correctionary Measures.

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

as that which has already passed the house, putting alcohol used in the arts and manufactures upon the free list and of keeping tax free to oil and coal lands of the Indian tribes or on the public domain in the government, the lands to be leased only on such terms and for such periods as will enable the government to entirely control them.

TRANSPORTATION GREAT FACTOR IN COMPETITION.

In summarizing his report Commissioner Garfield speaks of his personal visits 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 usually 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

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.

Corporation Is Upright.

"We say flatly that any assertion that the Standard Oil company has been or is now knowingly engaged in practices which are unlawful in 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 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 that this location of refineries and the natural advantages following it were obtained by means of unfair competitive methods, but beyond this mere assertion does not go into a history or explanation of these alleged unfair methods at all. He says the 'development of the pipe line system by the Standard Oil company was the result of special agreements with the railroad companies.' As a matter of fact, the development of the pipe line system by the Standard Oil company was in the face of violent hostility on the part of the railroads.



HENRY H. ROGERS.

Conditions in New England.

"Passing from this point, Commissioner Garfield takes up the question of favoritism, which he alleges has been shown by various railroad corporations, to the Standard Oil company. The first specific case of alleged discrimination to which he directs attention is in the New England territory. It is charged that we enjoy a monopoly in certain parts of that section because some of the railroads there refuse to prorata. Customarily we are simply doing what they are forced to do by natural conditions. Obviously, we have an advantage by the use of our pipe lines from the western oil fields to the coast and the use of water transportation thence to New England over anyone who uses all rail transportation from western points.

Some of our competitors do the same thing and deliver oil at the points in New England that we do by the same process.

Question of Rebates.

"The commissioner says that 'with one or two exceptions the investigations of the bureau have as yet discovered no rebates in the technical sense on interstate business.' 'He says the Standard Oil company has habitually received from the railroads, and is now receiving, 'secret' rates and other unjust and illegal discriminations. It is hardly fair or manly for him to add the sentence, 'Of course there may be other secret rates which the bureau has not discovered.'"

Does Not Crush Competition.

"The statement that the 'Standard Oil company has largely by unfair and unlawful methods crushed out home competition' is fully answered by the fact that home competition has always existed, is steadily growing and that there are now at least 125 competitive refineries in the United States.

"The Standard Oil company has been investigated over and over again at the instigation of its rivals, and it always welcomes such investigation when conducted in good faith and fairly. We are engaged in a large and honorable business. We are conducting it honorably and we sincerely believe in conformity to law."

Money Made by Trust.

Year.	Capital.	Dividends.
1878	\$2,500,000	\$2,150,000
1880	3,500,000	1,650,000
1882	4,500,000	1,850,000
1884	7,000,000	15,000,000
1886	70,000,000	15,500,000
1888	70,000,000	15,000,000
1890	100,000,000	45,000,000
1892	100,000,000	21,500,000
1894	100,000,000	20,000,000
1896	100,000,000	22,500,000
1898	100,000,000	22,500,000
1900	100,000,000	45,000,000
1902	100,000,000	45,000,000
1904	100,000,000	45,000,000
1906	100,000,000	45,000,000
1908	100,000,000	45,000,000
1910	100,000,000	45,000,000
1912	100,000,000	45,000,000
1914	100,000,000	45,000,000
1916	100,000,000	45,000,000
1918	100,000,000	45,000,000
1920	100,000,000	45,000,000
1922	100,000,000	45,000,000
1924	100,000,000	45,000,000
1926	100,000,000	45,000,000
1928	100,000,000	45,000,000
1930	100,000,000	45,000,000
1932	100,000,000	45,000,000
1934	100,000,000	45,000,000
1936	100,000,000	45,000,000
1938	100,000,000	45,000,000
1940	100,000,000	45,000,000
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1982	100,000,000	45,000,000
1984	100,000,000	45,000,000
1986	100,000,000	45,000,000
1988	100,000,000	45,000,000
1990	100,000,000	45,000,000
1992	100,000,000	45,000,000
1994	100,000,000	45,000,000
1996	100,000,000	45,000,000
1998	100,000,000	45,000,000
2000	100,000,000	45,000,000
2002	100,000,000	45,000,000
2004	100,000,000	45,000,000
2006	100,000,000	45,000,000
2008	100,000,000	45,000,000
2010	100,000,000	45,000,000
2012	100,000,000	45,000,000
2014	100,000,000	45,000,000
2016	100,000,000	45,000,000
2018	100,000,000	45,000,000
2020	100,000,000	45,000,000
2022	100,000,000	45,000,000
2024	100,000,000	45,000,000
2026	100,000,000	45,000,000
2028	100,000,000	45,000,000
2030	100,000,000	45,000,000

BANKS CONTROLLED BY STANDARD OIL.

Bank.	Capital.
National City of New York	\$25,000,000
Lincoln National	20,000,000
Second National	20,000,000
Bank of Metropolis	1,000,000
First, Chicago	5,000,000
Totals	\$76,000,000
Mileage Stock	Bonds

RAILROADS CONTROLLED BY STANDARD OIL.

C. & St. P.	W. & A. T.	W. & N. Y.	W. & O.	W. & M.	W. & C.	W. & S.	W. & E.	W. & G.	W. & H.	W. & I.	W. & J.	W. & K.	W. & L.	W. & M.	W. & N.	W. & O.	W. & P.	W. & Q.	W. & R.	W. & S.	W. & T.	W. & U.	W. & V.	W. & W.	W. & X.	W. & Y.	W. & Z.	
6,728	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
1,847	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Totals	10,225	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000



MISS PAULINE OF NEW YORK

Chapter XV.—Continued.

In front of the door Dick halts his team. Lights abound just here, a number of colored lanterns hanging from the trees. The music of a fountain can be heard close by, and the air is heavy with the intoxicating perfume of flowers.

A carpet has been laid upon the steps, for these Mexicans of the upper class know all the wrinkles of Fifth avenue or the boulevards of Paris. As the pretended driver hands the ladies out, he gives no indication of his identity, but Dora looks at him closely—Dora, whose eyes are so sharp that little escapes them.

He does not know whether she suspects or not, but sees the ladies mount the steps, at the top of which they are met by the senora, and all vanish from his vision.

Dick looks after his horses. Several servants approach him, as though anxious to talk, but they get such short, surly answers to their questions that they soon give up trying to make the acquaintance of the boy. Thus Dick is left severely alone, which is just what he wants.

If Lopez is in this game at all, what will be his plan of action. Does he intend to strike while Pauline is under the roof of Morales, or has he bought the driver of the vehicle and expects him to deliver the young American, who controls the El Dorado, into his hands?

The time wears on. Between the music he can hear laughter and the sound of voices, as though the inmates of the house are having a pleasant time. Dick smiles grimly. He is quite content to stand on guard while the girl he loves enjoys herself

distress, which is positive proof that they are all in the same boat; like Morales, they have a deep interest in the El Dorado, and besides, must be in the power of the cunning old Hidalgo.

All this constitutes a dramatic scene Dick will never forget to his dying day. His first glance is at the girl's face—how her eyes seem so fairly burn as they turn upon the old Mexican don. She feels an utter contempt for a man who would stoop to war upon women, and this feeling is shown in her glorious orbs.

Dick catches his breath as his eyes remain riveted upon that inspired face. With such an incentive he would dare anything on earth, nor could he be daunted.

"This time we have you, my lady manager, and we do not mean to let you escape until you have placed your signature to this paper. Jose, place it on the table—the pen—the ink. Now," twisting the little revolver from her hand, "sit down and sign. Miss Westery," and the senora almost forbiddingly causes Pauline to be seated.

Will she sign? Dick is ready to spring forward, if he sees her about to give way. She takes the paper in her hands and reads—every eye is bent upon her—she slowly picks up the pen, dips it in the ink, and, as Dick takes a step forward, draws a heavy black cross over the entire face of the document.



Meets His Assailants with His Fists.

CHAPTER XVI.

Locking Horns.

Exclamations burst out on all sides, and more than one Mexican oath is heard. Lopez looks as black as a thunder-cloud, though he smiles in a cruel-way, as only a Mexican can.

"Ah! you will give us the trouble to make out a new document. It is easily done. Understand, you go not forth until you have signed. This time there is no dashing cowboy to fly to your rescue; we have looked after him, senorita. If you refuse to sign, this night sees his death."

Here is a new factor brought to bear—her love for Dick. It may influence her more than anything else. The man in the door-way hears this threat with a feeling of rage; he can restrain himself but little longer, and then a Texan cloud-burst will sweep into that library, threatening to overwhelm all before it.

"You are cruel; you are contemptible! What has any one else to do with this business? You would scruple at nothing in order to further your designs," she cries.

"That is just where you are right, senorita," gloats the Hidalgo, seeing signs of relenting.

"She gives in! we have won!" exclaims more than one among those present.

"You are wrong; I will not sign! Mr. Denver is capable of looking after himself," comes her answer, and the expectant faces darken again.

"Then nothing remains but force. You have said I am cruel; you compel me to be so. Consider yourself a

prisoner, senorita Pauline Westery; a prisoner whose fate depends upon her discretion in writing her name. Jose! Sancho! once more lay hold upon our fair captive."

"Hands off, there!"

These words come in a roar; the steam-gauge has burst under the tremendous strain, a human cyclone rushes through the doorway, and up to the men who are about to obey their friend and master, by laying hands upon the girl who dares defy his will.

Upon them Dick Denver plunges with all the speed of a wild-cat engine, and when the impact has come two Mexican gentlemen are seen flying in as many different directions with an impetus that is alarming, while their impelling power, the man who has come upon the scene thus suddenly, stands there, facing the whole rout of people.

Pauline sees, she comprehends, she gasps, in a happy delirium: "Thank Heaven! It is my hero, it is Dick!"

The storm that races down the Sierra Madres through arroyo and barranca, cutting woods and chaparral in its way, does not produce more consternation than the coming of this human hurricane, before which Jose and Sancho have gone down in confusion.

Senor Lopez starts back in alarm; his crafty black eyes are fixed upon the face of the man; he sees the driver who has been hired to serve him, looks further and discovers more.

"The accursed Americano!" he hisses, his swarthy face expressing the utmost rage, for already has Dick Denver played havoc with his plans, and a man of his fiery temper cannot stand being balked.

Dick knows he is in the midst of men who have reason to hate him; he believes that more than one carries a cuchillo that they would willingly baptize in his blood, consequently, after having sent the two men into different corners, with his fists, he draws out something that will go farther, something with which a man can overtake an enemy who may be fleeing from him, and fifty feet away, since a bullet is gifted with the wings of the lightning.

"Gentlemen all, this lady is under my protection; I mean to see her safely to her hotel, and the man who interferes does it at his peril! I am an American, Dick Denver is my name, and any one who wants satisfaction will find me at the Turbe. Now stand back, every one."

"Dora!"

"Oh, Mr. Denver!"

"Come, Miss Pauline, we must leave this inhospitable house," he cries.

"Mercy!" means the wretched senora, whose hospitality has been so abused by her husband, one of the worst things a Spaniard could do.

(To Be Continued.)

THE PLOT THAT FAILED.

Governor Found Himself in a Predicament and Schemed to Squirrel Out of It.

A couple of years ago a governor of one of the southern states went to Palm Beach, Florida, for a short holiday. He registered at one of the magnificent hotels and was assigned to a luxurious suite of rooms. He was comfortably installed, relates Lippincott's, when a friend came in to call on him.

"This is a wonderful apartment they have given you," said the visitor.

"Why, yes," replied the governor, "I've never enjoyed such luxury in my life. Never saw such a place! They just showed me to these rooms, but I've been wondering if they realized that I was a poor man. What do you suppose they'll charge me?"

"Well, governor," answered the other, "I happen to know about that. The last man, a railroad president from New York, paid \$75 a day for these very rooms."

"Scissors to grind," cried the unfortunate politician, "I've only got \$50. I'll have to leave at once. But look here, Jim, I don't want to concern I can't pay for at least one day so you go down to the station and telegraph me to come home at once. I will meet you at the station within an hour."

When the governor arrived at the station he found the friend waiting as he had arranged.

"You got my telegram all right?"

"Got it!" said the governor in a despairing voice. "I should say so. I believe I am the unluckiest man alive. Why, when I went to ask for my bill what do you suppose the clerk said? He told me there was no bill—said they would be honored if I stay a year!"

CLOTHES HELP CIVILIZE.

Philippine Savages Were Made Peaceable by Introduction of Them.

"Why do you want this, and what do you come here for, anyhow?" questioned, at one of these meetings, the old sultan of Bayabao, writes R. L. Bullard, in Atlantic after I had just finished dealing out quinine to him and his begging retinue one raw, rainy day. "We are satisfied as we are," he added, vehemently, as he sat shivering in bare feet, this shirt, and flimsy trousers before me, well, warmly, and dryly clad.

"Have you such shoes and clothes as I to warm your body and protect your feet? Oh have you such medicines as I have just given you to cure your sickness?" I answered. "Do you know how to make them?" He was silent and the great crowd listened. "We do, and have come to show you. That is why."

To this day he and his people have not fought the Americans, nor resisted their government.

No More Swinging.