

The Case of the People Against the Standard Oil; Present Attitude of Americans Toward the Trust

BETWEEN the interstate commerce commission investigation to begin March 12 at Kansas City and the resolution recently introduced into the lower house by Congressman Philip Pitt Campbell of Kansas asking for inquiry into the practices of railroads and oil companies the Standard Oil trust is likely to have its hands full. It will not be the first experience that the oil men have had with an interstate commission, but the present temper of the American public toward monopolies and corporate crookedness is such that all offenders have cause for reflection. The personnel of the commission is a guarantee that an honest search will be made. As at present constituted its members are: Martin A. Knapp of New York, chairman; Judson C. Clements of Georgia, Charles A. Prouty of Vermont, Joseph W. Pifer of Illinois and Francis M. Cockrell of Missouri.

At the time of the first formal investigation of the Standard Oil company, which was made under the auspices of the New York legislature in 1879, the trust had no friends outside of those who were profiting from it. The public at large hailed the attempt to probe the giant monopoly with unmistakable enthusiasm, and the legislative commission appointed to conduct the investigation had the sympathy and good will of the American people from the start. There were few apologists for the Standard among the newspapers of the country, and their efforts were directed for the most part against the danger of precipitate action. Everybody agreed that there was something to investigate and no one regretted that the process had begun.

That was a quarter of a century ago. The principal charges brought against the trust at that investigation were the securing of rebates from the railroads and discrimination against individual operators and smaller companies. There was no special difficulty in substantiating the charges, and they were proved over and over again. In spite of all that, however, the outcome was not encouraging to the public, which was hoping that the beginning of the end had come—that something would be done to check the growth of the evil. The report of the commission denounced rebates in general and advocated a change, and the legislature let it go at that.

The spirit of investigation was by no means silenced by the inactivity of the New York assembly. Later in the year the attorney general of Pennsylvania tried to find out how it was that the Standard Oil company was able to get the best of its competitors in every deal. The subject of rebates and discrimination was sifted again. Not the feeblest manifestation of sympathy for the accused corporation came from the public. It was established beyond the shadow of a doubt that the trust was a persistent and flagrant offender. But nothing came of it. When the matter reached the legislature there was no one brave enough to enter the lists against the well entrenched monopoly. In the latter part of the same year the Ohio legislature appointed a committee to discover the secret of the trust's wonderful influence over the railroads, but when it had solved the mystery the whole matter was dropped so suddenly that the public saw in it another evidence of the wide-reaching potency of the great organization.

Nothing more was done until 1888. During the nine year interval the Standard Oil company had not risen in the esteem of the people. It had proceeded in its characteristic high handed course and had done absolutely nothing to conciliate public opinion. Its methods were known to be antagonistic to the free institutions of the country and at any time the great mass of American citizens would have been in a position to overthrow it. Each succeeding year added largely to its impregnability and in time it felt so secure in its hold that it

becoming the dominating and controlling head of the vast system throughout America. There is no record to prove that there was any well defined regret in Ohio over the trust's departure or any sudden access of joy in New Jersey over the acquisition. The new corporation made no attempt to purge itself of any part of the obloquy which had settled down upon the old concern and the public was not inclined to accord to it the possession of any virtues recently acquired. As a matter of fact, the new organization soon showed itself to be vastly more law defying and unscrupulous than its predecessor. Apparently oblivious to any necessity of squaring itself before the American public, it continued to transgress almost openly. Its secrets were not as to its gains and increase of power, but as to its methods of securing them.

In 1888 the public indignation had reached such a point that a congressional investigation was demanded. State inquiry and state legislation had been such lamentable failures that the people had come to have no faith or hope in them. Public opinion was so convinced that it was high time to put a curb on the oil monopoly that the matter began to assume a political aspect, and the time came when the con-

stituents of many a national legislator were reminding him of his plain duty. Congress had already made a beginning in the matter. Influenced by the inability of the states to enforce their recommendations as to rebate and discrimination, congress had passed the interstate commerce law, which placed the regulation of railway traffic in the hands of a commission appointed by

What those sources might have been was the trust's master secret, and it was not divulged. The public believed that it had been tricked again and lost faith in the sincerity of trust investigations of any description. Nothing further was done until 1899, when President McKinley's industrial commission tried to satisfy itself and the American people whether or not any

all this labor has been unproductive of certain very definite results. Much knowledge of the inside working of the octopus has been gained by the government's agents, and it will be exceedingly useful in future proceedings. This information was acquired with the greatest difficulty. Compared with it the work of getting at the true insidiousness of the trust was mere

magnates. These companies pay toll to the great parent organization, and into its treasury flow the extraordinary profits which the oil business of the United States, under the monopolistic working of the so called "system," is able to produce.

Thus it is that the actual business of the trust is conducted by these subsidiary companies. For the sake of an appearance of legitimate commercial enterprise, a small amount of stock in these local companies is permitted to fall into the hands of a few local capitalists. This device serves to ward off impertinent inquiry and hostile legislation. The local interest gives a neighborhood tone to the business. It has been discovered, however, by the government agents that these local holders of oil stock have a very fragile and rather shadowy connection with the organization and that they really know very little about its methods of dealing with the public. It is also a fact that in New York, Pennsylvania, Rhode Island and more especially New Jersey many local politicians and some of national reputation have been permitted to hold small blocks of stock in these local branches. As a rule these men have little at stake and nothing to say. The Standard Oil, through its New Jersey organization, retains for itself nearly 90 per cent of the stock of all these subsidiary corporations.

The latest and in some respects the

ty, discovered crude oil in immense quantities. He sent a specimen of the oil to a firm of Pennsylvania operators, and they leased all the land that could be obtained and began to drill many wells. Today on that spot stand the huge tanks of the Standard Oil company, rising like giant citadels, each containing 35,000 barrels of crude oil.

Oil was discovered in many places, and everybody went off mad. Unskilled derricks rose on all sides. At Peru, which was found to be built on a vast oil pool, a well was dug in almost every dooryard. The churches of the town leased their yards to the companies for a share of the product. Even the cemetery was leased. Villages speedily became cities and thousands flocked to the region from the Ohio and Pennsylvania fields in which competition had been destroyed by the Standard Oil. In less than six months 500 companies were doing business in the state, and farmers grew rich from their share of the profit. Farming was practically abandoned, and the only crop that interested anybody was oil. The independent oil producers were making money, and everybody was happy. Prices were good, there was an active market and the supply seemed to be inexhaustible.

But it did not endure. All at once the representatives of the Standard Oil, who were the buyers of the crude product and also the refiners, announced that the quality of the crude oil was not uniform and that a schedule of prices would be arranged. The trust reserved the privilege of determining the value of the product in all instances. The price of oil declined immediately. It has never been above the dollar mark since that decision. As a remarkable coincidence, freight rates began to rise. The advance was soon so considerable that it became unprofitable for the producer to ship crude oil out of the state. He was obliged to sell it to the Standard at its own prices, and it was not long before it was evident that the trust had the Kansas field at its mercy.

Then followed the great agitation which still prevails and strengthens. The whole legislative machinery of the state was set in motion, and for once the executive and legislative powers were in accord. As a final precaution the co-operation of the national authorities was obtained, and it was through the initiative of a Kansas congressman, Philip Pitt Campbell, that President Roosevelt ordered Commissioner of Corporations James C. Clark to take a hand in this latest and most businesslike investigation of the Standard Oil. GEORGE H. PICARD.

WOMEN KNEEL TO MEN.

Men in South Africa and especially in East Central Africa believe that their women are their inferiors, and many centuries ago they made a law that has worn itself into a custom that women must acknowledge this by always kneeling when they meet a man.

African women hold a most degraded position and are looked upon pretty generally as beasts of burden, capable of doing all the hard work. When a woman meets any man, be it her husband or a stranger, at home or on the road, she is expected to "kneel down"—that is, to kneel and clap her hands to the lord of creation as he passes.

Although a woman may have slaves of her own, she observes this custom whenever she meets men on the highway.

A SAFE FOR WILLS.

There is a depository for the safe custody of the wills of living persons at Somerset House. A will may be deposited through the registrar of a district registry, who will transmit the will to London in a registered letter on receiving fees amounting to \$12.75. Once deposited, the will cannot be withdrawn, but must remain in the registry until the testator dies, unless he produces the original and pays a deposit and other proofs of his identity and destroys the will in the presence of the registrar.



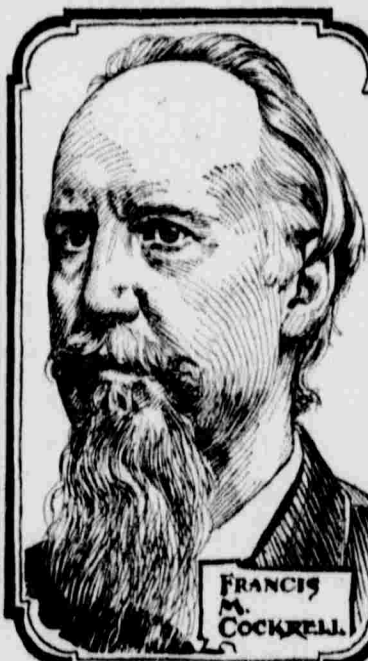
JOSEPH W. PIFER



CHARLES A. PROUTY

MARTIN A. KNAPP
CHAIRMAN

JUDSON C. CLEMENTS



FRANCIS M. COCKRELL

THE MEMBERS OF THE



P. P. CAMPBELL

THE KANSAS TRUST NEMESIS.

the federal government. The provisions of this law, if they could have been enforced, would have done away with much of the injustice that prevailed. Even the public was convinced of that. But the remedy failed to cure. It was not inert, but it was not administered properly. The public realized that also. Then came the congressional investigation. There are those who are inclined to be skeptical as to the absolute sincerity of that investigation, but it is certain that it was the most important search that had yet been made. Certain phases of the business of the Standard Oil company were laid open, and both sides of the question had an opportunity of telling as much as they felt inclined. The heads of the concern—John D. Rockefeller, H. H. Rogers, William Rockefeller, H. M. Flagler and John D. Archbold—presented their side of the case, as did also George Rice and many other independent operators.

Nevertheless the investigation was a great disappointment to the public. No way was found to put a curb on the Standard Oil company, and everything remained precisely as it had been. The magnates declared solemnly that the interstate law had not been broken, but that the trust's business principles were derived from other sources.

It must not be thought, however, that federal law could be enacted which would regulate the commerce of trusts. It is not likely that the heads of the oil monopoly passed many sleepless nights while this inquiry was under way, since the commission was very general in its search for information and did not deal largely in particulars. The new department of commerce and labor was the direct result of the matter, and the bureau of corporations was launched.

child's play. But it must be confessed that the most patient endeavor of the government agents has failed to unravel the tangle of what has been termed "the affiliated companies." Almost every state in the Union has a separate oil corporation, and in many cities there are individual companies also. These concerns overlap each other in such a manner that it is almost impossible to fasten the responsibility of any executive act.

In view of all that has been said and written concerning the oil trust, it is remarkable how little actual information as to the working of the concern has become public property. It is known, of course, that the New Jersey corporation, the successor of the dislodged Ohio head center, is the great holding company, and the men at the head of it are the men who control Standard Oil. It is the great central hopper into which is poured the steady stream of treasure which comes from all quarters of the habitable globe. The government investigations have shown that the leading spirits in the aggregation seldom appear personally in any transaction. They have created a network of companies, one dependent on the other, but all working toward a common end—the further enrichment of the already surfeited petroleum

most promising of all the efforts which have been made to curb the rapacity of the oil trust originated in Kansas more than a year ago and is still progressing. For awhile there was presented the rather picturesque spectacle of a state in warfare with a monopoly. The questions involved, however, were too momentous to be confined to a single commonwealth, and in time the interstate commerce commission and the officials of the corporations bureau were drawn into the fight. Although the contention still hinges upon the old subject of unfair discrimination and railway crookedness, it is patent to all that the Standard Oil is the real offender.

The story of the Kansas oil fight is full of interest and is not devoid of pathos. Thirty odd years ago a farmer in Johnson county struck oil while digging a well. He was disappointed over his failure to get water, but he tried to make the best of it. Fortunately his land was close to the old Santa Fe trail, and he found that he could sell his unwelcome product to passing teamsters for lubricating purposes. This he did until the trail was abandoned, and then the well was closed and forgotten. It was not until 1902 that W. M. Mills, while drilling for gas near Neodesha, in Wilson coun-

W. W. Armstrong, Chief of Life Insurance Investigators; The Man With a Passion For Probing

AMONG the men who have achieved an enviable prominence in the recent legislative investigation into the methods of doing business employed by the New York life insurance companies

Senator William W. Armstrong, chairman of the joint committee of the legislature, stands foremost. Charles E. Hughes, the brilliant attorney who conducted the examination for the committee, was a man of national reputation before he undertook this latest and most trying effort. He had already demonstrated his ability to uncover the dark methods of designing corporations, from those who had every reason to withhold it was made so apparent in the previous investigation into the doings of the New York city gas companies that he was the logical choice of the insurance commission. Mr. Armstrong's opportunity came later, but it came none the less surely.

Senator Armstrong has been a member of the upper house of the New York state legislature for seven years, and he has also had four years' experience in the lower house. He has not shown himself to be a man of words, but it is understood among his fellows that nothing going on in either house escapes his observation. This is why he has acquired the title of "watchdog of the senate." There is no other member of the body, with the possible exception of Senator Hinman of Binghamton, now serving his first term, who makes such a close study of legislation pending at the state capital as does the senior senator from Rochester.

He has become an adept at getting at the real significance of a measure. Every bill which is put upon the senate's files must run the gantlet of his acute inspection. He makes it his especial business to find out all that can be made known concerning it. He ap-

pears to be on the constant scent for danger. When he is convinced that any form of crookedness is impending he jumps from his box, like an ever vigilant sentry, and waves the red flag vigorously.

It is not reasonable to suppose that Mr. Armstrong's ruling passion, the desire to investigate, has tended to the increase of his popularity, and it hasn't. If the truth must be told, Senator Armstrong is not popular among his colleagues in the senate. In spite of that fact it was the recognition by his associates of his ability in that direction and of his perfect uprightness of intention that led them to regard his appointment to the chairmanship of the investigating committee as the very best that could be made. They realized that he was master of the sifting process, and they felt that their reputation was safe in his hands. Now was the time, they reflected, for this keen analysis of purpose, this getting down to the bottom of things, to come to the front. If this Rochester member were so alert in scrutinizing their local measures let him exercise his talent for unmasking on this greater opportunity.

So it was that it was determined to call a halt in the high handed performances of the New York life insurance companies. Senator Armstrong fell naturally into the position of chief of the commission. The senate had no more doubt of his ability as a probe than it had of that of Mr. Hughes. It is not at all unlikely that there were those in the senate who were not anxious to begin the investigation, plenty of men who would not have assumed the initiative during the present century had the matter been left to them. When they saw that it was inevitable, however, they could but admit that the matter had fallen into competent hands.

It seems that Mr. Armstrong's highly specialized inequity is an inheritance from his father, who left him little else. The elder Armstrong was a marvel of exactness. At one time of his life he made up his mind to investigate the subject of astronomy, and with that end in view he provided him-



AT THE INVESTIGATION.

SENATOR W. W. ARMSTRONG.

IN THE SENATE.

self with a stock of works on that rather abstruse science. One of them was a ponderous treatise on ellipses. He attacked this work vigorously, but difficulties rose on every hand. Armstrong absolutely refused to accept any of the calculations in the book until he had proved them mathematically. He was a man who took nothing for granted. He would not attempt to make any conclusion until he had tested each premise to his own satisfaction.

Senator Armstrong is a native of Rochester, N. Y., but when he was still very young his family removed to Albion, and his boyhood days were spent in that pleasant western New York village. He was educated in the public schools and excellent academy of the place, but when he was in his sixteenth year his school days came to a sudden end. His parents were poor, and at this time his father became entirely blind, and William was obliged to

go to work, becoming the sole support of his family. He had already made up his mind to become a lawyer, but it was more than eight years before his ambition was realized and he was admitted to the bar.

He removed to Rochester and entered a law office, in which he remained three years. Then he became a member of the new firm of Desmond & Armstrong, a partnership which still survives. In 1893 young Armstrong

was elected to the board of supervisors of Rochester. The following year he made the campaign for the assembly and was successful. From the first he found the work in the legislature to be remarkably congenial to him, so much so that he has served continuously in one house or the other ever since. His ability was recognized immediately at Albany, and he was given due prominence in committee work. From the first, also, he seemed to be most inter-

ested in insurance matters, he was antagonistic to the appointment of Louis F. Payn as insurance commissioner, and when Payn secured the office he made up his mind that he would devote himself specially to future insurance legislation.

He had not long to wait for an opportunity to exploit his favorite topic. He discovered a concealed purpose in an insurance measure which was slated to pass and took the floor against it. His caustic criticisms were having a tremendous influence against the bill when one of the attendants slipped a note into his hand. Armstrong paused a moment and glanced at the communication, which was to the effect that it would be to his interest to desist from his opposition. The note was signed by a fellow senator, and without a moment's hesitation Armstrong read it aloud, signature and all. The result was sensational in the extreme, but from that day the impulsive senator has been free from the overtures of the lobby.

As a further illustration of his scrupulous precision may be given Senator Armstrong's own statement that he can account for every penny spent since his eighteenth year. This does not mean that he is parsimonious. On the contrary, he is notably generous and as fond of the good things of life as is the average man. Although he is not college bred, he is a man of scholarly attainments, being an omnivorous reader. He is of Irish extraction and proud of the fact, and he reads and speaks German fluently. He is now in his forty-second year and is stocky in build, cares little for dress and is bluff in manner. It is not an easy matter to become intimate with him, but when one does succeed in doing so he may call him "Bill" and "old boy" if he chooses. Both the senator and his wife are devoted to outdoor sport, although they draw the line when it conflicts with the tenets of the Society For the Prevention of Cruelty to Animals, of which they are enthusiastic and consistent members.

JAMES R. BENTLEY.