Benefits.

MEANS MUCH TO PORTLAND

Declares That It Shows the Confidence of Eastern Capitalists in the Prosperity and Growth of the City.

That the investment of \$30,000,000 of That the investment of \$30,000,000 of Eastern capital in the merging of the electric power, traction and lighting plants of Portland and the Lower Williamette Valley is one of the most important steps that has ever been taken for Portland's advantage and growth is the belief of Frank L. Brown, head of the firm of Brown, Wilson & Co., of San Francisco and New York, financial agents, who were largely instrumental in interesting the capitalists in the Portland properties. Mr. Brown took an active part in swinging the deal, and he regards the fact that Eastern capital has overcome its prejudice against. Western securities as the strongest proof Western securities as the strongest proc of a splendid future for Portland. It was only a few years ago that the men who invested in the Portland General Electric and the Portland Railway would not consider properties west of the Mississippi River that were offered to them.

New Owners of Properties.

The interests merged by the big transac-tion in New York will probably be man-aged practically as they have been here-tofore, with the addition of an Eastern tofore, with the addition of an Eastern executive committee. The new owners of his property are E. W. Clark & Co., of Philadelphia; J. & W. Seligman, of New York; D. O. Mills, of New York and San Prancisco, and Charles M. Pratt & Co., of New York. The four interests hold about equal shares of the allied properties.

'The fact that such strong and conservative financial interests have been willing to invest over \$25,000,000 in street rallways and electric power plants in Portland will give great confidence to investors throughout the United States to place their money in this city," said Mr. Brown.

throughout the United States to place their money in this city," said Mr. Brown, "The men who have financed this consolidation are men of the highest character and standing in Eastern financial circles. If W. Clark & Co. is the oldest bankinghouse in Philadelphia, and the founder of the firm was the grandfather of the present members of the firm.

Will Assist Portland.

"The interests which have taken over Portland's street railways already suc-cessfully operate over 14 traction prop-erties in as many cities. Among them are the street railway systems of St. Joare the street railway systems of St. Joseph, Mo.: Rochester, N. Y.: Scranton, Pa.; Hangor, Me.; Grand Rapids, Mich.; Omaha, Neb., and others. The roads are all perfectly operated and give splendid service. The equipment and facilities intended for Portland will undoubtedly assist largely in the rapid growth and development of the city.

"The properties combined are in a position to give better service and a more

"The properties combined are in a po-sition to give better service and a more economical administration, while with such interests back of the traction sys-tem they are amply able to provide in-creased facilities as the city grows and in fact they will stimulate the growth of Portland because of the conveniences

Mr. Brown is well known to Portland people, he having formerly been secre-tary of the Portland Rallway Company, as well as a large stockholder. He is also interested in the bonds of the Orealso interested in the bonds of the Oregon Water Power Company. For the past few years he has been away from Portland, but his confidence in the city's future has been unshaken. That he succeeded in interesting capital 5000 miles away in Portland was largely due to his own implicit confidence in the community.

REPLY OF STANDARD OIL

(Continued From Page 1.)

fair 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 pipeline spatem by the Standard Oil Company was the result of special agreement with the railroad companies.' What he can mean is past our comprehension. As a matter of fact, the development of the pipeline system by the Standard was in pipeline system by the builties on the owner.
the face of violent hostilities on the owner. "It is asserted over and over again in "It is asserted over and over again in were opposed to the introduction of such means of transportation. At enormous cost and in the face of steadfast railway prosition at an early date the Standard Oil Company adopted the pipeline method for handling crude petroleum. The first line was extended from the Western Pennsylvania oil field to Bergen Point. on the Atlantic coast. This line diverted an enormous amount of freight from the railway companies, which fact they did

not view with complacency. Denies Railroad Favoritism.

Passing from this point, Commissioner Garfield takes up the question of favoritism, which he alleges has been shown various railroad corporations to the Standard Oil Company. The first speeine case of alleged discrimination which he directs attention is in the New which he directs attention is in the New England territory. It is charged that we enjoy a monopoly in certain parts of that although the forms of law may be commust be pretty dense. First, if the New England roads ought to pro-rate, but refuse to do so, it must occur to se somewhere that perhaps the New England roads and not the Standard Oil Company are blameable. Second, a very casual inroads are simply doing what they are the United States. forced to do by natural conditions and that Mr. Garfield's attack, to be effective. should be directed at Long Island Sound

as a means of freight communication. Advantage of Pipe Lines.

Obviously we have an advantage by the use of our own pipelines from the Western oil fields to the coast and by use of water transportation to New England over any one who uses all-rall transportation from Western points. But this advantage is one which it is not possible to correct by any rate legislation, unless it is proposed to bankrupt the railroads in order to meet water competition. Yet we are not alone in this method of transportation. Some of our competitors do the same thing and deliver oil at the points in New England that we do by the

TALKS OF MERGER

while it is admitted that the New Haven road has recently begun to pro-rate, this alleged condition of control has not changed in any way, nor have the prices of kerosene been affected. The New England roads believe they can make more money by a refusal to pro-rate and, if in so doing they are violating the proprieties, clearly they, and not the Standard Oil Company, should be made the object of attitack.

Throcent of Rebating.

Innocent of Rebating.

"The Commissioner is pecularly unfortunate in the subject of 'rebates.' The public may well take his word that he made an exhaustive examination, and yet withal he says that 'with one or two exceptions, the investigations of the bureau have as yet discovered no rebates in the technical sense in interstate business.' These exceptions were on business wholly within the State of California, over which, of course, neither Mr. Garfield's bureau nor the Interstate Commerce Commission have any jurisdiction. But in those cases the alloged rebates were fully explained to Mr. Garfield and involved no turpitude whatever. It was a new business on the Pacific Coast, and before it had been systematized there were overcharges, not to the Standard Oll Company alone, but to every one engaged "The Commissioner is pecularly unfo

were overcharges, not to the Standard Oil Company alone, but to every one engaged in the enterprise, which overcharges were subsequently adjusted.

"He says the Standard Oil Company has habitually received from the railroads and is now receiving secret rebates 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." not discovered."

Not Garfield's Business.

"In dealing with the discriminations which are alleged to be violations of the interstate commerce law the plain answer is that, if Mr. Garfield's statement is correct, it was the duty of the Interstate Commerce Commission to have taken action and brought not alone the Standard Oil Company, but the railroad companies involved, to book, and this they have never done. Violations of the law in this respect do not fall within the jurisdiction of the Bureau of Corporations and any statement on the part of Mr. Garfield respecting this subject is gratuitous and valueless.

"Again, he has no control whatever over state rates, which by the law are put un-

state rates, which by the law are put un-der the jurisdiction of the state author-ities, and over which neither the Bureau Commerce nor the Interstate Commerce Commission have any control.

No Rebates or Secret Rates.

"But all of this aside, there have been no secret rates or unlawful discrimina-Company, Take the case of the rate from Whiting to East St. Louis, upon which he lays so much stress. While discussing it at great length as an important 'find,' he qualifies and explains it all by the statement that Whiting was a suburb of Chicago, within the 'switching district' of cago, within the 'switching district' of that city, and all freight rates from Whiting had for many years been the same as those from Chicago. This practice had obtained for 20 years, and had applied to all kinds of merchandise, and to say that a rate that had been used thus freely and openly for that period by every one was a 'secret' rate is manifestly unfair. Moreover, our oil refinery is the only one at Whiting or within 100 miles of it, so Moreover, our oil rennery is the only one at Whiting or within 100 miles of it, so that the so-called discrimination clearly could not have worked any harm to any competitor shipping oil from Whiting or its vicinity.

'Argument' on Pipe Lines.

"Mr. Garfield's claim that by the use of low interstate rates the Standard Oil Com-pany gained an unfair advantage is equally unfortunate. At great expense we con-structed pipe-lines from the Pennsylvania and Ohio oil fields and from the Kansas and Indian Territory fields to Whiting. If our competitors did not do the same thing shall it be said that any one is unfair who does not give them the advantage of this enterprise of ours? It is quite true that, having our oil at Whiting and desiring to transport it to points in the in-terior of Illinois, we used the state rates, To say that a man in Ohio who had never expended a dollar for a pipe-line to Whiting should be able to transport, his oil to an inland town in Illinois over an all-rall line at the same rate that we enall-rall line fit the same rate that we enjoyed by reason of our pipe-lines must appear absurd to any one. Are we to have no advantage because we constructed these pipe-lines? Is the amount invested and the interest on that investment to count for nothing? Take two men going the proton one uses an \$2000 automobile. Boston; one uses an \$5000 automobile go to New London, and there takes e train. Is he to have no advantage on the rates from the man who leaves on the rates from the man who leaves. New York and travels all the way by rail? The case of a shipment from New York to Vermont, of which mention is made, is susceptible of like explanation.

Answers in Own Words.

"Respecting the use of private cars, of which Mr. Garfield makes much, it is only necessary to make answer in his own words. He says that, owing to the relatively slow movement of tank cars in the petroleum oil trade, the mileage allowance of rental does not appear to result in an excessive profit to the private tank-car

the report that the Standard Oil Company prefited by 'secret' and 'unlawful' freight rates. Yet in the same connection it is prefited by 'secret' and 'unlawful' freight rates. Yet in the same connection it is admitted in the report that all of these rates are covered by tariffs filed with the Interstate Commerce Commission, precisely as the law provides, and therefore cannot be either 'secret' or 'unlawful.'

"The Commissioner uses the curious phrase at one point in his report that 'although a tariff or rate has been filed with the (Interstate) Commission in compliance with the terms of the law, none but the favored shipper may know of its ex-

open to the inspection of the shipper, it is hard to conceive of the Commissioner's temerity in making such an utterance.

Says Methods Were Held Lawful.

"The President's message complains of the way the law is evaded by treating as section, because some of the railroads there refused to pro-rate. The man who could be deceived by such a statement two separate state rates has been held by the Interstate Commerce Commission to

be lawful and proper.

"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

"As to the claim that changes in rates have been made since the Commissioner's efficient work began, all the Standard Oil Company has to say is that any such changes have been made without its suggestion or efforts.

Calls Garfield Man With Muckrake. "The grief which the President ex-presses in his message over the inability of the railroads to combine and protect themselves from the shippers will proba-

'The President says respecting this investigation that the facts are not in dispute only the inferences are disputed. The Standard Oil Company furnished the facts, and a man with a muckrake dug out such as under his manipulation he felt would prove damaging.

"The Standard Oil Company has been

"In Honorable Business."

"Mr. Garfield claims that the refusal comes such investigation, when conducted in good faith and fairly. We are engaged in a large and honorable husiness. We company practical control of New England territory and enabled it to maintain exceptions, properties of the New England territory and enabled it to maintain exceptions, when conducted in a large and honorable husiness. We mous quantities of oil in less than carbonate for the conducting it honorably, and, we sintain exceptions properties that carbonate in a large and honorable husiness. We mous quantities of oil caspecially in less than carbonated in a large and honorable husiness. We mous quantities of oil caspecially in less than carbonated in a large and honorable husiness. The standard of the carbonated in a large and honorable husiness. England territory and enabled it to main-tain exercitant prices for kerosene. Yet, law." law." store of paratively short, the amount of freight adjoining

(Continued From Page L)

continued, so secret, so ingeniously applied to new conditions of trade and so large in amount as to make it certain The that they were due to concerted action by the Standard Oil 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 Oil shipping points being relatively much more than rates from the shipping points

Railroads Reform When Found Out.

Mr. Garfield then refers to seven instances of important discriminations in favor of the Standard Oil Company in various parts of the company in the com 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 rall-

roads shortly after such discovery, After calling attention to the good which already has resulted from the investigation. Mr. Garfield says changes effected have put the independents upon a fairer footing and make competition possible in territories heretofore inaccessible. The report concludes as follows:

"Nevertheless the widespread discriminations in open rates still in force leave the independents at serious disadvantage. The investigation only incidentally touched state shipments from distributing centers, particularly in less than carloads.

"The few instances examined suggest probability of discriminations on such shipments which, taken in connection with through traffic, may result in discriminations on interstate business. "I have cited these particular instances

to show the various methods by which discriminations are obtained and to call particular attention to methods which, if legal, are mere devices to obtain exactly the same result as would be obtained by rebates paid on interstate business.

"Any freight discrimination, whether it be state or interstate, tends to give control of markets to the preferred shipper, and makes monopoly possible,

Law Shields Lawbrenkers.

"If existing law merely prohibits a special rate device for obtaining discrimination, and permits the same result to be accomplished in a different way, then the legislation is to that effect a sham.
"This investigation has shown very

clearly one glaring defect in the interstate ommerce law, viz: the method of filing and publishing tariffs. "Although a tariff or a rate has been filed with the Commission in compliance

with the terms of the law, none but the favored shipper may know of its exist-"Tariffs may be made and rates may be combined in such manner as to make it practically impossible for the ordinary

shipper to find them. "As long as the state rates are not re quired to be made public, and shippers use such rates in combination with interstate rates, all manner of devices to evade

the purpose of the law are possible, "All state rates used in connection with interstate shipments should be filed with the Interstate Commerce Commission and a radical change should be made in the direction of simplifying tariffs and in methods of posting and filing them."

METHODS OF DISCRIMINATION

Garfield Shows Many Devices of Railroads to Favor Standard.

WASHINGTON, May 4.—The following is a summary of the report made to President Rocsevelt by Commissioner Garfield upon his investigation of the Standard Oil Company and its relations with the railroad systems of the country in rebates and discriminations. After describing when, how and where

his investigations were made, Mr. Gar-"The general result of the investigation

has been to disciose the existence of numerous and flagrant discriminations by the railroads in behalf of the Standard Oil Company, and its affiliated corpora-

mainly of other large concerns in California, the Standard Oil has been the sole beneficiary of such discriminations. In almost every section of the country that company has been found to enjoy some unfair advantages over its competitors, and some of these discriminations affect enormous areas.

Forms of Discrimination.

"Discriminations in the transportation of oil embrace a variety of forms, the more important of which may be classed under the following heads; "Secret and semi-secret rates. "Discriminations in the open arrange-

ent of rates.
"Discriminations in classification and

rules of shipment "Discriminations in treatment of private tank cars.
'Many of the secret rates discovered

ance with the terms of the law, none but the favored shipper may know of its explicitly provides that every tariff of rates must be posted at every freight station and be posted at every freight station and be States. It is obviously in a position to make open to the inspection of the shipper, it is hard to conceive of the Commissioner's temerity in making such an utterance.

"For the purpose of more effectively concealing the secret rates given to the Standard Oil Company, railroads in several important cases have used peculiar methods of billing and accounting. "In some cases oil has been blind billed," that is to say, the waybills have been made out showing the kind of prod-uct transported, and its weight, but with-out showing, as is the usual custom, any freight rate or the amount of the freight

charges.
"In such instances the collection of freight is ordinarily made, not by the local agent of the railroad, but through the central office, by the presentation to the Standard Oil of a summary bill show-

ing the amount of freight charges at the secret rais.
"Local agents often do not know what the actual rates used on blind bills are. Worst Cases in California.

"An especially large number of secret rates and rebates in the transportation of oil was found in California. "In all, more than 89 distinct violations of tariffs on oil were discovered in this

"The total concessions to shippers and consignees under these rates as compared with the published tariffs may be safely estimated at about \$200,000 per year, of which amount about \$100,000 went to the Standard."

Many Secrets Not Discovered.

The Commissioner, under the head of possibility of further discriminations, said: "It seems wholly possible that there may exist a multitude of other discriminations, effected by secret rates or even by rebates, of great aggregate importance involved in the local distribution of oil, especially in less than carload lots."

charges under the high rates which pre-vail on such business under regular tariffs would be very great, and the possibilities of departure from these charges exten-

Open Rates Favor Standard.

Regarding discrimination in the oper arrangement of rates, Mr. Garfield de-'Different methods are used in different places and under different conditions, but the net result is that from Maine to Cali-fornia the general arrangement of open rates on petroleum oil is such as to give the Standard an unreasonable advantage

over its competitors.

"The conclusion is unavoidable that the Standard Oil Company has had an important voice in the construction of such rates, and this conclusion is supported by

Higher Mileage on Tank Cars. He charges that discrimination is practiced in some instances in the treatment of private tank cars. On this point he

says:
"In most sections of the country all re-fineries operating tank cars of their own receive equal treatment in respect to the

mileage allowances.

"On the Pacific Coast, however, most independent refineries receive 6-10 cents per mile, and this on loaded movements only. The exception is made where the haul exceeds 800 miles, in which case three-fourths cents per mile is allowed on the excess mileage over that distance but again on the loaded movement only. "The Union Tank Line and the Waters-Pierce Company—also a Standard concern "The Union Tank Line and the Waters-Pierce Company-also a Standard concern -are the only oil companies operating tank cars on the lines of the Southern Pacific Company and the Santa Fe on the Pacific Coast, which receive threeourths cents per mile on both loaded and

fourths cents per mile on both loaded and empty cars.

"Similar discriminations are practiced by some of the transcontinental systems traversing the Northwestern States.

"The advantages of the Standard Oil Company would alone give it a highly favorable position in the oil industry.

Northwest Bestler Bernsend.

Natural Policy Reversed.

"To a certain extent the policy of railroad rates would be to neutralize these
advantages by giving favorable rates to
the smaller refiner. The Standard Oil
Company, through its pipe lines and its
fleets of oil-carrying vessels, is an active
and powerful competitor of railroads.

"Except in the Texas and California
fields, it has already taken the transportation of crude oil almost wholly away
from railroads.

"The general policy of the railroads

"The general policy of the railroads "The general policy of the railroads with regard to other freight traffic has been to equalize conditions of competition in competitive markets by the use of commodity rates relatively more favorable to distant producing points than to the nearer producing points. But it appears that in the case of the oil industry the policy has been generally reversed, and natural disadvantages of the independents have been enormously inhave been enormously

ANOTHER INQUIRY TO BEGIN

Interstate Commission Will Probe Standard Oil Crimes.

CHICAGO, May 4 .- One of the most thorough inquiries into the relationship between the railroads and the Standard Oil Company that has ever been conducted by the Government will commence in this city on May 10, before the Interstate Commerce Commission. Special Counsel J. T. Marchand, of the Commission, arrived here today to make

preliminary arrangements for the inquiry. Mr. Marchand authorized the issuance of four subpenus for local railroad officials for their attendance before the

commission.

The names of those summoned are kept secret. Hundreds of subpensed have been issued, it is said, for independent oil refiners in Ohio, Kansas and Pennsyl-Railroad officials from those states will also be summoned before the Commission.

NONE OF GARFIELD'S BUSINESS New York Central's Attitude on State

Rates-No Rebates Given. NEW YORK, May 4.—Replying to the statement by Commissioner Garfield that the New York Central Railroad refused to disclose its rates within New York State, President Newman of that company said

President Newman of that company said today:

We refused to furnish our state rate to the Bureau of Corporations of the Department of Commerce and Labor because the department access to our interstate commerce. We cheerfully gave the department access to our interstate commerce books, just as we would give the proper state authorities information as 10 our state rate, if it was called for.

As to the New York Central being the only company which refused to supply Commissioner Garfield with the state rate, altention should be called to the fact that the New York Central is the only large state. The New York Central is the only large state. The New York Central is the only large state. The New York Central is the only large state. The New York Central is the only large state. The New York Central is the standard Oil Company received rebates from any railroad. Naturally, it is always on the lookout for the most favorable rates and by reason of its compact organization is instantly ready to take advantage of changes in the tariff. Any other shipper could do the same thing, only the Standard Oil Company, by being alert, has been enabled to get the best possible rates by unceasing scrutliny of the tariffs. If it had falled to take advantage of any rate changes favorable to itself the Standard Oil Company would have been foolish.

No Effect on Standard Stock.

NEW YORK, May 4.—The President's NEW YORK, May 4.—The President's message regarding freight rates in connection with the country's oil industry, which was transmitted to Congress today, had no noticeable effect on the price of oil stock in the stock market: Soon after the publication of the message, Standard was sold at 605, an advance of 7 points over last night's close.

CUTS HIS OWN THROAT

Captain Webster, of Vancouver Reglment, Attempts Suicide.

SAN FRANCISCO. May 4.—Captain F. B. Websier, of the Twentieth Infantry, attempted to end his life here today by cutting his throat. He entered a room in the appraisers' building and taking a bayonet from a rifle, succeeded in half-severing his windpipe. The attention of the guards surrounding the building was attracted by the man's groans, and he was placed in an ambulance and taken to the Presidio Genoral Hospital. The physicians in attendance say the officer may recover, but that he has not as yet regained consciousness.

Captain Webster, who originally came from Missouri, is 39 years old and has seen 30 years of service. The physicians say his attempt at suicide was the result of an unbalanced mind. Captain Webster's command was rushed to this city from Vancouver Barracks, Wash., immediately after the catastrophe overtook this city.

He had been on duty in the fire-swent.

efty. He had been on duty in the fire-swept

Serious Fire at Knoxville.

KNOXVILLE, Tenn., May 5. — Fire broke out at midnight in the Commerce building on Gay street, just north of Vine avenue, and caused loss estimated at \$50.00. Frames were first discovered in the basement of the Littlefield & Steere Company store and soon guited that building and the wholesale shoe store of the McMillan Hazen Company adioning.

sive. "It is perfectly clear that the distinction between the rebate and the secret rate is merely one of accounting." SMARTLY-DRESSED MEN WILL WEAR THIS SEASON ASK DEAL COLUMN WHAT IF YOU WANT TO KNOW WHAT



WHETHER FOR BUSINESS OR FOR OUTING-

Our stock at all times includes the choicest fabrics from foreign and domestic looms-designed by Artist-Tailors—built by New York's Foremost Wholesale Manufacturers specially to our order and carrying our fullest guarantee - everything equal to the custom tailor except price ours is about one-half his

\$15 to \$35 BEN SELLING

LEADING CLOTHIER