

WHY OIL TROOPS GOBBLED RIVAL

Rockefeller Tells of Growth for 20 Years by Buying Competitors.

POOLING OF OIL TRAFFIC

Equal Rates From All Points Followed Fight With Pennsylvania Road—Organization of Trust in Ohio Climax of Story.

NEW YORK, Nov. 19.—With the story of the first years of industrial development of the Standard Oil Company, the testimony of John D. Rockefeller, president of the company, defendant in the suit to dissolve the Standard Oil Company, was brought to an unexpected close this afternoon. The head of the Standard Oil Company told today of the processes and changes of the company's growth up to the trust agreement of 1882 and after identifying the parties to the agreement, counsel for the defense announced that Mr. Rockefeller had concluded his direct testimony and requested an adjournment until tomorrow.

Friday will find Mr. Rockefeller on the witness stand under the sharp fire of cross-examination by Frank R. Kellogg, Special Assistant Attorney-General prosecuting the case for the Government. This will be generally confined to the period from 1864 to 1882.

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When Mr. Rockefeller resumed his testimony, his counsel directed his attention to the uncertainties of the oil business in the early 70s, and asked him what bearing the supply of raw material had thereon.

"I had an important bearing and must always have such importance, as we never know when the supply may give out, depending on the properties for the refining of oil comparatively valueless," replied Mr. Rockefeller. He added that in the early oil days the supply of crude oil was limited to a small area, coming principally from Venango County, Pennsylvania. Some oil wells were very short-lived. Mr. Rockefeller's counsel then asked him if he recalled that a company was formed at the time of the agitation regarding the South Improvement Company.

"Yes," replied Mr. Rockefeller. "It was formed a little later and was composed of a large proportion of the oil producers."

That led to an association of oil refiners who were desirous of having a supply of crude oil which was not controlled by interests antagonistic to them, and the refiners also wanted to be assured of a market for their raw material, and to introduce an element of regularity into the business, which had been fluctuating greatly. Mr. Rockefeller said he was unable to give the number of producers in the United States, but that the refiners' association included a large proportion of the refiners.

By direction of his counsel, Mr. Rockefeller noted that the agreement fixed the price of crude oil at \$5 per barrel at common points. The operation of that agreement, he said, stimulated an overproduction of oil beyond what the refiners could use at that price. The temptation was very great with the producers to develop more oil than they had promised to the refiners. The refiners could not consume as much oil as the producers would consume. As a result the producers violated the agreement and sold oil under the price which had been fixed. The agreement did not last long, said Mr. Rockefeller.

Buying Out Competitors. To secure better facilities and to make shipments to Europe, the Standard Oil Company in 1873 purchased the plant of the Long Island Refining Company in Long Island City and began to refine at the seaboard. The crude oil was brought through to the refinery by railroads.

To further extend its market, the Standard Oil Company purchased the Devoe Company and in 1873 brought about one-half of the Chesapeake and Ohio, of Louisville, which had a large domestic business in the Southwest. A year later, Mr. Rockefeller said his company purchased the Imperial Oil Refining Company, of Oil City, Pa., which had been owned principally by Captain J. J. Vandegrift and John Fitch. About 1875 the Standard Oil Company later organized the Standard Refining Company, Limited, to operate this plant. The purpose of this purchase was to enlarge the market for the export trade and the Imperial Company had direct lines for shipping to the seaboard.

Mr. Rockefeller then told of the Standard Oil Company's purchase of refineries in Brooklyn, Philadelphia and Pittsburgh at a cost of \$2,000,000. The object of these purchases, said Mr. Rockefeller, was to extend the export business and secure the valuable specialties in crude oil. He mentioned the Smith's Ferry Oil Transportation Company. Mr. Rockefeller said he could not recall distinctly anything about that company.

Mr. Rockefeller said his attention was first directed to lubricating oil about 1876. About 1878 the Standard Oil Company purchased the American Lubricating Oil Company, of Cleveland, and the Mica Axle Grease Company. The purchases were made with the object of further diversifying the business and securing a lubricating trade.

Light With Pennsylvania Road. "I want to bring to your attention the Empire Transportation Company and what its relations were." The company was the owners of cars and the transporters of oil and other products on the Pennsylvania Railroad. As we understand, the company was controlled by Pennsylvania interests.

"Railroads and refining interests were disturbed. There was a great cutting of rates. The refining interests were disturbed, as were the railroads, which laid considerable stress on the amount of oil they should carry."

"What relations were effected on the New York Central, Erie, Atlantic & Great

Western and Baltimore & Ohio by the Pennsylvania having a refining business?" "They were much concerned as to what loss of the oil trade to them would follow, and there was a heavy cutting of rates."

Did Not Seek to Cripple Rival. Soon after the opening of the afternoon session, Mr. Rockefeller's counsel asked him if it were true that the rates obtained by him during the period of the Standard Oil Company's war with the Pennsylvania Railroad were to crush and cripple the Empire Transportation Company so that the Standard Oil Company might acquire its property.

"It is true," replied Mr. Rockefeller. Previous to the putting of this question, Mr. Rockefeller said that, when the Empire Transportation Company was organized, "our interests" presented the matter to the railroads and protested to the Pennsylvania. "We stopped our shipments over the Pennsylvania and used other lines," he continued.

"We objected to the Pennsylvania Railroad engaging in the refining business. We did not know where we stood. They were shipping their own oil over their own lines and discriminating against us. Other railroads agreed to stand by us, but there was much bitterness between the railroads. We made our shipments over the Lake Shore and New York Central and we purchased the Empire Transportation Company and pipe lines, to which I have referred. The Pennsylvania Railroad acquired the cars of the Empire Transportation Company and issued car trust certificates, which we purchased."

Traffic Deal With Railroads. Mr. Rockefeller said that when the transaction was completed, the Pennsylvania Road stopped refining, the railroad was stopped and an agreement was entered into between the roads whereby they obtained a percentage of the oil-carrying trade. The Standard Oil interests were called upon to make those arrangements effective. The witness said that the roads between the railroads to obtain the oil trade had been demoralizing to the oil business.

Mr. Rockefeller's attention was then called to an agreement between William Rockefeller and Thomas S. Scott, president of the Pennsylvania Railroad, which had been approved by all the oil-carrying roads.

"Sometimes in seeing that the exact division of the traffic had been carried out, we shipped our oil to our own lines, and when we could have all shipped it more profitably by other lines," said Mr. Rockefeller.

"We had nothing to do with the division of traffic, which the railroads determined upon."

Mr. Rockefeller said that the company guaranteed the Pennsylvania Railroad a certain number of barrels of oil a year and in consideration that company guaranteed to pay back 10 per cent of the rate on the oil shipped.

Buying of Pipelines. Mr. Rockefeller said that the Standard Oil Company began acquiring pipe lines in 1873, and increased its own capacity from time to time until 1877, when they were assembled into the United Pipe Line. The Standard also had the American Transfer Pipe Line. The pipe lines were regarded as an important adjunct. Mr. Rockefeller then described the gathering of pipe lines into a system to carry the oil from the wells to the railroads before the trunk line system was established. There were many small systems which could not reach the wells because of financial inability to construct new lines. It was brought home to him, Mr. Rockefeller said, that the improvements were necessary and as the oil supply increased new pipe lines were built.

"It was a big undertaking, and very interesting," said Mr. Rockefeller. "It was necessary to see that there should be no waste of oil and no delays. Wherever there was oil we had men to take care of it. Our conservative men felt that we should not go into such expenditure, but our men in the field came in and made pressing demands for 500,000 barrels of tankage. We gave it to them. Millions of barrels of tankage were built and through it we saved much oil that would otherwise have been lost under the old conditions. It was a big undertaking, and very interesting."

Origin of Ohio Oil Trust. Mr. Rockefeller said that all the purchases to which he referred were made by the Standard Oil Company of Ohio and that the money was taken from its treasury instead of being collected from the stockholders. The stock of other companies which was put into the Standard Oil Company of Ohio for its stockholders. He said that in 1873 this plan of ownership was put in written form and when it was held for the benefit of the witness stand today, he identified it. It was shown by this paper that Vilas, Keith & Chester also were trustees of the Standard Oil Company of Ohio. The capital stock of the Standard Oil Company of Ohio at that time was shown to be \$1,000,000.

A trust agreement, made in 1882 affecting the stockholders of the Standard Oil Company of Ohio and Vilas, Keith & Chester, as trustees, was put into evidence. Attached to it were contracts made with the Erie and New York Central Railroad Companies. Commenting upon it, Mr. Rockefeller said the railroads wanted experienced warehousemen to handle the oil upon arrival at its terminals, as much re-organizing and retooling was necessary and that that was the reason for making the contracts.

Pooling and Rebate Contract. Mr. Rockefeller was shown a pooling contract for the distribution of oil-carrying between different railroads fixing rates on refined and crude oil and collecting provision for "drawbacks" to refiners for certain shipments to seaboard. The witness said the contract was drawn to put the different refining points on a parallel. The effect of this agreement was that it would cost the man in Cleveland no more to ship refined oil to seaboard than from any other point. It also assured refiners that the same rates for shipments would be alike on all the lines, said Mr. Rockefeller.

He added that the contract further showed that the shippers of crude oil to seaboard received 22 cents a barrel drawback if the pipage rates were maintained as agreed upon by the pooling company.

Saved Cleveland From Extinction. Mr. Rockefeller said he had not been closely familiar with the freight business for more than 30 years. "This agreement produced steadiness and did away with the wiping out of Cleveland, as Thomas Scott promised to do," he declared.

John G. Miller, Mr. Rockefeller's counsel, announced that Mr. Rockefeller's direct examination ended at this point, and an adjournment was taken until tomorrow, when the cross-examination will be begun.

Woolgrowers Want Higher Duty. SALT LAKE CITY, Nov. 19.—A still higher duty on imported wool is the demand expressed in a resolution adopted by a mass meeting of Utah woolgrowers at the Salt Lake Commercial Club rooms today.

BIGGEST TOBACCO DEAL ON RECORD

Kentuckians Paid by American Company \$14,000,000 for 80,000,000 Pounds.

NIGHT RAIDS WILL END

Central Kentucky Flooded With Money—Sale Includes Crops of 1906-07. Both of Which Were Pooled.

LOUISVILLE, Ky., Nov. 19.—The big deal between the American Tobacco Company and the Burley Tobacco Society for the 1906 crop and part of the 1907 crop of tobacco, which has been hanging fire for several weeks, was closed today. The price agreed upon in the transaction, which is said to be the largest of its kind ever put through, is an average of 29c cents a pound for the 1906 crop and 27 cents for the 1907 product. The deal involved nearly 80,000,000 pounds of tobacco held in the pool by the Burley Tobacco Society, and an outlay of about \$14,000,000 on the part of the American Tobacco Company, virtually all of this money being placed in circulation at once in Central Kentucky.

The tobacco sold includes the larger part of the holdings of the Burley Tobacco Growers' Association, which was formed several years ago and pooled the crops in 1906 and 1907.

No crop was raised by the members of the association in 1908 although a number of independent growers raised crops in Central Kentucky, under guard. According to many who are in position to know, the sale of the pooled crop will mark the end of the night riders in Central and Eastern Kentucky, at least for the present, as it is thought that with these crops out of the way, virtually all of the growers will raise tobacco next year.

The sale has nothing to do with the crops in the dark district, or western portion of Kentucky and Northern Tennessee.

JOHNSON'S FORTUNE GONE

(Continued From First Page.) my life, leaving out of consideration the loss of my brother.

"I am going to be happy yet, too. We may have to go back to a cottage, but that's the way we started and we can look upon life just as joyfully there as we did in the big house on Euclid avenue."

"They tell me my enemies are planning to bring financial trouble upon me. I've been expecting it. There's one mistake I have not made—that of failing to foresee the efforts of those who would like to destroy my opportunity. My enemies are capable of that. One may expect nothing else from special privileges. However, I realize that any other sort of men in the same circumstances would act the same."

Thousand Fights Left in Him. "Let them do what they may. Let them make any sort of attack upon me that they choose, with whatever success, and they will find me with a thousand fights left in me. I'll never give up, am well and strong and confident, and they'll always find me in the front."

"If I had been a coward—if I had run away from this fight for the people of Cleveland—I could have saved my fortune and built it up. But I had chosen my course and I did not have any mind for altering it."

"The pursuit of mere dollars does not interest me. I suppose I could go down in Wall street now and make some money. I have bought and sold with E. H. Harriman and I suppose I could go and do it again. But I am not going to do anything of the sort."

"I don't want you to misunderstand what I have been working for as Mayor. I have not been laboring with the expectation of being rewarded by the gratitude of the people. One cannot count on that. It's the pleasure in doing work that I like that has kept me in the fight."

Made No Money on Street Railway. "I have never made a single penny out of the street railway since I became Mayor. Nobody else has worked as hard as I, and I have not drawn a cent of pay from the Municipal Traction Company as treasurer. I don't propose to ask a cent for my work in helping the receivers."

"I have never spent money in politics. In no campaign have I ever paid more than my assessment, \$500, on the \$6000 salary of Mayor. Sometimes I have not sold that much in cash, when the committee has allowed me a certain amount for the use of my tent. We have never been in debt at the end of a campaign but once."

"When I gave up active business affairs I did it because the requirements of my work did not square with my principles. I suppose I might have taken up a life of ease when I retired, had I wished. I was welcome at the clubs, Past Masters, yachts and other amusements were open to me. For me, though, hap-

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Corner Third and Morrison Sts. Both Phones—Main 732, A 1137

25c and 35c Ribbons

10c

2 1/2 to 7-inch Taffeta Ribbons in all popular colors, standard 25c and 35c values. See Morrison-street window.

THE new goods bought some weeks ago are now beginning to arrive, and as fast as possible the stocks will be rearranged and the store brought strictly up-to-date. As in the past, the store will continue to carry only first-class merchandise, bringing the cost to our customers to the lowest possible notch consistent with good storekeeping.

15c Handkerchiefs

5c

500 dozen women's fine hem-stitched, lace-trimmed and embroidery-trimmed Handkerchiefs in hundreds of dainty patterns. See window display.

Share in These Splendid FRIDAY AND SATURDAY SPECIALS

Men's \$1.50 Underw'r

95c

Men's fine all-wool Underwear, in gray only, light or heavy-weight, non-shrinking, silk finished, complete line of sizes. Best \$1.50 quality.

\$25.00 Tailored Suits

\$11.98

Women's and misses' new Tailored Suits, braid and button trimmed, very latest styles and colors. On sale Friday and Saturday only.

\$35 and \$40 Suits

\$18.83

High-grade man-tailored Suits for women and misses, in new long-coat models, braid and button trimmed. Regular values up to \$40.00.

Men's \$1.50 Soft Shirts

47c

With or without detached cuffs, standard quality materials, in neat stripes, figures and plain effects. Best regular \$1.50 grade. See window.

\$5.00 Silk Umbrellas

\$2.23

Women's pure silk Umbrellas, with best steel rod and paragon frame; choice assortment of gold, silver and pearl handles. \$5.00 value.

Gray Cotton Blankets

59c

Gray cotton Blankets, with fancy pink and blue borders, on sale Friday and Saturday at the above low price. Regular 85c grade.

\$1.50 Sat'n Petticoats

69c

Black mercerized sateen Petticoats, with bias stitched ruffles, good grade material; on sale Friday and Saturday only at above price.

\$3.50 Sweater Jackets

\$1.98

\$3.50 Sweater Jackets in cardinal, gray, black and white; standard \$3.50 quality; are especially good value at this low price for all sizes.

\$1.25 Irish Table Linen

92c

70 inches wide, extra heavy and warranted all pure linen; our best regular \$1.25 grade. Napkins to match, \$3.47 a dozen.

\$3.50 Bk. Dress Goods

98c

Fine imported black Novelty Dress Goods, 46 to 48 in. wide, made in France, and sold regularly at \$2.50 to \$3.50 a yard; choice, 98c.

Women's \$1.25 Gowns

69c

Women's heavy flannel Gowns in fancy blue and pink stripes; extra good quality, and standard \$1.25 value at any store.

Women's 35c Hosiery

18c

Fast black and guaranteed absolutely stainless, double heel and toe. A special purchase bought to sell at 35c a pair. All sizes.

Nazareth Knit Waists

11c

Another great Friday and Saturday sale of the famous Nazareth Knit Waists for boys and girls; all sizes. Regular 25c grade.

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"The Store Noted for Best Goods at Lowest Prices."
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news lay in another direction. My only recreation has been automobileing. I'd like to keep one of my automobiles, but I am afraid I can't.

Entered Office Rich, Leaves It Poor. "Back in my prosperous days I gave the home on Euclid avenue to my wife. It is hers yet and she will own it still, even though we can't afford to live in it. I don't feel discouraged. I am a free man, and that means a great deal to me. And I have my friends too."

"Don't you suppose it will be worth something to me to have my friends realize that I entered the Mayor's office rich and left it poor? The realization of what all that means is worth more to me than the money I have lost."

"I am going to keep on just as I've started. I am going to be a candidate for Mayor again this term."

The Municipal Traction Company, of which Mr. Johnson was treasurer, passed into the hands of receivers in the Federal Court several days ago. Following

accordance with the findings of the court-martial in the following language: "The department for reasons obvious regards this as a deplorable case and in publishing its disapproval of the conduct of Lieutenant Evans, refrains from expressing fully its condemnation of the actions of this officer on the occasion in question. A casual reading, however, of the charges and specifications with the findings thereon will be sufficient to enable the service to form its own estimate of an officer who has been found guilty of the acts alleged in this case."

Admiral Sperry, chief in command of the Atlantic fleet of battleships, in approving the findings, said he did so in order that Lieutenant Evans "shall not entirely escape punishment" but made known his belief that the young officer had not been adequately punished.

The court-martial found Lieutenant Evans guilty of leaving his station before being adequately relieved of duty, of using profane language to his superior officer and of inviting two enlisted men to have a bottle of beer in his room.

Including Haiti, Santo Domingo, Panama and Liberia, there are now 24 republics in the world.

WASHINGTON, Nov. 19.—Lieutenant Frank L. Evans, U. S. N., who was recently reduced 10 numbers in rank for conduct unbecoming an officer and prejudicial to the service, has been reprimanded by Acting Secretary Newberry in

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- RUSSIAN PONY COAT—Regular \$42.50, sale price \$27.50
- BLENDED BROOK MINK—Regular \$85.00, sale price \$50.00
- ASTRACHAN JAPANESE MINK JACKET—Shawl collar and cuffs, regular \$75.00, sale price \$52.50
- ASTRACHAN JACKET—Regulation cut, regular \$50.00, sale price \$38.50
- ASTRACHAN JACKET—Brook Mink trimmed; regular \$50.00, sale price \$39.50

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