



STANDARD OIL IN THE TOLLS

RIDICULE THE REPORT

H. H. Rogers and John D. Archibald Talk.

ALL CHARGES DENIED

Standard Oil Magnates State They Have Adhered to Law.

NO PROFIT IN SECRET RATES

Officials of the Standard Oil Deny that Company Ever Profited by "Secret and Unlawful" Freight Rates.

NEW YORK, May 4.—In a statement tonight H. H. Rogers and John D. Archibald of the Standard Oil Company ridicule the report of Commissioner Garfield and the message of the President. They deny that the company has not adhered strictly to the law or that it has taken an unfair advantage of its rivals in the business, but admit freely they have taken every advantage of the freight rates and routes possible within the law, and that pipe lines have been established by the Standard in the face of violent opposition by the railroads and they are not in collusion with the railroads as claimed in the Garfield report. Various statements in the commissioner's report are taken up and analyzed by the gentlemen, who apparently show contradictions and discrepancies in the document. It is denied that the Standard profited by "Secret" and "Unlawful" freight rates and concludes "The Standard Oil Company has been investigated over and over again at the instigation of its rivals and it always welcomes such investigations, 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 with the laws."

PROPERTY LOSS HEAVY.

OAKLAND, May 4.—Governor Pardee has received a dispatch from Santa Rosa stating that the property loss caused by the recent earthquake will amount to \$3,000,000. It will cost at least \$150,000 to clear away the wreckage.

HUNT MESSIAH CLAD ONLY IN THEIR COMPLEXION.

BELLINGHAM, May 4.—A Herald special from Vancouver, B. C., says that hundreds of Doukhobors are marching from their settlements Northwest in a perfectly nude condition, and seeking the Messiah, one of the periodical waves of religious monomania having swept the community. The Northwest mounted police are making determined efforts to have them return to their homes. The sufferings of the women and children in the cold night air is intense.

NAVAL BILL AGAIN.

House Considers Naval Appropriation Bill and Hears Speeches.

WASHINGTON, May 4.—The House spent another day in the consideration of the naval appropriation bill, the speeches in a large measure being in support of the bill. Burton of Ohio delivered a scholarly address against what he termed the needless enlargement of the navy, contending that the American nation could well afford to serve notice upon other nations that it stood for international arbitration and the peace of the world.

Butler of Pennsylvania and Caulder of New York, supported the bill, both agreeing that the measure had less to criticize in it than any bill reported from the naval affairs committee of the house in years. The feature of today's session was the close attention paid by the house to the reading of the President's message on oil transportation and the generous applause which was accorded on its conclusion. The House will continue the consideration of the naval bill tomorrow.

REVOLUTION RUMOR

Report That Uprising Has Started in Cuba.

THE RUMOR IS LATER DENIED

Statement Circulated That Revolutionary Named Leal Has Started Uprising in Santiago—Story is Regarded as Improbable.

HAVANA, May 4.—The Associated Press is in a position to state that there is absolutely no foundation in fact to the statement that there are revolutionary movements in the eastern end of Cuba or elsewhere in this Republic. There is complete political quiet. A dispatch from Santiago says there is no truth in the story that Leal is at the head of a revolutionary movement.

JACKSONVILLE, May 4.—The following was received from the Times-Union Correspondent at Key West:

"Alarming reports are in circulation here of a revolution in the eastern end of Cuba, under the leadership of Modesto Leal, the recent agitator of the cigar strike last November. The pilots were ordered to intercept all American warships last night and tell them to report at Key West. The government wireless station was working all night to get in touch with the ships in the vicinity and succeeded in catching the cruiser Columbia today. The Cuban consul has wired Havana for the truth concerning the revolution, but has received no answer to the inquiry whatever. It is said Leal had a big strike at Santiago involving 8000 men. It is reported here that President Palma has sought safety at Moro Castle."

Rumors Unverified.

JACKSONVILLE, May 4.—Rumors of the revolution lack verification and it is believed there is no truth in them. Nothing corroborates any of the reports. The interception of the Columbia was merely to deliver orders for the cruiser to proceed to Hampton Roads. An investigation fails to trace the source of the rumor.

Palma Elected President.

HAVANA, May 4.—The Cuban congress has canvassed the election returns and proclaimed Tomas Estrada Palma and Mendez, President, and Vice-President, respectively.

POWERFUL CORPORATION TO BE PROSECUTED FOR CRIMES

President Roosevelt in Message to Congress on Garfield's Report Says Department of Justice Will Institute Immediate Action.

IMMENSE PROFITS THROUGH UNLAWFUL METHODS

REPORT OF COMMISSIONER GARFIELD TO PRESIDENT DELINEATES UNFAIR COMPETITIVE METHODS EMPLOYED BY STANDARD AND UNJUST AND DISCRIMINATORY RATES ALLOWED BY RAILROAD COMPANIES.

WASHINGTON, D. C., May 4.—President Roosevelt today 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.

Report Most Important.

In his message the President expressed 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 benefitted enormously up almost to the present moment by secret rates, many of which were clearly unlawful, the President says the report clearly shows, the benefit thereby secured amounted to at least three quarters of a million a year. On this subject he says:

Public Bears Burden.

This three quarters of a million represents the profit that the Standard Oil Company obtains at the expense of the railroads, but of course the ultimate result is that it obtains a much larger profit at the expense of the public. 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 part of them were 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 acknowledgement 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."

Prosecutions Will Be Commenced.

The statement is added that the Department of Justice will take up the question of instituting prosecutions in at least certain of the cases and the hope is expressed that Congress will enact into law, the bill of Senator Knox to correct the interpretation of the immunity provision rendered in Judge Humphrey's decision. Continuing, the President says:

"But in addition to these secret rates the Standard Oil profits immensely by open rates, which are so arranged as to give it an overwhelming advantage over its independent competitors. This is characteristic example of the numerous evils which are inevitable under a system in which the big shippers and the railroad are left free to crush out all individual initiative and all power of independent action because of the ab-

sence of adequate and thorough general governmental control. Exactly similar conditions obtain in a large part of the west and southwest."

Standard Grossly Favored.

It is not possible, he said, 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."

The President calls attention to that feature of the report regarding the manner in which the law is evaded by treating as state commerce, what in reality is merely a part of interstate commerce. He says it is clearly shown, "that this device is employed on the New York Central Railroad, as well as on many other railroads, in such fashion as to amount to thwarting the purpose of the law although the forms of the law may be complied with."

Sugar Trust Favored.

It is unfortunately not true, he says, that the Standard Oil Company is the only corporation which has benefitted and is benefitting in wholly improper fashion by an elaborate series of rate discriminations. The sugar trusts, 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."

He favors as an element of competition, putting alcohol used in the arts on the free list and of keeping the fee 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.

Garfield's Report To The President

In summarizing his report to President Roosevelt Commissioner Garfield speaks of his personal visit to the oil fields and of the great mass of data obtained by him either personally or through agents of the Bureau of Corporations. The preliminary study of this was transportation,

which enters so largely into the cost of the finished product and hence a most important factor in competition.

Taking up the subject of the output of refined oil, Mr. Garfield finds that it amounts to about twenty-six million barrels annually, of which the Standard Oil Company directly and indirectly controls about twenty-three million and approximately the same proportion of the other finished products of petroleum. Continuing, the report says:

Advantages Wrongly Obtained.

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 must not be forgotten that these advantages were in part obtained by means of unfair competitive methods after years of fierce industrial strife.

The development of the pipe line system by the Standard 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 and which so limits competition (Continued on page 8)

CHARITY NOT ASKED

San Francisco Clearing House Discourages Accepting Aid.

ENOUGH MONEY IS IN SIGHT

Adopts Report Saying Charity Not Needed in Rebuilding City—Financial Help Wanted Only on Business Principles.

SAN FRANCISCO, May 4.—The clearing house today received the report of its executive committee, which was adopted. A portion reads as follows: "The committee feels that the best interests, as such, do not need charity to aid them in rebuilding the city. With \$150,000,000 or more to be received from the insurance companies, and the banks strong and in a solvent condition, beautiful harvests promised in the State and the general underlying business sound, any other financial help should be looked for only on strictly business principles. In other words since the insurance indemnity will largely replace the destroyed buildings as well as stocks of merchandise and our banks are able to meet the general commercial requirements, individuals or institutions, who may come to find it necessary or expedient to apply to outside sources for loans should do so on the usual basis of good security. We cannot rebuild in a day. We shall shortly have more money than can be immediately used, so it seems premature to assume that our resources will prove inadequate and especially that the occasion demands the introduction of undermethods of finance, which may be found illegal or otherwise impracticable."

CONFIDENCE IS STRONG.

SAN FRANCISCO, May 4.—The local syndicate which owns the Lick House site on Montgomery street, between Post and Sutter, have been offered \$750,000 more than they paid for the lot and hotel building about two years ago and have declined to sell. This offer is a strong indication of the strength of down town realty values and shows that owners of property down town have every confidence in the early rehabilitation of San Francisco.

MANY CARRIED FROM CITY

Southern Pacific Takes 300,000 Refugees.

MOST WILL RETURN

San Francisco Will Not Lose Permanently By Great Exodus.

VERY FEW LEAVE THE STATE

Official Figures Show But 7684 Refugees Have Gone to Other States—Free Transportation Value is \$456,000.

CHICAGO, May 4.—According to the official figures of the Southern Pacific, during the exodus from San Francisco it carried 300,000 free passengers, in the nine days from April 18th. Of these 65,000 were carried to interior California points; 7684 to other states, and 226,000 to suburban points around San Francisco bay. The value of the free transportation amounted to \$456,000. The figures on the free transportation from Santa Rosa, Vallejo, Sacramento, Stockton, and other points, are not yet compiled. The inbound local train has carried many people back to the city in the last few days and a vast number will return soon. During the nine days, 185,000 have paid their way out of the city. Of this number 50,000 went further than the adjoining counties and most of these were traveling on regular business. The railroad officials judge San Francisco has lost permanently only a very slight percentage of her population.

Thousands Are Fed.

SAN FRANCISCO, May 4.—General Greely reported to the citizens' finance committee that 200,000 rations were issued yesterday. It is thought however this number is excessive and another count will be made. The reported supplies on hand are: One million rations of flour converted into bread today; sugar, 930,000 rations; coffee, 600,000; rice, 800,000; potatoes, 1,400,000; beans, 500,000. This amount of food will be gone in ten days unless there is a decrease in the number of persons in need of relief.

CITY OFFICIALS TAKING CHARGE OF AFFAIRS.

SAN FRANCISCO, May 4.—With the increasing number of daily dismissals of its sub-committees, the general municipal committee will doubtless pass from existence, and the direction of the affairs of the city will be restored to the regular constituted officials, only the committee on reconstruction and the finance committee being perpetuated. The State militia is being gradually withdrawn and regular soldiers not engaged in assisting in the relief work are doing simple patrol duty.