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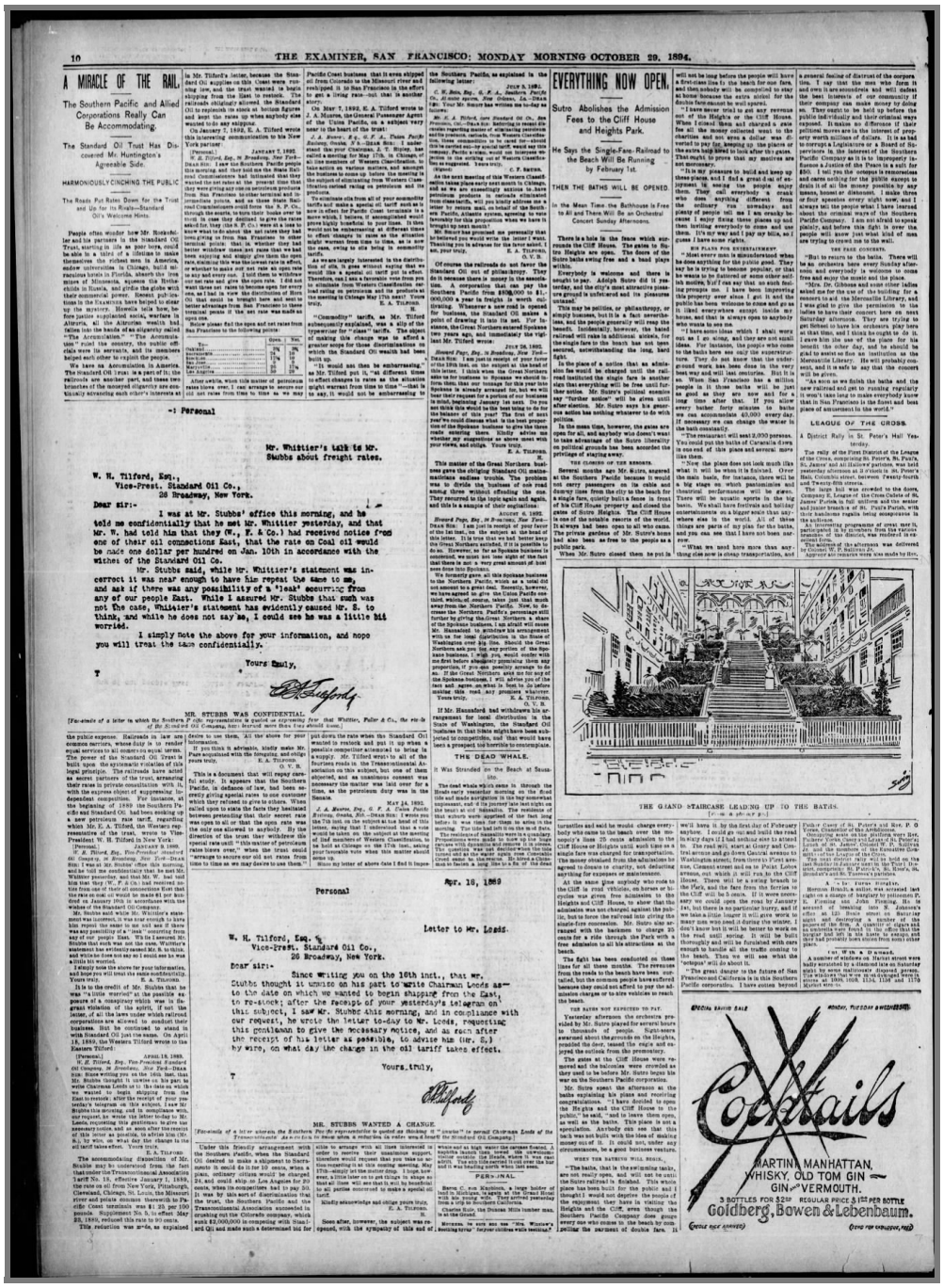

10 THE EXAMINER, SAN FRANCISCO: MONDAY MORNING OCTOBER 29, 1894.

A MIRACLE OF THE RAIL.

The Southern Pacific and Allied Corporations Really Can Be Accommodating.

The Standard Oil Trust Has Discovered Mr. Huntington's Agreeable Side.

HARMONIOUSLY CINCHING THE PUBLIC

The Roads Put Rates Down for the Trust and Up for Its Rivals—Standard Oil's Welcome Mints.

People often wonder how Mr. Rockefeller and his partners in the Standard Oil Trust, starting in life as poor boys, could be able in a score of a lifetime to make themselves the richest men in America, endow universities in Chicago, build mi-raculous hotels in Florida, absorb the iron mines of Minnesota, squeeze the Rothschilds in Russia, and girdle the globe with their commercial power. Recent publications in the EXAMINER have helped to clear up the mystery. Hoxsie tells how, before justice supplanted social warfare in Alameda, all the Alameda wealth had fallen into the hands of an oligarchy called "The Accumulators." "The Accumulation" ruled the country, the public officials were its servants, and its members helped each other to exploit the people.

We have an Accumulation in America. The Standard Oil Trust is a part of it; the railroads are another part, and these two branches of the moneyed oligarchy are continually advancing each other's interests at the Southern Pacific's expense.

As Mr. Tilford's letter, because the Standard Oil supplies on this Coast were running low, and the trust wanted to begin shipping from the East to restock. The railroads obligingly allowed the Standard Oil to replenish its stock at bottom figures and kept the rates up when anybody else wanted to do any shipping.

On January 7, 1892, E. A. Tilford wrote this interesting communication to his New York partner:

[Personal.] JANUARY 7, 1892.

W. H. Tilford, Esq., 26 Broadway, New York—DEAR SIR: I saw the Southern Pacific people this morning, and they told me the State Railroad Commissioners had intimated that they wanted the net rates at the present time that they were giving any one on petroleum products from San Francisco to other terminal and intermediate points, and as those State Railroad Commissioners could force the S. P. Co., through the courts, to turn their books over to them, in case they declined to give the rates asked for, they (Mr. S. P. C.) were of the opinion it was best to submit to the rates they had given us, and not force the matter to other terminal points than to whether they had better withdraw these net rates than we had been enjoying and simply give them the other rate, maintain this was the lowest rate in effect, or whether to make our net rate an open rate to any and every one. I told them to withdraw our net rate and give the open rate. I did not want these net rates to become open for every one, as I had in view the distribution of More Oil that could be brought here and next to better advantage from San Francisco to these terminal points if the net rate was made an open one.

Below please find the open and net rates from San Francisco to the following points:

	Open.	Net.
Ogden	75	65
Sacramento	75	65
Reno	75	65
Truckee	75	65
Marysville	75	65
Los Angeles	75	65

After awhile, when this matter of petroleum rates blows over, I can arrange to lower our old net rates from time to time as we may see fit.

Yours truly,

E. A. TILFORD.

P. S.—Personal

Mr. Whittier's talk to Mr. Stubbs about freight rates.

W. H. Tilford, Esq.,
Vice-Prest. Standard Oil Co.,
26 Broadway, New York.

Dear Sir:—

I was at Mr. Stubbs' office this morning, and he told me confidentially that he met Mr. Whittier yesterday, and that Mr. W. had told him that they (W., F. & Co.) had received notice from one of their oil connections East, that the rate on Coal oil would be made one dollar per hundred on Jan. 10th in accordance with the wishes of the Standard Oil Co.

Mr. Stubbs said, while Mr. Whittier's statement was incorrect it was near enough to have him repeat the same to me, and ask if there was any possibility of a "leak" occurring from any of our people East. While I assured Mr. Stubbs that such was not the case, Whittier's statement has evidently caused Mr. S. to think, and while he does not say so, I could see he was a little bit worried.

I simply note the above for your information, and hope you will treat the same confidentially.

Yours truly,

E. A. TILFORD.

MR. STUBBS WAS CONFIDENTIAL

[Facsimile of a letter in which the Southern Pacific representative is quoted as expressing fear that Whittier, Fuller & Co., the retail dealers in Standard Oil Company, has learned more than it was desired it should know.]

the public exposure. Railroads in law are common carriers, whose duty is to render equal services to all comers on equal terms. The power of the Standard Oil Trust is built upon the systematic violation of this legal principle. The railroads have acted as secret partners of the trust, arranging their rates in private consultation with it, with the express object of suppressing independent competition. For instance, at the beginning of 1890 the Southern Pacific and Standard Oil had been making up a new petroleum rate tariff, regarding which Mr. E. A. Tilford, the Western representative of the trust, wrote to Vice-President W. H. Tilford in New York:

[Personal.] JANUARY 9, 1890.

W. H. Tilford, Esq., Vice-President Standard Oil Company, 26 Broadway, New York—DEAR SIR: I was at Mr. Stubbs' office this morning, and he told me confidentially that he met Mr. Whittier yesterday, and that Mr. W. had told him that they (W., F. & Co.) had received notice from one of their oil connections East that the rate on coal oil would be made $1 per hundred on January 10th in accordance with the wishes of the Standard Oil Company.

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It is to the credit of Mr. Stubbs that he was "a little worried" at the possible exposure of a conspiracy which was in flagrant violation of the spirit, if not the letter, of all the laws under which railroad corporations are allowed to conduct their business. But he continued to stand in with Standard Oil just the same. On April 18, 1889, the Western Tilford wrote to the Eastern Tilford:

[Personal.] APRIL 18, 1889.

W. H. Tilford, Esq., Vice-President Standard Oil Company, 26 Broadway, New York—DEAR SIR: Since writing you on the 16th inst., that Mr. Stubbs thought it unwise on his part to write Chairman Leeds as to the date on which we wanted to begin shipping from the East to restock; after the receipt of your yesterday's telegram on this subject, I saw Mr. Stubbs this morning, and in compliance with our request, he wrote the letter to-day to Mr. Leeds, requesting this gentleman to give the necessary notice, and as near after the receipt of his letter as possible, to advise him (Mr. S.) by wire, on what day the change in the oil tariff takes effect.

Yours truly,

E. A. TILFORD.

The accommodating disposition of Mr. Stubbs may be understood from the fact that under the Transcontinental Association tariff No. 18, effective January 1, 1890, the rate on oil from New York, Pittsburgh, Cleveland, Chicago, St. Louis, the Missouri river and points common therewith to Pacific Coast terminals was $1.25 per 100 pounds. Supplement No. 3, to effect May 23, 1890, reduced this rate to 90 cents.

This reduction was made, as explained by Mr. Tilford's letter, because the Standard Oil supplies on this Coast were running low, and the trust wanted to begin shipping from the East to restock. The railroads obligingly allowed the Standard Oil to replenish its stock at bottom figures and kept the rates up when anybody else wanted to do any shipping.

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