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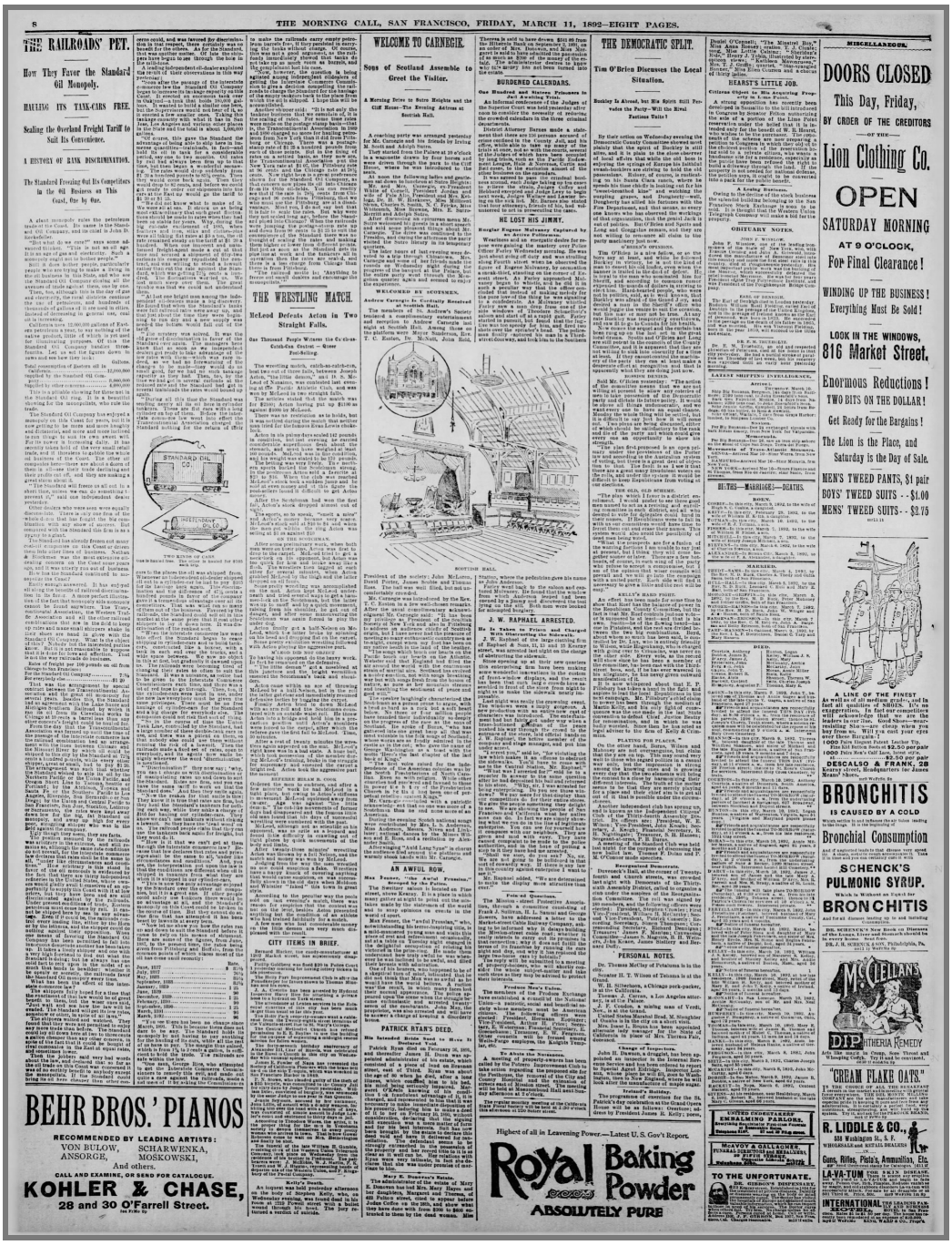

8 THE MORNING CALL, SAN FRANCISCO, FRIDAY, MARCH 11, 1892—EIGHT PAGES.

THE RAILROADS' PET.

How They Favor the Standard Oil Monopoly.

HAULING ITS TANK-CARS FREE.

Scaling the Overland Freight Tariff to Suit Its Convenience.

A HISTORY OF RANK DISCRIMINATION.

The Standard Frowning Out Its Competitors in the Oil Business on This Coast, One by One.

A clear monopoly rules the petroleum trade of the Coast. Its name is the Standard Oil Company, and its chief is John D. Rockefeller.

"How do we carry?" says some astonished thinker. "This is not an oil age. It is an age of gas and electricity. Such a monopoly might suit us boiler people."

Still it does boiler people, particularly those who are trying to make a living in the oil business in this State, and who see their business being ruined by one of the meanest of trade spirits there, one by one.

There, too, although this is the day of gas and electricity, the total districts continue the use of petroleum, and hundreds of thousands of gallons of it are used in cities, instead of kerosene in general use, coal-oil everywhere else.

California uses 12,000,000 gallons of Eastern petroleum a year, to say nothing of the native product, little of which is yet used for illuminating purposes. Of this the Standard Oil Company handles three-fourths. Let us set the figures down in rates and see how they look:

	Gallons.
Total consumption of fluxes all in	12,000,000
Supplied by the Standard Oil Company	9,000,000
Supplied by other companies	3,000,000

This is a pitiable showing for three men in the Standard Oil ring. It is a beautiful showing for the monopolists, who rule the roost.

The Standard Oil Company has enjoyed a monopoly on this Coast for years, but it is now getting to be more and more lengthy and dishonest, and more and more inclined to run things to suit its own sweet will. For its power is increasing daily. It has recently taken hold of the very small oil trade, and it threatens to strike the wood-burning interior next. It has also put on composite here—there are about a dozen of them in all—one their trade declining and their profits cut off, and they are making a great stave about it.

The Standard will freeze us all out in a short time, moves we can do something to prevent it," said one independent dealer yesterday.

Other dealers who were seen were equally discouraging. There is only one firm of the whole dozen that has fought the Standard combination with any show of success. Its connection with the Standard Oil Co is as a purchaser.

The Standard has already frozen out more small companies on the Coast or driven them into other lines of business. Nathan & Dieckman was the most extensive oil-dealing concern on the Coast some years ago, and it was utterly run out of business. Other companies have been continued to be driven to the Coast.

Every enough answered. It has employed all along the recently railroad discrimination in its favor. A more perfect illustration of the fact that monopoly kills economy cannot be found anywhere. The Traffic Association and all the other railroad combinations that are in the field to keep up rates and make small shippers shake in their shoes are found in glove with the Standard Oil Company. What is the object of this? Nothing but the interested parties know. But it is safe to say that the public at large that it is due to favor and affection. And to aid the way railroads do business.

The Standard ships over 100 pounds on oil from Chicago to San Francisco.

For the Standard Oil Company..... 75c
For everybody else..... $1 20

That was the arrangement by special agreement with the Traffic Association and the grand oil-oil alliance. As several years. Besides this, the Standard Oil Company handles from the Lake Shore and Michigan Southern Railroad by which it receives a rebate of 10 cents a barrel on all Chicago to San Francisco. Of course, the Standard would be glad to let all by the Southern Pacific, Union Pacific, Oregon Short Line to Portland, Portland to Ogden, Ogden to Los Angeles, Riverside, San Diego, back to Los Angeles, Mojave, San Bernardino, San Diego, by the Union and Central Pacific from San Francisco, San Jose, Stockton, Lathrop or sacramento, the rates were kept away from the Standard, and the Standard, of course, got the cream of the business, and never an independent shipper who was in the way.

Light though they seem, they are facts.

The position assumed by the railroads in this matter is anomalous, and will not do as long as it exists. The same rule combines do not prevail, for the railroads are not competitors. They can hold the same to be true in fact, like circumstances and conditions. Under present conditions the rate in favor of the oil monopoly is evidenced by the fact that there are thirty independent oil companies in California, and not one small shipper is receiving a cent of benefit by reason of the discrimination against them and still under present conditions they must do so, for the railroads will not break down the rate by paying it back to the shippers. It cannot be shipped here by sea in any extensive way, for the reason that there is not enough boats, either by the Horn or by the Isthmus, and the shipper could not get his oil here in time to supply the demand of flowing the Standard. The Company has been accustomed to get the cream of the business and it means to have it. It takes a very shipper and one with a very high freezing point to stand the Standard freezing; but he always has one sad fact to rely upon in the midst of so-called "competition," and that is that, be speedy or economic, the railroads favor the Standard Oil monopoly every time.

The following table of the discrimination in favor of the oil monopoly is worth a careful study:

	Rate.
June, 1877	$1 50
July, 1877	75c
May, 1878	65c
December, 1878	50c
January, 1879	40c
June, 1879	30
October, 1879	25
December, 1879	20
February, 1880	30
March, 1880	25
March, 1881	20

"The rate would have been no cheap since March, 1881. This it became from time out of mind, but the Standard Oil Company managed to get hold of the rate-making for the hauling of its oil, while all the rest of the world had to pay the rates established which is from 75c to 1 cent a gallon, to the coast to hold the trade. The railroads are the Standard's pets.

"The rate, though from the standpoint of the Interstate Commerce Commission, is absurd to get the Interstate Commerce Commission to consider the matter, and made out quite a case against the railroads, made a report to the effect that the rate was unjust, and to make the railroads carry empty petroleum tanks free. If they persisted in carrying the tanks without charge. Of course, this was a big step toward the end in view, but it was only stayed that tanks should not take up as much room as barrels, and the proposition had no case.

Now, however, the question is being settled in a different way. The railroads are getting the Interstate Commerce Commission to give a decision compelling the railroads to charge for the hauling of the tanks of the empty tankers back to the oil-fields from the east to shipped. I hope this will be accomplished.

Another witness said: "It is not only the rate that is unjust, but the method of fixing the ranking of rates. For time rates rates were made on the postage stamp basis—that is, the Standard paid the same for 100 pounds and 100 charged no more for hauling petroleum from New York than it did from Pittsburg or Chicago. There was no mileage rate, and the Standard could have hauling done for 1 cent a gallon as well as 75 cents, for the Standard's saving was the same. The Standard saving was the same. The Standard saving was the same. The Standard saving was the same. The Transcontinental Association rate was 75 cents per 100 pounds, or 75 cents per 100 pounds, and the Standard paid 75 cents. Now right here is a great preference. The Standard paid 75 cents per 100 pounds, and that rate was given to all independents. You can easily see how the Standard could get rich on this one-fifth. You can easily see how the Standard could get rich on this one-fifth. You can easily see how the Standard could get rich on this one-fifth