

The TimDaily Short Story.

A Schoolgirl Diet

On a steamer about to leave... The evening after sailing we... "Thank you, signor," she said... "I am," he replied, much surprised... "You are on your way to Washington..."

in treachery as to consider your ignorance... "I see. But who sent you on this mission?"... "That's a secret. It is enough that the Colombian government is interested in your getting through with your dispatches..."

ROCKEFELLER'S REBATE SYSTEM

Miss Tarbell Says It Made the Standard Oil Trust.

RELATION WITH RAILWAYS SHOWN

Remarkable Chapter of the History of Monopolistic Combination in Which a War of Individuals on the Rebate System is Depicted. How the Oil Magnate Freed Himself From the Railroads.

The following is an extract from Miss Tarbell's "History of the Standard Oil Company" in McClure's for December:

General Butler knew something of the oil business. Four years before he had been employed by the Pennsylvania Transportation company to take care of the legal side of their great undertaking—a seaboard pipe line—and he had had a convincing experience of the standard's power. He reviewed the history of the oil business, making a few minor mistakes in his historical facts, but never missing the big facts and leaving no doubt at all about his opinion of the Standard Oil company.

He presented the committee with a pretty full collection of embarrassing testimony, calling particular attention to Mr. Cassatt's revelations in 1877, and demanded an investigation. He had no backing in the oil regions, however, and his appeal was the last made to congress from the oil regions.

The situation was saved at this critical time by individuals scattered through the oil world who were resolved to test the validity of Mr. Rockefeller's claim that the coal oil business belonged to him. "We have a right to do an independent business," they said, "and we propose to do it." They began this effort by an attack on the weak spot in Mr. Rockefeller's armor.

The ten years just passed had taught them that the realization of Mr. Rockefeller's great purpose had been made possible by his remarkable manipulation of the railroads. It was the rebate which had made the Standard Oil trust, the rebate, amplified, systematized, glorified into a power never equalled before or since by any business of the country. The rebate had made the trust, and the rebate, in spite of ten years of combination, petroleum associations, producers' unions, resolutions, suits in equity, suits in quo warranto, appeals to congress, legislative investigations—the rebate bill was Mr. Rockefeller's most effective weapon. If they could wrest it from his hand they could do business. They had learned something else in this period—that the railroads feared exposure of discrimination and could be made to settle rather than have their practices made public. This much the hated compromise of 1880 had demonstrated. Therefore, said these individuals, we propose to sue for rebates and collect charges until we make it so harassing and dangerous for the railroads that they will shut down on Mr. Rockefeller.

The case of Scofield, Shurmer and Teagle, which was before the public constantly during the six or seven years following the breaking up of the Producers' union, in which the oil regions presented no united front to Mr. Rockefeller, served to keep public attention on the ruinous effect of the rebate and to strengthen the feeling that drastic legislation must be taken if Mr. Rockefeller's exploit was to be prevented in other industries.

Another case came out in this war of individuals on the rebate system, which heightened the popular indignation against the Standard. It was a case showing that the Standard Oil company had not yet abandoned that unique feature of its railroad contracts by which a portion of the money which other people paid for their freight was handed over to them. This peculiar development of the rebate system seems to have belonged exclusively to Mr. Rockefeller. Indeed a careful search of all the tremendous mass of materials which the various investigations of railroads have produced shows no other case, so far as the writer knows, of this practice. It was the clause of the South Improvement contracts which provoked the greatest outcry. It was the feature of Mr. Cassatt's revelations in 1877 which no one would believe until they saw the actual agreements Mr. Cassatt presented.

The oil regions as a whole did not hesitate to say that they believed this practice was still in operation, but naturally proof was most difficult to secure. The demonstration came in 1885 through one of the most aggressive and violent independents which the war in oil has produced, Mr. George Rice of Marietta, O. Mr. Rice, an oil producer, had built a refinery at Marietta in 1873. He sold his oil in the state, the west and south. Six years later his business was practically stopped by a sudden rise in rates on the Ohio roads, an advance of fully 100 per cent being made on freights from Marietta, where there were several independent refineries, although no similar advance was made from Wheeling and Cleveland, where the Standard refineries were located. These discriminations were fully shown in an investigation by the Ohio state legislature in 1879. From that time on Mr. Rice was in constant difficulty about rates.

In 1883 Mr. Rice began to draw the crude supply for his refinery from his own production in the Macksburg field of southeastern Ohio, not far from Marietta. The Standard had not at that time taken its pipe lines in the Macksburg field, and the oil was gathered by a line owned by a Mr. A. J.

Brundred and carried to the Cincinnati and Marietta railroad. Now, Mr. Brundred had made a contract with this railroad by which his oil was to be carried for 15 cents a barrel, and all other shippers were to pay 30 cents. Rice, who conveyed his oil to the railroad by his own pipe line, got a rate of 25 cents by using his own tank car. Later he succeeded in getting a rate of 17 1/2 cents. Thus the rebate system was established on this road from the opening of the Macksburg field.

In 1883 the Standard Oil company took their line into the field, and soon after Brundred retired from the pipe line business there. When he went out he tried to sell the Standard people his contract with the railroad, but they refused it. They describe this contract as the worst they ever saw, but they seem to have gone Mr. Brundred one better, for they immediately contracted with the road for a rate of 10 cents on their own oil instead of the 15 cents he was getting and a rate of 35 cents on independent oil. And in addition they asked that the extra 25 cents the independent paid be turned over to them. If this was not done the Standard would be under the painful necessity of taking away its shipments and building pipe lines to Marietta.

The Cincinnati and Marietta railroad at that time was in the hands of a receiver, described as a "fussy old gentleman proud of his position and fond of riding up and down the road in his private car." It is probably a good description. Certainly it is evident from what follows that the receiver was much "fussed up" ethically. Anxious to keep up the income of his road, he finally consented to the arrangement the Standard demanded. But he was worried lest his immoral arrangement be dragged into court and wrote to his counsel asking if there was any way of evading conviction in case of discovery.

"Upon my taking possession of this road," the receiver wrote, "the question came up as to whether I would agree to carry the Standard company's oil to Marietta for 15 cents per barrel in lieu of their laying a pipe line and piping their oil. I, of course, assented to this, as the matter had been fully talked over with the Western and Lake Erie company before my taking possession of the road, and I wanted all the revenue that could be had in this trade.

"Mr. O'Day, manager of the Standard Oil company, met the general freight agent of the W. and L. E. railroad and our Mr. Terry at Toledo about Feb. 13 and made an agreement (verbal) to carry their oil at 10 cents per barrel, but Mr. O'Day compelled Mr. Terry to make a thirty-five cent rate on all other oil going to Marietta and they should make the rebate 25 cents per barrel on all oil shipped by other parties and that the rebate should be paid over to them (the Standard Oil company), thus giving us 10 cents per barrel for all oil shipped to Marietta and 25 cents per barrel on the rest of the Standard Oil company, making that company, say, 35 per day, clear money on Mr. George Rice's oil alone.

"In order to save the oil trade along our line, and especially to save the Standard Oil trade, which would amount to seven times as much as Mr. Rice's, Mr. Terry verbally agreed to the arrangement, which, upon his report to me, I reluctantly acquiesced in, feeling that I could not afford to lose the shipment of 700 barrels per day from the Standard Oil company. But when Mr. Terry issued instructions that on and after Feb. 23 the rate of oil would be 35 cents per barrel to Marietta, Mr. George Rice, who has a refinery in Marietta, very naturally called on me yesterday and notified me that he would not submit to the advance, because the business would not justify it, and that the move was made by the Standard Oil company to crush him out. [Too true.] Mr. Rice said, 'I am willing to continue the seventeen and a half cent rate, which I have been paying from December to this date.'

"Now, the question naturally presents itself to my mind: If Mr. George Rice should see fit to prosecute the case on the ground of unjust discrimination would the receiver be held, as the manager of property, for violation of the law? While I am determined to use all honorable means to secure credit for the company, I am not willing to do an illegal act (if this can be called illegal) and lay the company liable for damages. Mr. Terry is able to explain all minor questions relative to this matter."

The counsel "fixed it" for the receiver in the following amazing decision:

"You may, with propriety, allow the Standard Oil company to charge 35 cents per barrel for all oil transported through their pipes to your road, and I understand from Mr. Terry that it is practicable to so arrange the details that the company can, in effect, collect this direct without its passing through your hands. You may agree to carry all such oil of the Standard Oil company or of others delivered to your road through their pipes at 10 cents per barrel. You may also charge all other shippers 25 cents per barrel freight, even though they deliver oil to your road through their own pipes, and this, I gather from your letter and from Mr. Terry, would include Mr. Rice."

Now, how was this to be done "with propriety?" Simply enough. The Standard Oil company was to be charged 10 cents per barrel, less an amount equivalent to 25 cents per barrel upon all oil shipped by Rice. "Provided your accounts, bills, vouchers, etc., are consistent with the real arrangement actually made you will incur no personal responsibility by carrying out such an arrangement as I suggest."

Even in case the receiver was discovered nothing would happen to him, so decided the counsel. "It is possible that by a proper application to the court some person may prevent you in future from permitting any discrimination. Even if Mr. Rice should compel you subsequently to refund to him the excess charge over the Standard Oil company the result would not be a loss to your road, taking into consideration the receipts from the Standard Oil company."

When Mr. Rice found that the rate of 35 cents was really to be enforced he stored his oil at Macksburg and built a pipe line of his own from his wells to the Muskegon river, whence he shipped it by barge to Marietta. Some time later, through the continued agitation of Mr. Rice, the case got into court, and the correspondence quoted from above was made public. The judge before whom the case was tried held it to be such a gross and wanton discrimination on the part of the receiver as to require his removal. A master was

also appointed by the court to inquire into the sums collected from Rice and paid to the Standard, and the money was ordered refunded. The sum refunded was small, less than \$300, for Mr. Rice has always been too belligerent a gentleman to submit long to an extortion. The smallness of the sum has of course nothing to do with the matter.

The vital thing is that the Standard Oil company at that period, 1883, still included in its policy the outrageous demand that railroads should pay it drawbacks on oil shipped for a competitor. How general this practice was in 1885 there is no documentary proof. It is certain that in 1877 it prevailed on the Central, Erie and Pennsylvania roads. It is certain that the policy continued in 1885; how long afterward there is no evidence to show. In this case the Standard has explained the 35 cents charge on all oil except their own made by the railroads as a through charge from the wells, covering both pipeage and rail, and the 25 cents paid them as not a rebate, but a pipeage charge.

It was such cases as these of Scofield, Shurmer and Teagle and of George Rice, amply reported and commented on by the press, that kept Mr. Rockefeller's peculiar relations to the railroads before the public and helped emphasize the necessity for some federal restrictions in interstate commerce. Reiterated demands for relief had been coming to congress for many years now. East, west, north and south sought help from the injustice of the railroads. In March, 1885, the senate of the United States at last responded to the people's appeal and appointed a select committee of five, the Cullom committee, to investigate the subject of interstate commerce. There was no question in anybody's mind that this investigation would result in some sort of federal regulation. What did Mr. Rockefeller do in this emergency? Only what he could safely and easily do through the political department of the Standard Oil company. It was not necessary for him to make a big fight on the interstate commerce bill. He could afford to see it pass undismayed. He was ready for it.

By one of those audacious and splendid strokes which characterize his career he had practically freed himself from the railroads which had made him, and by the time the interstate commerce bill was passed and the railroads ordered to desist discrimination Mr. Rockefeller was using another kind of oil transportation. The legislation which the oil regions of Pennsylvania had demanded for fifteen years in hope of securing an equal chance in transportation had come too late. The pipe had replaced the rail as the great oil carrier, and the pipes were not merely under Mr. Rockefeller's control, as the rails had been—they belonged to him.

MARK TWAIN AS PRESIDENT

Humorist Says If Elected He Would Make All Things Jolly.

In a recent interview at Rome with an Italian journalist Mark Twain had this to say, says the New York World: "The principal reason I came to Italy is that next year I intend to be a candidate for election as president of the United States. Now, as you know, the Italian vote in my country is very large, and I desire to be able to address your countrymen in their melodious language on my return home in order to persuade them to vote for me."

"Besides, here in Italy everything and everybody is so jolly and happy. I want fun and jollity even in politics. I desire to see a congress brimming over with fun and jokes. I wish that even bankers and banks would instill a sense of fun into their employees and dependents. This brought me to Italy, where I can learn how to be jolly, and I have no doubt that under the circumstances my candidacy will be very acceptable."

Restoring Army Supplies.

San Francisco, Dec. 29.—Nearly a train load of army supplies, hospital tents and blankets has arrived here under rush orders, having been expressed by the government from Omaha to the superintendent of the transport service in this city. The consignment had been carried on the fastest trains through the west.

Are You Fagged?

That run-down feeling is caused by your over-worked digestive organs not doing their work properly. Set them right, re-invigorate your system and restore sound and lasting health by using

Beecham's Pills

Sold Everywhere. In boxes 10c. and 25c.

GREAT LAKE MENACE.

Harvard Professor Says Chicago Must Raise Level or Be Submerged.

Professor William B. Davis of the geological department of Harvard university has been studying the geology of the great lake region, especially about Niagara falls, says a Cambridge dispatch to the Chicago Record-Herald. He has reached the conclusion that if the present tendencies continue in time most of Chicago will be submerged unless, he adds as a proviso, the people of Chicago continue rapidly enough to raise the city above the Lake Michigan level.

Professor Davis began the other day with a description of the gorge hewed out by the Niagara cataract and then gave an account of the early character of the great lakes region, of the successive advances and retreats of the Laurentide ice sheets and of the gradual evolution of the great lakes in their present form and with their present system of drainage. Originally the lakes drained into the Mississippi through what is now the Illinois river, but with the gradual physiographic changes the northern outlet became lower than that at Chicago, and the water flowed out first through one channel and then through another, finally finding its way over the retreating escarpment between Erie and Ontario, through which it has cut the Niagara gorge.

Estimating that the cataract has taken about 10,000 years to cut back to its present location, although this estimate is uncertain owing to the varying volume of the river, with certain changes in the drainage system, he said the conclusion might be reached that within a relatively short time the falls will make their way to Lake Erie, when that body of water will be drained out, and the falls will disappear. About this process, however, there are serious doubts. Observations within the last sixty years have shown that the country north of the great lakes is slowly rising.

Before Niagara has cut back to Lake Erie this rise may have progressed so far that the St. Lawrence valley will again become higher than that at Chicago. Then the immense volume of water now pouring over Niagara will be turned back upon Chicago, and the speaker added, St. Louis may then get some consolation for the unexpected ascendancy of the Illinois metropolis.

JESUIT WEATHER MAN ENTERS.

Brings Scientific Portion of Philippine Exhibit For St. Louis.

San Francisco, Dec. 29.—Rev. Father Jos Algue, S. J., director of the Manila observatory and an attaché of the United States weather bureau, has just arrived here on the steamer Siberia on his way to St. Louis in charge of the scientific portion of the Philippine exhibition at the exposition. He is accompanied by Roman Trinidad, a Philippine assistant, and August Fuster, an artist. Trinidad is a mechanic of skill, who has been engaged in the manufacture of many of the instruments in use at the observatory, and Fuster brings with him 1200 pearl shells on which are painted different Philippine subjects, most of them connected with the characteristics and customs of the various Philippine tribes, which will be made a part of the exhibit.

Birds of Lapland.

The birds of Lapland are reported by H. Goebel to number 108 species. Of these 133 certainly breed in that country, 34 probably do so, 17 are stragglers and 6 winter visitors, 1 is an ocean species and 7 are seen only in the Solovetski islands.

LU-EDS AS SERVANT

Chicago University Student Worked as Housemaids.

GRAVY BOWL THEIR DOWNFALL

Mishap With the Dish Betrayed Assumed Names—Two Fair "Segs" Search of Experience For College Story Came to Grief at Second Meeting—First Was a Triumph For Investigators.

Because a professor in the English department at the University of Chicago requested the co-eds of his class to be prepared with stories of actual experiences for a weekly theme, Miss Florence Eddy and Miss Vivian Rand, two pretty "segs" of original ideas rapped timidly a few days ago at the back door of the home of Mrs. Moss Goldsmith, 4517 Forestville avenue, Chicago, and applied for positions as first and second maid. Owing to the dropping of a bowl of gravy after they had been engaged and had gone to work the experiment terminated at the close of the first day, says the Chicago Inter Ocean.

"When she comes, you do the talking and don't forget that my name is Jennie," said Miss Eddy.

"And mine is Dennis, I guess," put in her friend just as the door swung open.

"Why—er—" stammered the appointed spokesman.

"We noticed this ad.," she continued, blushing, as she handed Mrs. Goldsmith a clipping from a morning paper, "and we'd like positions as first and second girls."

"I could scarcely believe that such an errand would bring to my door girls so well groomed," said Mrs. Goldsmith the other day in telling of her part in the affair. "But I invited them in and asked them if they thought it would be possible for them to care for so large a house."

"Oh, yes," said Miss Eddy. "I've worked for the last five years."

"In Chicago?" I asked in surprise.

"Well, no—at home," replied the girl.

"I was so delighted at the prospect of having honest home girls that I really didn't mind their not having references."

"I told them that I was very particular and that it would be necessary for them to learn my ways of doing work. They both said they were proficient in general housework, but when I mentioned laundry their faces fell.

I glanced at their soft, white hands and realized that I had gone a step too far. I decided to take them and pay them \$4 and \$5 a week and send out the laundry work."

"That suited us splendidly," said Miss Eddy as she told her side of the adventure. "We had planned to stay a week if we could and get some experience in the routine of real domestic science. We little realized that our dramatic ability would not carry us through twenty-four hours."

"Did we enjoy the day? Well, I guess," answered Miss Rand to the query of a friend. "It was more fun than a circus. All that bothered us was our names."

"We were shown to our room, and such a pretty little place it was. There we donned our caps and white aprons. We hurried down to prepare lunch. On this meal our future seemed to hang."

"We felt the necessity of its passing without a flaw, and it did. Its success was due to our strict attention to business."

"After lunch we cleared the table and washed the dishes. This was all very simple. Then we dusted and did a little scrubbing. It seemed to us that we were working fast, but somehow it soon came time to start dinner. We rather enjoyed the prospect of serving through another meal, for it was evident that we had 'made good' at lunch."

"Jennie, otherwise known as Miss Eddy, kept forgetting that my name was to be Maggie and insisted upon calling me Annie and a dozen other names that didn't fit before she could pull on the correct one. I felt sure that she would be the cause of our downfall. Then she always giggled and acted so silly. I didn't laugh, but I did something far worse. Our discovery was all due to me."

"We got along beautifully with our work, and dinner proceeded as well as such. We had served the first course and were removing the dishes when we met our Waterloo."

"Miss Eddy was coming from the dining room with the gravy bowl in her hand when the swinging door truck it and knocked it to the door, to my surprise I cried:

"Why, Florence Eddy!"

"Everybody understood then and laughed, and Mrs. Goldsmith said there was no use crying over spilled gravy. We asked to be allowed to finish the day as we had commenced it—as servants—and agreed to reveal our identity after we had finished the work. Mrs. Goldsmith and her daughter insisted on being allowed to assist with the washing of the dinner dishes and upon spending the evening with the family. And thus ended the first and last day of our search for our experience theme."

DOROTHY GRAHAM FAIR.

YOUR SCHOOLGIRL FRIEND.

A steward came in with a New York morning paper announcing the birth of a new tiny star in the galaxy of nations.

THE REPUBLIC OF PANAMA CAN TAKE CARE OF THE INTERESTS OF THE Isthmus, and the interests of the republic have been taken care of by

YOUR SCHOOLGIRL FRIEND.

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