Mr. Rockefeller . . . secured an alliance with the railroads to drive out rivals. For fifteen years he received rebates of varying amounts on at least the greater part of his shipments, and for at least a portion of that time he collected drawbacks of the oil other people shipped; at the same time he worked with the railroads to prevent other people getting oil to manufacture, or if they got it he worked with the railroads to prevent the shipment of the product. If it reached a dealer, he did his utmost to bully or wheedle him to countermand his order. If he failed in that, he undersold until the dealer, losing on his purchase, was glad enough to buy thereafter of Mr. Rockefeller . . .

... There is no independent refiner or jobber who tries to ship oil freight that does not meet incessant discouragement and discrimination. . .

“If I get a barrel of oil out of Buffalo,” an independent dealer told the writer not long ago, “I have to sneak it out. There are no public docks; the railroads control most of them, and they won’t let me out if they can help it. If I want to ship a car-load they won’t take it if they can help it. They are all afraid of offending the Standard Oil Company.” . . .
[A] community of interests exists between railroads and the Standard Oil Company sufficiently strong for the latter to get any help it wants in making it hard for rivals to do business. The Standard owns stock in most of the great systems. It is represented on the board of directors of nearly all the great systems, and it has an immense freight not only in oil products, but in timber, iron, acids, and all of the necessities of its factories. It is allied with many other industries, iron, steel, and copper, and can swing freight away from a road which does not oblige it. It has great influence in the stock market and can depress or inflate a stock if it sets about it. Little wonder that the railroads, being what they are, are afraid to “disturb their relations with the Standard Oil Company[.]”

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terminal facilities which permitted economies in handling. For these services it obtained contracts for special allowances on freights. . . .

To understand the situation which affected the giving and taking of rebates it must be remembered that the railroads were all eager to enlarge their freight traffic. They were competing with the facilities and rates offered by the boats on lake and canal and by the pipe-lines. All these means of transporting oil cut into the business of the railroads, and they were desperately anxious to successfully meet this competition. As I have stated we provided means for loading and unloading cars expeditiously, agreed to furnish a regular fixed number of carloads to transport each day, and arranged with them for all the other things that I have mentioned, the final result being to reduce the cost of transportation for both the railroads and ourselves. All this was following in the natural laws of trade.

JDRockefeller

. . . Until the people of the United States have solved the question of free and equal transportation it is idle to suppose that they will not have a trust question. So long as it is possible for a company to own the exclusive carrier on which a great natural product depends for transportation, and to use this carrier to limit a competitor’s supply or to cut off that supply entirely if the rival is offensive, and always to make him pay a higher rate than it costs the owner, it is ignorance and folly to talk about constitutional

The story of the early history of the oil trade is too well known to bear repeating in detail. The cleansing of crude petroleum was a simple and easy process, and at first the profits were very large. Naturally, all sorts of people went into it: the butcher, the baker, and the candlestick-maker began to refine oil, and it was only a short time before more of the finished product was put on the market than could possibly be consumed. The price went down and down until the trade was threatened with ruin. It seemed absolutely necessary to extend the market for oil by exporting to foreign countries, which required a long and most difficult development; and also to greatly improve the processes of refining so that oil could be made and sold cheaply, yet with a profit, and to use as by-products all of the materials which in the less-efficient plants were lost or thrown away.
amendments limiting trusts. So long as the Standard Oil Company can control transportation as it does to-day, it will remain master of the oil industry, and the people of the United States will pay for their indifference and folly. . . .

. . . We are a commercial people. We cannot boast of our arts, our crafts, our cultivation; our boast is in the wealth we produce. As a consequence business success is sanctified, and, practically, any methods which achieve it are justified by a larger and larger class. . . .

These were the problems which confronted us almost at the outset, and this great depression led to consultations with our neighbors and friends in the business in the effort to bring some order out of what was rapidly becoming a state of chaos. To accomplish all these tasks of enlarging the market and improving the methods of manufacture in a large way was beyond the power or ability of any concern as then constituted. It could only be done, we reasoned, by increasing our capital and availing ourselves of the best talent and experience.

It was with this idea that we proceeded to buy the largest and best refining concerns and centralize the administration of them with a view to securing greater economy and efficiency. The business grew faster than we had anticipated.

As for the ethical side, there is no cure but in an increasing scorn of unfair play — an increasing sense that a thing won by breaking the rules of the game is not worth the winning. When the business man who fights to secure special privileges, to crowd his competitor off the track by other than fair competitive methods, receives the same summary disdainful ostracism by his fellows that the doctor or lawyer who is “unprofessional,” the athlete who abuses the rules, receives, we shall have gone a long way toward making commerce a fit pursuit for our young men.

The claim that only by some such aggregation as Mr. Rockefeller formed could enough capital have been obtained to develop the business falls utterly in face of fact. Look at the enormous amounts of capital, a large amount of it speculative, to be sure, which the oil men claim went into their business in the first ten years. It was estimated that Philadelphia alone put over $168,000,000 into the development of the Oil Regions, and New York $134,000,000, in their first decade of the business. . . . The oil business would no more have suffered for lack of capital without the Standard combination than the iron or wheat or railroad or cotton business. The claim is idle, given the wealth and energy of the

This enterprise, conducted by men of application and ability working hard together, soon built up unusual facilities in manufacture, in transportation, in finance, and in extending markets. We had our troubles and set-backs; we suffered from some severe fires; and the supply of crude oil was most uncertain. Our plans were constantly changed by changed conditions. We developed great facilities in an oil centre, erected storage tanks, and connected pipe-lines; then the oil failed and our work was thrown away. At best it was a speculative trade, and I wonder that we managed to pull through so often; but we were gradually learning how to conduct a most difficult business. . . .

I ascribe the success of the Standard Oil company to its consistent policy of making the volume of its business large through the merit and cheapness of its products. It has spared no expense in utilizing the best and most efficient method of manufacture. It has sought for the best superintendents and workmen and paid the
country in the forty-five years since the
discovery of oil. . . .

Very often people who admit the facts,
who are willing to see that Mr. Rockefeller
has employed force and fraud to secure his
ends, justify him by declaring, “It’s busi-
ness.” That is, “it’s business” has come to
be a legitimate excuse for hard dealing, sly
tricks, special privileges. It is a common
enough thing to hear men arguing that the
ordinary laws of morality do not apply in
business. IMTARBELL

Canonise “business success,” and men who make
a success like that of the Standard Oil Trust
become national heroes! . . . There is no gaming
table in the world where loaded dice are tolerated,
no athletic field where men must not start fair.
Yet Mr. Rockefeller has systematically played
with loaded dice, and it is doubtful if there has
ever been a time since 1872 when he has run a
race with a competitor and started fair. Business
played in this way loses all its sportsmanlike
qualities. It is fit only for tricksters.

To read some of the accounts of the affairs of the
company, one would think that it had such a hold
on the oil trade that the directors did little but come
together and declare dividends. It is a pleasure for
me to take this opportunity to pay tribute to the
work these men are doing . . . . If, in place of these
directors, the business were taken over and run by
anyone but experts, I would sell my interest for
any price I could get. To succeed in a business
requires the best and most earnest men to
manage it, and the best men rise to the top.

It is too late to argue about advantages of industrial
combinations. They are a necessity. And if

We, the people of the United States, and nobody
else, must cure whatever is wrong in the indus-
trial situation, typified by this narrative of the
growth of the Standard Oil Com-
pany. That our first task is to secure
free and equal transportation privi-
leges by rail, pipe and waterway is
evident. It is not an easy matter. . . .

At all events, until the transportation matter is
settled, and settled right, the monopolistic trust
will be with us, a leech on our pockets, a barrier
to our free efforts. IMTARBELL

Americans are to have the privilege of extending
their business in all the states of the Union, and into
foreign countries as well, they are a necessity on a
large scale, and require the agency of more than
one corporation. The dangers are that
the power conferred by combination
may be abused . . . These abuses are
possible to a greater or less extent in
all combinations, large or small, but
this fact is no more of an argument
against combinations than the fact that steam may
explode is an argument against steam.

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Mr. Chief Justice White delivered the opinion of the court [which upheld the lower court’s order that Standard Oil Company violated the Sherman Antitrust Act of 1890 with its business practices, and further ordered that the company be dissolved]: . . .

Thus, on the one hand . . . it is insisted that the facts establish that the assailed combination took its birth in a purpose to unlawfully acquire wealth by oppressing the public and destroying the just rights of others, and that its entire career exemplifies an inexorable carrying out of such wrongful intents . . . [and that] the Standard Oil Company of New Jersey . . . is an open and enduring menace to all freedom of trade, and is a byword and reproach to modern economic methods.

On the other hand . . . it is insisted that they demonstrate that the origin and development of the vast business which the defendants control was but the result of lawful competitive methods, guided by economic genius of the highest order, sustained by courage, by a keen insight into commercial situations, resulting in the acquisition of great wealth, but at the same time serving to stimulate and increase production, to widely extend the distribution of the products of petroleum at a cost largely below that which would have otherwise prevailed, thus proving to be at one and the same time a benefaction to the general public as well as of enormous advantage to individuals. . . .

We think no disinterested mind can survey the period in question without being irresistibly driven to the conclusion that the very genius for commercial development and organization which it would seem was manifested from the beginning soon begot an intent and purpose to exclude others which was frequently manifested by acts and dealings wholly inconsistent with the theory that they were made with the single conception of advancing the development of business power by usual methods, but which, on the contrary, necessarily involved the intent to drive others from the field and to exclude them from their right to trade, and thus accomplish the mastery which was the end in view. . . .

The exercise of the power which resulted from that organization fortifies the foregoing conclusions, since the development which came, the acquisition here and there which ensued . . . all lead the mind up to a conviction of a purpose and intent which we think is so certain as practically to cause the subject not to be within the domain of reasonable contention.

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*“Corporations known as Standard Oil Company of New Jersey, Standard Oil Company of California, Standard Oil Company of Indiana, Standard Oil Company of Iowa, Standard Oil Company of Kansas, Standard Oil Company of Kentucky, Standard Oil Company of Nebraska, Standard Oil Company of New York, Standard Oil Company of Ohio, and sixty-two other corporations and partnerships, as also seven individuals, were named as defendants.” [From the decision]