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EDITORIAL

“WHAT KANSAS DID TO THE STANDARD OIL CO.”

By DANIEL DE LEON

MISS Ida M. Tarbell is the able foe of the Standard Oil Company and the ardent champion of the “independent oil producer.” As such she is opposed to concentration and advocates competition. In the October *McClure’s Magazine* Miss Tarbell tells of “What Kansas Did To The Standard Oil Co.”

By “Kansas,” let it be first explained, Miss Tarbell means primarily the independent oil producers of that State, whose economic interests were threatened with subjugation and absorption by the Standard Oil Co., which had secret rate agreements with the railroads, owned all the pipe lines and refineries and afforded the only market of importance. These gentlemen, comprising the greater part of the “400 companies, averaging 500 stockholders apiece, 20,000 in all; 5,000 individual operators, and 6,000 land owners who had given leases,” involved in the struggle with the Standard Oil, and organized in the “Oil Producers’ Association,” launched a movement to protect their interests. By means of the press and the postoffice, they arranged mass meetings, secured the presentation of petitions and protests, and in other ways, captured the Kansas Legislature and gained the passage of four bills affording them a measure of the relief desired. Second, by means of a legislative investigation inspired by themselves, they forced the Santa Fe Railroad into a compromise favorable to their interests, in the matter of fuel and rates. Third, they secured offers from foreign independent marketing concerns “to take at least 10,000 barrels a day if it could be delivered at the Gulf.” For this purpose “they have organized a company which has



IDA M. TARBELL
(1857–1944)

secured from various operators in Kansas and Indian Territory over 11,000 barrels of daily oil production, together with 100,000 acres of oil leases. This company proposes to build a pipe line to the Gulf, and it has already negotiated a loan of \$7,500,000 with which to do the work.” Miss Tarbell cites the Pure Oil Company, a Pennsylvania competitor of the Standard Oil Co., organized under similar conditions to the Kansas Co., in order to illustrate the latter’s prospects. Says she: “On a paid in capital of about \$4,500,000 the Pure Oil Company has been able to increase its assets to some \$7,500,000, paid for entirely out of its earnings. In the last two years it has invested, out of its earnings, over \$2,000,000 in production, in increasing its pipe lines in West Virginia and Ohio, in building marketing stations, and in erecting a refinery costing nearly half a million dollars.”

All of Miss Tarbell’s article makes interesting reading. From it one sees not only what “Kansas” did to the Standard Oil Co., but what “Kansas” did to itself in doing it. Thereby hangs a moral that escaped Miss Tarbell; that demonstrates the fallacy of the “independent” delusion, with all that is related thereto. The “independents” in fighting the Standard Oil Co. have transformed themselves into interdependents, and in so doing they have aided concentration and given competition a blow in the head that is sending it spinning.

Look at the facts of Miss Tarbell’s story as above substantially presented: what do they show if not the same tendencies to legislative manipulation, the same coercion of railroads in the matter of rates and fuel, the same concentration of capital, and the same spreading of its “octopus-like tentacles” (illustrated more forcibly in the case of the Pure Oil Co.), as characterized the growth of the Standard Oil Company? Leaving aside Miss Tarbell’s presentation of the Kansas oil producers as men possessing all the virtues the Standard Oil Company lacks—a presentation that such a little business-deal as the compromise with the Santa Fe does not sustain—the facts presented by her show unmistakably the tendency from small to large production that is forced by competition and that is sounding the latter’s death knell. The Kansas oil producers have taken one of the many steps in evolution that are fast leading to revolution: the steps from individual, to stock company, trust, and social ownership and production—from Capitalism to Socialism.

Every Socialist wishes the “independents” well; “may they succeed” is his

prayer, for the more they succeed the more intense grows competition and the more intense competition grows the more intense grows concentration: The Rothschild-Nobel oil interests once combatted those of Rockefeller, but competition soon taught them that concentration is more profitable: A few more tussles and the news will be flashed forth that the Kansas Oil Co., the Pure Oil Co. and the Standard Oil Co., have agreed upon “a community of interests.” History repeats itself quite often, especially in modern industry.

Let more States rise up and show “What ‘Kansas’ Did To The Standard Oil Co.” Such doings denote progress—away from Capitalism and toward Socialism.

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