

*Broken Trusts: The Texas Attorney General versus the Oil Industry, 1889–1909.* By Jonathan W. Singer. College Station: Texas A&M University Press, 2002. xiii + 344 pp. Illustrations, appendix, glossary, bibliography, notes, index. Cloth, \$49.95. ISBN: 1-585-44160-0.

Reviewed by Hugh Gorman

In *Broken Trusts*, Jonathan W. Singer examines the politics, legal maneuvering, and consequences of the campaign by Texas to enforce its antitrust laws in the years just before the dissolution of Standard Oil. Focusing on the state's case against the Waters-Pierce Oil Company, a firm affiliated with Standard Oil, Singer raises and addresses numerous questions about the motivations of politicians and lawyers, the overall effectiveness of the campaign, and the difficulty of prosecuting national firms at the state level. Singer also elucidates how the Standard Oil Trust operated in an era when financial arrangements were far less transparent than they are today.

Much of the story revolves around the attempt to prosecute the president of Waters-Pierce, Henry Clay Pierce, for using illegal practices in order to stifle competition in Texas. Pierce built his business by reaching out to rural markets in the early 1870s, selling kerosene, lubricants, and other refined oil products in towns that other companies did not service. He did so with horse-drawn tank wagons supplied from bulk stations positioned along railroads, enabling his firm to reach customers in the most sparsely populated of regions. In the 1880s, Waters-Pierce reached an agreement with the Standard Oil Trust, whereby the trust became a major stockholder in Waters-Pierce in return for ensuring that no other firm associated with the trust would seriously market refined products in Texas. As a result, Pierce faced no significant competition in Texas and accumulated large profits and considerable personal wealth. To many Texans, he and Waters-Pierce became the face of John D. Rockefeller and Standard Oil.

The effort to prosecute Pierce initially bordered on the comical. In the 1890s, Texas antitrust law was new and untested, and Waters-Pierce had access to the best legal talent in the country. Furthermore, the firm's headquarters were located in St. Louis, Missouri, with no high-ranking executives operating out of Texas. Pierce and his

Standard Oil associates undoubtedly viewed Texas as an unsophisticated backwater whose state officials were forced to deal with the only firm able to supply its residents with refined products. Indeed, in 1900, after the U.S. Supreme Court upheld a Texas decision against Waters-Pierce, not much changed. Pierce simply dissolved his company and reorganized it under the same name with a new charter, this time disguising Standard Oil's control of stock.

Singer, who provides a blow-by-blow account of the first trial, proceeds to do the same with a subsequent effort to break the monopoly of Waters-Pierce in Texas. That effort, which began in 1906, took place in a period of significant change both in the oil industry and in the sophistication of antitrust efforts. In Texas, major discoveries of oil on the Gulf Coast provided several independent companies—most notably Sun Oil, Gulf Oil, and the Texas Company—with a secure foothold for entry into the industry. Second, both the federal government and the attorneys general of various states were becoming more sophisticated in their methods for identifying and prosecuting the type of practices used by Standard Oil. Hence, when Texas courts ruled against Waters-Pierces again in 1909, the results were quite different. The company not only paid a hefty fine but also had to auction off its assets in Texas. Two years later, federal courts, in a separate but parallel effort, ruled against Standard Oil and divided it into a number of smaller companies.

*Broken Trusts* is a well-researched book that sacrifices analysis for detail. Singer, an attorney, devotes much of his space to the day-to-day maneuvering of the various prosecutors, witnesses, defendants, judges, and interested parties—often recounting anecdotes about the connections and dealings of various participants. While this level of narration is interesting, especially for someone studying Texas oil politics or trying to understand how trusts were operated and were prosecuted, it often distracts from Singer's goal of placing this Texas legal episode in a broader context. Only in his introductory and concluding chapters, both of which are more analytical, does Singer focus on larger patterns, such as the role of Texas antitrust enforcement in encouraging the rise of competitors to Standard Oil and in what Singer suggests is the unique regulatory path subsequently taken by Texas.

Anyone interested in early Texas oil politics or, more generally, in the development of early attitudes toward monopolies, the operating methods of the Standard Oil Trust, or the development of government strategies for fighting monopolies will find this book worth reading. The case against Standard Oil was anything but simple, and this book, by tracing a formative piece of Texas history, animates a chapter of the tale.

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