

BRANDS CHARGES AS INFAMOUS

President Roosevelt On Purchase of Panama Canal Property.

SENDS MESSAGE TO CONGRESS

Declares Stories Alleging Graft in Connection With the Acquisition of the Title to Be Scurrilous and Libelous and Intimates That Proceedings Against a New York Editor May Be Instituted by the United States Attorney General — The President's Special Message.

Washington, Dec. 15. — President Roosevelt today transmitted to congress a special message dealing with the purchase of the Panama canal site, together with a number of documents bearing on the same. He takes up the charges made recently in connection with the acquisition of the canal property, to which he vigorously replies. The president's message follows:

To the Senate and House of Representatives:

In view of the constant reiteration of the assertion that there was some corrupt action by or on behalf of the United States government in connection with the acquisition of the title of the French company to the Panama canal, and of the repetition of the story that a syndicate of American citizens owned either one or both of the "Panama" companies, I deem it wise to submit to the congress all the information I have on the subject. These stories were first brought to my attention as published in a paper in Indianapolis, called *The News*, edited by Mr. Delavan Smith. The stories were scurrilous and libelous in character and false in every essential particular. Mr. Smith shelters himself behind the excuse that he merely accepted the statements which had appeared in a paper published in New York, *The World*, owned by Mr. Joseph Pulitzer. It is idle to say that the known character of Mr. Pulitzer and his newspaper are such that the statements in that paper will be believed by nobody; unfortunately thousands of persons are ill-informed in this respect and believe the statements they see in print, even though they appear in a newspaper published by Mr. Pulitzer. A member of the congress has actually introduced a resolution in reference to these charges. I therefore lay all the facts before you:

The story repeated at various times by the *World* and by its followers in the newspaper press is substantially as follows: That there was corruption by or on behalf of the government of the United States in the transaction by which the Panama canal property was acquired from its French owners; that there were improper dealings of some kind between agents of the government and outside persons, representing or acting for an American syndicate, which had gotten possession of the French company; that among these persons who it was alleged made "huge profits," were Mr. Charles P. Taft, a brother of William H. Taft, then candidate for the presidency, and Mr. Douglas Robinson, my brother-in-law; that Mr. Cromwell, the counsel for the Panama canal company in the negotiations, was in some way implicated with the United States government authorities in these important transactions; that the government has concealed the true facts, and has destroyed or procured or agreed to the destruction of certain documents; that Mr. W. H. Taft was secretary of war at the time; that by an agreement between the United States government and the beneficiaries of the deal all traces thereof were "wiped out" by transferring all the archives and "secrets" to the American government just before the holding of the convention last June, at which Mr. Taft was nominated.

Says Stories Baseless.

These statements sometimes appeared in the editorials, sometimes in the news columns, sometimes in the shape of contributions from individuals, either unknown or known to be of bad character. They are false in every particular from beginning to end. The wickedness of the slanders is only surpassed by their fatuity. So utterly baseless are the stories that, apparently they represent in part merely material collected for campaign purposes, and in part stories originally concocted with a view of possible blackmail.

The inventor of the story about Mr. Charles P. Taft, for instance, evidently supposed that at some period of the Panama purchase Mr. W. H. Taft was secretary of war, whereas in reality Mr. W. H. Taft never became secretary of war until long after the whole transaction in question had been closed.

The inventor of the story about Mr. Douglas Robinson had not taken the trouble to find out the fact that Mr. Robinson had not had the slightest connection, directly or indirectly, of any kind or sort with any phase of the Panama transaction from beginning to end. The men who attacked Mr. Root in the matter had not taken the trouble to read the public documents which would have informed

them that Mr. Root had nothing to do with the purchase, which was entirely arranged through the department of justice, under the then Attorney General Mr. Knox. Now, those stories as a matter of fact need no investigation whatever. No shadow of proof has been or can be produced in behalf of any of them. They consist simply of a string of infamous libels. In form they are in part libels upon individuals, upon Mr. Taft and Mr. Robinson, for instance. But they are in fact wholly and in form partly a libel upon the United States government. I do not believe we should concern ourselves with the particular individuals who wrote the lying and libelous editorials, articles from correspondents or articles in the news columns. The real offender is Mr. Joseph Pulitzer, editor and proprietor of the *World*. While the criminal offense of which Mr. Pulitzer has been guilty is in form a libel upon individuals, the great injury done is in blackening the good name of the American people. It should not be left to a private citizen to sue Mr. Pulitzer for libel. He should be prosecuted for libel by the governmental authorities. In point of encouragement of iniquity, in point of infamy of wrong-doing, there is nothing to choose between a public servant who betrays his trust, a public servant who is guilty of blackmail, or theft, or financial dishonesty of any kind, and a man guilty as Mr. Joseph Pulitzer has been guilty in this instance. It is therefore a high national duty to bring to justice this villifier of the American people, this man who wantonly and wickedly, without one shadow of justification, seeks to blacken the character of reputable private citizens, and to convict the government of his own country in the eyes of the civilized world of wrong-doing of the basest and foulest kind, when he has not one shadow of justification of any sort or description for the charge he has made.

Legal Action Threatened.

The attorney general has under consideration the form in which the proceedings against Mr. Pulitzer shall be brought. Meanwhile, I submit to you all the accompanying papers, so that you may have before you complete information on the subject. I call your attention to my communications in my messages to the congress of Jan. 20, 1902; March 11, 1903; Dec. 1, 1903; Jan. 4, 1904, and Dec. 17, 1906, in which I set forth at length the history of various phases of the whole transaction. I recall your attention to the report and opinion of the attorney general rendered to me, dated Oct. 25, 1902, with the accompanying documents and exhibits. I call your attention to the correspondence of the officers and agents of the Panama Canal company with the president and other officers of the United States printed in Senate Document No. 34, Dec. 10, 1902. Also to the copy of the official proceedings of the New Panama Canal company at Paris on the 30th of December, 1903, together with a report of the council of administration of that company, printed in Senate Document No. 133, Jan. 23, 1904, and to the copy of the general conveyance by the new Panama Canal company to the United States; also copies of certain telegrams from the president of the company making an offer of sale, and Attorney General Knox's cablegram in response, in Senate Document No. 285, March 23, 1906.

I call your attention furthermore to the exhaustive testimony recorded in the public document (Senate Document No. 401, Fifty-ninth Congress, Second Session), which contains the searching investigation into the whole transaction made by the congress for its information and fully considered by the congress before it took action.

In the act approved June 28, 1902, "To Provide For the Construction of a Canal Connecting the Waters of the Atlantic and Pacific Oceans," the congress provided as follows:

"That the president of the United States is hereby authorized to acquire for and on behalf of the United States, at a cost not exceeding \$40,000,000, the rights, privileges, franchises, concessions, grants of land, right of way, unfinished work, plants and other property, real, personal and mixed, of every name and nature, owned by the new Panama Canal company of France, on the isthmus of Panama, and all its maps, plans, drawings, records, on the isthmus of Panama and in Paris, including all the capital stock, not less, however, than 63,663 shares of the Panama Railroad company, owned by or held for the use and aid of the canal company, provided a satisfactory title to all said property can be obtained."

Shareholders of No Concern.

It thereupon became the duty of the president in execution of this statute to purchase the property specified from the New Panama Canal company of France, provided he could obtain a satisfactory title. The department of justice was instructed to examine the title and after such an examination Attorney General Knox reported that a satisfactory title could be obtained. Payment of the purchase price was thereupon made to the New Panama Canal company, in accordance with the act of the congress, and the property was conveyed by that company to the United States. It was no concern of the president, or any officer of the executive department, to inquire as to what the New Panama Canal company did with the money which it received. As a matter of fact the New Panama Canal company did distribute the money between its shareholders and the shareholders of the preceding Panama Canal company, in accordance with the decree of a

French court, and the records of the French courts show who were the shareholders, who received the money; but that is no concern of ours.

I call your attention to the accompanying statement as to the attempt to form an American company, in 1899, for the purpose of taking over the property of the French company. This attempt proved abortive. There was no concealment in its effort to put through this plan; its complete failure and abandonment being known to everyone. The important points set forth in the accompanying papers, and in the papers to which I have referred you, are as follows:

The investigation of the history, physical condition and existing value of the enterprise by the congress, resulting in the enactment of the law of 1902, authorizing the president to acquire the property for the sum of \$40,000,000 upon securing a satisfactory title and thereupon to undertake the work of construction; the failure of the Americanization of the enterprise in 1899, the transmission by me to the congress from time to time of full information and advice as to the relations of this government to transit across the isthmus and under the treaties as to the negotiations and final acquisition of the title, and later as to the progress and condition of the work of construction; the previous authorization of the sale to the United States by the stockholders of the new company and their subsequent ratifications; the examination and approval of the title by Mr. Knox; and the arrangements for payment through J. P. Morgan & Company, as the fiscal agents of this government, and the payment accordingly at the bank of France upon proper official receipts to the liquidators acting under the decree of the French court, the French governmental body having jurisdiction in the matter;



PRESIDENT ROOSEVELT.

and finally, the subsequent appointment and distribution of the fund to the creditors and stockholders of the two companies under that decree.

The Panama Canal transaction was actually carried through not by either the then secretary of state, Mr. John Hay, or the then secretary of war, Mr. Elihu Root, both of whom however were cognizant of all the essential features; but by the attorney general, Mr. P. C. Knox; at present senator from Pennsylvania. I directed or approved every action and am responsible for all that was done in carrying out the will of the congress; and the provisions of the law enacted by congress, after exhaustive examination and discussion, were scrupulously complied with by the executive.

Cromwell's Part.

While the transaction was pending I saw Mr. Cromwell but two or three times, and my communications with him were limited to the exchange of purely formal courtesies. Secretary Hay occasionally saw him, in the same manner; I doubt whether Mr. Root held any conversation with him. The attorney general saw him frequently, as he was counsel for the Panama company. Their communications were official as representing the two sides. I enclose copies of my correspondence with Mr. William Dudley Foulke, who first brought these scandalous stories to my attention, and with Senator Knox and Mr. Cromwell, to whom I wrote in response to the request of a gentleman who wished to know about the stockholders in the Panama Canal company.

The title to the Panama Canal properties was vested in the new Panama Canal company of France, which was the legal owner thereof, and the old or so-called De-Lesseps company had a large equity therein.

The title was not in a New Jersey company, nor in any other American company, nor did this have any dealings with any American company throughout the affair. The exact legal status, to the most minute detail, appears in the exhaustive opinion of Attorney General Knox approving the title to be given to the United States, which clearly establishes that the only party dealt with was the New Panama Canal company of France, with the concurrence of the liquidator of the old company, and not any American corporation or syndicate.

Title Was Clear.

The action of the United States government was, of course, wholly influenced by and had nothing whatever to do with any question as to who were, or who had been, the security holders of either the new or the old company. Who such security holders were was not our affair. If, as a matter of fact, the canal company, either or both, had been own-

ed by American citizens or by citizens of any other nationality, it would not have altered in the slightest degree the action taken by this government. Our concern was to get the canal property which was owned by the French company, and to see that the title was clear. Our transactions were carried on openly, and were published in detail, and we dealt solely (so far as the interests of the other Panama company were concerned) with the liquidator appointed by the proper French governmental body, the civil tribunal of the Seine, and in accordance with the decree of this same tribunal, with the New Panama Canal company, which also went into liquidation upon the sale to the United States.

All our transactions were carried on openly and were published in detail. The distribution of our payment of \$40,000,000 follows the award of the arbitrator chosen by the new company and the liquidator, authorized by the decree of this same civil tribunal of the Seine, and providing for a dissemination of the proportionate division between the new and old companies. We paid the money through the New York banking house of Messrs. J. P. Morgan & Company, acting as fiscal agents of this government, into the Bank of France in Paris. The receipts and accounts of our treasury department show the payment of the money into the Bank of France and account for the money being paid over to the liquidator appointed by the civil tribunal of the Seine and to the New Panama Canal company of France, the proportion of the \$40,000,000 being 128,600,000 francs to the liquidator of the old company and 77,400,000 francs to the New Panama Canal company of France in liquidation. In these payments we followed to the letter the decree of the governmental tribunal of France, which had the authority to make such a decree, the civil tribunal of the Seine. We had neither desire nor authority to go behind this decree of this proper governmental body, as all the conflicting rights of the security holders of both companies had been settled by the decree of said court by ratifications of arbitration which resulted in that division.

Distribution of the Money.

I wish to make as clear as possible and as emphatic as possible the statement that we did not have anything to do with the distribution of a dollar of the \$40,000,000 we paid as regards any stockholder or bondholder of the French companies, save that we followed out the award of the arbitrators appointed in accordance with the decree of the French court which had dealt with the subject in awarding a proportion to the old company and a certain proportion to the new company. Any question concerning the stockholders, bondholders or other beneficiaries of the proceeds of sale was purely a question for the civil tribunal of the Seine, the French governmental body, with which this nation had nothing whatever to do. Under these circumstances there was not the slightest need for Mr. Cromwell to give any information on the subject of the company for which he had been counsel. This government has no concern with Mr. Cromwell's relation to these companies, or either of them, or with the amount of his professional compensation. It was not the affair of this government to inquire who were the security holders of the companies. Nevertheless, to my own accord, he has submitted to me, together with a copy of his statement published on the 11th instant, and which I transmit herewith, a full list of the stockholders of the New Panama canal company of France on Jan. 15, 1900 (numbering over 6,000), and a list of all stockholders who were present at a special meeting of the company held Feb. 28, 1902, immediately after the cable offer of the company was made to the United States (Jan. 9-11, 1902), to accept the appraisal of \$40,000,000 made by the isthmian canal commission, and to sell for said sum the Panama canal, concessions and other property, and the shares of the Panama Railroad company. He has also furnished me a certified copy of the final report of the liquidator of the old company, which was filed on June 25th last, and formally approved by the civil tribunal of the Seine, together with a summary account prepared and signed by said liquidator as late as the 24th ultimo.

I also transmit a translation of the two resolutions with the vote upon them, adopted at a meeting of the stockholders of the new company held on April 23, 1904, for the purpose of finally ratifying the sale. All these documents herewith transmit as a part of this message.

No Payments on Old Stock.

It appears from them that the creditors of the old company number 226,296 parties who have received dividends out of the funds in the hands of the liquidator, who in his letter states that in this present month of December the second and last distribution to the creditors will be begun, and that the average dividend heretofore paid to each individual was 782 francs, or \$156. No payment whatever was or will be made upon the stock of the old company, as it was worthless from the day De-Lesseps failed and this cuts out from consideration all misleading statements regarding a possible purchase by anybody of the stock of the Old Panama Canal company. It has not received and will not receive a penny. Even upon the bonded indebtedness, the dividend, I am thus informed, will amount in the aggregate to only about ten per centum. It likewise plainly appears that this distribution

by the liquidator of the Old company has been openly conducted at his office in Paris, No. 50 Rue Etienne Marcel, where all the receipts accounts and records of his payments are on file.

The New Panama Canal company of France is in liquidation, as the accompanying papers set forth. This liquidated company received as its proportion of the \$40,000,000 the sum of 77,000,000 francs and this was distributed by the liquidation in three payments through four leading banks of Paris, covering a period of the past four years and to shareholders numbering about 6,000. Every step of the transaction was not only taken publicly but was contemporaneously therewith advertised in the legal and financial papers of France, and the banks making the payments took proper receipts from all the parties to whom payments were made, as is customary in such cases.

The capital of the New Panama Canal company of France was 65,000,000 francs and the distribution thus made amounted to about 130 francs on each share of 100 francs. No dividends were paid during the 10 years of the company's existence. It therefore resulted that the shareholders only recovered their original investment with annual interest of about three per cent.

The accounts and records of this liquidation, which was concluded in June last are on deposit with the Credit Lyonnais of Paris as a proper custodian of the same, appointed upon such liquidation. Recently a request was made by a private individual to inspect the records of these payments, but answer was made by custodians that they saw no proper reason for granting such request by a stranger, and, inasmuch as there is not the slightest ground for suspicion of any bad faith in the transaction it hardly seems worth while to make the requests; but if the congress desires, I have no doubt that on the request of our ambassador in Paris, the lists of individuals will be shown him.

Says Nothing to Probe.

As a matter of fact there is nothing whatever in which this government is interested to investigate about this transaction. So far as this government is concerned, every step of the slightest importance has been made public by its executive, and every step taken in France has there been made public by the proper officials. The congress took the action it did take after the most minute and exhaustive examination and discussion, and the executive carried out the direction of the congress to the letter. Every act of this government, every act for which this government had the slightest responsibility, was in pursuance of the act of the congress here, and following out the decree of the civil tribunal of the Seine in France. Furthermore, through the entirely voluntary act of Mr. Cromwell, I am now able to present to you full information as to these actions in France, with which this government did not have any concern, and which are set forth in the accompanying papers.

It may be well to recall that the New Panama Canal company of France did not itself propose to fix the figure, \$40,000,000, as the valuation of the canal and railroad properties. That sum was first fixed by our isthmian canal commission in its reports to the congress after two years of investigation and personal inspection of all the properties and work already done, whereby the properties and the work done were in detail appraised at that sum as their value to the United States. The French company steadily refused for over two years to make any offer whatever in answer to the many written requests of the isthmian canal commission, and when its president did approach the question of price it was on the basis of \$109,000,000. Later, under conditions not necessary now to rehearse, the company by cable accepted the appraisal of \$40,000,000 made by our commission.

This government therefore acquired all the properties and concessions both of canal and railroad, at its own valuation and price, the congress approving the price and authorizing the expenditure of the money after the most exhaustive examination and discussion.

I transmit herewith lists and documents in the possession of the department of state, the department of justice and the department of war, so that if the congress sees fit it may direct that they be printed. They are and always have been open to the examination of any member of the congress. There is no object in printing them, but there is also no objection to printing them, save that it is a useless expense.

I also transmit a list of the documents furnished by Mr. Cromwell.

THEODORE ROOSEVELT.
The White House, Dec. 15, 1907.

TRIBUTE TO COGHLAN.

The American people may well lament the death of Rear Admiral Joseph Bullock Coghlan. As a naval commander he ranked among the ablest, as a character he was among the most interesting picturesque, as a man he was faithful and true. To Kentuckians, in particular, his death has a peculiar appeal, for he was himself a native Kentuckian, although he spent little of his life in this state.—Louisville Courier-Journal.

BOOKS.

There are nearly 1,600,000 books in the library of congress, and still the loss of the library at Alexandria is felt.—Boston Globe.

THE DRUG FIEND.

Hasheesh Makes Its Slave Utterly Useless For Any Service.

One of the drugs that are most striking in their effects is hasheesh, or Cannabis indica, largely taken in Asiatic countries, where I used myself to meet its votaries. Its chief peculiarity is to make one believe with all his might whatever is suggested to him.

If he is an Arab, tell him that he is a sultan, and straightaway he orders heads to be cut off. Tell him he is a rooster, and he will crow. I knew of two Americans who experimented on themselves, and when the first was told that he was like a locomotive he snorted and whistled and kept going round the table puffing and blowing until he dropped from sheer fatigue.

The other somehow conceived the idea that he was dead and forthwith gave elaborate directions for his own funeral till he waxed wroth at the unseemly mirth of his companions when they should have wept.

Hasheesh makes its slave utterly useless for any service, and so with the other drugs. Their victims one and all end in becoming do-nothings. Self made do-nothings, or those who are so by drug taking, are much worse than useless.

As they usually do not begin till as adults they reach the working period of life, they become wretched burdens on the real workers, since our social system lacks any constitutional enactment whereby, as occurs in a community of bees, the workers systematically put their drones to death.

The opium fiend from long living in an unreal world becomes transformed into the most all round liar in the land, the very embodiment of untruthfulness. One of them victimized me with a loan that he might go and close the eyes of his dying mother when her eyes needed no such closing for years afterward.

Another sent from a western city to his wife a telegram which purported to come from an undertaker demanding money to pay for shipping his body home. This money, when it came, he, and unfortunately no undertaker, pocketed and then went his way.

We all know what the confirmed drunkard becomes, but not till the judgment day will the whole story be known of the griefs and tears of the innocent ones whom the drunkard made to suffer while he was here.—Everybody's Magazine.

AVERTED A TRAGEDY.

Nerve Displayed by Daniel O'Connell at a Critical Moment.

Daniel O'Connell, the famous Irish agitator, had a contempt for physical danger. On a certain occasion a meeting had been convened, and a large crowd assembled in a room on the first floor of a building in a small city in Ireland.

O'Connell was about to address the people when a gentleman, pale with fear, made his way to the platform and hoarsely whispered:

"Liberator, the floor is giving way! The beams that shore it up are cracking, and we shall fall through in a few minutes!"

"Keep silent," said O'Connell. Then, raising his voice, he addressed the assembly:

"I find that the room is too small to contain the number who desire to come in, so we must leave it and hold the meeting outside the building."

At this a few rose and went out, but the majority retained their seats. Then O'Connell said:

"I will tell you the truth. You are Irishmen, therefore brave men. The floor is giving way, and we must leave this room at once. If there is a panic and a rush to the door we shall all be precipitated into the room below, but if you obey my orders we shall be saved. Let the twelve men nearest the door go quietly out, then the next twelve, and so on till all have gone. I shall be the last to leave."

His instructions were obeyed to the letter, and he waited, patient and calm, till all had gone out in safety. Then he walked quietly across the sundering, cracking floor, reaching the door just as the shattered beams gave way. And thus, by the force of his strong will, a terrible accident was averted.

His Glorious Victory.

The commanding officer had surprised the young lieutenant and his daughter trying to occupy the same chair.

The lieutenant sprang to his feet and saluted.

"Sir," he said, "I have the honor to report an engagement at close quarters in which I have been entirely victorious. It now merely remains for you to give your sanction to the terms of surrender."—London Scraps.

Influence of Pluck.

The blindest, the most purely instinctive, effort of mere pluck has a lifting power and deserves our thankful admiration. Every degree and every form of courage tends to raise the whole tone of life within the range of its influence in proportion to the amount and the quality of the endurance exercised.—Hibbert Journal.

His Phenomenal Luck.

"You say he is lucky?"
"You bet."
"In what does his luck consist?"
"Marriage, you see, is his hobby."
"Well?"
"Every woman he marries gets a divorce."—

Wooden.

Tenement Tessie—And de novel says de heroine had a willowly form, used to pine for her lover and would spruce up when she seen him coming froo de gate. Shanty Sue—Gee, where did de work—in a sawmill?—Exchange.