

ASKS CONGRESS TO INVESTIGATE

World Calls Upon Legislators to Probe Panama Canal Scandal.

SAYS ROOSEVELT FALSIFIED

Editorial Writer Rushes to Rescue of Delvan Smith and Alleges That President Made Deliberate Misstatements of Facts.

NEW YORK, Dec. 8.—The New York World, which Delvan Smith, editor of the Indianapolis News, attacked in his reply to President Roosevelt's attack upon him as the authority for the article in the Panama Canal which appeared in his paper and called forth the President's letter, says today:

"In view of President Roosevelt's deliberate misstatements of fact in his scandalous personal attack upon Mr. Delvan Smith, editor of the Indianapolis News, the World calls upon the Congress of the United States to make immediately a full and impartial investigation of the entire Panama Canal scandal.

"The investigation of 1906 by the Senate committee on interoceanic canals was biased by the refusal of William Nelson Cromwell to answer the most pertinent questions of Senator Morgan of Alabama. Since that time nothing has been done, since after Senator Morgan's death there was no successor to carry on his great work of revealing the truth about Panama corruption.

Who Got the Money?

"The Indianapolis News said in the editorial for which Mr. Roosevelt assailed Mr. Smith:

"It has been charged that the United States bought from American citizens for \$4,000,000 property that cost these citizens only \$12,000,000. There is no doubt that the Government paid \$4,000,000 for the property. But who got the money?"

"President Roosevelt's reply to this most proper question is for the most part a string of abusive and defamatory epithets. But he also makes the following statement as truthful information to the American people:

"The United States did not pay a cent of the \$4,000,000 to any American citizen. The Government paid the \$4,000,000 direct to the French Government, getting the receipt of the liquidator appointed by the French Government to receive the same.

There Was No Syndicate.

"The United States Government has not the slightest knowledge as to the particular individuals among whom the French government distributed the same."

"As far as I know there was no syndicate; there certainly was no syndicate in the United States that, to my knowledge, had any dealings with the Government, directly or indirectly."

"To the best of the world's knowledge each and all of these statements made by Mr. Roosevelt and quoted above are untrue, and Mr. Roosevelt must have known they were untrue when he made them."

"As to the detailed distribution of the Panama loot, only one man knows it, and that man is William Nelson Cromwell. The two men who worked with Mr. Cromwell's confidante are Theodore Roosevelt, President of the United States, and Elihu Root, formerly Secretary of War and now Secretary of State. It was they who aided Mr. Cromwell in consummating the Panama revolution, arranged the terms of the purchase of the Panama Canal, made the agreement to pay \$4,000,000 on the canal properties, and an additional \$10,000,000 for a manufactured Panama Republic, every penny of both of which sums was paid by the United States Treasury to J. P. Morgan & Co.—not to the French government, as Roosevelt says, but to J. P. Morgan & Co."

Based on Summary.

"The natural query of the Indianapolis News as to 'who got the money' was based on the historical summary of Mr. Cromwell's connection with the Panama Canal. The inquiry was originally the world's, and the world accepts Mr. Roosevelt's charges, and Congress can have all the documents in the case, as Mr. Roosevelt says, let Congress make a complete investigation of the Panama Canal affair, and publish the relation of William Nelson Cromwell's relation with the French company, with Panama and with the Government of the United States. Let Congress officially answer this question: 'Who got the money?'

"The old French company organized by Ferdinand de Lesseps in 1839 failed in 1889, years before Mr. Cromwell's relations with President Roosevelt began. As Mr. Cromwell testified before the Senate committee on February 26, 1898, 'we never had any connection with the so-called De Lesseps company. Neither did the United States Government conduct negotiations with the old French Panama Canal Company.'

"What Mr. Cromwell did represent was the new Panama Canal Company, the American Panama Company, and the \$5,000,000 syndicate which he formed to finance the new company. After Mr. Cromwell had testified 'I do not recall any contract,' Senator Morgan produced a contract between the Panama Canal hearing (vol. II, p. 114):

Empowered to Act.

"Mr. William Nelson Cromwell is exclusively empowered under the formal agreement with the board of directors of the Compagnie Nouvelle du Canal Panama (New Panama Canal Company of France) to effect with an American syndicate the Americanization of the Panama Canal Company on the following basis:

"The basis on which Mr. Cromwell was exclusively empowered in this contract was that an American Panama Canal Company with a capitalization of \$20,000,000 preferred and \$5,000,000 common stock should be organized to take over the Panama Canal concessions and all other property belonging to the new Canal Panama Canal Company, which had bought the same from the old De Lesseps company. This company was incorporated in New Jersey with dummy directors. There was also incorporated in New Jersey with dummy directors the Inter-Oceanic Canal Company.

"Senator Morgan presented a copy of the \$5,000,000 syndicate agreement, which provided that the subscribers should contract with William Nelson Cromwell to pay \$5,000,000 in cash and to take their several allotments in the enterprise.

Five Million Enough.

"Five million dollars was more than ample to buy the majority of the old Panama stock. As the World said on October 25:

"Mr. Cromwell applied to the canal situation the methods of American high finance by which a syndicate takes over the property of a bankrupt concern, then creates a holding company and a recapitalization, keeping the majority control in a syndicate trusteeship."

"Following that, to quote from Mr.

Cromwell's testimony, in May, 1904, I representing the New Panama Canal Company, and Judges Day and Russell, representing Attorney-General Knox, consummated the transfer and sale to the United States.

"Mr. Roosevelt says 'the Government paid this \$4,000,000 direct to the French government.'

"Mr. Roosevelt says 'the French government distributed the sum.'

"Mr. Cromwell testified as to how he distributed it:

"Mr. Roosevelt talks of getting the receipt of the liquidator appointed by the French government to receive the same."

"Mr. Cromwell testified:

Explains Payments.

"Of the \$4,000,000 thus paid by the United States Government, \$25,000,000 was paid to the liquidator of the old Panama Canal Company under and in pursuance of an agreement entered into between the liquidator and the new company. Of the balance of \$25,000,000 paid to the New Panama Canal Company, \$12,000,000 has already been distributed among the stockholders and the remainder is being held awaiting final distribution and payment."

"What follows is further eloquent testimony taken by the Senate committee:

"Senator Talliferro—There is \$3,000,000."

"Mr. Cromwell—Three million; yes."

"Senator Talliferro—Who holds that money?"

"Mr. Cromwell—The new Panama Canal Company in its treasury."

"And yet Mr. Roosevelt says that 'the United States Government has not the slightest knowledge as to the distribution of the \$4,000,000, but that this was the business of the French government.'

As to Statement.

"As to Mr. Roosevelt's statement that 'there was no syndicate,' he could have read the syndicate subscription agreement on page 1150, vol. 2, of the testimony before the committee on interoceanic canals, if he had cared for the truth.

"That the United States Government was not dealing with the French government or the liquidator appointed by the French government, or with Colombia, or with Panama or any one else except William Nelson Cromwell and his associates, is made still more plain by the description of Senator J. Gabriel Duque as to the Panama revolution and as to the manner in which Mr. Cromwell got \$10,000,000 additional from the United States Treasury. Senator Duque said:

"Mr. Cromwell made the revolution. He offered to make me president of the new republic and to see me through if I would raise a small force of men and declare a secession from Colombia. He made promises that we should have the help of his government. It was accompanied by a liberal use of money. We bought this General and that one, paying \$3000 to \$4000 per General. The Colombian officers were all paid off and the Colombian General who was sent to stop the revolution was also bought off."

Cromwell Is Elected.

"Then Mr. Cromwell, having been elected by the Panama Republic as general counsel, and he and J. P. Morgan having been appointed a 'fiscal commission,' negotiated with President Roosevelt by which the United States paid \$10,000,000 to the 'fiscal commission' for Mr. Cromwell's Panama Republic. Of this money three-quarters is still under the control of the 'fiscal commission.'

"Why did the United States pay \$4,000,000 for a bankrupt property whose control could undoubtedly have been bought in the open market for less than \$400,000?"

"Who were the Panama Canal Company?"

"Who bought up the obligations of the Old Panama Canal Company for a few cents on the dollar?"

Asks About Money.

"Among whom was divided the \$15,000,000 paid to the New Panama Canal Company?"

"Whether Douglas Robinson, who is Mr. Roosevelt's brother-in-law, or any of Mr. Taft's brothers, associated himself with Mr. Cromwell in Panama exploitation or shared in these profits are incidental to the main issue of letting in the light."

"Whether they did or did not, whether all the profits went into William Nelson Cromwell's hands, or whatever became of them, the fact that Theodore Roosevelt, as President of the United States, issued a public statement about such an important matter, full of flagrant untruths, reeking with misstatements, challenging by line the testimony of William Nelson Cromwell and the official record, makes it imperative that full publicity come at once through the authority and knowledge of Congress."

IS CHAMPION OF ROOSEVELT

Star Replies to World Over Panama Canal Money.

CINCINNATI, Dec. 8.—The Cincinnati Times-Star, of which Charles E. Taft is editor and proprietor, today publishes the following reply to the articles on the Panama Canal which appeared in the Indianapolis News and New York World:

"The New York World, the paper which was responsible for most of the talk about 'the Panama Canal scandal' during the recent campaign, says this morning:

"Whether Douglas Robinson, who is Mr. Roosevelt's brother-in-law, or any of Mr. Taft's brothers associated himself with Mr. Cromwell in Panama exploitation or shared in the profits is incidental to the main issue of letting in the light."

"This statement is intentionally misleading. The Panama story was used in the campaign for political reasons solely. The one thing that gave it political value in the eyes of those who used it was the fact that the story as printed, carried the names of a brother of the Republican candidate for the Presidency and a brother-in-law of the President. The inference was plain enough. It was that Theodore Roosevelt and W. H. Taft had used their influence as high officials of the United States Government to help relatives in looting the Treasury at Washington. That was the meat of the story. If the names of Douglas Robinson and C. P. Taft had not been included in it, it was absurd as it was, the lying yarn would never have been used by the World. But the World, the Indianapolis News and other papers, for one reason or another, wanted to defeat Mr. Taft and discredit Mr. Roosevelt."

"The World is trying to dodge the issue. It wants to be relieved of the responsibility of trying to drag the names of Mr. Robinson and Mr. Taft into its made-order mess of scandal and slime."

"Both the World and the Indianapolis News are crying, 'Let in the light.' We thoroughly agree with them. But a little time has passed and after the most desperate efforts the cornered World and News have produced all evidence they can. An apology would be in order from those newspapers."

"In the meantime, Mr. Taft reserves the right to take legal steps which possibly would bring before them the truth about the events and insinuations of the past 24 hours."

Discuss Panama Trip.

WASHINGTON, Dec. 8.—At the first meeting of the House committee on interoceanic canals and foreign commerce today, a proposition for a visit to the Panama Canal Zone by the entire committee before the end of the Christmas holidays was discussed. A subcommittee was appointed to ascertain whether suitable arrangements could be made. Representative Hepburn, of Iowa, is chairman.

Failed to Produce Evidence.

Mr. Arch said that the prosecution had failed to produce any evidence besides

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SAYS EVIDENCE PERJURED

Dissects Testimony of Former Supervisor and Tells Jury It Should Be Corroborated—To Jury Late Wednesday.

SAN FRANCISCO, Dec. 8.—In an address covering more than six hours Henry Ach, attorney for Abraham Ruef, flayed James S. Gallagher, Andrew M. Wilson and John L. Fusey, ex-supervisors who testified in regard to the bribery charge against Ruef. He denounced Gallagher's testimony as "filthy, deliberate perjury." Mr. Ach's speech was a literal dissection of the testimony of each of the prosecution's witnesses. Ruef's case will go to the jury Wednesday afternoon. Special Agent William J. Burns did not escape the wrath of Mr. Ach, who said in his connection, "away with detectives who assassinate character." Mr. Ach also referred to Mr. Burns as the "creator of testimony."

Failed to Produce Evidence.

Mr. Ach said that the prosecution had failed to produce any evidence besides

the testimony of Gallagher, Wilson and Fusey to connect Ruef with the offer of money, and stated further that the jury was bound to demand additional and corroborative evidence or return a verdict of not guilty.

In his reference to the testimony of Latham, the chauffeur later indicted for perjury in connection with his evidence during the trial, Mr. Ach charged directly that Latham had refused to avail himself of the privilege of not testifying and had repudiated the testimony given previously under the direction of Mr. Burns.

Mr. Ach concluded without prostration after he had been reminded by the court that his time was drawing to a close. After a recess Thomas L. Dozier, of the defense, began the closing address at the evening session.

Time from Teheran says the Nationalists at Meshah, a holy city of North-eastern Persia, have routed the garrison and seized the Government offices. Fresh disturbances are reported at Hamadan, 165 miles from Teheran, Kermanshah and Talis.

URNS DOWN RESOLUTION

Governor Hughes Refuses to Appoint Investigating Commission.

ALBANY, N. Y., Dec. 8.—Governor Hughes has sent a reply to the resolution recently adopted by the Chamber of Commerce of New York City asking for the appointment of a commission of citizens to investigate the conditions surrounding the life insurance companies of New York State and report to the Incoming Legislature, in which he says it does not seem advisable to appoint such a commission at the present time. He says, however, that he will give consideration to any particular amendment of the law that may be suggested.

PUT GARRISON TO ROUT

Nationalists Score Victory at Meshah and Capture All Officers.

LONDON, Dec. 8.—A dispatch to the



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