

# ORINOCO CORPORATION ITS SAD STORY

### Venezuelan Executives, Even the Best of Them, Utterly Faithless Regarding Contracts — Concessionaires at the Mercy of the Tyrants' Self-Interest.

By FREDERICK J. HASKIN.

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Washington, Oct. 30.—It is unfortunate for the other American claimants against Venezuela that the asphalt controversy has been made the principal feature of the discussion in the dealings between the United States and President Castro's country. The state department has not unduly emphasized the asphalt cases, but for various reasons it has been given more prominence in the press. In the first place there was the Loomis Bowen imbroglio, and, more important than all, the fact that the two parties to the asphalt quarrel in the United States have employed efficient press agents to keep their rival claims before the public.

The apologists for Castro always urge against the American claims the revolutionary activity of the asphalt company. If they are driven to admit that the asphalt case is no more prominent than either of the four other claims, then they say that these foreigners who come into Venezuela to do business should be willing to submit their grievances to the courts of Venezuela. This is one of the claims to which such objections cannot be made.

It is that of the Orinoco corporation, a concern whose rights have been upheld both by the mixed commission and by the highest courts of Venezuela. President Castro's government has disregarded the verdicts of these high tribunals, and the only hope of redress left to the company lies in international arbitration, such as is demanded by the United States. The story of this claim is somewhat involved, but it is none the less romantic.

History of Orinoco Corporation.

It began with the granting of a concession to C. C. Fitzgerald, an American, of a tract of land at the delta of the Orinoco river. This tract was made in 1852 by Guzman Blanco, then president and virtual dictator of Venezuela. It conveyed for a term of 99 years, with rights of development and exploitation, a tract of land about the size of the state of Massachusetts, abounding in mineral wealth and in possibilities of tropical agriculture. Under the terms of the contract the government was to establish two ports of entry within the limits of the concession, and Fitzgerald was bound to colonize and develop the country without delay. Guzman Blanco had much more respect for constitutional and legal forms than has Castro, and the Fitzgerald contract was duly approved by congress in 1854.

Behind the granting of this contract is a story of international politics. For many years there had been a dispute between Venezuela and England over the boundary between eastern Venezuela and British Guiana. The British had been encroaching more and more, and claiming more each time "the question was mentioned. Venezuela had attempted in vain to obtain arbitration of the disputed questions. Guzman Blanco felt that his only hope lay in securing the intervention of the United States. It was with a view of securing this intervention that he granted this concession to Fitzgerald, the concession which was a portion of the disputed territory. The concession was turned over to a corporation known as the Manoa company, and the development of the tract was begun. A colony was established, towns were projected and the exploitation was started.

Another Yankee Sneaks In.

Two years later, in 1856, the English became more vigorous in asserting their claims to land in the Orinoco valley claimed by Venezuela. The Fitzgerald interests had not succeeded, if they had tried to get the United States government to intervene. So it was that Guzman Blanco listened to another American, George Turnbull, who promised that he would get the Washington government to step in if Blanco would let him have the big concession. Thereupon the then dictator, disregarding the contractual obligations of his government, gave the same concession to Turnbull.

Part of the Manoa colony was driven from its settlement by Bushong, who forcibly occupied the territory. On the heels of this came the Turnbull grant, and the original Fitzgerald concern was ordered to stop work. In September, 1856, the Fitzgerald contract was annulled by executive resolution—that is by resolution of the president and the executive council, but not by action of congress.

On Again! Off Again!—Castro.

After a lapse of nine years, in which time the Manoa company had assigned its contract to the Orinoco company, limited, which is the parent of the present Orinoco corporation, the reconcession of the concession was begun. This was during the ascendancy of General Crespo, when the Venezuelan government again acknowledged the validity of the Fitzgerald concession.

Work was begun in developing iron mines on the concession, and hundreds of thousands of American dollars were spent in the contract. The prospect that the delta section would be opened up to considerable immigration and that it would become a great health producer, when troubles with the government again stopped progress, leaving aside mining, until the time of the point in October, 1900, President Castro, by executive resolution, again annulled the contract with the Orinoco company. Work at the iron mines already had been stopped.

Mixed Commission Upholds Grant.

Castro's government granted concessions to other persons and corporations within the limits of the Fitzgerald concession and utterly ignored the existence of the contract. Despite vigorous protests which were made to him, the company offered to so change its contract as to impose upon itself many additional burdens, but all propositions looking to a compromise were coldly turned down.

Under the protocol of February, 1903, the claim of the company was submitted to the American and Venezuelan mixed commission which sat in Caracas. That body held that the contract was valid and that the company could hold under the Fitzgerald contract.

A few years later, Castro still persisting in granting other concessions in derogation of the Fitzgerald contract, a suit was set on foot by Venezuelan concessionaires against the claimants under the Fitzgerald contract. This suit was tried at the Venezuelan courts and was decided on March 1, 1905, by the federal court of Cassation, the highest tribunal in Venezuela.

Venezuelan Courts Also Upheld.

That court held, in an opinion signed by all its seven judges, that the Fitzgerald contract was still in full force and effect. It set aside the two executive resolutions by which the contract was annulled, and that a legislative act could not be set aside by an executive act. It also held that the failure to keep at work on the concession did not invalidate the contract. In brief, the decision was a complete victory for the Fitzgerald contract.

But President Castro declined to abide by the decision of his own courts. He was furious with the judges because of their action and actually "fired" all seven of them from the bench and replaced them with ones whom he believed would obey orders and respect his will, without regard to the law.

This case proves the futility of the hope of securing justice by going into a Venezuelan court, and demonstrates the argument of those apologists for Castro who say that the American claimants ought to try their cases in the Venezuelan courts first. The suit for arbitration afterwards. These apologies are wrong for the American nation. It is wrong for the American nation to let its position of question the integrity of the courts of

Venezuela. It may be seen from the record in the Orinoco corporation case that it doesn't matter whether the courts are honest or corrupt, so long as the executive and absolute government pays no attention to its own courts unless the verdicts are in accord with the executive will.

As a matter of fact, judges are afraid of their lives and liberty in this country. The bar is not exempt. A Caracas lawyer of high standing accepted a retainer as counsel for a foreign corporation and was preparing to institute an action in the Venezuelan courts for his client. He was banished from the country on a few hours' notice, and all other members of the Caracas bar were warned from Castro.

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that they must not accept the cases of foreigners.

In view of this state of affairs, how is it possible for a foreigner to try his case in the Venezuelan courts when Castro forbids lawyers to take the cases on pain of banishment?

The Orinoco corporation case is clear-cut. The contract under which it holds has been decided to be valid and effective by a mixed tribunal and by the highest Venezuelan courts. Yet the government of Venezuela has granted concessions to other concerns from the property which is rightfully held under the contract of this American corporation. Whether or not there is any cloud on the title is beside the question—the company has a right to a decision upon its claims by an impartial tribunal.

The claim of this corporation is under the management of Rudolf Dolgo, who has been a resident of Caracas for about 12 years. He is the son of Alfred Dolgo, the philanthropist and socialist who won fame as the founder of Dolgoville, New York. Mr. Dolgo is one of the best informed men in Venezuela, and it is significant that he, in spite of all his troubles with the government, is a firm believer in the future greatness of this turbulent nation.

Curfew at Seattle.

Seattle, Wash., Oct. 30.—The curfew ordinance will be enforced strictly by the police. Suspensions will result if reports as to juvenile offenders and truants are not made with more regularity. Minors under the age of 16 years must now be at home not later than 9 o'clock p. m.

## BEAT HIS WIFE ONLY 40 TIMES

### Indignantly Denies It Was Once a Week for Three Years.

(United Press Special Wire.) Tacoma, Wash., Oct. 30.—Arrested before Police Judge Arntson on the charge of wife beating, Garhart Weiringer, a teamster in the employ of

the city, was today fined \$100 and costs. In her complaint, Mrs. Weiringer declared her husband had whipped her an average of once a week for three years. Weiringer told the court that his wife exaggerated the facts.

"There have been times when I did not touch her for a month or more at a time," he said, in an aggrieved voice, "and I don't think I have whipped her more than 40 times in the past three years."

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2¢ for Black Cotton Hose worth 10c.	49¢ for Cotton Blankets worth \$1.00.	3¢ for Towels worth 10c.
3¢ for Linen Collars worth 15c.	79¢ for Cotton Blankets worth \$1.50.	79¢ for Ladies' Furs worth \$3.00.
45¢ for Sheets worth 90c.	6¢ for Ladies' Hose worth 15c.	39¢ for Ladies' Umbrellas worth \$1.50.
29¢ for Work Shirts worth 75c.	39¢ for Ladies' Underwear worth \$1.00.	\$1.19 for Ladies' Shoes worth \$2.25.
19¢ for Cotton Underwear worth 65c.	19¢ for Leather Gloves worth 50c.	\$1.29 for Children's Shoes worth \$2.50.
79¢ for Wool Underwear worth \$2.00.	89¢ for Work Pants worth \$1.75.	\$1.79 for Men's Dress Shoes worth \$3.50.
39¢ for Dress Shirts worth \$1.25.	\$1.29 for Dress Pants worth \$2.50.	\$2.45 for Goodyear Welt Shoes worth \$5.00.
89¢ for Silk Shirts worth \$3.00.	\$2.29 for Fine Dress Pants worth \$5.00.	\$3.65 for Viscolized Waterproof Shoes worth \$7.
19¢ for Neckties worth 75c.	75¢ for Men's Hats worth \$2.50.	49¢ for Lace Curtains worth \$1.50.
10¢ for Wool Sox worth 35c.	\$1.65 for Men's Stetson Style Hats worth \$5.00.	39¢ for Ladies' Flannelette Kimonos worth \$1.
39¢ for Sweaters worth \$1.00.	\$1.19 for Boys' Suits worth \$3.00.	10¢ for Men's Ties worth 25c.
7¢ for Fancy Sox worth 25c.	\$3.39 for Men's Suits worth \$10.00.	\$6.69 for Men's Wool Suits worth \$15.00.
45¢ for Black Sateen Shirts worth \$1.00.	\$1.89 for Ladies' Black Cloaks worth \$7.50.	\$8.85 for Men's Wool Suits worth \$25.00.
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