

Commission Government in New Jersey.

Jersey City voted on the 18th on the question of adopting the commission form of municipal government, the enabling act for which became law by the signature of Governor Wilson last spring. The adoption by Jersey City was defeated by 13,068 to 11,585. As the act requires the polling of affirmative votes equal to 30 per cent of the vote for members of the lower house of the legislature, the plan would have been rejected even if the negative vote had been less than a majority; for the 30 per cent requirement necessitated a vote of 184 more than were cast in favor of acceptance. The Democratic machine worked against acceptance, but the Republican vote was generally in its favor. [See current volume, page 638.]

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The New Jersey plan is like that of Des Moines but with minor differences—five commissioners elected for four years, each subject to Recall once after being one year in office, and the Initiative and Referendum. Bayonne, Hoboken, New Brunswick and Jersey City have rejected the plan. Trenton and some of the smaller towns have adopted it. A fierce fight over it has been in progress for several weeks in Passaic, in which Senator Borah, John Z. White and Gov. Wilson have participated as speakers for adoption. The voting came off on the 25th.

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Revolution in Hayti.

Hayti is suffering revolution, with its President, Antoine Simon, on a sickbed. All towns in the north are in the hands of insurgents. Without any known resources to make such a decree effective, the government has served notice of a blockade on three ports in the hands of the revolutionists; but the American minister, H. W. Furniss, has informed President Simon that a "paper blockade" will not be recognized. American cruisers are being sent to the Haytian waters to protect American interests. [See current volume, page 206.]

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Exiled Shah of Persia Tries to Regain Throne.

Mohammed Ali Mirza, dethroned as Shah of Persia in July, 1909, and since then living in exile in Russia, suddenly made his appearance at a small Persian port on the Caspian Sea, near the Russian border, on the 18th. The ex-Shah had apparently made the journey to the Persian frontier without interference from the Russian government, though Russia undertook at the time of his dethronement to keep him under surveillance, and prevent his intriguing for return to Persia. The National Assembly has empowered the government to proclaim martial law of the most rigorous description, and is arranging an

expedition to cut off the approach of the exile. Mohammed Ali Mirza was reported on the 23rd to have reached Astrabad, where the people had declared in his favor, but opposition to him had developed among the Turkoman tribesmen upon whose support he had relied. The Bakhtiaris, the great fighting tribe of central Persia, were remaining loyal to the Constitution, and the chief of the tribe was being talked of for Premier of the country in place of the Premier, who had been asked to resign by the National Assembly on the ground of disloyalty. By his effort to regain the throne Mohammed Ali forfeits his pension of \$82,500 a year, and is to be proclaimed as an outlaw, with a price on his head. [See vol. xii, p. 1039; current volume, page 660.]

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The Controller Bay Scandal.

Congressional investigations of the records of the Interior Department with reference to the relations of President Taft, his brother Charles, and the Morgan-Guggenheim syndicate, are now in progress at Washington and dispatches of the 22d foretold a defensive message by President Taft to be sent to Congress on the 26th. [See current volume, page 654.]

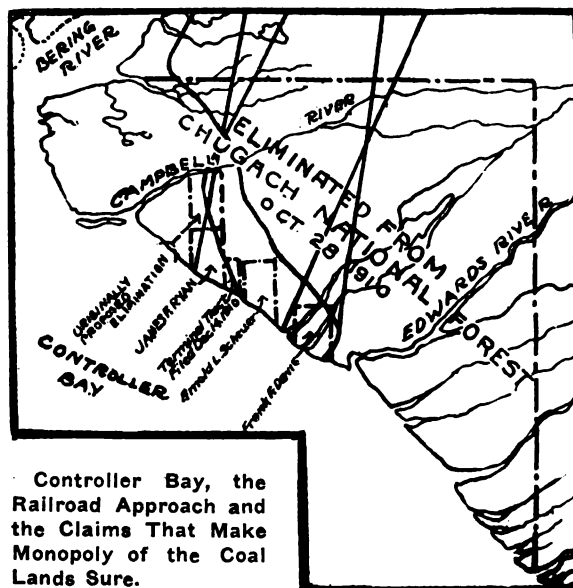
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Those investigations, the defensive brunt of which have as yet been borne in behalf of the President by Walter L. Fisher as Ballinger's successor in the office of Secretary of the Interior, grew out of a report by Miss M. F. Abbott, a newspaper woman, which was circulated late in June or early in July by the Newspaper Enterprise Association, which has headquarters at Fifth avenue and Washington street, Chicago. That report was as follows:

In the official records of the Interior Department is a letter to Richard A. Ballinger dated New York, May 21, 1910, and signed by R. S. Ryan. The letter encloses another letter from Probst-Wetzler & Co., as "backers" of Ryan. With the letter is a postscript written on another piece of paper, but fastened to the two letters, which says: "He sent for me and asked me who it was I represented. I told him, according to our agreement, that I represented myself, but that didn't seem to satisfy him. So I sent for Charlie Taft and told him to tell his brother, the President, who it was I really represented. The President made no further objection to my claim." R. S. Ryan has long been known in Washington and Seattle as the Morgan-Guggenheim Alaska "man."

On May 15, 1910, six days before the "Charlie Taft" postscript was written, the Ballinger-Pinchot investigation had been thrown into the ditch by the testimony of Frederick M. Kerby and the production of confidential letters from George W. Perkins of J. P. Morgan & Co., concerning the exploitation of Alaska for railroad and mining purposes. When the letter was written and when Ryan called on President Taft the Ballinger-Pinchot hearing was still on.

John Moody, New York financial expert, says: "There is no doubt that Probst-Wetzler & Co. is extremely friendly to the Alaska-Morgan-Guggenheim syndicate."



Controller Bay, the Railroad Approach and the Claims That Make Monopoly of the Coal Lands Sure.

On Feb. 23, 1909, President Roosevelt learned that R. S. Ryan and the Morgan-Guggenheim outfit were bent upon seizing the shores of Controller Bay and in order to forestall them enlarged the boundaries of the Chugach forest reserve to include this land. At this time the Cunningham claims had been held up as fraudulent. The Morgan-Guggenheims were proceeding in two lines to secure the Alaska coal. First through the Cunningham claims and second through a monopoly of the only route for the transportation of the coal to the sea. As soon as the Cunningham claims seemed doomed efforts were centered upon the railroad deal.

On May 2, 1910, Ryan secured a ruling from Ballinger's solicitor of the Interior Department, McCabe, favoring the withdrawal from forest reserve of 320 acres of land on Controller Bay. This ruling, coming to the attention of President Taft, caused him to send for Ryan to ask what was doing. Ryan sent Charles P. Taft to tell the President "who it was I really represented," and on Aug. 9 the President endorsed McCabe's ruling.

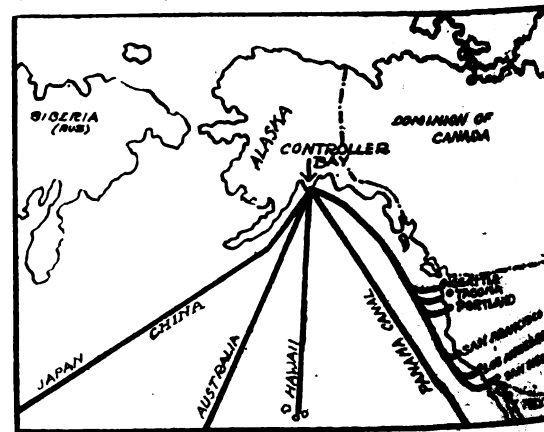
All this was so secretly done that the outside world knew nothing of it, but just the same on Sept. 1 Ryan is reported at Controller Bay with five miles of barbed wire to stake out a claim on the mud-flats. A forest officer from Valdez notified Ryan that he was trespassing on a national forest, whereupon Ryan is quoted as replying: "This is no national forest. You folks are due to wake up pretty soon." But the 320-acre limit prevented a complete bottling of the shores of Controller Bay. October, 1910, Secretary Ballinger recommended that 10,800 acres be withdrawn from the forest reserve, instead of 320. Accordingly President Taft made a secret order on Oct. 28, withdrawing the larger acreage.

Then came some annihilation of time and space.

In order to file "soldiers' homestead scrip" it is necessary to have a government survey. The papers on file in Washington declare that on Nov. 1, 1910, such a survey was begun on the mud-flats on Controller Bay and completed on Dec. 1. But Controller Bay is 150 miles from Cordova, the nearest settlement, and 400 miles from Juneau, the office of the surveyor general. In other words the papers indicate that three days after the secret order was signed at Washington the land office at Juneau had a surveying party in the field in the midst of the ice-locked wilderness of Alaska 400 miles away and the job was finished by Dec. 1.

The record purports to show that fourteen days later, on Dec. 14, 1910, these maps were filed by R. S. Ryan in the Interior Department at Washington. Delegate Wickersham of Alaska says: "It is not possible to make that trip in fourteen days from Alaska to Washington. Maps made in Alaska on Dec. 1 could not be in Washington on Dec. 14. That record is manufactured."

Congress met on Dec. 4, 1910, and during the session Ryan was lobbying for certain amendments to existing anti-monopoly laws that would cinch the hold on Controller Bay. Delegate Wickersham fought these maneuvers, but in the rush of adjournment one bill by Congressman Walter I. Smith of Iowa (since given a life job as Federal judge) was slipped through on March 3 and signed by the President on March 4, and another was tacked on an appropriation bill as a rider and rushed through in the closing hours of Congress on March 4. On March 6 Ballinger resigned from the cabinet. The Cunningham claims were worthless without a railroad; a railroad was useless without a terminal on Controller Bay, the only deep water thereabouts, and Controller Bay had been "nailed down."



Showing the Routes to Pacific Ports from Controller Bay and the Billions of Dollars' Worth of Alaska Coal.

Senator La Follette got wind of the secret order of Oct. 28, 1910, and other things, and on April 20, 1911, called upon Ballinger's successor, Walter L. Fisher, for all information about Controller Bay. The Secretary replied a week later, but his reply did not include the letters I have since seen in the files of the Interior Department—the ones I am writing about. Fisher's report did say that soldiers'

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homestead claims "were filed in the land office at Juneau simultaneously by an agent of R. S. Ryan." These claims were filed in the names of J. J. Ryan, Arnold S. Scheuer and Frank F. Davis. Ryan is a brother of R. S. Ryan and Scheuer and Davis are members of the Wall-street firm of brokers, Probst-Wetzler & Co. They filed on the mud-flats of Controller Bay, in the wilderness, and under the law these New York brokers are to make homes for themselves and cultivate the tide-covered muds of that desolate shore.

Fisher's reply to La Follette did not satisfy the progressive Senators. They knew something—big—was being held back and they prepared to dig deeper. They were hot on the trial. In May Daniel Guggenheim and his brother, United States Senator Guggenheim, visited Secretary Fisher, so did R. S. Ryan, and on June 26, with considerable public notice, Fisher announced that he had cancelled the Cunningham claims. Senator Poindexter came back the very next day with an official demand, in the form of a Senate resolution, calling for all information in the files of four government departments concerning Controller Bay. There the matter rests now.

It is Fisher's next move and La Follette and Poindexter are loaded for bear.

The two maps inserted in Miss Abbott's foregoing report were sent out with her report by the Newspaper Enterprise Association.

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Her story is denied by the Interior Department, and efforts are being made to have Secretary Fisher place himself in a position of personal responsibility for the denials. Threats have been circulated also that if Miss Abbott verifies her statement under oath, she will be prosecuted for perjury.

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One statement corroborating Miss Abbott, that of Gifford Pinchot, was sent out in Washington dispatches of the 15th. We quote from these dispatches as printed in the Chicago Inter-Ocean of the 16th:

Said Mr. Pinchot today: "As soon as Stimson became Secretary of War, I took up this Controller Bay matter with him because I had hope that there might yet be time to save the public's interest and the War Department might have power to block the proceeding. Miss Abbott had come to me, told of her investigations and stated that she had seen this apparently pre-dated map. Its significance was apparent to me, as it was to her. I went at once, at her request, to the War Department to see it for myself. Mr. Stimson went with me to examine it and he will remember it. It showed an amended location of the railway across the tide flats at Controller Bay, with a plat of ground along the deep water edge, which was taken for wharves, docks, slips, tracks, etc. The map was labeled, as approved by an assistant secretary, Mr. Oliver, as I recollect it." The disappearance of this map, together with the disappearance of an alleged "Dick to Dick" letter written by Richard S. Ryan to Richard A. Ballinger,

bringing President Taft and Charles P. Taft, his brother, into the Controller Bay scandal, threw doubt about the story of their existence told by Miss Abbott. Mr. Pinchot's testimony as to the existence of the map is confirmatory in part of Miss Abbott's statements and arouses renewed interest in the now famous "Dick to Dick" letter. Miss Abbott in a statement today stands firm on all her charges and reiterates her charge that she called Secretary Fisher's attention to the now missing "Dick to Dick" letter. She says: "I was sent down to investigate the Alaska matter by a New York magazine, arriving in Washington and beginning work on May 15. I had a letter of introduction from my editor to Secretary of the Interior Fisher asking him to help me in my searches. It was on May 17, and I saw the Secretary in his office at the department. He told me there was nothing wrong with the Controller Bay affair, and to prove it said he would show me the entire record in the case. It was 10:30 in the morning when I saw him, and as he was going to take the 11 o'clock train for Philadelphia he told his private secretary, Ashman Brown, to show me the record. As he was leaving he once more told me to look the record over carefully, assuring me that I would find there was nothing wrong with Controller Bay. Mr. Brown assisted me in going through the record. He brought out five manila envelopes, from one of which we finally selected the record concerning Controller Bay. I was struck from the beginning with his manner. As he turned over the pages of the record he said: 'You see there is nothing wrong here.' But I observed that occasionally he turned two pages at a time, and I made mental notes of these, and when we were through with the envelope held out my hand for it. He seemed reluctant to give it to me, but when I had it I took special care to look at several of the places where he had turned two pages at a time. It was in the first of these that I found that amazing postscript fastened to a formal letter from Richard S. Ryan to Richard A. Ballinger, dated July 13, 1910."

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Ex-President Roosevelt, writing editorially in The Outlook of the 22d, ignores the so-called "Dick-to-Dick" letter, which Miss Abbott vouches for, and takes the ground that "the action which resulted in the instant filing of claims by Mr. Ryan and others, does not go to the root of the matter." "The root of the matter," he writes, "is that no such elimination should have been made by the Interior Department." He precedes that opinion with this statement:

Controller Bay, under actual conditions, offers the only chance, or, at any rate, very much the best chance, for a free outlet from the great Bering River coal-fields. It was the imperative duty of the Government service to keep this outlet free and not to dispose of it to any individual or individuals. The Government should have held this land in perpetuity, permitting its use by any individual or corporation only under conditions that would subserve the general public interest. Unfortunately, the Interior Department last October eliminated from the Government reserve, not only the 320 acres the

elimination of which was mistakenly recommended by the Agricultural Department, but 12,800 acres.

Having then declared his opinion on "the root of the matter," Mr. Roosevelt proceeds:

The public interest demanded that this land should be kept under public control, and that to prevent monopoly its use should be permitted only under such conditions as the public need required. Remember always that such action would not have hindered development; it would have favored development, for it would have enabled any honest corporation to come in and do its part in developing the country without fear of being crowded out by some other corporation, which, through unwise Government action, might obtain a monopolistic right. It is absolutely essential that terminal facilities shall be on free territory. This is essential to the proper development of our waterways within the United States, and it is essential to the proper development of the Alaska coal-fields. Congress, unless it is derelict in its duty, should proceed, without delay, to pass some such law as, while preserving absolutely the Government's control and its power to guarantee the rights of the people, will offer a sufficient premium to make it worth while for big moneyed concerns to develop the coal-fields.

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Government Ownership:

Leading progressives in Oregon propose a different plan from Mr. Roosevelt's for keeping Alaskan coal lands and shipping terminals under government control and to prevent monopolization. As reported in the Daily News of Portland on the 15th, Governor West, Mayor Rushlight, Postmaster Merrick and several other officials and prominent citizens are circulating a petition of Oregonians on the subject, addressed to the President and Congress. Following is the prayer of their petition, as quoted by the News:

First, that the undersigned are dependent either directly or indirectly upon the use of coal for the production of heat; second, that there are no public coal fields within the State of Oregon at which coal can be purchased and that the only coal to be had is that delivered within said State by private corporations; and third, that the tariff fixed by aforementioned private corporations is so high as to force the ultimate consumer to pay an exorbitant price for this necessity, to-wit, \$17 for each short ton of anthracite coal, which is many times the cost of production of said ton of coal including delivery at the mouth of the mine. Fourth, therefore, your petitioners pray that a law be enacted providing for and establishing an Alaska Coal Mining Commission, for the purpose of mining the public coal lands in Alaska, establishing a railroad to deliver coal from said mines to tidewater on Controller Bay (Alaska), building a dock and establishing coal bunkers on said bay of sufficient size to serve not only as a shipping point, but also as a coaling station for the navy, providing colliers to deliver coal from said dock to other ports in the United States of America, establishing Government coal bunkers at certain ports in the State of Oregon, hereinafter

named, and for the selling of said coal **direct** to the people at the cost of production plus the cost of handling, plus an amount sufficient to provide a fund to pay interest and principal on certain bonds hereinafter named. Fifth, that the Government fix and provide through the Interstate Commerce Commission the rates to be charged by common carriers for delivering coal from the Government bunkers to be established at the points in Oregon, to be hereinafter named, to the places designated by the purchaser. Sixth, That Government coal bunkers be established at the following named points in Oregon: Astoria, Coos Bay, Willapa Harbor and Portland. Seventh, that bonds be issued similar to those issued for building the Panama canal and be sold direct to the people by popular subscription, to provide funds for the carrying out of projects beforementioned, the same to be carried out under the direction of the aforementioned Alaska Coal Mining Commission.

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The Core of the Alaskan Controversy.

That Oregon movement may not unlikely be the practical beginning of a great nationalizing policy in connection with Alaska; one, says John E. Lathrop in his regular Washington correspondence for the Newark (N. J.) Evening News, with "a meaning vital to every householder from New Jersey to Oregon, from Minnesota to Texas." Alluding to this policy in connection with the Alaskan scandal described above, Mr. Lathrop publishes in one of his Washington letters to the News, an interesting and informative outline from which we make the following extracts:

It is not regarded as the vital essential, whether or not a particular syndicate was exploiting the people's property when it got R. S. Ryan to go after harbor rights in Controller Bay. There will be crushing evidence to that point. But, in its larger meaning, the restoration of 12,800 acres of land on the shores of Controller Bay by President Taft, by a virtually secret Executive order, and the consequent taking of whatever he wanted by R. S. Ryan for his railroad terminals, in fee simple, was the complete destruction of the conservation policies applied to Controller Bay, Alaska, and the Pacific fleet coal supply of the Federal navy and the Pacific coast industrial activities. It was to throw away by one Executive act the benefits assured by Roosevelt's executive act in withdrawing those lands from public entry, and withholding them from alienation to private title. . . . The plan, which has been overthrown, would have solved the problem of the navy in Pacific waters. Only in the Alaska fields can be found a steaming coal fit for the navy. Our Pacific fleet, under the conservation plan, therefore, was provided for for all time. If the Taft plan, as initiated by his Ryan restoration, were to be carried to its logical conclusion, then the harbor facilities of Controller Bay would be always in private title, and the modern scheme of transportation, with public docks, would be forever precluded.

With these things in mind, any citizen can realize that the coming battle over Alaska, Controller Bay.

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R. S. Ryan and the Morgan-Guggenheim syndicate will become the real battle over the largest issues that go to the questions of industrial distribution and disposition of natural resources. These will be the issues:

A leasing system of coal mining, upon so liberal a basis that the operator may with substantial profit mine the coal, and so as to compel those taking leases to actually mine and not hold for speculation, and also so as to compel fair prices to the consumer.

Absolute control of transportation by the Interstate Commerce Commission; or public-owned railroads.

Public-owned and operated docks and wharves and harbor privileges and facilities.

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In connection with the foregoing Mr. Lathrop reports in his Newark Evening News correspondence, a corroborative statement derived from a prolonged discussion with Congressman James M. Graham of Illinois and Congressman Henry George, Jr., of New York, the latter a member and the former chairman of the Committee on Expenditures in the Interior Department, which is now investigating the Controller Bay scandal. The statement is quoted as from Mr. Graham. Parts of it, published here by courteous permission of the Newark Evening News, are as follows:

"The investigation is not, primarily or in its motive, a muckraking enterprise. We should bring to light the facts—all the facts that will shed light on the entire Alaska matter, what officials did, what they did not, what they did that was right, what they did that was wrong. Congress can plan constructive measures only after getting all these facts. It may be, probably will be, that some persons will be hurt. But this is a public issue, and it was public business that was being transacted; and, to borrow a form of expression from Woodrow Wilson, public business must be carried on in the open light of day, and public officials cannot do things in the old way—under cover, and travel subterranean passages.

"However, the ultimate design, in my opinion, should be to lay the foundation for a constructive program, and to enable the law-making body of the Federal government to make straight the kinks that have crept into the Alaska situation.

"The plan of the Committee is first to lay before the people of the country the whole story. Then, when a report shall be submitted, it will contain specific recommendations for legislation that the Committee believes will meet the needs of Alaska and the nation with reference to the disposition of Alaska's public resources and the proper handling of transportation there.

"These recommendations should be agreeable to the tenets of Conservation,—the true expression of what really Conservation means, not what its enemies tell the people it means; should provide for development of the resources of that Territory, and, once for all, dissipate the false conceptions that have been encouraged by interested parties on the other side, that Conservation means 'bottling' up Alaska's resources, or the resources of any State or Territory.

"The development to be recommended should be

the sort that takes into account the whole people, rather than a few would-be exploiters of the people, based on the belief that the natural resources belong to all of the people, that Almighty God placed them in the ground and created the forces of nature for the good of all, not for the exploitation of a few. It will be in the interest of a Conservation use, rather than a monopoly withholding from use, of the resources.

"The problem of transportation, relating to Alaska, should be taken up. It presses for solution. It must be solved, and solved right, too. The mineral wealth of Alaska—which has a nation-wide economic significance, and is not an isolated issue of far-away Alaska—is worthless unless it can be hauled to market under conditions that make for the common good, and so as to thwart those who would get it into their own hands so as to exploit the people's property.

"We must include that in the Committee's report. So that constructive use of the resources, and the preservation of the popular good in transportation, should be the salient elements in that report.

"There will be, also, political-moral value in the investigation. The disclosures will tend to clarify the air, lay bare some startling facts, illuminate certain hitherto misunderstood acts, and reveal the inward meaning of many schemes of which the people have the right to know.

"It was with that in mind that we asked Louis D. Brandeis to become counsel for the Committee. He has the nation-wide grasp of public affairs. He knows the Alaskan issue, from his connection with the investigation of the Ballinger-Pinchot affair. He contributes his services, too, as he has contributed them for many a great public movement. He is essentially constructive in his mental processes, not content to reveal startling things, but insisting upon doing the work of building the social structure as it should be built.

"It is the design of the Committee to hasten the report, that the coming session of Congress may have before it something upon which to consider final action for Alaska. We wish to report about the holidays. Bills will be introduced, so I am informed, by that time, that will present the concrete issue for discussion. . . .

"There will be a fight over this constructive program, as there has been over every constructive Conservation program that has ever been offered. It is, of course, impossible to prophesy just when the battle will have been won. It is to be hoped that all patriotic citizens will rally to the support of those who wish to conduct this contest in the manner here indicated. . . .

"These special interests are powerful, entrenched behind laws and customs that have been evolved in many instances through the work of skilled men employed by those interests, and made difficult of dislodgment because of the sowing of errors in the public mind. . . ."

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"There is something mysterious about the word 'psychic,'" said the student of occult things.

"Yes," replied the plain person, "and the most mysterious thing about it to me is the way they spell it."—Washington Star.