

—to his own case. He then proceeded to say in substance:

My attention was called to this land while at Spokane, Washington, in October, 1907, and thereupon I wrote the letter of October 19, 1907, to Reeder and Watkins. I met Mr. Lee at Moscow, Idaho, and talked with him on the subject, arranging that he go to Marshfield and investigate in person, and authorizing him to draw on me if he found that the lands were what they were represented to be. Lee's authority as my agent never went beyond an examination of the land, and if the application was filed to see that I got good timbered lands instead of rocks and marshes. After returning to Washington in December, 1907, I let the matter drop, believing it to be a very doubtful proposition, until Mr. Lee showed me a letter from Reeder & Watkins, which has been stolen from the desk in my committee room, along with other papers in this case, probably by some of the secret-service sleuths. When Reeder & Watkins indicated their desire that I should exert my influence in the Senate, I wrote the letter of February 15. Meantime, and before that letter was written, from my investigations and after a conference with the Attorney General, I introduced the two resolutions of January 31, one calling on the Attorney General for information, and the other, which became a law, instructing him to institute suits. My official activity then is thus shown to have taken form in the Senate before I knew anything about Reeder & Watkins' attitude or expectations, and I was in no way influenced by them. I was still anxious to obtain some of the land, if it could be done legally, and wrote Reeder & Watkins to that effect, but my faith in them, and in the whole scheme, died when I received the circulars of Dorr, which came to me February 17 and 18, from three different directions, showing their widespread circulation. Dorr, of whom I had never heard before, was evidently pushing his scheme of getting suckers to invest, and using my name without authority. I had not paid any fees to him, or written to him, or filed any applications. I therefore felt it incumbent on me to expose the swindle, which I did in the Senate, February 19, and asked the postoffice authorities to issue a fraud order. I pressed the passage of the joint resolution in the Senate, directing proceedings for the recovery of lands from the land-grant corporations, and April 30 it became a law. March 18 I was taken ill, and May 16, after a partial recuperation, I sailed for Europe, returning October 21. I have not attempted to deceive anybody. I have not told any falsehoods. I have not broken any law. I have not been guilty of any immoral conduct. I had the right to purchase the land if I could. I would like to get some of it yet, and if the Attorney General and his successors shall not die of old age before anything is done, it may be possible that I may have the opportunity to purchase some of those timber lands of which he made mention in his report. Through my action attention has been directed in a compelling way to the need of prompt action by the Department of Justice. Whether I ever get any of the land or not does not matter if Harriman and others of that ilk are made to disgorge the large holdings, which they have stolen and are attempting

to hold. And if they are made to disgorge by reason of these suits, shall the fact that I was endeavoring to buy a little pittance of the land be used as the basis of a charge of being a liar and a corrupt Senator to be disgraced? In conclusion I court the most searching investigation. Nay, I demand it. I declare most emphatically I have never sought to conceal my effort to buy land; I spoke to the Attorney General about it; I explained to the agent of the secret service the whole transaction when I gave him the Dorr circular and the letters which had been sent me concerning it. The question of the motive will at last control, and it cannot be shown that I have any reason to conceal anything. I invite comparison of my private life and my public work as a man and a Senator, with Theodore Roosevelt or any other man, and feel absolutely sure of the ground upon which I stand.

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#### The President and the Steel Trust.

In response to a resolution offered by Senator Culberson and adopted by the Senate, requesting Attorney General Bonaparte either to prosecute the United States Steel trust for unlawfully absorbing the Tennessee Coal and Iron Company (vol. xi, p. 678), or explain his reasons for not doing so, President Roosevelt submitted a message on the 6th. In the course of his message the President said—

As to the transaction in question, I was personally cognizant of and responsible for its every detail.

Along with the message he sent a copy of a letter addressed by himself to the Attorney General under date of November 4, 1907, which gave the following history of his part in the transaction:

Judge E. H. Gary and Mr. H. C. Frick, on behalf of the Steel Corporation, have just called upon me. They state that there is a certain business firm (the name of which I have not been told, but which is of real importance in New York business circles) which will undoubtedly fail this week if help is not given. Among its assets are a majority of the securities of the Tennessee Coal Company. Application has been urgently made to the Steel Corporation to purchase this stock as the only means of avoiding a failure. Judge Gary and Mr. Frick informed me that as a mere business transaction they do not care to purchase the stock; that under ordinary circumstances they would not consider purchasing the stock, because but little benefit will come to the Steel Corporation from the purchase; that they are aware that the purchase will be used as a handle for attack upon them on the ground that they are striving to secure a monopoly of the business and prevent competition—not that this would represent what could honestly be said, but what might recklessly and untruthfully be said. They inform me that, as a matter of fact, the policy of the company has been to decline to acquire more than 60 per cent of the steel properties, and that this purpose has been persevered in for several years past, with the object of preventing these accusations, and as a matter of fact their proportion of steel properties

has slightly decreased, so that it is below this 60 per cent, and the acquisition of the property in question will not raise it above 60 per cent. But they feel that it is immensely to their interest, as to the interest of every responsible business man, to try to prevent a panic and general industrial smash-up at this time, and that they are willing to go into this transaction, which they would not otherwise go into, because it seems the opinion of those best fitted to express judgment in New York that it will be an important factor in preventing a break that might be ruinous, and that this has been urged upon them by the combination of the most responsible bankers in New York who are now thus engaged in endeavoring to save the situation. But, they asserted, they did not wish to do this if I stated that it ought not to be done. I answered that, while, of course, I could not advise them to take the action proposed, I felt it no public duty of mine to interpose any objection.

The President then proceeds with his message, saying:

After sending this letter I was advised orally by the Attorney General that in his opinion no sufficient ground existed for legal proceedings against the Steel Corporation and that the situation had been in no way changed by its acquisition of the Tennessee Coal and Iron Company. I have thus given to the Senate all the information in the possession of the Executive departments which appear to be material or relevant on the subject of the resolution. I feel bound, however, to add that I have instructed the Attorney General not to respond to that portion of the resolution which calls for a statement of his reasons for nonaction. I have done so because I do not conceive it to be within the authority of the Senate to give directions of this character to the head of an Executive department, or to demand from him reasons for his action.

Senator Culberson met the President's message on the following day, the 7th, with a resolution asking the judiciary committee of the Senate for an opinion as to whether the President had the right to countenance the absorption of the Tennessee Coal and Iron Company by the Steel Corporation. He supported the resolution with a burning criticism, in the course of which he said:

I don't care whether the President sat quiet, or whether he delicately or strenuously intimated to the Attorney General to let the transfer be made without objection from the Department of Justice. The law was violated just the same.

A motion to table this resolution was defeated on the 8th by 47 to 16—the Senators in the majority being Republicans 25, and Democrats 22. The resolution was then adopted.

#### The Cleveland Traction Situation.

Nothing definite and important has occurred in connection with the Cleveland traction situation (vol. xi, p. 920) since our last report, except the

proceedings for election of directors of the Cleveland Railway Company (the leasing company), which is to take place at Cleveland on Wednesday, January 27 next, at 3 in the afternoon.

The first step of a public nature in this connection was taken several days ago by persons interested in opposition to Mayor Johnson's plans for street car service. They sent blank proxies to the stockholders, asking the appointment of J. H. Wade or Horace Andrews (the latter having been president of the old monopoly company) to vote stock at the coming meeting. Supporters of Mayor Johnson's plans are now asking that any such proxies be revoked, and to that end are sending out blank revocations.

These associates of Mayor Johnson, in trying to establish a low fare non-monopoly system, are also requesting, by circular signed by Fred C. Alber, 1609 Holmden Ave., S. W., Cleveland, that stockholders in sympathy with them send proxies to D. C. Westenhaver, or Thomas P. Schmidt, or Fred C. Alber, at the latter's address noted above. Following is the explanatory part of their circular:

The authorities of the City of Cleveland, and The Municipal Traction Company, have continuously been endeavoring to place the stock of The Cleveland Railway Company upon a fixed and assured basis, with six per cent interest regularly paid, and all speculative dangers removed from the stock. A majority of those in control of The Cleveland Railway Company have persistently pursued a policy of antagonism to this plan. At the annual meeting of the stockholders above referred to, this and other questions vitally affecting the value of your stock, will be considered and acted upon. The attorney for The Municipal Traction Company, Mr. D. C. Westenhaver, or Mr. Thomas P. Schmidt, or Fred C. Alber, named in the proxy, have consented to act as proxy for such stockholders as cannot personally be present, and who desire any one of them to act. Your stock will be voted on all such questions in the interest of a just and equitable treatment of the same, and particularly to give the stock a stable value, and to assure prompt payment of six per cent dividends upon it.

All three of the men named—Westenhaver, Schmidt and Alber—have been prominently associated with Mayor Johnson from the beginning of his movement for low street car fares and municipal ownership.

#### Chicago Tax-Dodging Proceedings.

Judge Windes granted a mandamus in the 11th against the Chicago Board of Review in proceedings instituted by the Illinois Tax Reform Association (vol. x, p. 372) through Maxwell Edgar, Henry M. Ashton and David K. Tone as its attor-