

## NEWS NARRATIVE

Week ending Thursday, June 22.

### Norway and Sweden.

Unusual interest centered upon the meeting on the 20th of the Swedish Riksdag, or parliament, owing to the expectations of its action regarding the secession of Norway (p. 166), and large crowds gathered in front of the parliament buildings. No business was done, however, although references to the secession were made in some of the speeches. But on the 21st, the first day of the session to be devoted to business, the ministry introduced a bill asking for authority to enter into negotiations with Norway for a conditional settlement of the questions involved in separation. This session was opened by the King in person. Speaking from the throne he said, regarding the ministerial bill:

I have acted in accordance with my conscience and always in conformity with the constitution and with the desire to work conscientiously for the true welfare of the two peoples. The bill presented to the Riksdag does not aim at replying to injustice by acts of coercion. The union is not worth the sacrifices which acts of coercion would entail. A union into which Norway would be forced in such a manner would be of little value to Sweden.

The Premier explained that it was not to Sweden's interest to resort to coercive measures, and recommended, as the bill proposed, the entering into negotiations for a convention by which guaranties should be obtained conducive to the mutual welfare of the two countries. In any case, he declared, negotiations were indispensable to definitely clear up the situation. He suggested that delegates be appointed to this end, as it was only after such a conditional settlement and after the Riksdag had fully considered the matter that Sweden would be in a position to decide as to her definite approval of the dissolution and agree to annulling the act of union. After several members had expressed concurrence in these views the King spoke again:

It is truly painful to me to contribute to the dissolution of a union in which I thought I saw the independence, security and happiness of the united

kingdoms. If, however, I am ready to act thus it is in order to avoid a still worse evil and in the conviction that the union without mutual accord would bring no real advantage to Sweden.

Meanwhile, the Norwegian Storting had on the 19th adopted a conciliatory address to King Oscar, the Riksdag, and the Swedish people in reply to King Oscar's letter of the 13th. In this address—

the Storting suggests to Sweden's constitutional authorities that they enter upon the negotiations requisite for a final settlement on the dissolution of the union with the recognition of Norway's new status and her rights as a sovereign state. The Storting is itself prepared to meet every fair and reasonable wish that may be put forward to safeguard the kingdom's independence and integrity. Constitutionally, the two peoples will henceforward be separate, but at the same time the Storting is fully convinced that this will lead to the development of a good and trustful relationship for the defense of their mutual interests. If the future settlement can be attained without bitterness and prejudice the Storting is convinced that what has happened will prove for the lasting welfare of the northern peoples.

### Russian Internal Affairs.

The address of the Zemstvo congress of Russia (p. 166) was presented to the Czar on the 19th by Prince Troubetskoi, as chairman of the deputation appointed by the congress. The demands of the address are summarized as follows in the news dispatches:

(1) That representation shall not be according to classes.

(2) That nobody shall be excluded on account of race or religion, since those excluded would be discontented and would defeat the first object of the assembly—namely: the pacification of the country.

(3) That the assembly shall not be a patchwork addition to the present bureaucratic institutions, but an entirely new corporation with a distinct character and powers.

(4) That the press shall be allowed complete freedom, that meetings shall not be molested, personal freedom shall be guaranteed, as otherwise the assembly will not truly and adequately represent the sentiments of the country.

Replying to the deputation, the Czar is reported to have pledged "his imperial word that Russia should have a national assembly," although he did not say when.

His language on this point, as reported by the dispatches, was:

My will is sovereign, and it is my unalterable will that the admission of elected representatives to the works of state shall be regularly accomplished. I watch daily and devote myself to this work. You may announce that to all your friends in country and town.

### The Russian-Japanese War.

Rumors of skirmishes in Manchuria (p. 167) continue. On the 18th it was reported from Tokio that the Japanese field marshal, Oyama, had begun a general advance, in the progress of which he had occupied Liaoyangwopeng, the headquarters of the Russian army. The Russian war office on the 19th denied the reports of a general advance by the Japanese; but on the 21st dispatches from Tokio by way of London asserted that the Japanese were then "continuing their victorious advance," and added: "The Russians have been completely outflanked on both wings, and news of Japanese victories may be expected shortly.

### Venezuela and the United States.

An incident of the complications in which the asphalt trust has involved Venezuela and the United States, was the dismissal on the 20th of Herbert W. Bowen, American minister to Venezuela, from the diplomatic service of the United States.

Mr. Bowen had succeeded Francis B. Loomis as minister to Venezuela and Mr. Loomis had become assistant secretary of state under Secretary Hay. Soon after this change Mr. Bowen reported to Secretary Hay that rumors affecting the integrity of Mr. Loomis were freely circulating in Caracas, the capital of Venezuela, and that to his own knowledge these rumors had been transmitted by the foreign diplomatic representatives at Caracas to their respective governments. Secretary Hay submitted this message to President Roosevelt and then officially rebuked Mr. Bowen for allowing his predecessor to be traduced when the honor of the service was involved.

Meanwhile an investigation had been conducted at Washington which satisfied the authorities of Mr. Loomis's innocence. But the rumors in Caracas became more

definite, and Mr. Bowen communicated them to his friend, Secretary Taft, then acting as secretary of state in the absence of Mr. Hay. The substance of these rumors as reported in press dispatches on the 14th of April from Caracas, where they were then said to be public property, involved Mr. Loomis in an accusation of having obtained, while American minister there, considerable pecuniary benefits from the New York and Bermudez Asphalt company, regarding whose interests the United States and Venezuela were then disputing through diplomatic channels. A check showing a payment to him of \$10,000 by that company was said to be in the possession of President Castro.

These and other charges having been published in the United States, Mr. Loomis replied to them in a public statement on the 27th of April. The other charges he denied absolutely. The one noted above he explained as follows:

This charge is an absolute falsehood. I never asked nor received, directly or indirectly, in any manner or form, any money or property or other thing of value, or any promise or suggestion thereof, from the New York and Bermudez company, or from anyone acting in its interest or behalf. Americans who have lived in Caracas know that rates of exchange between the United States and Venezuela are high there, owing to unsettled conditions in Venezuela, and that at times it is impossible to purchase New York exchange at Caracas. On my final departure from Venezuela as minister I had money in a bank in Caracas. I wished to convert my Venezuelan money into United States money, and I exchanged checks at the posted United States government rates, with the manager of the New York and Bermudez company at Caracas, my check to the company calling for Venezuelan money, and his check to me calling for United States money. It was a simple business transaction. American ministers have similar difficulties in exchange and similar transactions in many parts of the world, where exchange is fluctuating or impossible to obtain. The transaction was absolutely free from evil doing or evil influence or suggestion, or the thought thereof. The preposterous nature of this charge affecting my official integrity is shown by the fact that whatever I did, and all that I did in giving any official support as United States

minister to the New York and Bermudez company was done in obedience to instructions from the Secretary of State, and was approved by him after full reports of the entire controversy from its inception.

The Washington correspondent of the Chicago Chronicle, a Republican paper, volunteered the following further explanation, which appeared in that paper on the 13th of May:

It is thought in Washington that the Secretary [Taft] thinks Mr. Loomis is innocent and that his course in Venezuela was dictated by Secretary Hay, who acted in behalf of his personal friend, John Bassett Moore, as attorney for the asphalt trust. This phase of the subject was presented to the President without equivocation, and it interested Mr. Roosevelt acutely because of its intimate relation to the current Santo Domingo imbroglio, for which he had States Senate. John B. Moore was also responsible for the beginnings of that unfortunate affair, through the Secretary of State taking up the cudgel for the Santo Domingo Improvement company, for which Mr. Moore was also attorney.

The whole matter became a subject for official investigation, and Mr. Bowen was called home for the purpose. His explanation of his own part, as given to the public May 15, was that—

he did not make the charges himself; that he fulfilled his duty to the government in communicating the reports of a scandalous nature which injuriously affected the prestige of the United States, and that he would have been derelict had he failed to do so.

After an examination by Secretary Taft, by order of the President, Mr. Taft reported the testimony and exonerated Mr. Loomis, of whom he said in his report:

No one can read this evidence without being convinced that Mr. Loomis has been most cruelly slandered in the charges against his integrity and sincerity as a public official and as a man, but in the great satisfaction we find in his exculpation from all charges of dishonesty, we cannot be blind to the fact that his failure to hold himself utterly aloof from any personal participation in plans for investments and exploitation of the country to which he was accredited, and from allowing himself to take personal interests in transactions in which he or his legation might also have to act as in a trust capacity, have possibly lent color to the aspersions upon his character,

which his enemies have been only too willing to make and support.

On the basis of Secretary Taft's report, and after an extended review of the evidence, President Roosevelt, on the 20th, found Mr. Bowen guilty of fomenting the charges against Mr. Loomis, which he denounced as inexcusable and as showing "Mr. Bowen's entire unfitness to remain in the diplomatic service without regard to whether the charges he had made against Mr. Loomis are true or false." Referring to Mr. Bowen, the President concludes:

I would direct that his resignation be requested were it not for the statement made on his behalf, in your [Secretary Taft's] presence and mine today, that he would consider a resignation an admission of misconduct; accordingly I direct that he be dismissed from the service.

Mr. Bowen responded to the President's action with a public statement on the 21st, in which he says:

I admit that after I found, in February, 1904, in the legation archives the documents that I translated to the state department in Washington, I believed Mr. Loomis to be a dishonest man. I admit that after I received no explanation of these documents and no further investigation was made, though I reported the scandal to be still current in Caracas and most embarrassing to the interests of the United States, my belief in Mr. Loomis' dishonesty was not diminished. I admit that after I had notified President Castro of the promise by the Secretary of State in Washington to cable me the basis of a protocol for settling by arbitration all the disputes of all the creditor nations and secured President Castro's assent to enter into such a protocol, when the actual protocol cabled by Loomis as acting secretary proved to be confined to merely the asphalt claim, my belief in Mr. Loomis' dishonesty was strengthened. In Caracas that protocol was attributed to the lawyer of the asphalt company, and he, in fact, did draw it up.

At this point Mr. Bowen declares that shortly after he called the matter to the attention of the Department of State he—

received a cable from the state department offering to me a position that was intended to be my stepping stone to an ambassadorship. It seemed to me that in the circumstances my duty to the United States demanded that I should stay, for the present at least, in Caracas, and I declined the offer, personally advantageous as it was to

myself. Currently with the report in Caracas that President Castro had possession of documents directly incriminating the First Assistant Secretary of State, President Castro dispatched a general agent to Washington. Concurrently with my refusal to leave my post at Caracas there began to appear from Washington such false and misleading statements in our papers as "Bowen has asked to be recalled; he wants to sever diplomatic relations with Venezuela; he advises that a naval demonstration be made in Venezuelan waters; he is at swords' points with Castro." False reports of this sort ordinarily are contradicted by the Department of State. In this instance they were not. Anyone at all familiar with diplomatic negotiations with Venezuela will understand without further explanation the manifold embarrassments of such a situation.

Of the offer of promotion Mr. Bowen remarks:

"I admit that I regarded this as an attempt to bribe me, veiled under the offer of a higher position and inspired by Mr. Loomis.

After quoting from the legation archives the following letter signed by Mr. Loomis while he was minister to Venezuela—

In reference to the portion of Mr. Mercado's claim, which I bought, I want to state that the only terms of settlement which I will accept other than a full cash payment of about 30,400 bolivars in gold are the following: I will accept 20,000 bolivars in gold and 10,400 bolivars in salt bonds at the rate of 82 per cent., or 5 per cent. below the quoted market rate, provided it does not go below 80 per cent.

—Mr. Bowen concludes:

Mr. Loomis explains that if this contract, which was to give a million and a quarter, had gone through he intended to resign. The conduct of the man who as American minister was willing to participate in such transactions as the foregoing is considered by his official superior as merely "indiscreet," and he is retained in the public service. My personal fate and fortune are of light interest to the public. But it does concern the whole country that its diplomatic representatives abroad should be men of clean character and unsullied reputation, and every American citizen should be especially concerned when a man, who, as minister to a foreign state, has been the cause of grave scandals affecting his personal integrity and the honor of his government, is promoted to the high office of First Assistant Secretary of State, and controls important negotiations with the government at whose capital he caused the scandals and gained a tainted reputation.

**President Roosevelt and Railroad Rebates.**

Regarding prosecutions of the officials of the Santa Fe railroad and its subsidiary companies, including the Colorado Fuel and Iron Co., President Roosevelt has taken peremptory action in opposition to special counsel employed to advise in the matter. The Interstate Commerce Commission had decided (vol. vii, p. 698) to request the Attorney General to prosecute these companies for secret rebating, and the President engaged Judson Harmon of Cincinnati, and Frederick N. Judson of St. Louis, both distinguished lawyers, as special counsel to advise the Department. In due time the special counsel reported. Their report recommended a course which would have included proceedings against Paul Morton, President Roosevelt's secretary of the navy, who was a vice-president of the Topeka & Santa Fe at the time of the alleged offense. The Attorney General disapproved their recommendation and the special counsel therefore retired from the case. On the 21st the Attorney General was supported in his action by the President, who accompanied his decision with a letter in defense of Mr. Morton.

**The Equitable Assurance Society.**

The reorganization of the Equitable insurance company (p. 169), of which Paul Morton is to be the head upon his retirement as secretary of the navy on the 1st of July, has been proceeding under the direction of Thomas F. Ryan's trustees—Mr. Cleveland, Mr. Westinghouse and Judge O'Brien. Mr. Ryan wrote the trustees as follows on the 15th:

Dear Sirs: In order that every possible basis for mystery may be eliminated I am anxious you should be fully apprised of every circumstance regarding my purchase of a majority (502 shares) of the capital stock of the Equitable Life Assurance society. I am therefore writing this letter to place before you the only facts regarding the transaction which have not been made public. (1.) I am the sole owner of the 502 shares of the stock of the Equitable society, which I purchased from Mr. Hyde, and no other person or interest has contributed or has the right to contribute a single dollar towards the purchase of the stock. The policy holders with whom I conferred in making the purchase

have had no connection with the management of the Equitable society, and their connection with the transaction was entirely advisory. I am under no obligation to any living man with regard to my action as the owner of this stock. (2.) The amount which I paid for the 502 shares of stock purchased from Mr. Hyde is \$2,500,000.

George L. Parker, President Cleveland's consul to Birmingham, England, during his second administration, has been appointed secretary of the Ryan trustees.

Mr. Ryan's arrangements are placed in jeopardy by the special report of the Superintendent of Insurance of New York, which was published on the 21st. "While its language and the recommendations of the Superintendent are not violent," say the news dispatches of this report, "the plain unadorned recital of facts he discovered constitutes a record of mismanagement and juggling with trust funds for personal profit by the officers of the society odious enough to damn the best reputation." The Superintendent declares, moreover, that reorganization of the society by Thomas F. Ryan will not restore public confidence and that the only thing which will benefit the company and bring back the faith of the policy holders and the public will be the elimination of stock control altogether, "and what is of equal importance, the elimination of Wall street control." It is understood that the Attorney General of the State will speedily begin lawsuits against officers and directors of the Equitable to compel the restitution of every dollar which, as the report declares, was wrongfully diverted from the policy holders.

**The Philadelphia Traction Question.**

Having been advised by the city solicitor that the Philadelphia Councils have power to repeal the traction ordinances described in these columns last week (p. 168), the committee on street railways reported the repealing bills favorably on the 15th, and they were laid over under the rules until the meeting of the 22d. Mayor Weaver is reported now to be in complete control of the municipal situation.

**The Chicago Traction Question.**

Mayor Dunne's conference with