

Venezuelan Version of Basis of Germany's Claims

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THE attempt at intimidation of Venezuela on the part of Germany, because of the Krupp company's claim, will not, in my opinion, mean war between the two countries. It will not mean a seizure of any territory in South America by German forces. It will not mean any conflict between the United States and Germany over the Monroe doctrine.

There has been a great deal printed as to the justice of the German claims, as to Germany's resolution to enforce them and as to Venezuela's inability to pay and its powerlessness to resent German encroachment. The justice of the German claim, now for the first time coming before the world in its true light, resolves itself into the injustice of an extremely questionable case of railway financing, with bribery and corruption at the bottom of it originally.

Let us look at Venezuela's side of the question. The two most important cities of Venezuela are Valencia and Caracas, the capital. They are separated by a distance of 160 miles—by rail, a six hours' journey. The population of Caracas some dozen years ago was 100,000 people; that of Valencia was 60,000. Between them lay a country filled with herds of grazing cattle, which were shipped abroad from the port of Caracas.

Fair Field Attracts Germans.

Rojas Paul, in 1888, had been elected to the presidency of Venezuela after the retirement from office of Guzman Blanco. The attention of German merchants, for a number of years, had been very closely fixed upon Venezuela, because of the wealth of its natural resources, and because the trade in Maracaibo and La Guayra coffee was a thing well worth having. The commercial world of Germany, having fixed its

eyes upon the Venezuelan trade, put its hands there afterward, and now it has most of the trade in its pocket. After the merchants, came the financiers. While Paul was president the projectors of the railway company, bearing the same name as the great cannon making establishment in Germany, approached the Venezuelan government with a proposition for the connection, by rail, of the two large cities of the country. Venezuela, filled with natural resources and anxiously alive to the necessity for speedy transportation, welcomed the proposition gladly.

Within four years the people of Venezuela saw in operation, between Caracas and Valencia, a well-equipped modern railway, carrying passengers and freight at rates which the public found acceptable, and serving all the purposes required of a modern, first-class, well-planned road. It looked as if German enterprise, German finance and German thoroughness were real blessings to the people of Venezuela.

What the country at large did not know was the manner in which the railway concession had been obtained and the Shylock terms on which the road had been constructed and equipped. With every item of expense included, the cost of the entire project could not have been more than \$7,000,000. From the city of Caracas, for a distance of eight miles, the country was mountainous, and it was necessary that several tunnels be built. But, beyond that, all the way to Valencia, the route lay through coffee plantations and along savannahs, as level as a board. All the railway company had to do was put down its rails and run its trains.

Basis of Krupp's Claim.

The proposition which the Krupp company laid before the Venezuelan congress was that the republic of Venezuela guarantee to pay, irrespective of any returns

from the road—which went into the hands of the railway promoters—an annual subsidy of 7 per cent on the capital stock. The stock was to be issued on the legitimate basis of the actual cost of construction. The rate of subsidy was so high, on the one hand, and was so eagerly coveted by the Germans, on the other, that they made every possible effort to secure the concession.

Now, a subsidy of 7 per cent, clear on an actual investment would have seemed a Golconda to the modern Spaniard or Frenchman, a trust of magnificent proportions to an English investor and a Klondike to an American. As for the Germans, they made the astute reflection that 7 per cent on a real investment of \$7,000,000 was not half as good as 7 per cent on \$15,000,000. So they issued capital stock to the amount of \$15,000,000.

The republic, for its part, made the extortionate subsidy a national debt. Crespo was in power when the Krupp company, in 1892, immediately upon the completion of the road, made the staggering demand for a payment of \$1,050,000, in quarterly installments. He declared it was plain robbery, and, at that time, there was some little talk on the part of the Germans about Venezuela's reluctance to pay its debts. The apprehension of what a refusal to comply with the terms of the agreement might mean to Venezuela in international finance induced Crespo to go on with the payment. But embodied in the national debt as they were, the surplus in the treasury frequently fell short. All the government had it gave—until the arrearages amounted to the \$2,000,000 Germany now seeks to collect. The demand for full payment of all arrears was made eight months ago, when the country was in the throes of several revolutions, and President Castro found his resources fully taxed to

repress them. There was absolutely no money adequate for the payment of \$2,000,000. But General Castro, like General Crespo, abhorred the idea of any charge of repudiation of debts. He endeavored to convince the Krupp company that Venezuela would discharge its obligations. And, when government troops had to be transported in the course of the disturbances, he used the Caracas railway and paid the transportation charges in cash. When the revolutionists tore up the tracks he paid the damages in cash. And he, like Crespo, undertook to pay as much of the guaranty subsidy as was possible at the first opportunity the finances of Venezuela could afford.

France Has Similar Claim.

It has happened that a case analogous to that of the Krupp company has brought a French claim up for settlement between Venezuela and France. The Orinoco River company, holding a contract with Venezuela for the navigation of the Orinoco and the exploitation of the rubber belt, claimed damages to the amount of \$400,000 by reason of the political disturbances. The river company put its claim into the hands of the French minister of foreign affairs for collection. He investigated the case and came to the conclusion the claim was a just one. On the part of the government of France, therefore, he addressed a request to the government of Venezuela for a court of arbitration. The determination of the character of the court is in course of adjustment. France desires that the judges of the court be neither Venezuelans nor French in nationality. Venezuela, because of the essentially South American conditions surrounding the claim, desires the court to be composed exclusively of Venezuelans. The two governments are now engaged amicably in discussing the formation of the court and

the claim will ultimately be heard and satisfied according to international law.

Venezuela does not refuse to pay the German claim. But the republic does refuse to be bullied into payment by the German empire. The dispute will be settled in either of two ways. One way is for the German government to accept General Castro's engagement to pay part of the \$2,000,000 within the next few months, and to pay the rest as speedily as the condition of the treasury will allow. The other is to insist on payment at once and to endeavor to collect by force. It is true, Germany could seize and hold any Venezuelan port—preferably that of La Guayra. But the seizure of La Guayra would mean that German troops must keep the peace of the territory they occupy, and that the Venezuelan government is under no responsibility for their protection. The mountains are only 600 feet from the seashore. The mountaineers have a nasty habit of coming down with rifles, in groups of a dozen, at night. Germany would find itself involved in a guerrilla warfare which would place the city practically in a state of siege. As a nation, Germany would feel little apprehension of a war with Venezuela, although it might be well to remember that Spain needed 200,000 men to hold Cuba, and England has already used 300,000 men to secure a grip on South Africa.

But what Germany has already shown evidence of remembering is that the 700,000 bags of Maracaibo and La Guayra coffee are handled by the German commercial houses. It cannot afford to peril its entire trade with Venezuela for a claim that can, by no possibility, remain more than half just. The most serious outcome of the trouble that need be looked for at any time is a naval demonstration off the coast.

J. I. DIAZ BARCENAS,
 Venezuelan Consul at Philadelphia.

Kidnaping of a Lincoln Street by a Railroad Company



WHERE THE TRACK CONNECTS WITH THE YARD LINES—Photo by a Staff Artist.



PUTTING DOWN THE TRACKS PAST THE HOMES OF THE PEOPLE—Photo by a Staff Artist.

Episodes and Incidents in the Lives of Noted People

DR. W. H. MILBURN, the blind chaplain of the senate, thinks he may fairly lay claim to the title of "grandfather of the house." He entered the service of that body ten years before John Sherman of Ohio and Justin S. Morrill of Vermont, who were termed "fathers of the house." Mr. Milburn was first elected chaplain of congress in 1845, being then a resident of Illinois, and hailing from the congressional district represented by Lincoln.

When Joseph Medill was editor of the Chicago Tribune he was asked by a young man who had been sent by him on a special newspaper mission, to put his autograph in the young man's collection, and "some suitable sentiments to go with it," suggested the correspondent. The following, duly credited to Emerson, was written above the autograph: "Facts are the horror of the intellectual domain." The correspondent had failed in his mission to obtain the information which Mr. Medill considered important.

Senator Pettus, who will be 80 years old in July, seems to employ a watchmaker when his timepiece gets out of order, but does his own tinkering. Two days ago his watch stopped while the senate was in session. Mr. Pettus pulled his spectacles down on his nose, took the works out of the case and began looking for the trouble. With a pin he poked around among the wheels until the machinery started up again and everything seemed to his liking. Then he placed the works back in the case. Senator McEnery was an interested spectator and occasionally made suggestions as to the best method of procedure.

It is proposed in Indianapolis to erect a monument to Levi Coffin, "who," says the Indianapolis Journal, "during the stirring times immediately preceding the outbreak

of the civil war was at the head of the organization in Indiana that conducted the famous underground railroad through the medium of which hundreds of black refugees made their way from the slavery of the south to the liberty of the north. The movement has revived interest in the life of Mr. Coffin, and particularly in that period of his career devoted to the assistance of the southern negroes on their way northward. While Levi Coffin was a resident of Newport he sheltered for several days Eliza Harris of 'Uncle Tom's Cabin' fame, and it was he who gave the report of her crossing the icebound river to Harriet Beecher Stowe. The man who, near Ripley, assisted Eliza up the Indiana bank of the river was one of Coffin's assistants and confederates, and, only a few months ago, died in the home which first sheltered the escaping slave after her perilous crossing of the icefloes. Although Mr. Coffin died in his home near Cincinnati, in 1877, the movement now on foot is to have the monument erected to his memory in this city."

General Harrison C. Hobart, a distinguished citizen of Wisconsin and last survivor of the five daring men who planned the tunnel escape from Libby prison during the civil war, died last Sunday, aged 82. The story of the escape of a number of prisoners from Libby is a matter of interesting history, and had been told in a pamphlet issued by General Hobart later in life.

At that time there were no exchanges of prisoners and the men in Libby planned to gain their freedom. A few of the daring and resourceful leaders finally hit upon the plan of digging a tunnel. The scheme was confided to twenty-five men, who could be trusted not to talk, and the work was begun. A table knife, chisel and spittoon were the tools. But two persons could work at the same time. One would enter the

hole with the "tools" and a small tallow candle, dragging the spittoon after him with a bit of string. The other would fan air into the passage with his hat and with another string would draw out the spittoon when loaded and conceal the dirt beneath straw and rubbish of the cellar.

Each morning the working party would carefully replace the bricks in the fireplace where the tunnel started and remove all evidence of the work. Through a mistake of the "engineers" of the tunnel the scheme nearly failed, for the first opening on the outside was within ten feet of some sentinels. This was plugged up and the work continued.

After thirty days the hole was completed, the twenty-five men in the plan were marshaled under command of General Hobart and at 7 o'clock on the evening of February 9, 1864, the men began crawling through the hole. In order to bewilder the guards a dancing party with music was extemporized in the room. One by one the men emerged from the hole, passed the sentinels and mingled with the crowds on the streets.

The subsequent perils of these men, some of whom reached the union lines in safety, pursued by cavalry and bloodhounds, form one of the most picturesque and thrilling chapters in the history of the civil war. After the original twenty-five men had escaped through their tunnel they were given one hour's start by the remaining prisoners, when there was a wild scramble for liberty.

One hundred and nine men passed out through the hole that night, of whom fifty-seven eventually reached the union lines, the others being recaptured or dying of privations while hiding in the swamps.

Judge Alfred Steckler, justice of the supreme court of the State of New York, was born a poor lad on the East Side, his father having died when he was 5 years old.

He secured work in a law office, where he made his start, and when still a mere boy became president of the Literary Society of the Cooper Union and in its debates broadened his education.

Captain Frank Schoeffel, who commanded the detachment which recently repulsed a large force of bolomen and who was wounded, is a hero of Pekin and a fighter of note among the gallant men-at-arms of the "Fighting Ninth."

It was Company C of the same regiment that was surprised while at breakfast at Balangan, Samar, September 29, last, and fought with bare fists the 300 ferocious bolomen who surprised them.

Captain Schoeffel's record figured prominently in the investigation of the hazing of Cadet Booz at West Point. That episode brought out the fact that he was the only graduate of West Point who had whipped every upper class man against him while a cadet at the military academy.

During his four years at West Point Cadet Schoeffel whipped with his fists a whole class of thirty men.

One day five men were pitted against Schoeffel at once. The bout lasted twenty-six rounds. At the end they were all tired by Schoeffel.

Captain Schoeffel's war record is in accord with his school-day achievements and his showing in the engagement in the Philippines is no surprise to his friends.

At San Juan he was one of the first up the hill. In the relief of the Pekin legation Captain Schoeffel was in the van of the dash of the Ninth, which cost that regiment its commander and many brave men. In this attack his daring won him distinction and a Chinese bullet.

There ought to be joy in the heart of the king of Siam, observes the Washington Post. He wants to come to the United States as

the guest of the nation, which means that the good people would have to pay the royal bills. If the proposition now before congress to invite his royal majesty should become a law, the king could put a time lock on his purse when he reached San Francisco and hold it there until he set sail for home.

And there ought to be joy in the royal heart because the first step toward inviting him has been taken. The sub-committee of the committee on foreign relations, which has had the matter under consideration, has decided to report favorably. If the king has a sense of humor—and if he has not he ought to cultivate it before he comes to the United States—he will laugh at the reason which has actuated this favorable action.

"The king's son," said William Alden Smith, the chairman of the sub-committee, "has shown himself to be a liberal spender. He blew in \$30,000 on the Tenderloin in New York. If the old man is like him I think he ought to be invited."

Mrs. Jessie Benton Fremont, wife of the "Pathfinder," General John C. Fremont, is still living at the age of 77, in the pretty cottage in Los Angeles, the gift of the women of California. During the early part of Queen Victoria's reign she visited England and was presented to the queen and Prince Albert, and she has known personally every president since Jackson.

"The features of the human face," said Mark Twain the other day, "can readily be compelled into a kaleidoscope of contortions, running the gamut from the expression of intense delight to the expression of excruciating agony. You will never wholly realize this, however, until you have the opportunity of watching a humorist in the throes of turning out a 'side-splitter.'"