THE Panama Canal Act, which was signed by ex-President Taft on August 24, 1912, provides for the opening, maintenance, protection, and operation of the Canal, and the sanitation and government of the Canal Zone. Authority is invested in the President to carry out its provisions at such time as conditions warrant. While the law provides for the future of the Canal insofar as its needs are now apparent, it is probable that situations will eventually arise requiring its modification in some respects, but the main object, that of transferring the great enterprise from the construction to the operating stage will be attained.

ACQUISITION OF PRIVATE LANDS

Ex-President Taft, by Executive Order dated December 5, 1912, declared that all land and land under water within the limits of the Canal Zone were necessary for the construction, maintenance, operation, protection, and sanitation of the Panama Canal, and authorized Colonel Goethals to take possession of such land on behalf of the United States. In the hearings before the Senate Committee on Interoceanic Canals, prior to the passage, by the Senate, of the Act of August 24, 1912, Colonel Goethals went on record in favor of the depopulation of the Canal Zone, and the acquisition of all private lands therein, as follows:

Senator Bristow: “What would you do with the people you have got there (meaning Canal Zone), now?” Colonel Goethals: “I would drive them all out of there.”

Senator Bristow: “Drive them off?” Colonel Goethals: “Yes, sir; the bulk of the people that are there now are incident to the Canal, and as the Canal work is completed I would return them to their native islands, or to Europe, wherever they came from originally.”

Senator Bristow: “Now, would you let this 10-mile strip grow up into jungle?” Colonel Goethals: “Yes, sir, it is the greatest safeguard the Canal can have.”

Senator Bristow: “You think that it would not be practicable for an enemy to secrete himself in the jungle and ambush the personnel of the Canal.”
through the jungle more easily than through an inhabited country." Colonel Goethals: "I am assuming that the Canal is properly defended by the American troops, and that the necessary safeguards have been provided to prevent any such attack; under those conditions it would be impossible."

Senator Bristow: "Well, if that is impossible, then why should the inhabitants on the Zone be a menace?" Colonel Goethals: "In that they can give information. They will clear the land and leave open spaces and enable larger forces to concentrate against us than is possible with the jungle."

Article 6 of the Canal Treaty of February 26, 1904, provides that all damages caused to the owners of private lands or property of any kind shall be appraised and settled by a joint commission appointed by the Governments of the United States and Panama, whose decisions as to such damages shall be final, and whose awards shall be paid solely by the United States. Under this provision there have been four different commissions, but the most important is the last to which was delegated the delicate task of adjudicating the remainder of the private lands in the Canal Zone in accordance with the Executive Order of December 5, 1912.

The American members of this commission, Dr. Roland P. Falkner of Washington, DC, and Dr. L. S. Rowe of the University of Pennsylvania, were appointed by ex-President Taft on January 24, 1913. The Panamanian members, appointed by President Porras of Panama, were Mr. Samuel Lewis, and Dr. Federico Boyd, both prominent in local affairs. The commission met on March 1, 1913, adopted rules of procedure, and began its hearings, which will probably not be concluded until some time in 1914.
Visitors inspecting the work on the locks at Pedro Miguel. Thousands of tourists have visited the Canal during the last few years, including people in every walk of life from the States, as well as committees from almost every nation on the globe.

"Big Tree," a well-known landmark formerly on the banks of the Chagres River at Gorgona. Was dynamited in August, 1913, so as not to become an obstruction to navigation.
The Land Divided—The World United

At the outset, the commission was confronted with the precedent established by former commissions, which did not recognize the rights of occupiers on lands, but dealt only with the owners. This position was abandoned by the present commission, which has made awards to the occupiers as well as to the owners. The awards appear to be uniformly satisfactory to claimants, although there has been some complaint of the delay in making settlement. Opinions have been handed down from time to time, and in the main have been favorable to the claimants. The rise of Gatun Lake made it necessary to take up the claims of private residents in that section first. This part of the work was practically completed in August, 1913, although payments of some of the awards have been held up, due to protests from the Counsel of the United States, who claimed that in these particular cases the commission acted without jurisdiction.

The point at issue has been referred to the Attorney General of the United States for decision.

It is impossible to arrive at a close estimate of the total amount to be awarded in damages, but it may be as much as several million dollars in case all private land is purchased. The work of the commission also covers the adjudication of land inundated by Gatun Lake outside the boundaries of the Canal Zone within the 100-foot contour line. Dr. Rowe resigned in September, 1913, to resume his work at the University of Pennsylvania.

Tolls

In accordance with the power conferred upon him by the Canal Act of August 24, 1912, President Taft, on November 14, 1912, anticipating the
A sightseeing, or "rubber neck" train, which is taken over the Canal work three times each week. Every facility has been given tourists to view the operations. About 75,000 people have visited the Canal since January 1, 1913.

Isthmian Elks taking a trip through the Canal April 20, 1913. Note the striking background.
early opening of the Canal, proclaimed the following rates of tolls to be paid by vessels using it:

1. On merchant vessels carrying passengers or cargo, $1.20 per net vessel ton—each 100 cubic feet—of actual earning capacity.

2. On vessels in ballast, without passengers or cargo, 40 per cent. less than the rate of tolls for vessels with passengers or cargo.

3. Upon naval vessels, other than transports, colliers, hospital ships and supply ships, 50 cents per displacement ton.

4. Upon Army and Navy transports, colliers, hospital ships and supply ships, $1.20 per net ton, the vessels to be measured by the same rules as are employed in determining the net tonnage of merchant vessels.

The provision exempting American vessels in the coastwise trade from the payment of tolls brought forth a protest from the British Government on the ground that it was a violation of the Hay-Pauncefote Treaty, which provides "That the Canal shall be free and open to the vessels of commerce and of war of all nations on terms of entire equality, so that there shall be no discrimination against any nation in respect to the condition or charges of traffic." To many, the granting of free tolls to American ships in the coastwise trade would not seem to be discriminating against ships of foreign nations, which are not allowed by law to engage in that trade. Great Britain, however, points out that cargo intended for United States ports beyond the Canal, either from east or west, shipped on a foreign vessel, could be sent to its destination more cheaply, through the operation of this exemption, by landing it at a United States port before reaching the Canal, and then sending it on as coastwise traffic. Then, too, goods might be shipped from a port in the United States, either from east
or west, through the Canal, and then re-shipped to a foreign port. The British view, therefore, is that if it were possible to regulate the coastwise traffic so that cases similar to the above might be avoided; in other words, that only bona fide coastwise trade be benefited by the exemption, the objection would be removed.

Procession of Nobles of Mystic Shrine after disembarking at Colon. A delegation of about 150 Shriners from the United States visited the Isthmus and on Sept. 1, 1913, initiated a class of 170 candidates in the locks at Miraflores.

In the letter of the Treaty discrimination appears impossible. One plan suggested by those who wish to make the Canal an instrument for the upbuilding of the American merchant marine is to charge all vessels alike, and then reimburse American vessels by the amount of tolls they may have paid. This would be a form of ship subsidy, but only in favor of the ships making use of the Canal. The British Government does not question the right of the United States to grant a subsidy to its shipping, but does believe that granting a subsidy to ships for using the Canal would be discrimination in respect to the conditions of the charges of traffic.

The Canal tolls are based on the probable cost of operation and maintenance of the Canal. If American ships are granted free tolls, the cost of Canal maintenance will be thrown upon foreign shipping. However, under the present Act, and under the President’s proclamation, it is contended that no discrimination has been shown against foreign shipping. The probable tonnage using the Canal was figured when the tolls were fixed, and this tonnage included coast to coast shipping, and American shipping carrying foreign commerce of the United States.

Great Britain also objects to the fact that under the Convention of Panama of 1903, vessels belonging to the Panama Government are exempted from the
payment of tolls, and to the further fact that tolls in the case of ships belonging to the United States and its citizens may be fixed at a lower rate than in the case of foreign ships. The exemption of ships belonging to Panama agreed upon in the Hay-Bunau-Varilla Convention was also a part of the proposed Hay-Herran Treaty of 1903. Some argue that Great Britain should have no more objection to such an exemption now than 10 years ago, when it had none.

The tolls for ships using the Canal have been fixed, and it remains to be seen whether or not foreign shipping will have to bear more than their proportion of the cost of maintenance and operation.

PROTECTING THE CANAL

One of the principal objections to Canal fortifications when Congress first took action was that the United States might be violating its treaties with Great Britain. The Clayton-Bulwer Treaty of 1850 gave the United States the right to construct the Canal, but provided that the completed waterway should be
unfortified and forever remain neutral, free and open to vessels of commerce and of war of all nations on terms of equality. This treaty was abrogated in 1901 by the Hay-Pauncefote Treaty, now in force. This treaty also provides for the neutralization of the Canal, but no word is said as to fortifying it. The objection, if there was any, is no longer sustainable, inasmuch as Great Britain, the only nation that had any right to object, has acquiesced in the erection of forts. The other great powers have constantly recognized the right and necessity of the United States to fortify.

Under the existing treaty it is necessary that the Canal be kept neutral and open on terms of equality to vessels of all nations. It has been contended that this could be accomplished much more effectively by means of an international treaty between the nations interested who would guarantee its safety in time of war as in time of peace. Such a treaty, backed by England's enormous naval power and her control of the Mediterranean and Red Seas, is the protection of the Suez Canal. A similar treaty might avail for the United States under conditions of universal peace, but universal peace has not yet been attained. Nations continue to go to war in spite of treaties, and, in the heat of conflict, frequently ignore all laws both of usage and humanity. Treaties are effective when there is power to enforce them. To maintain neutrality then, it is argued that the United States must have the power to do so, and in no better place can that power be exercised than in forts on the Canal.

One of the greatest benefits the United States expects to get from the Canal is increased naval effectiveness. The Canal would naturally be the first place an enemy would endeavor to control, treaty or no treaty; and the other powers to a treaty, if there were any, would either stand aloof, or take sides in the international struggle which might result. The Canal is being built by Americans with American money and skill. If it is to remain to America, it must be protected; strength to resist is the best form of protection.

To maintain neutrality is the first object of the fortifications; the second is to retain to the United States what has been accomplished by its citizens. Keeping the Canal neutral does not mean that the United States will be com-

Wall scaling contest between men of the U. S. Marine Corps and the Tenth Infantry, U. S. A. A Fourth of July event.
peled to keep it open to a foe in pursuit of her own ships, or allow hostile ships to pass through on their way to blockade or bombard an American city.

These questions have been settled to the extent that Congress has appropriated, up to June 23, 1913, a total of $10,676,950 for the protection of the Canal. A report of the Fortification Board of January 4, 1911, estimates the amount to be appropriated at $12,475,328. The amount expended on fortifications up to June 30, 1913, was $3,114,357.52. The work of preparing placements for 14-inch and 6-inch guns, and pits for 12-inch mortars, to protect the Canal entrances is well under way. There will also be one 16-inch gun, the largest made, placed to protect the Pacific entrance to the Canal. On the Pacific side the islands of Naos, Culebra, Perico, and Flamenco are being fortified and form one reservation, while, on the mainland at Balboa, a second reservation will be

A military force has been maintained in the Canal Zone ever since American occupancy. This is Camp Elliott, which occupies a commanding site near Bas Obispo, the headquarters for the local detachment of the United States Marine Corps.

established. On the Atlantic side there will be a fort on Margarita Point, about a mile north of Manzanillo Island, on which Colon is situated; another on Toro Point across the bay from Colon, and one on the mainland at Colon. In the neighborhood of the locks, those at Gatun, seven miles inland, and those at Miraflores and Pedro Miguel, inland nine and eleven miles, respectively, there will be located field defenses to provide against attack by landing forces. This work is being done under the direction of Lieut. George R. Goethals, the elder son of Col. George W. Goethals, the builder of the Canal. It is planned to keep on the Isthmus 12 companies of coast artillery, one battery of field artillery, four regiments of infantry, one squadron of cavalry, and one battalion of marines.

The forts, and batteries comprising them, have been named, as follows:

At the Pacific terminus—Fort Grant and Fort Amador, the first located on
the group of islands in the bay, in honor of Gen. Ulysses S. Grant, U. S. A., who died on July 23, 1885, and the second, located on the mainland at Balboa, in honor of Dr. Manuel Amador Guerrero, first president of the Republic of Panama, who died on May 2, 1909.


A street in the marine camp showing the barracks. Much work has been done by the men in beautifying the grounds, and this picture shows the result of their efforts.

Fort Sherman will be located on Toro Point, Fort Randolph on Margarita Point, and Fort De Lesseps on the mainland at Colon.

FORT GRANT MILITARY RESERVATION


In 1911 the War Department decided to send a regiment of infantry to the Isthmus. This is their camp, known as Camp Otis, near Las Cascadas.
A typical street scene in the native village at Chorera, Panama. On account of the mild climate, which prevails the entire year, the only protection needed is from the sun and torrential rains. The thatched roofs give ample protection to the natives who inhabit them.
THE LAND DIVIDED—THE WORLD UNITED


FORT AMADOR MILITARY RESERVATION


FORT SHERMAN MILITARY RESERVATION


Nacio Island, one of the islands in Panama Bay belonging to the United States, which is being fortified. The island is connected to the mainland by a breakwater.


FORT RANDOLPH MILITARY RESERVATION

