The lodge halls are assigned free of charge for weekly meetings, and are also used for entertainments, club meetings, and dances. The Commission has encouraged baseball, tennis, rifle, and pistol clubs. A dancing club holds fortnightly balls in the Hotel Tivoli at which Isthmian society is seen at its best. This social organization recently passed through a crisis over the question of “turkey-trotting” and kindred dances. In addition to the many clubs in the Canal Zone which are more or less under the sway of the Commission, the employees wishing a little more freedom founded the Strangers’ Club in Colon, and the University Club in Panama. These two clubs do not confine their membership to Commission employees. The “smokers” and “hops”

given by these two clubs are popular both in the Canal Zone and in the cities in which they are located.

Following up its policy of encouraging employees to bring their families to the Isthmus, Ex-president Taft authorized the employment by the Commission of Miss Helen Varick Boswell to undertake the task of starting a social movement among the women in the Canal Zone. Miss Boswell arrived early in September, 1907, and when she left in October, she had organized nine women’s clubs in the larger villages. The purpose of these clubs was to provide recreation and social intercourse for the wives and daughters of the American employees, just as the clubhouses were established as centers of recreation for the men. These nine clubs were finally affiliated with the General Federation of Women’s Clubs in the United States. On April 19, 1913, the Canal Zone Federation completed six years of activity, and on that date it disbanded on account of the approaching completion of the Canal work.

Several societies, designed to perpetuate the canal work, have been organized. The first one of these, the Society of the Incas, limits its membership to
Lodge hall at Las Cascadas. All the leading secret societies are represented in the Canal Zone, and lodge halls have been erected for their use by the Government. No rental is exacted. The Zone has also a federation of women's clubs.

Reading room in the University Club, Panama City. The University Club and the Strangers' Club in Colon, do not confine their membership to Government employees.
employees who entered the service in the year 1904. Another is called the Society of the Chagres, and is composed of men who have seen six years of service. A third society has recently been organized, known as the Association of Panama Canal Builders, to which any gold employee may belong.

A lunch hour scene at Gorgona shops, before they were destroyed to avoid inundation by the rise of Gatun lake.

All gold employes who have served two years under the Canal Commission are entitled to a medal. This souvenir is the outcome of the thoughtfulness of ex-President Roosevelt, who, just before he sailed from the Isthmus on November 17, 1906, said: "I shall see if it is not possible to provide for some little memorial, some mark, some badge, which will always distinguish the man who, for a certain space of time, has done his work well on the Isthmus, just as the button of the Grand Army distinguishes the man who did his work well in the Civil War." The medal is of bronze, one and one-half inches in diameter, and is made from brass, copper, and tin taken from old French scrap. On the reverse side is a bust portrait of ex-president Roosevelt, with

Labor train arriving at dry dock, Cristobal. A great many employes live at a distance from their work, and are transported to and from their homes in labor trains.
space underneath for the service record, and around the rim the words “For two years’ continuous service on the Panama Canal.” On the obverse is a picture of Culebra Cut with ships passing through, the Seal of the Canal Zone, a name plate, and the words “presented by the President of the United States.”

Interior of Mount Hope printing plant. The majority of the Canal Commission's printing, including The Canal Record, is done here.

cut into the rim. A bar is awarded for each two years' additional service, and there are employees who have earned not only the medal, but three bars as well. The medals are made at the Philadelphia mint, and are distributed yearly. No duplicates are issued.

*The Canal Record*, published weekly under the supervision of the Canal Commission, contains a résumé of the progress of canal work, official circulars, social and church notes, etc. It is distributed free to all gold employees of the Commission and the Panama railroad; in fact, so widely has it become known that its circulation, between 16,000 and 17,000 weekly, extends to people inter-

General storehouse at Mount Hope, near Colon, from which supplies are drawn by smaller store houses established in all the principal Canal Zone settlements. A large amount of material is required to be kept constantly on hand.
The Hotel Tivoli at Ancon, a picture familiar to anyone who has been on the isthmus. It is the principal stopping place for tourists, and is owned and managed by the United States Government.

Lobby of the Hotel Tivoli. One of the hotel's first guests was ex-President Roosevelt, and the suite he occupied is known as the President's suite.
THE LAND DIVIDED — THE WORLD UNITED

It is estimated in the construction of the canal in all parts of the globe. It is printed at the Canal Commission's printing plant at Mount Hope, and is under the direction of the Secretary of the Commission, Mr. Joseph Bucklin Bishop.

FEEDING AND CLOTHING THE CANAL ARMY

It is estimated that with employees and their dependents there were about 63,000 persons depending upon the Canal and Panama railroad work for their source of income during the height of activity, and these people had to be supplied daily with food, clothing and other necessaries. It was early realized that the demand for food and clothing could not be satisfactorily filled from local sources, for prices advanced steadily as the demand increased, so the Subsistence Department was created. This department is divided into two branches, commissary

Commissary at Cristobal, oldest and largest on the Isthmus. This was operated by the Panama railroad for the benefit of its employees before the United States acquired the road. A commissary train makes an early morning daily run across the Isthmus distributing supplies to the branch commissaries.

and hotel. The first commissary store was at Colon and was maintained by the Panama Railroad Company for the benefit of its employees. The commissary division does a general merchandising business, while the subsistence end has in charge the hotels or mess halls for the American employees and messes for the laborers. It also maintains the Hotel Tivoli at Ancon, patronized chiefly by transients. About 85 per cent. of the supplies for the commissary and subsistence departments are purchased in the United States, 10 per cent. in Europe, and five per cent. in Panama.

In addition to the store at Cristobal each canal village has a branch commissary. Everything that an employee or his family usually requires, such as household goods, men's and women's clothing, groceries, meats, vegetables and fruits are supplied. In addition to the retail stores, cold storage, ice making, coffee
Public market at Culebra. These markets are located in many of the Zone towns, where the tropical fruits and vegetables may be obtained.

Ice and cold storage plant, Cristobal. Ice is sold at 40 cents per 100 pounds, and cold storage articles are cheaper, in many instances, than they are in this country from which they are imported. This is largely due to the system of buying in bulk and, in the case of meats, to the placing of contracts.
roasting, ice cream and laundry plants, and a bakery are operated at Cristobal. From this point a supply train, partly composed of refrigerator cars, crosses the Isthmus each morning, stopping at the different stations along the line where ice, meats, and other perishable articles are delivered. These goods are then distributed to the houses of employees and to the mess halls and branch commissaries by the Quartermaster’s Department. No cash sales are made, all payments being made by the employees in the form of coupons ranging in value from one cent to 25 cents from books issued ranging in value from $2.50 to $15. The same method of payment is used in the hotels. These books are obtained by the employees for cash at stated places, or are supplied by the timekeepers, and the amount deducted from the employees’ salary at the end of the month. They are not transferable, and in order that the privilege will not be

The Government hotel at Corozal, the first one erected by the Americans. These Government hotels are established in all of the Zone settlements. In them a white employee is served a better meal for 50 cents than he can usually procure for that price in this country. In one part of the dining room, employees are permitted to eat without their coats; in the other they must keep them on.

abused, infractions of this rule is punishable by confiscation of the book and ten days’ suspension for the first offense, and discharge for a second offense.

Due to the fact that the commissaries are not run for a profit, except to cover in the cost of the various plants, improvements, etc., and to the fact that the Government buys in large quantities under favorable contracts, the consumers on the Isthmus have not felt the high cost of living to the extent of people elsewhere. This is especially true of beef, the price of which during 1912 reached a point never before equalled in the United States. With but a few exceptions, the price of beef at the commissaries during this period was kept down to the previous price. During a single year, 6,453,138 pounds of fresh
The Commission laundry at Cristobal. It is equipped with up-to-date machinery and presents a busy appearance at all times.

The Commission bakery at Cristobal. During a single year the bakery used 26,233 barrels of flour, producing 6,015,667 loaves of bread, 651,844 rolls and 114,134 pounds of cake. Each loaf of bread weighs 16 ounces and costs the consumer three cents.
meat and 976,445 pounds of cured and pickled meats were brought to the Isthmus.

By printing 333,658 pounds of a total of 427,683 pounds of butter bought, the commissary was able to save in the price and also present it for sale in a much better condition than when purchased in the United States already printed. The price of coffee was also saved by the commissary operating its own roasting plant. In this plant 341,780 pounds of green coffee, producing 280,909 pounds of roasted coffee have been turned out in a year. The ice plant, with a capacity of 100 tons a day, delivers ice for 40 cents a hundredweight, or 20 pounds of ice delivered at the employees' door for eight cents. Another instance of effective manufacture and distribution was the operation of the bakery which during a single year used 20,233 barrels of flour producing 667 loaves of bread, 631,844 rolls, and 114,134 pounds of cake. Each loaf of bread weighs 16 ounces and costs the consumer three cents. In addition, the bakery enables the employee to purchase strictly fresh bread, cakes and rolls which he would otherwise not be able to obtain. The Americans on the Zone are great ice cream eaters, for a total of 138,551 gallons valued at $110,993.68 were consumed in a single year. The ice cream which is sold for 25 cents a quart is as good as can be obtained, fresh milk and cream being imported from the United States, in refrigeration, for its manufacture.

In the industrial and experimental laboratory maintained by the commissary, extracts, talcum powder, soap, witch hazel, hydrogen peroxide, bay rum, tooth powder, and toilet preparations of various kinds are manufactured and sold to the employees at a considerable saving in cost. The experimental
Tennis court, Ancon. Tennis is a favorite pastime and tournaments are held frequently.

Opening game Athletic Park, Empire. The national game has held sway each dry season with at least one league made up of four or more clubs. Field meets are also held occasionally.

There are several excellent bathing places on each side of the Isthmus. A large pavilion has recently been erected fronting the beach Pena Prieta, Panama Bay, to which the street cars run. Sea bathing is enjoyed at 'Xmas time the same as on the Fourth of July.
department is maintained to insure the quality of all the goods sold in the stores.

There are three classes of hotels and messes maintained where the labor force is fed, one for the white American employees where meals are served at 30 cents each, one in which Spanish laborers are served three meals for 40 cents, and one where negro laborers are served three meals for 27 cents. The food in all three cases is good and wholesome. The meals served in the American hotels, or mess halls, are substantial rather than dainty, but could hardly be duplicated in the United States for double the price charged. Although the laborers' messes serve wholesome food very cheaply, the greater part of the Spaniards prefer to eat at the little restaurants maintained near the construction camps by their fellow countrymen. The same has been true of the negroes

The residence section at Gatun. The three great twin locks near the Atlantic entrance of the Canal are located here.

who had much rather live in the "bush" or in the cities of Panama and Colon where they are less restricted.

During a single year the total number of meals served in the hotels was 2,075,335; the total number of rations served in European laborers' messes was 1,108,175 and the total number of rations served in the negro messes was 584,457.

THE CANAL ZONE

The Canal Zone does not come under the Constitution of the United States, but is governed by orders made by the President or the Secretary of War, and laws especially enacted by Congress. Its official seal bears the motto, "The Land Divided—The World United," and consists of a shield, showing in base a Spanish galleon of the fifteenth century under full sail coming head on between two high banks, all purpure, the sky yellow with the glow of sunset;
A view of the town of Culebra from Mount Zion as it appeared several years ago. The buildings to the right along the edge of the Canal, have all been removed on account of the slides at this point.

A group of four-family houses for American married employees, Empire. Large verandas are built on each side of the houses and all are screened.
in the chief are the colors of the arms of the United States. Under the shield is the motto. It was adopted in 1906 after a design of Tiffany & Co.

Up to September 1, 1904, the six municipal districts in which the Canal Zone was divided were governed under the laws of Panama. On the latter date, the Canal Commission by law created five municipal districts, each with a mayor, municipal council, secretary, and treasurer. These five municipal districts were abolished April 15, 1907, and four administrative districts were created. On November 17, 1906, the Department of Sanitation was separated from the Government of the Canal Zone, and the latter then became the Department of Law and Government of the Canal Zone under Mr. Richard

Reid Rodgers, General Counsel. This department was abolished on April 2, 1907, and the authority of the chief executive of the Canal Zone was vested in the Chairman of the Isthmian Canal Commission. The Chairman, on May 9, 1907, delegated that authority to a member of the Commission, and the President, by an Executive Order dated January 6, 1906, created the Department of Civil Administration.

The work of the Department of Civil Administration, in addition to the diplomatic correspondence between the Commission and the Republic of Panama and the representatives of foreign governments in Panama, is partitioned, as follows: Posts, customs and revenues; police and prisons; fire protection, schools and the office of the treasurer of the Canal Zone. The
School for white children at Empire. Twelve white and fifteen colored schools are maintained. The white schools are in charge of women teachers from the United States; the colored schools are taught by male West Indians.

Ancon high school class, term of 1912-13. There are two high schools for advanced scholars.
judicial branch includes a Supreme Court, three Circuit Courts, and four District Courts. Up to July 16, 1913, the Division of Public Works, which had in charge the maintenance of streets, roads, trails, water works and sewers in the Canal Zone and in the cities of Panama and Colon, and also the public markets in the Zone, was made a part of this department. On the latter date, it became merged with the newly created Division of Municipal Engineering, under the office of the Chief Engineer.

THE POSTAL SERVICE

The Division of Posts, Customs and Revenues, as its name implies, has charge of all post-offices in the Canal Zone, the customs service at the ports of

Ancon and Cristobal, and the collection of taxes and license fees. It also looks after the administration of the estates of deceased and insane employes of the Commission and Panama Railroad Company.

The postal service was inaugurated on June 24, 1904, under the supervision of the Treasurer of the Zone, with Panama railroad station agents acting as postmasters in nine offices. There are now 20 offices in charge of regular postmasters appointed by the Director of Posts.

From June 24, until July 17, 1904, Panama postage stamps (which were Colombian stamps surcharged “Panama”), having the words “Canal Zone” overprinted with a rubber stamp were used. The use of this rubber stamp kept stamp collectors on the lookout for mistakes in the surcharging which would tend to make the stamps valuable. On July 17, a supply of United States stamps, surcharged “Canal Zone,” was put into use and, on December 3,
1904, these were replaced by the Panamanian stamp surcharged "Canal Zone," in use at the present time. Domestic rates of postage have always applied between the Canal Zone and the United States, and for this reason the postage stamps are purchased from Panama at 40 per cent of their face value to make up the difference in the rates of the two countries, those in Panama being slightly higher.

POSTAL SAVINGS BANK A POPULAR INSTITUTION

A postal savings bank was authorized by Executive Order on September 8, 1911, and became effective on November 8, 1911. At the beginning of the fiscal year there were 2,402 open accounts with deposits aggregating $356,947. The depositors include citizens or subjects of 45 different nations and dependencies. The total amount of the deposits during this period was $1,601,616, and the total amount of withdrawals $1,312,873, an increase during the year of $388,743, which, together with the amount of deposits on July 1, 1912, of $356,947, shows a total savings deposit at the close of the fiscal year of $645,690, an approximate average of $203.11 for each of the 3,179 depositors. These accounts are practically held by employees of the Commission, the Panama Railroad Company, and the various contractors. In addition to the postal savings accounts, the money orders issued and drawn on Canal Zone post-offices payable to the remitter aggregated on June 30, 1913, $156,916.20, so that the total savings deposit during the fiscal year was really $802,606.20.

In August, 1905, a registry system was established and, in June, 1906, a money order system was inaugurated. During the fiscal year ending June 30, 1913, 238,316 money orders were issued for a total of $4,883,624.13. The average amount of each order was $20.49. Of the total amount of orders sold,