

but he replied that this was under my charge entirely, as I was the one that attended to the supplying of the government by the company."

Gen. Huertas Casts in his Lot

On the return of Dr. Amador from New York, preparations were at once set under way for the crucial period. It was deemed advisable to inform the people of the impending event, and Gen. Domingo Diaz, Dr. Eusebio A. Morales, Don Carlos Clement, and Don Pedro A. Diaz were selected for this mission. Gen. Diaz was appointed in charge of the day fixed for the breaking of relations. The date set was November 4, but as has been previously stated, the news of the despatch of troops from Cartagena induced the junta to advance it a day.

"Before we knew that it was necessary to prepare at all points," writes Don Arango, "we found occasion to talk with Gen. Huertas, chief of the troops of the garrison. He expressed himself that whether in the position he occupied, or out of it, he was a Panamanian at heart, and was with us. We told him that we did not want to see him separated from the command of the Battalion, etc., but knew that the many years he had been among us had gained for him our consideration and affection. Afterwards we had many confidential conversations relative as to what was best to do in executing the secession movement."

"Owing to the foresight of Col. Shaler, the troops comprising the Colombian battalion "Tiradores" from Cartagena were left at Colon, and that he could not say the day he could furnish a special train to bring them over to Panama." The officers of the battalion, Gens. Tovar and Amaya, came over on the forenoon of the 3d. to take command of the Panama garrison.

"We had fixed the hour of 5 p. m." writes Don Arango, "as the time to imprison the officers, but General Huertas thought it better to postpone this step until 8 p. m.,

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at which time a serenade would be given in front of where they were lodged. Dr. Amador sent my son to advise Gen. Domingo Diaz that the hour had been changed, and found him at the head of the people in Santa Ana Plaza. This chief answered through his brother Pedro Diaz that by no means ought we to postpone the arrest, and advising that he would put himself at the head of the populace and march to the Cuartel. With great foresight General Huertas who knew that the affability which the officers had shown him since their arrival was but covering a tempest that might at any moment burst over his head, resolved to end the suspense, and ordered Capt. Marcos A. Salazar to put himself at the head of thirty men and imprison the generals. This was quickly accomplished in the presence of Gen. Huertas himself."

"Later Governor Obaldia was also arrested and conducted to the police station. From there, accompanied by

Commander Valdes, and Col. J. A. Arango, he was escorted to the home of Dr. Amador Guerrero, his friend, and left there as a prisoner."

Gen. Tovar's Arrival in Panama.

Writing of Gen. Tovar's reception in Panama, the *Colon Starlet* of December 17, 1903, said:—

"He was received by the garrison with the Colombian standard, the military band, and the populace. As the General drove through the streets, there was not lacking any evidence of the best of intentions on the part of the people. But the separatist plot had reached a very striking point by the very presence of the General. It was to nip in the bud, if possible, the secession, that the General had been hurried to the Isthmus, with the first contingent of troops. It was supposed that the Republic would have been declared on the 28th of November amidst the festivities, so the General thought himself in the enemy's camp, and that any attempt at a revolution could be easily crushed. But before the sun had gone down that evening behind the silent sentinel of Mount Ancon, Colombia's rule on the Isthmus had forever ceased. Tovar who had been welcomed that morning under the Colombian flag amid strains of the national hymn of his country, was in the evening a prisoner under the flag of Panama. No wonder that bitter remorse filled his breast as he reflected on the 500 troops he had left behind him at Colon. But whether he had gone over to Panama or not, or whether he had had his troops with him, Colombia must have had to lose Panama, even though there was a sacrifice of blood."

The "Bogotá" Pays Its Compliments.

At 8 p. m., about three hours after the imprisonment of the generals, the Paymaster of the *Bogota*, who had assumed temporary command of that boat, by official note advised the Chief of Police that unless the generals were set at liberty inside of two hours from that time he would proceed to shell the city. No attention being paid to the

demand, at the expiration of the time mentioned, he commenced firing. The battery on the Bovedas replied at once, and the *Bogota* retired hastily after firing but two shots, one killing a Chinaman, the only casualty in the entire revolution. The Chinaman was struck while walking along Salsipuedes Street and immediately ceased to take an interest in earthly things. The ball that killed him is now in the possession of Mr. H. G. Prescott, having been presented to him by the Minister of War of the Provisional Government.

"Without Hatred and Without Joy.

The manifesto issued by the provisional junta on the eve of separation recites the reasons for the act in the following language:

The transcendent act which by a spontaneous movement the inhabitants of the Isthmus of Panama have just executed is the inevitable consequence of a situation which has become graver daily.

Long is the recital of the grievances that the inhabitants of the Isthmus have suffered from their Colombian brothers, but these grievances would have been withstood with resignation for the sake of harmony and national union, had its separation been possible, and if we could have entertained well founded hopes of improvement and of effective progress under the system to which we were subjected by that Republic. We have to solemnly declare that we have the sincere and profound conviction that all hopes were futile, and all the sacrifices on our part useless.

The Isthmus of Panama has been governed by the Republic of Colombia with the narrow-mindedness that in transpire was applied to their colonies by the European nations; the Isthmian people and territory was a source of fiscal resources and nothing more.

The contracts and negotiations regarding the railroad and the Panama Canal, and the national taxes collected on the Isth-

mus have netted to Colombia tremendous sums which we will not detail, not wishing to appear in this exposition which will go down to posterity, as being moved by a mercenary spirit, which never has been, nor is now our purpose. Of these large sums the Isthmus has not received the benefit of a bridge for any of its numerous rivers, nor the construction of a single road between its towns; or a public building, or a single college, and has neither seen any interest displayed in advancing its industries, nor has the most infinite part of those sums ever been applied towards its prosperity.

A very recent example of what we have related above is what has occurred with the negotiations of the Panama Canal which, when taken under consideration by Congress was rejected in a summary manner. There were a few public men who expressed their adverse opinion on the ground that the Isthmus of Panama alone was to be favored by the opening of the canal by virtue of a treaty with the United States, and that the rest of Colombia would not receive any direct benefits of any sort by that work, as if that way of reasoning, even though it were correct, would justify the irreparable and perpetual damage which would be caused to the Isthmus by the rejection of the treaty in the manner in which it was done, which was equivalent to closing the doors to future negotiations.

The people of the Isthmus in view of such notorious causes have decided to recover their sovereignty, and begin to form a part of the society of the free and independent nations, in order to work out its own destiny, to insure its future in a stable manner and discharge the duties which it is called to do by the situation of its territory and its immense wealth.

To that, we the initiators of the movement effected aspire, and have obtained an unanimous approval.

We aspire to the formation of a true republic where tolerance will prevail, where the law should be the invariable guide of those governing, and of those governed; where effective peace be established which consists in the free and harmonious play of all interests and all activities, and where finally, civilization and progress will find perpetual stability.

At the commencement of the life of an independent nation, we fully appreciate the responsibilities that State means, but

DR. J. CUEVA GARCIA, — LAWYER, (Graduate.)

COLON, PANAMA.

GUAYAQUIL, ECUADOR.

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we have profound faith in the good sense and patriotism of the Isthmian people, and we possess sufficient energy to open our way by means of labor to a happy future without any worry or any dangers.

In separating from our brothers of Colombia, we do it without any hatred and without any joy. Just as a son withdraws from his paternal roof, the Isthmian people in adopting the lot they have chosen, have done so with grief, but in compliance with the supreme and inevitable duty they owe to themselves, and that of their own welfare.

We therefore, begin to form a part among the three nations of the world, considering Colombia as a sister nation, with which we shall be whenever circumstances may require it, and for whose prosperity we have the most fervent and sincere wishes.

(Signed.)

JOSÉ AUGUSTIN ARANGO,

FEDERICO BOYD,

TOMAS ARIAS.

The formal declaration of independence was made by the Municipal Council of the city of Panama at 4 o'clock of the afternoon of November 4, in Cathedral Plaza, and the provisional junta, took upon itself the direction of affairs until the establishment of the provisional government.

The Show of Fight at Colon.

The news of the arrest of Gens. Tovar and Amaya did not reach the ears of Col. Torres and his force of Colombians until the train reached Colon on the forenoon of

the 4th. He immediately notified United States Consul Oscar Malmros through the Colon local authorities that unless the imprisoned officers were set at liberty by 2 p. m., he would open fire on the town and kill every American in it. This threat was conveyed to Panama by the following telegram caught from the wire while going through:—

“Troops refuse to accept proposal and say unless Tovar and Amaya are released by 2 p. m., they will burn the town and kill every American in it; that Col. wants him to get in communication with the Junta and see what can be done, if necessary.”

At this time the only American warship in the harbor at Colon was the gunboat Nashville, John Hubbard, commanding, and with 192 men on board. The Nashville was ordered to proceed to Colon on October 30th and arrived at its destination on November 2d. The consul's first step was to apprise Commander Hubbard of Col. Torres' threat, and the action the Commander took is covered in his official report of the incident, as follows:—

“ U. S. S. Nashville, Third Rate.
Colon, U. S. Colombia, November 5, 1903.

“Sir:—Pending a complete report of the occurrences of the last three days at Colon, Colombia, I most respectfully invite the Department's attention to those of the date of Wednesday, November 4, which amounted to practically the making of war against the United States by the officer in command of the Colombian troops in Colon. At 1 o'clock p. m., on that date, I was summoned on shore by a preconcerted signal, and on landing met the United States consul, vice-consul, and Col. Shaler, the general superintendent of the Panama Railroad.”

“The consul informed me that he had received notice from the officer commanding the Colombian troops, Col. Torres, through the prefect of Colon, to the effect that if the Colombian officers, Gens. Tovar and Amaya, who had been seized in Panama on the evening of November 3, by the independents, and held as prisoners, were not released by 2 o'clock p. m., he, Tor-



The President and Mrs Manuel Amador Guerra.
Publication American S.R.R. and Agency & Advertising Bureau - J. Sienkowski.

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"After an interview with the United States consul and Col. Shaler as to the probability of good faith in the matter, I decided to accept the proposition and brought my men on board, the disparity in numbers between my force and that of the Colombians—nearly ten to one, making me desirous of avoiding a conflict so long as the object in view, the protection of American citizens, was not imperiled."

"I am positive that the determined attitude of our men, their coolness and evident intention of standing their ground, had a most salutary and decisive effect on the immediate situation, and was the initial step in the ultimate abandoning of Colon by these troops and their return to Cartagena the following day. Lieutenant-Commander Witzel is entitled to much praise for his admirable work in command on the spot."

"I feel that I cannot sufficiently represent to the Department the grossness of this outrage and the insult to our dignity, even apart from the savagery of the threat."

"Very respectfully,

JOHN HUBBARD,

Commander, United States Navy, Commanding."

Col. Torres made a number of efforts to get in telegraph or telephone communication with the imprisoned generals at Panama, but failed, the only answer that was permitted to his message being that he would be expected to comply with his duty. Following is a copy of a telegram sent by Col. Torres asking for instructions. While dated the 5th, the reference to preparation for hostilities would infer that it was filed at Colon before the occurrences of the 4th:—

Colon, November 5, 1903.

Generals Ramon G. Amaya and Juan B. Tovar,

Panam

"I have to advise you that the cruiser Cartagena left yesterday against my orders. I am awaiting your instructions in respect to what ought to be done. The commission which has been sent will not give any knowledge in particular. Again and for the last time I desire your orders in order to comply with them. I have obtained permission to be allowed communication with Gen. Tovar by telephone to receive your last instructions. The enemy's troops and mine are preparing for an attack. The American troops are throwing up defenses and are deploying. What ought to be done? I await your immediate answer.

ELISEO TORRES G.

Embargo Placed on Carrying Troops.

In connection with the attitude of the Panama Railroad Company in the matter of transporting troops over its line, the following telegram will explain:—

Colon, November 4, 1903.

H. G. Prescott, Asst. Supt.,

Panama.

The following communication from Commander U. S. S. Nashville for your information and to be governed accordingly:—

J. Domingo de Obaldía,

Governor of Panama at the time of the secession. Minister of Panama at Washington up to a few months ago. Acting President of Panama during absence of President Amador in Europe, and a presidential possibility.

(COURTESY OF G. ANDREVE.)

U. S. S. Nashville, November 3,
Colon, U. S. S. Colombia, November 4.

Sir:—The condition of affairs at Panama being such that any movement of troops to that neighborhood must inevitably produce a conflict and interrupt that transit of the Isthmus, which the U. S. Government is pledged to maintain uninterrupted, I am obliged to prohibit the carrying of troops of either

party, or in either direction by your railroad, and hereby notify you that I do so prohibit it.

Yours very respectfully,

JOHN HUBBARD
Commander, U. S. Navy,
Commanding.

To Col. Shaler, General Supt., P. R. R., Colon.

More U. S. Vessels Arrive.

Colon Starlet:—The United States steamer *Dixie* arrived on the 5th at 7 p. m. A force of between three and four hundred men was immediately landed. The *Dixie* is a practice and troop ship attached to the Caribbean fleet with headquarters at Culebra Island, Porto Rico.

Colon Starlet, November 12:—The U. S. S. *Atlanta* left Kingston, Jamaica at 10 a. m., the 5th inst., and arrived at Colon on the morning of the 6th, a record run, and a chance for a crack ship to display her steaming powers. The *Atlanta* was ordered to Guantanamo, Cuba, on October 18th. This brings the combined American force at Colon to three vessels and over 1,000 men.

Washington despatch dated November 7:—The battleship *Maine* has been ordered to Colon.

(From Colon Starlet, November 10, 1903).

Washington, November 6:—To the American Naval Commanders on the Isthmus: Forces will be increased if necessary to prevent conflict between the Bogota Government and the secessionists. Colombia must settle the quarrel with its subjects peacefully, if at all. It is the only way to stop the yearly insurrections on the Isthmus, and relieve the United States of the burden of policing a territory that is not its own.

Colombian Troops Re-embark.

The Colombian troops comprising the "Tiradores" battalion, which were left in charge of Col. Torres during

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the enforced absence of Gens. Tovar and Amaya in Panama, surrendered their arms on the 5th, two days after the act of secession, and arrangements were at once made for their return to Cartagena. It was first decided that Gens. Tovar and Amaya should leave the Isthmus on the steamer carrying the troops, but later it was considered that this might be an unwise move, for when the officers rejoined their men they might try to incite them to some further efforts. They were held prisoners in Panama until the sailing of the next Royal Mail steamer for Cartagena, a matter of ten days or so, and were then taken to Colon under a military escort composed entirely of young men from the capital city, under the leadership of Guillermo Andreve, aide-de-camp to Gen. Domingo Diaz. In connection with the departure of the troops, the Colon *Starlet* of November 7th has the following:—

"The sailing of the Colombian battalion "Tiradores" on the night of the 5th on the Royal Mail steamer, *Orinoco*, took away all danger that existed of a conflict on the Isthmus. The defenses of the U. S. Marines were at once taken down."

As an additional inducement to the Colombian troops to accept with resignation the new state of affairs, a purse of money is reported to have been made up and turned over to Col. Torres for himself and men. It was also rumored at the time that this officer was arrested and shot upon his arrival at Cartagena, but the Colon *Starlet* of November 24th corrects the report, and refers to the disposition of the money, as follows:—

"We understand that Col. Torres was not shot as was reported, and that the money from Panama, \$8,000 in gold, which was presented to himself and troops, he turned over to his government on his arrival at Cartagena."

Again on the 25th, the *Starlet* says:—

"Anent the paragraph in Tuesday's issue of the handing over by Col. Torres to the Colombian authorities at Cartagena, the money he received as a present before leaving Colon on November 5th, we have since been authoritatively informed that Gen. Reyes on arriving at Colon brought the money with him and returned it."

Junta Defines Status of P. R. R.

Before affairs reached a critical pass, officials of the Panama Railroad Company arrived at an understanding with the leaders of the secessionary movement, as described in the copies of correspondence reproduced here. It is interesting to note that it was the idea of the provisional junta to name the new republic, the Republic of the Isthmus. It is evident that this name did not meet with popular approval, as the new republic came into being under the name of the Republic of Panama.

PANAMA RAILROAD COMPANY.

"November 2, 1903.

Dear Prescott:—

I send you herewith memo. of points that should be covered in any communication addressed to us. Of course, there are many others, and you had better see Dr. Pablo Arosemena as soon as you can do so consistently and let him advise you fully. The object is to have the New Government send us such communication as will free us from liability in case there is a failure. Don't fail to get full advice and be governed by it. I send this by No. 5 to-morrow that you may have it early.

Yours truly,

J. R. SHALER, Gen'l. Supt."

"Of course, you understand that we will not accept any requests from the proposed New Government, unless they are backed up by military force. But I advise you of this fully in case there may be interruption of communication between Panama and Colon.

("Memorandum" cited in above letter.)

PANAMA RAILROAD COMPANY.

Monday, November 2, 1903.

Dear Mr. Prescott:---

Have just wired you that *Nashville* has been sighted. This, I presume settles the question. I have to suggest that New Government should address a communication to the Gen'l Supt., stating the facts that may have transpired up to the time when



SCENE ON THE FIQUENE, RIVER OF DARIEN.

(COURTESY OF G. ANDREVE.)

they may want to make any requests of us. They should state the facts as to their assumption of authority of Government. They should give assurance that they will render absolute protection to the R. R. in its properties and its rights, the same as secured to R. R. Co., by contracts 1850 and 1867, Article 30, and elsewhere with Bogota Government. In consideration of this action on part of Government, they will expect the R. R. Co. to comply with the provisions of Art. 19, and to furnish promptly all cars necessary for complying with the provisions of said article (19), to the new Government. They must notify the R. R. Co., that the new Government (by whatever its name may be) has the military force necessary to enforce their requests, and it will be used for this purpose. And that such military force will be kept in readiness for service at all times. Government should notify R. R. Co. that they shall expect R. R. Co. to operate their trains regularly, and the Government will see to it that such movement of trains shall not be interfered with by other parties, or forces.

This is in a general way. See my letter even date accompanying this.

J. R. SHALER."

The junta replied to this as follows:—

"Panama, November 3, 1903.

To Superintendent of the Railroad Company,

Colon.

We have to inform you that to-day at 6 p. m. a popular meeting took place in this city, by which the independence of the Department has been declared, and which will be called in the future the Republic of the Isthmus.

There has been named a junta of the provisional government composed of Señores José Augustin Arango, Federico Boyd and Tomas Arias, who in their official character communicate to you what has occurred, and likewise to inform you that as the 'Government de facto,' they are disposed to comply with all the obligations contained in the contracts made between the Republic of Colombia and the Railroad Company in

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1850 and 1867. In consequence we hope that you on your part will comply with Article 19, and other analogous points in the same contracts.

We have also to inform you that the new Government, in addition to the prestige with which it has been invested by all the citizens, has the military power sufficient for the protection of the property of the Railroad Company at any time that you may find it necessary to call upon us. We hope that the traffic between this city and the city of Colon will be maintained without any change, as in normal times, and the Government which we represent will in no case permit outside interference that will interrupt the traffic or the regularity of the trains.

We are,

Your obedient servants,

J. A. ARANGO,

FEDERICO BOYD,

TOMAS ARIAS."

Flag of the Republic Hoisted.

"Yesterday morning, November 6th, at ten o'clock, the very interesting ceremony of hoisting the flag of the new Republic was performed at the Prefecture," says the *Colon Starlet* of November 7th.

"All the foreign representatives, heads of the Panama Railroad, several officers of the United States forces, merchants, and a large number of other persons, both Colombians and foreigners were present to witness the exercises."

"Before the flag was hoisted Señor Ocaña, Vice-President of the last Colombian Municipal Council, read a resolution which was passed at a meeting of the board on Thursday, signifying the adhesion of Colon to the Republic of Panama. Señor Melendez then addressed the meeting stating that the object that had brought them all together was of so transcendental a nature that no comment was necessary. He then proceeded to read a printed speech addressed to the Isthmian Colonials and citizens respectively. The address closed with shouts of 'Viva el Istmo,' 'Viva la República de Panama.' After this the new flag was brought out to be hoisted. The honor of performing this act was conferred on

MAJOR BLACK, OF THE UNITED STATES ARMY.

As the new flag was run up for the first time under a clear sky and flung its folds to the breeze, the police force which had been drawn up outside in the street, saluted it, while shouts of 'Viva la República' were raised."

Just a Little Too Late.

Panama Star & Herald:—Gen. Pompilio Gutierrez arrived at Colon on the 5th on the French steamer *Canada*. He had been nominated Governor of the Department of Panama and came to take charge of the position, accompanied by a large staff of officers. He was met by the

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agents of the revolutionary junta and shown that it was impossible for him to take any action, as the independence of Panama had become an assured fact. When offered the command of the battalion "Tiradores," as its superior officer, he refused and stayed on board the steamer, returning with his staff to Colombia. It was rumored here that the revolutionary agents were fighting with a weapon of more potential force than the most modern arms, and that Gen. Gutierrez went away convinced of the uselessness of making any effort against them.

Star & Herald of November 19th:—Yesterday the French steamer *Canada* arrived at Colon with the Colombian commissioners on board, and with Gen. Reyes at their head. They were en route for the United States. A conference was held on board without results. Gen. Reyes, who had been delegated full presidential powers to represent the Government of Colombia, asked Admiral Coghlan, the commander of the American naval forces on the Isthmus, to cable President Roosevelt that Colombia would not resort to any act of hostility towards the new Republic of Panama. In the evening the commissioners took a ride about Colon in company with the Panama Government delegation that had come over to meet them. They sailed for the States the next day.

How the News was Received at Bogotá.

Bogota is one of the most isolated cities in all South America, and it was not until the 8th of the month that the news of the secession reached there. The information was augmented by the report that the American fleet was

at Panama and Colon, and that the Colombian forces were not allowed to land there. The news was not unexpected to those current with the situation, but it created intense excitement among the middle and lower classes who thronged the streets crying, "Down with the Government, down with Marroquin." Others shouted, "Why didn't the Americans take us in also."

In Bogota at that time there was a floating, irresponsible class who preferred revolution and robbery, to work. This element was attracted into the public parks of the city by bands of music and eloquent speakers who urged that they must save their country and march to Panama. They had more patriotism poured into them on that occasion than they had ever heard in their lives before; flags were presented; a banquet in which liquors figured largely was prepared, and with voluntary and involuntary subscriptions for expenses, about one thousand men started for the coast, equipped with an old stand of worn-out arms. As a Government official afterwards expressed it, "The Government wants them out of here and they will never come back." And they did not. This was the much-talked-of expedition to Panama overland by way of the Darien.

During all the excitement at the Colombian capital there were no demonstrations or threats made against the American Legation, as reported in the newspapers at the time, nor were the resident Americans molested. When the same papers were publishing reports of Americans being killed and their property destroyed, a cable to President Marroquin brought an answer that the American Legation and the American colony had been guaranteed absolute protection.

Railroad Officials Complimented.

Don Arango in his little story of the secession takes occasion to compliment highly the railroad officials, Col. J. R. Shaler, and his able assistant, Mr. H. G. Prescott, for

their part in the affair. He says: "From the day he knew of the movement, Col. Shaler showed in every act his sympathy for us, and that he was trying to protect us by avoiding combats on the line with the troops that had come from Colombia, which we had determined to attack if they had reached Panama. The part he took in the reembarkation of Col. Torres and his men also merits our gratitude. Of no less value were the services of that notable North American, Mr. H. G. Prescott, second superintendent of the railroad, who had for many years previous made his home here and married in this country. Mr. Prescott in accord with his chief went to Colon where he remained until the arrival of the Colombian forces. He was in constant communication with us, transmitted our instructions and kept us informed of what was transpiring there. By this and other valuable services the Panamanians owe Mr. Prescott a great debt of gratitude."

Col. Shaler and Mr. Prescott remained with the railroad company for over a year after its purchase by the United States Government in the same capacities, Mr. Prescott serving as Acting Superintendent for several months after Col. Shaler's resignation and departure. Col. Shaler is now consul for the Republic of Panama at his home city, Chattanooga, Tenn., while Mr. Prescott continues to reside in Panama occupied with commercial pursuits.

All Over But the Shouting.

"Worthy recognition has been taken", says the Colon Starlet of December 3, 1903, "of the six gentlemen to whom the credit of creating the new Republic of Panama belongs. At an extraordinary meeting of the board of the Isthmus Progressive Club on the 22d ult., it was unanimously voted to tender tribute to these gentlemen, namely, Dr. Manuel Amador Guerrero, Don Federico Boyd, Don Manuel Espinosa B., Don Ricardo Arias, Mr. Tracy Rob-

“**BON MARCHÉ**”

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inson, and Mr. J. Gabriel Duque, the two last being citizens of the United States.”

Gen. Huertas too, was the recipient of many attentions. Had he not been won over to the cause bringing with him his men, these pagos would probably have had a different story to tell, at least the end could not have been attained without the shedding of blood. Gen Huertas was feted one night shortly after the proclamation of independence. While the banquet was in progress, of a sudden there occurred the simultaneous popping of many corks, and the next instant the doughty general was deluged with the contents of a dozen bottles of champagne, which poured from his person in streams. The General appeared to relish his novel bath. The military record of Gen. Huertas, and the subsequent events in which he figured will be found in another part of this book.

Recognized.

The first country to recognize the independence of Panama was the United States, the acknowledgment being made on November 6. In its message to the Constitutional Convention of January 15, 1904, the provisional junta announced that the Republic had up to that time been accorded recognition by the following governments:—United

States, France, Austria-Hungary, China, Germany, Russia, Denmark, Belgium, Great Britain, Italy, Japan, Norway and Sweden Switzerland, Peru, Cuba, Costa Rica and Nicaragua in the order named. In February, 1904, Guatemala, Persia, Holland and Venezuela followed suit; in March, Mexico, Chile, Brazil, Honduras, Argentina and Salvador; in May, the Holy See and Spain; in June, Serbia; in July, Paraguay and Roumania. Portugal, Greece and Uruguay have never tendered their formal recognition, but a tacit understanding exists.

As regards Ecuador, former President Lisardo Garcia sent an autograph letter to President Amador setting forth that it was the wish of his government and people to maintain the friendliest relations with Panama. These relations have been cultivated under the government of Gen. Eloy Alfaro, the present ruler. The tardiness in making formal recognition is said to be due to a desire on the part of Ecuador not to disturb the amicable relations between it and Colombia.

THE CANAL IN AMERICAN HANDS.

During the Spanish-American war the importance of an isthmian canal was realized on more than one occasion. Had a waterway connecting the two great oceans been in operation at that period, the long and record-breaking run of the battleship *Oregon* around the Horn would have been reduced to a trip of a few days only. It is hardly a matter for wonderment then that the canal question came up in the first Congress assembled after the return of peace.

In December, 1898, the United States Senate acted favorably on a bill pledging government support to the

Nicaragua route, but it came to grief in the lower house. During the argument on the measure in committee, the representatives of the New Panama Canal Company were allowed a hearing on their proposition to reorganize the concern under the laws of the United States, in view of receiving national aid.

The agitation of the question had some result for in March, 1899, President McKinley was authorized by Congress to investigate various canal routes with the object of determining the practicability of each, and the possibility of obtaining sole control over them. Pursuant to these instructions the President organized the first Isthmian Canal Commission consisting of Rear-Admiral John G. Walker, (retired, now deceased), Samuel Pasco, George S. Morison, Lieut.-Col. Oswald H. Ernst and Col. P. C. Hains, U. S. Corps of Engineers; Lewis M. Haupt, Alfred Noble and William H. Burr, civil engineers, and Prof. Emory R. Johnson.

To this commission was delegated the work of examining the plans of the French canal company and to ascertain the best terms for which its property could be secured. The commissioners took up the subject in detail, and had several conferences with the canal company's officials. In a report submitted to the President in November, 1901, the commissioners announced that the canal company demanded the sum of \$109,141,500 for its holdings. During the progress of negotiations the commissioners had fixed upon the price of \$40,000,000 as a reasonable valuation of the property, but the French directors held that this amount was much too low, pointing out that the assets at the time of the failure of the old company aggregated over ninety millions of dollars, and that the depreciation of the property since then would be in a measure offset by additional plant equipment purchased by the new company.

The commission's report ended with the recommendation of the Nicaragua route, as against the Panama enterprise,

the former being more "feasible," all things considered. The publication of the report, which practically shelved their hopes, electrified the French stockholders into immediate action, and before the year 1901 had reached the close, word was received from Paris that an offer of \$40,000,000 for the company's plant would be entertained. Upon receipt of this information, the commission appended a rider to its previous report, setting forth that in view of the "changed conditions that now exist," the Panama route would be the most practicable and feasible for an isthmian canal under the control, management and ownership of the United States.

Congress Moves in the Matter.

While the negotiations between the canal commission and the French stockholders were under way, the Hepburn bill favoring the Nicaragua route was passed by the House of Representatives. In the Senate the bill met with determined opposition, and was warmly debated. It was shown that the preponderance of opinion, not only from an engineering standpoint, but from those engaged in ocean commerce, favored the Panama route. At this juncture what is known as the Spooner bill (fathered by Hon. John C. Spooner, the little statesman from Wisconsin), came to the rescue, and was finally passed by both houses. This measure, under which operations are now going forward, provides "for the construction of a canal connecting the waters of the Atlantic and Pacific Oceans," and contains among its authorizations the following:—

1. To acquire the property, rights and privileges of the New Panama Canal Company, including the Panama Railroad, at a cost not to exceed \$40,000,000.
2. To acquire from Colombia perpetual control of a strip of land not less than six miles wide extending from the Caribbean Sea to the Pacific Ocean, and the right to govern it.

3. To proceed with the excavation of a ship canal upon payment to the French company of the amount agreed upon.

4. In case negotiations with the French company, or the Republic of Colombia should prove unsuccessful, to acquire control over the necessary territory in Nicaragua or Costa Rica for the construction of a canal.

5. Appropriating \$10,000,000 for preliminary expenses, and providing for appropriations from time to time of amounts which shall not exceed in the aggregate the additional sum of \$135,000,000, in case of the adoption of the Panama route.

6. Guaranteeing the republic whose territory is crossed, the use of canals and harbors coming within the six-mile jurisdiction aforesaid.

7. Creating an isthmian canal commission of seven members, four of whom shall be persons learned and skilled in the science of engineering, one of the four to be an officer of the United States Army, and one to be an officer of the United States Navy.

8. Providing for the issuance of bonds for canal expenditures.

This bill was approved by the President on June 28, 1902.

The Treaty With Panama.

The history of the secession movement and the failure of the United States in negotiating a canal treaty with the Republic of Colombia is fully covered in another article. No time was lost in carrying through a treaty with the new Republic of Panama, as the following record shows:—

Separation of Panama from Colombia, November 3, 1903.

New republic recognized by the United States, November 6, 1903.

Canal treaty signed at Washington, November 18, 1903.

Ratified by Panama, December 2, 1903.

Ratification advised by the U. S. Senate, February 23, 1904.

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Ratified, by the President of the United States, February 25, 1904.
Ratifications exchanged at Washington, February 26, 1904.
Proclaimed, February 26, 1904.

The full text of the treaty follows:—

The United States of America and the Republic of Panama being desirous to insure the construction of a ship canal across the Isthmus of Panama to connect the Atlantic and Pacific Oceans, and the Congress of the United States of America having passed an act approved June 28, 1902, in furtherance of that object, by which the President of the United States is authorized to acquire within a reasonable time the control of the necessary territory of the Republic of Colombia, and the sovereignty of such territory being actually vested in the Republic of Panama, the high contracting parties have resolved for that purpose to conclude a convention, and have accordingly appointed as their plenipotentiaries: The President of the United States of America, John Hay, Secretary of State, and the Government of the Republic of Panama, Philippe Bunau-

Varilla, Envoy Extraordinary and Minister Plenipotentiary of the Republic of Panama, thereunto specially empowered by said government, who after communicating with each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:—

INDEPENDENCE OF PANAMA.

- ART. 1. The United States guarantees and will maintain the independence of the Republic of Panama.

CANAL ZONE.

ART. 2. The Republic of Panama grants to the United States in perpetuity the use, occupation and control of a zone of land, and land under water for the construction, maintenance, operation, sanitation and protection of said Canal of the width of ten miles extending to the distance of five miles on each side of the center line of the route of the Canal to be constructed; the said zone beginning in the Caribbean Sea three marine miles from mean low water mark and extending to and across the Isthmus of Panama into the Pacific Ocean to a distance of three marine miles from mean low water mark with the proviso that the cities of Panama and Colon and the harbors adjacent to said cities, which are included within the boundaries of the zone above described, shall not be included within this grant. The Republic of Panama further grants to the United States in perpetuity the use, occupation and control of any other lands and waters outside of the zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said Canal, or of any auxiliary canals, or other works necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said enterprise.

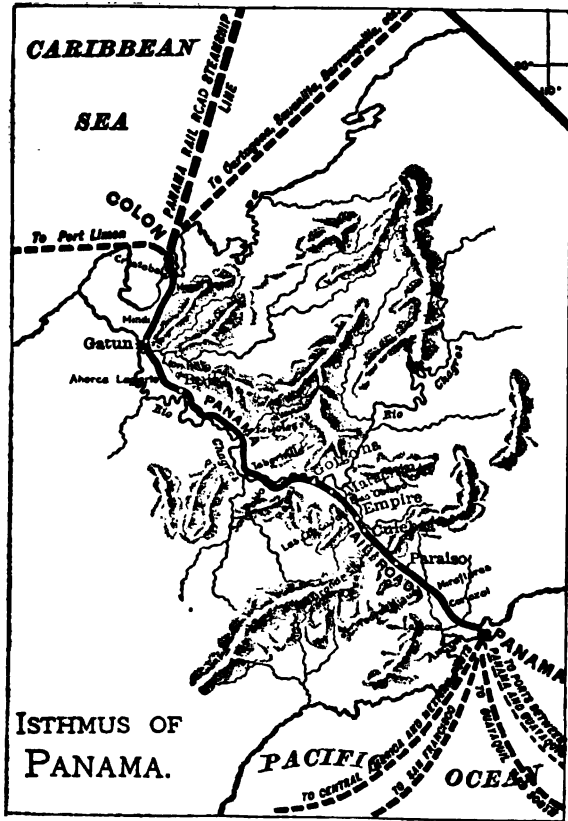
The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the zone above described, and in addition thereto the group of small islands in the Bay of Panama, named Perico, Naos, Culebra and Flamenco.

AUTHORITY IN CANAL ZONE.

ART. 3. The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in Article 2 of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said Article 2 which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located, to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.

SUBSIDIARY RIGHTS.

ART. 4. As rights subsidiary to the above grants the Republic of Panama grants in perpetuity to the United States the right to use the rivers, streams, lakes and other bodies of water within its limits for navigation, the supply of water or water-power or



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other purposes, so far as the use of said rivers, streams, lakes and bodies of water and the waters thereof may be necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said Canal.

MONOPOLY FOR CONSTRUCTION, ETC.

ART. 5. The Republic of Panama grants to the United States in perpetuity a monopoly for the construction, maintenance and operation of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific Ocean.

PRIVATE PROPERTY.

ART. 6. The grants herein contained shall in no manner invalidate the titles or rights of private land holders or owners of private property in the said zone, or in, or to any of the lands or waters granted to the United States by the provisions of any Article of this treaty, nor shall they interfere with the rights of way over the public roads passing through the said zone or over any of the said lands or waters unless said rights of way or private rights shall conflict with rights herein granted to the United States in which case the rights of the United States shall be superior. All damages caused to the owners of private lands or private property of any kind by reason of the grants contained in this treaty or by reason of the operations of the United States, its agents or employes, or by reason of the construction, maintenance, operation, sanitation and protection of the said Canal or of the works of sanitation and protection herein provided for, shall be appraised and settled by a joint Commission appointed by the Governments of the United States and the Republic of Panama, whose decisions as to such damages shall be final and whose awards as to such damages shall be paid solely by the United States. No part of the work on said Canal or the Panama Railroad or on any auxiliary works relating thereto and authorized by the terms of this treaty shall be prevented, delayed or impeded by or pending such proceedings to ascertain such damages. The appraisal of said private lands and private property and the assessment of damages to them shall be based upon their value before the date of this convention.

PANAMA: COLON: HARBORS.

ART. 7. The Republic of Panama grants to the United States within the limits of the cities of Panama and Colon and their adjacent harbors and within the territory adjacent thereto the right to acquire by purchase or by the exercise of the right of eminent domain, any lands, buildings, water rights or other properties necessary and convenient for the construction, maintenance, operation and protection of the Canal and of any works of sanitation, such as the collection and disposition of sewage and the distribution of water in the said cities of Panama and Colon, which, in the discretion of the United States may be necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said Canal and rail-

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road. All such works of sanitation, collection and disposition of sewage and distribution of water in the cities of Panama and Colon shall be made at the expense of the United States, and the Government of the United States, its agents, or nominees shall be authorized to impose and collect water rates and sewerage rates which shall be sufficient to provide for the payment of interest and the amortization of the principal of the cost of said works within a period of fifty years, and upon the expiration of said term of fifty years, the system of sewers and water works shall revert to and become the properties of the cities of Panama and Colon, except to the extent that water rates may be necessary for the operation and maintenance of said system of sewers and water.

The Republic of Panama agrees that the cities of Panama and Colon shall comply in perpetuity with the sanitary ordinances whether of a preventive or curative character prescribed by the United States and in case the Government of Panama is unable or fails in its duty to enforce this compliance by the cities of Panama and Colon with the sanitary ordinances of the United States, the Republic of Panama grants to the United States the right and authority to enforce the same.

The same right and authority are granted to the United States for the maintenance of public order in the cities of Panama and Colon and the territories and harbors adjacent thereto in case the Republic of Panama should not be, in the judgment of the United States, able to maintain such order.

PANAMA CANAL COMPANY AND RAILROAD.

The Republic of Panama grants to the United States all
ART. 8. rights which it now has, or hereafter may acquire to the property of the New Panama Canal Company and the Panama Railroad Company as a result of the transfer of sovereignty from the Republic of Colombia to the Republic of Panama over the Isthmus of Panama, and authorizes the New Panama Canal Company to sell and transfer to the United States its rights, privileges, properties and concessions as well as the Panama Railroad and all the shares, or part of the shares of that company; but the public lands situated outside of the

zone described in Article 2 of this treaty now included in the concessions to both said enterprises and not required in the construction or operation of the Canal shall revert to the Republic of Panama, except any property now owned by or in the possession of said companies within Panama or Colon, or the ports or terminals thereof.

PORTS AT ENTRANCE OF CANAL.

The United States agrees that the ports at either entrance of the Canal and the waters thereof, and the Republic of Panama agrees that the towns of Panama and Colon shall be free for all time so there shall not be imposed or collected custom house tolls, tonnage, anchorage, lighthouse, wharf, pilot, or quarantine dues or any other charges or taxes of any kind upon any vessel using or passing through the Canal or belonging to or employed by the United States, directly or indirectly, in connection with the construction, maintenance, operation, sanitation and protection of the main Canal, or auxiliary works, or upon the cargo, officers, crew, or passengers of any such vessels, except such tolls and charges as may be imposed by the United States for the use of the Canal and other works, and except tolls and charges imposed by the Republic of Panama upon merchandise destined to be introduced for the consumption of the rest of the Republic of Panama, and upon vessels touching at the ports of Colon and Panama and which do not cross the Canal.

The Government of the Republic of Panama shall have the right to establish in such ports and in the towns of Panama and Colon such houses and guards as it may deem necessary to collect duties on importations destined to other portions of Panama and to prevent contraband trade. The United States shall have the right to make use of the towns of Panama and Colon as places of anchorage, and for making repairs, for loading, unloading, depositing, or transshipping cargoes either in transit or destined for the service of the Canal and for other works pertaining to the Canal.

TAXES, ETC.

The Republic of Panama agrees that there shall not be imposed any taxes, national, municipal, departmental, or any other class, upon the Canal, the railways or auxiliary works, tugs and other vessels employed in the service of the Canal, storehouses, workshops, offices, quarters for laborers, factories of all kinds, warehouses, wharves, machinery and other works, property, and effects appertaining to the Canal, or railroad and auxiliary works, or their officers or employes, situated within the cities of Panama and Colon, and that there shall not be imposed contributions or charges of a personal character of any kind upon officers, employes, laborers, and other individuals in the service of the Canal and railroad and auxiliary works.

OFFICIAL DISPATCHES.

The United States agrees that the official dispatches of the Government of the Republic of Panama shall be transmitted over any telegraph and telephone lines established for canal purposes and used for public and private business at rates not higher



than those required from officials in the service of the United States.

ACCESS OF EMPLOYEES.

The Government of the Republic of Panama shall permit

ART. 12. the immigration and free access to the lands and workshops of the Canal and its auxiliary works of all employes and workmen of whatever nationality under contract to work upon or seeking employment upon, or in any wise connected with the said Canal and its auxiliary works, with their respective families, and all such persons shall be free and exempt from the military service of the Republic of Panama.

IMPORTATION INTO ZONE.

The United States may import at any time into the said

ART. 13. Zone and auxiliary lands, free of custom duties, imposts, taxes, or other charges, and without any restrictions, any and all vessels, dredges, engines, cars, machinery, tools, explosives, materials, supplies, and other articles necessary and convenient in the construction, maintenance, operation, sanitation, and protection of the Canal and auxiliary works, and all provisions, medicines, clothing, supplies and other things necessary and convenient for the officers, employes, workmen and laborers in the service and employ of the United States and for their families. If any such articles are disposed of for use outside of the Zone and auxiliary lands granted to the United States and within the territory of the Republic, they shall be subject to the same import or other duties as like articles imported under the laws of the Republic of Panama.

COMPENSATION.

As the price or compensation for the rights, powers and pri-

ART. 14. vileges granted in this convention by the Republic of Panama to the United States, the Government of the United States agrees to pay to the Republic of Panama the sum of ten million dollars (\$10,000,000) in gold coin of the United States on the exchange of the ratification of this convention, and also an annual payment during the life of this convention of two hundred and fifty thousand dollars (\$250,000) in like gold coin, beginning nine years after the date aforesaid.

The provisions of this Article shall be in addition to all other benefits assured to the Republic of Panama under this convention.

But no delay or difference of opinion under this Article or any other provisions of this treaty shall affect or interrupt the full operation and effect of this convention in all other respects.

JOINT COMMISSION.

The joint commission referred to in Article VI shall be established as follows:

ART. 15.

The President of the United States shall nominate two persons, and the President of the Republic of Panama shall nominate two persons, and they shall proceed to a decision; but in case of disagreement of the Commission (by reason of their being equally divided in

vessels shall be exempt from anchorage and tonnage dues on the part of the Republic of Panama.

NEUTRALITY RULES.

The Canal when constructed, and the entrances thereto
ART. 18. shall be neutral in perpetuity, and shall be opened upon the terms provided for by Section I of Article 3 of, and in conformity with, all the stipulations of the treaty entered into by the Governments of the United States and Great Britain on November 19, 1901.

FREE TRANSPORT.

The Government of the Republic of Panama shall have the
ART. 19. right to transport over the Canal, its vessels, and its troops and munitions of war in such vessels at all times without paying charges of any kind. The exemption is to be extended to the auxiliary railway for the transportation of persons in the service of the Republic of Panama, or of the police force charged with the preservation of public order outside of said zone, as well as to their baggage, munitions of war and supplies.

CANCELLATION OF EXISTING TREATIES.

If by virtue of any existing treaty in relation to the territory
ART. 20. of the Isthmus of Panama, whereof the obligations shall descend or be assumed by the Republic of Panama, there may be any privilege or concession in favor of the Government or the citizens and subjects of a third power relative to an interoceanic means of communication, which in any of its terms may be incompatible with the terms of the present convention, the Republic of Panama agrees to cancel or modify such treaty in due form, for which purpose it shall give to the said third power the requisite notification within the term of four months from the date of the present convention, and in case the existing treaty contains no clause permitting its modifications or annulment, the Republic of Panama agrees to procure its modification or annulment in such form that there shall not exist any conflict with the stipulations of the present convention.

ANTERIOR DEBTS, CONCESSIONS, ETC.

The rights and privileges granted by the Republic of Panama to the United States in the preceding Articles are understood to be free of all anterior debts, liens, trusts, or liabilities, or concessions or privileges to other Governments, corporations, syndicates, or individuals, and consequently, if there should arise any claims on account of the present concessions and privileges or otherwise, the claimants shall resort to the Government of the Republic of Panama and not to the United States for any indemnity or compromise which may be required.

RENUNCIATION OF RIGHTS.

The Republic of Panama renounces and grants to the United States, the participation to which it might be entitled in the future earnings of the Canal under Article 15 of the concessionary contract with Lucien N. B. Wyse, now owned by the New Panama Canal Company, and any and all other rights or claims of a pecuniary nature arising under or relating to said concession, or arising under or relating to the concessions to the Panama Railroad Company or any extension or modification thereof; and it likewise renounces, confirms and grants to the United States, now and hereafter, all the rights and property reserved in the said concessions, which otherwise would belong to Panama at or before the expiration of the terms of ninety-nine years of the concessions granted to, or held by the above-mentioned party and companies, and all right, title, and interest which it now has or hereafter may have, in and to the lands, canal, works, property and rights held by the said companies under said concessions, or otherwise, and acquired or to be acquired by the United States from or through the New Panama Canal Company, including any property and rights which might, or may in the future, either by lapse of time, forfeiture or otherwise, revert to the Republic of Panama under any contracts or concessions, with said Wyse, The Universal Panama Canal Company, the Panama Railroad Company, and the New Panama Canal Company.

The aforesaid rights and property shall be and are free and released from any present or reversionary interest in, or claims of Panama, and the title of the United States thereto upon consummation of the contemplated purchase by the United States from the New Panama Canal Company, shall be absolute, so far as concerns the Republic of Panama, excepting always the rights of the Republic specifically secured under this treaty.

PROTECTION OF CANAL.

If it should become necessary at any time to employ armed forces for the safety or protection of the Canal, or of the ships that make use of the same, or the railways and auxiliary works, the United States shall have the right, at all times and in its discretion, to use its police and its land and naval forces or to establish fortifications for these purposes.

CHANGE IN GOVERNMENT, LAWS, ETC.

No change either in the Government or in the laws and treaties of the Republic of Panama shall, without the consent of the United States, affect any right of the United States under the present convention, or under any treaty stipulation between the two countries that now exists or may hereafter exist touching the subject matter of this convention.

If the Republic of Panama shall hereafter enter as a constituent into any other government, or into any union or confederation of states so as to merge her sovereignty or independence in such Government, union or confederation, the rights of the United States under this convention shall not be in any respect lessened or impaired.

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COALING STATIONS.

For the better performance of the engagements of this convention, and to the end of the efficient protection of the Canal and the preservation of its neutrality, the Government of the Republic of Panama will sell or lease to the United States lands adequate and necessary for naval or coaling stations on the Pacific coast and on the western Caribbean coast of the Republic at certain points to be agreed upon with the President of the United States.

RATIFICATION.

This convention when signed by the Plenipotentiaries of the Contracting Parties shall be ratified by the respective Governments and the ratifications shall be exchanged at Washington at the earliest date possible.

In faith whereof the respective Plenipotentiaries have signed the present convention in duplicate and have hereunto affixed their respective seals.

Done at the City of Washington the 18th day of November in the year of our Lord nineteen hundred and three.

JOHN HAY, (Seal).
P. BUNAU VARILLA, (Seal).

NOT BY A DAM SITE

Young Lock Engineer (to his new Bride.)—Annabel dear, I have just been assigned quarters up by the new dam. New Bride (looking a little disgusted)—Why, James, we surely won't have to go up there; not by a dam site.

The Deal Goes Through.

The sale of the canal properties were authorized by the shareholders of the New Panama Canal Company on April 23, 1904, the instrument of conveyance being as follows:

Now, therefore we, the New Panama Canal Company, represented by Messrs Marius Bo and Albert Rischmann, in consideration of the payment of forty million dollars in gold coin of the United States of America to said company on its order or demand, contemporaneously with the delivery of this present conveyance to the two representatives of the United States of America first above mentioned, and the delivery to them of its property in Paris, and the certificate of said Panama Railroad shares (the property of the company not being understood to include the treasury assets of the company, including deposits of money, outstanding credits and investments in bonds), and the delivery upon the Isthmus of Panama, to an agent of the United States of America, designated by them, or by the Attorney-General of the United States of America, of the remainder of its rights and properties, do hereby acknowledge and confirm the said sale, and do grant, sell and assign, transfer and set over to the United States of America absolutely, in full ownership, the totality, without exception, of the company's property and rights on the Isthmus of Panama, and its maps and archives at Paris.

Those acquainted with the negotiations for the canal property have always credited Admiral Walker with a peculiarly successful combination of statesmanship and business ability in this matter by first reporting to Congress in favor of the Nicaragua route, which report so unnerved the French company that a reduction of seventy millions was at once made from their previous figure.

Of the forty millions paid to the French company, the canal represented \$27,474,000; Panama Railroad, \$6,886,000; maps and records \$2,000,000. The sale included about 30,000 acres of land that went with the



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railroad; 625,000 acres of land under the Wyse concession, 2265 buildings in Panama, Colon, and along the line of the canal, and three steamers of about 2,000 tons each.

The Great Scrap Heap.

Having completed the purchase of the canal properties, Lieut. Mark Brooke was empowered to take possession of the plant on the Isthmus, with the result as announced in the following cable:—

Panama, May 4, 1904.

Isthmian, Washington,

Property taken over at seven thirty this morning.

BROOKE.

There were at this time, all told, 115 storehouses or magazines, fifteen larger warehouses and forty-one parks,

or yards scattered at different points along the forty-six miles of canal route. The contents of these buildings and yards would cover, if spread out in one place, a 500-acre farm, three feet deep, and leave enough over for a fence twice as high to enclose it. According to the last inventory of the French, this vast amount of material represented a book value of \$29,000,000. In the purchase of the canal this stuff was not counted, but Admiral Walker insisted that it all be thrown in as part of the deal. Since the Americans took hold, much of this material has been disposed of. In 1906, a dealer in old iron in the States contracted for two shiploads, representing \$60,000 in value, while tons and tons have been going to New York as ballast on the Panama Railroad boats. Hundreds of machines, engines, etc., were found in fair condition, and have been made over and put in service. This work has mostly been done at the Gorgona shops. In 1904, much of this material was covered by dense jungle growth, and even at this day, survey parties frequently run across in their explorations hitherto undiscovered caches of machinery.

There was also on hand 57 barges, 38 yawls and 21 steam launches. There were 273 iron cranes, 800 big pumps of various kinds, 189 rock drills, and 140 steam winches. There was a floating drill apparatus valued at \$30,000, a boring machine at \$10,000, a suction dredge worth \$7,000, and other dredges whose value runs into the hundred thousands. As to cars and locomotives, there were 34 American locomotives valued at \$200,000, and 212 Belgian valued at upwards of \$1,000,000. In addition there were a lot of small Decauville engines and narrow gauge Decauville track, every foot of the last having since been put to good use. There were also 5,000 dump cars, and 5,000 trolleys for carrying dirt away from the canal.

The sale also included the magnificent Ancon Hospital costing the French upwards of \$5,000,000, the De Lesseps houses at Cristobal, the Administration building in Panama City for which the French paid \$200,000; the

residence of the French director-general at Panama, (now known as the American Legation), which cost \$60,000; the grounds and buildings of the Taboga Sanitarium on Taboga Island, on which \$25,000 was spent, and the Dinger residence on the La Boca road, costing about \$50,000. It is the opinion of those who have been constantly in touch with the properties acquired from the French company, that the price the United States paid for them was way below their actual value at the time of the transfer.

When the United States came into possession, the sole control of canal affairs on the Isthmus was vested in the Director-General, the delegate of the Board of Directors of the French company in Paris. Reporting to this Director-General were chiefs of departments, or bureaus having to do with engineering and plans, accounts and cash, material and supplies, health, and lands. There was but one set of files, or place of deposit of records and this at canal headquarters in Panama. As the French company was operating under a franchise, and was dependent for protection upon the sovereign government, police protection came of, and all judicial proceedings were, of necessity, conducted in the courts of said government. For cases of emergency the chiefs of section, or departments, were each provided with a stand of arms. The Sanitary Department was such only in name. There was no attempt to institute any hygienic measures, save such as the laws of the sovereign required, that is, none at all. If the employes were injured or sickened, they were cared for by the Company's physicians, in or out of the hospital. The medical officers had no independent discretion of any kind, and the physicians were not obliged to attend families of employes, although they usually did so.

First on the Ground.

The first party to arrive on the Isthmus in connection with the present undertaking consisted of Major William

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M. Black and Lieut. Mark Brooke, U. S. Corps of Engineers, Mr. A. C. Harper as civil engineer, and Mr. Harry D. Reed as clerk and stenographer. The party reached Panama on April 16, 1903, over six months before the secession, and nearly a year before the proclamation of the canal treaty. Their mission was to keep tab on the work and methods of the New Panama Canal Company. Messrs Harper and Reed have been with the canal enterprise ever since. The former is now Resident Engineer with headquarters at Corozal, while the latter has filled the position of Executive Secretary for over three years past.

Dr. Claude C. Pierce has the honor of being the first sanitary representative on the ground, as well as the first to arrive in an official capacity after it was known that a treaty would be negotiated with Panama. Dr. Pierce was detached from the U. S. Marine Hospital service at Key West, Fla., and sent to the Isthmus to make