

## CHAPTER XVI

### LABOR

**S**AN FRANCISCO'S Exposition, in 1915, celebrating the formal opening of the Panama Canal, will be the most truly international Exposition ever held in this country or any other.

Not only is the object of the Exposition international in interest, but there is not a nation under the sun, possibly, which has not contributed some of its citizens to the construction force of the canal. Panama always has been cosmopolitan, a world transit route. The actual promise of building a canal, made when the Americans took charge, centered the eyes of the adventurous spirits of all races in the direction of the Isthmus.

Every nation which participates in the Exposition will feel a pride that the canal, in some measure, large or small, owes its being to the efforts of its own subjects. The list of nationalities, or geographical designations, represented among the employees of the Commission, or the Panama Railroad, gives an idea of the international appeal the canal exerts.

These eighty-six varieties of canal employees afford an opportunity to brush up on geography. In the census of the Canal Zone, taken in February, 1912, forty nationalities are listed, while in the following list, geographical subdivisions are noted to emphasize the variegated labor supply at Panama :

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Africa.	Fiji Islands.	Norway.
Algeria.	Finland.	Panama.
Antigua.	Fortune Islands.	Peru.
Arabia.	France.	Porto Rico.
Argentine.	French Guiana.	Portugal.
Australia.	Germany.	Philippines.
Austria.	Greece.	Roumania.
Barbados.	Grenada.	Russia.
Belgium.	Guadeloupe.	San Salvador.
Bolivia.	Guinea.	Santo Domingo.
Brazil.	Guiana.	St. Croix.
Bulgaria.	Guatemala.	St. Kitts.
Bahama Islands.	Hindustan.	St. Lucia.
Bermuda Islands.	Honduras.	St. Martins.
Bohemia.	Holland.	St. Thomas.
British Honduras.	Hungary.	St. Vincent.
Canada.	Iceland.	Scotland.
Chile.	India.	Spain.
China.	Ireland.	Sweden.
Colombia.	Italy.	Switzerland.
Costa Rica.	Jamaica.	Syria.
Cuba.	Japan.	Trinidad.
Curacao.	Liberia.	Turkey.
Demerara.	Martinique.	Turks Island.
Dominica.	Mexico.	Uruguay.
East Indies.	Montserrat.	Venezuela.
Ecuador.	Nassau.	West Indies.
Egypt.	Nevis.	
England.	Nicaragua.	

At the beginning of the American occupation, in 1904, there were 746 men employed on the canal. According to the Quartermaster's department the highest force of record since then was on March 30, 1910, when the pay-rolls showed 38,676 employees. This record nearly was reached on January 10, 1912, when there were 38,505 employees on the rolls. The census report, as of February 1, 1912, estimated the num-

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ber of employees as 42,174, for the Commission and the Panama Railroad, which would be the record force in the history of the project, and not likely to be equaled again with the canal nearing completion.

In the following tables the maximum force for each year under the Americans is given, from figures reported by the Quartermaster and the Sanitary department. The discrepancy in favor of the Sanitary department is accounted for by the fact that from five to ten thousand workers always have been in the Canal Zone in excess of the number actually employed, and had to be cared for the same as the regularly employed men. The third column shows the number of Americans in the Canal Zone for the same period.

Year	Quartermaster	Sanitary Dept.	Americans
1904 .....	3,500	6,213	700
1905 .....	10,500	16,512	1,500
1906 .....	23,901	26,547	3,264
1907 .....	31,967	39,238	5,000
1908 .....	33,170	43,891	5,126
1909 .....	35,405	47,167	5,300
1910 .....	38,676	50,802	5,573
1911 .....	37,271	48,876	6,163
1912 .....	38,505	48,000	6,008

The percentage of Americans in the total working force usually has been one sixth or one seventh. Their work is of a supervisory character, or skilled labor, such as mechanics, carpenters, plumbers, masons, electricians, etc. They also are the steam shovel,

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locomotive and marine engineers, railroad conductors, time inspectors, firemen, policemen, all branches of civil administration, office forces, sanitary and hospital officers, foremen, civil engineers, and the like. In 1912 there were 4,064 wives and children of American employees.

Laborers did not come to the Canal Zone in sufficient numbers during the early years, necessitating recruiting offices in Europe, the West Indies, and the United States. A total of 43,000 men were imported under contract with the Commission, from 1904 to 1910, and it was thought the labor problem had been solved, but in July, August, and September, 1911, it became necessary to import 1,300 laborers to fill up the ranks depleted by the migration of employees to other Central and South American fields.

Spain furnished the largest number of European laborers to the canal until the government of that country, in 1908, forbid further emigration to Panama. The Spaniards also proved to be the most satisfactory common labor employed by the Commission. Out of a total of 11,797 European laborers imported to 1910, 8,222 were Spaniards, and the others came principally from Italy, France, and Armenia.

The colored labor predominates in the Canal Zone and was obtained in the islands of the West Indies. Barbados furnished the largest number, 19,448; Martinique, 5,542; Guadeloupe, Jamaica, Trinidad, St. Kitts, Curacao, Fortune Islands, etc., 4,677—a grand total of 29,667. Costa Rica, Colombia, and Panama

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furnished 1,493: unclassified, 2,163. The largest immigration for one year was in 1907, when 14,942 laborers were imported, while in 1906, 12,609 arrived.

Chief Engineer Stevens in his first annual report estimated the native labor to be about 33 per cent as efficient as common American labor. However, this standard has been raised under the perfection of the organization in later years, though nothing like the capacity for hard and effective work, shown in labor under private management in the United States, has been developed. Mr. Stevens asked for bids for supplying 2,500 Chinese coolies to the Canal Zone, in 1906, with a provision for 15,000 if needed, but this move never resulted in importing any Chinese under contract. Conditions as to pay, quarters, and treatment received such favorable advertising that, in 1910, more than 2,000 Europeans voluntarily came to the Canal Zone to seek employment.

The color line has been drawn in the Canal Zone by dividing the employees into "gold" and "silver" men. In the first category are the Americans, and in the second the common and unskilled laborers. Wages are paid in silver to the laborers and salaries to the Americans are paid in gold. This distinction is not a hard and fast one and the idea was adopted as the best means for the Government to draw the color line—a practice it would not attempt under the Constitution in the United States. Second-class coaches are provided on the trains, special windows in the

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post offices, special clerks in the commissary, and separate eating places for the silver employees.

Stability has not been a feature of the American working force at Panama. In 1911, the gold force changed to the extent of 60 per cent, and the average stay on the Isthmus, of mechanics, has been only one year. The reason for this is found partly in the fact that many workers come simply to see the big job and make expenses while on the trip and partly in the lack of diversions after work hours. There are saloons in the Canal Zone, and the clubhouses afford billiards, pool, bowling, gymnasium, reading room, and a weekly moving picture show, but the simple life rules supreme, palling on those who have a taste for the gay white lights. Panama and Colon do not afford much greater entertainment if they were easily accessible to the inland canal employees. This lack of relaxation and recreation facilities is the only drawback to the otherwise ideal working conditions in the Canal Zone. Eat, sleep, and work is the monotonous round of the canal employee and the most of them save money.

Tourists in the Canal Zone commonly do not see the great shops at Gorgona and Empire, where repairs for the machinery and equipment used in building the canal are made, and where original iron and steel construction is done. The Gorgona shops cover about 22 acres and have seven miles of tracks. Much small iron work, such as making bolts, machinery parts and pattern work, is done more cheaply than in the United States, when freight to the Isthmus is considered.





1. OLD FRENCH LOCOMOTIVE. 2. STEAM SHOVEL. 3. SLIDE IN  
CULEBRA CUT. 4. TRACK SHIFTER.



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Owing to the long distance from the base of supplies these shops early were equipped to do any work the canal plant might require. All equipment on the canal receives rough handling in the desire to make records in excavation, dumping or concrete laying, with the consequence that the shops usually are crowded with broken down dump cars, locomotives, steam shovels, and other apparatus. Gorgona is the Pittsburgh of the Canal Zone. The town and shops will have to be abandoned before the opening of the canal as the waters of Gatun Lake will surround it, and cover the present shop site.

Many labor-saving devices have been born of necessity in the Canal Zone. The honor for inventing the greatest of these belongs to W. G. Bierd, formerly general manager of the Panama Railroad, and the man who most largely was responsible for bringing that archaic system from chaos to order, under Chief Engineer Stevens. He originated a Track Shifter which does the work of 500 men in one day and requires only nine men to operate it. This locomotive machine has a crane which raises the tracks, ties and all, clear of the ground, then swings it to the side for three feet or more, according to the elasticity of the rails. Thus the hand method, of pulling out spikes, removing the ties to the desired place and relaying the rails, is abolished. If we figure that one track shifter has worked an average of 300 days in the last six years, it has done work which by the old hand method would have required more than 1,000,000 men to do in one day, or 500 men working each day during the

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six years. The track shifter in that six years required 16,200 men, on the basis of nine men a day, for its operation. There were three track shifters when Col. Goethals took charge in 1907 and there were ten in 1912. At 10 cents an hour, 500 men a day would cost \$400. In a year this would be \$120,000 and in six years \$720,000, but that estimate of the cost by the hand method is too low, and when the number in use is considered, making allowances for hours not at work, the track shifter has saved the government several million dollars. Mr. Bierd received nothing from the Commission for his invention. A Spaniard who devised a simple method of dumping steel cars received \$50 a month royalty.

Strikes have never been successful in the Canal Zone. In 1904 President Roosevelt gave the Commission the power to expel anybody from the Canal Zone who, in its discretion, was not necessary to the work of building the canal, or was objectionable for any reason. No such power resides in any American State government, but the Supreme Court held that the Canal Zone was not under the Constitution and was subject to the regulation of a military reservation. The President took the wise view that the Americans were there for the express purpose of building a canal and nobody should be allowed to remain whose conduct or presence might clog the wheels of construction. This power also has been used to expel undesirable women as well as men.

On November 22, 1910, the boilermakers in the Gorgona and Empire shops struck for higher pay, and

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for the same vacation allowance given to employees on a monthly pay basis. They were receiving 65 cents an hour, or about 40 per cent more than similar work in the United States earned, and in addition had quarters free. Their demand for 75 cents an hour was refused but two weeks' vacation with pay and extra time without pay was granted. Although the strike crippled the shops for a few weeks, Col. Goethals saw to it that they left on the first steamers out for the United States and the Washington recruiting office soon supplied their places. The steam-shovel men, in a restive mood, met the same treatment and the locomotive engineers, who threatened a walk-out, thought better when they had the alternative of returning forthwith to the United States, or going to work, presented to them.

This peremptory manner of handling employees is justified only by the peculiar conditions at Panama. In truth there never has been any excuse for strikes or dissatisfaction with working conditions, after the first two years. The canal employees are the most pampered set of workers in the world. An eight-hour day with a two-hour intermission at noon, first-class board cheaper than in the United States, free quarters, free medical service on full pay, nine holidays on pay, reduced railroad rates, wages and salaries from 30 to 80 per cent higher than in the United States, an annual vacation of forty-two days on full pay for gold employees, and the necessaries of life for sale at lower prices in the government commissary than in the United States.

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Yet, with conditions of employment on this utopian basis, there has been considerable complaining. These complaints reached the limit of absurdity, in 1912, when a petition was presented to Col. Goethals asking that employees be paid for all the sick leave they did not use during the year. In other words, as an employee could be sick for thirty days on pay in one year, if he was sick only five days they asked that the twenty-five days not used, during which he was being paid for his work, should receive an additional compensation of full pay for that time. It was a plain invitation to the government to pay employees not to get sick. Col. Goethals said the Commission could not even consider such a proposition.

It is a noticeable fact to one who spends several months among the canal employees that many look upon themselves much in the light of war veterans who should be pensioned or receive special consideration from the government. Certain older employees are the worst offenders in this way. They think the government owes them some sort of a position at equally good pay for the remainder of their lives. The proposal to reduce salaries, for the permanent operating force, to a point 25 per cent above the standard in the United States is scouted by them as preposterous. Many of those who went through the hardships of the first two years, although they stayed with the job because it looked good as a business proposition, now assume that such service entitles them to be ranked as national heroes who henceforth are to be the wards of Uncle Sam's bounty. When they finish at Panama

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they expect to be shifted to positions in the government service elsewhere, at the same pay, which would be impossible, unless they were made bureau chiefs or salaries should receive a perpendicular treatment unknown to the civil service in the United States. The older employees are thinning out, however, as may be noted by the statement that in May, 1912, there were only 63 employees who had come in 1904.

No one realizes how generous the government has been to its employees at Panama more than the employee who leaves the service to return to work in the United States. Over and over again such employees have returned to the Canal Zone to take work at wages or salaries less than they were receiving when they quit. One foreman drawing \$250 a month in Panama decided he could do as well at home. In a year he returned to the Canal Zone and gladly took a position at 65 cents an hour, or about \$132 a month. The cost of living, and standard of pay, in the United States made him repent his action.

In many departments the government work at Panama is not as exacting in its standard of efficiency as under private industry in the United States. This especially is true of the transportation department where young fellows are drawing \$190 a month, as dirt train conductors, who could not earn \$65 a month as cub brakemen on a high-grade American railroad. The high pay in the Canal Zone not only draws employees back to the job, but the pace of American industrial life is so much swifter than the easy-going canal organization, that this, too, makes them think

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of the flesh-pots of Egypt. The steam-shovel men, who are after records, come nearer to the mark of efficiency in the United States than perhaps any other class of employees. Efficiency here is used in the sense not only of capability but of productivity, for necessarily the canal organization is capable in its engineering and administrative departments, but has most of the ear-marks of a government job—the-take-your-time-and-don't-overwork characteristic.

Any employee on a monthly salary basis may take eighty-one days off at full pay in every year. He has a vacation of forty-two days on pay, a sick leave of thirty days on pay, and nine holidays on pay, a total of eighty-one days that the government voluntarily deprives itself of the employee's services. The sick leave, too, is pretty generally used up by the employees, who have little trouble in persuading a district physician they need a rest at Taboga sanitarium or Ancon hospital. It is apparent that the government has invested some of its millions in a way no private contractor could follow, except into bankruptcy. If an employee does not take his vacation one year, he can accumulate it for the next year, and so get 84 days at full pay, and his trip to the United States will cost him only \$20 or \$30 a one-way passage.

Pay days until October 1, 1907, were semimonthly. Since then monthly pay days have been the custom, the pay car starting out on the 12th and finishing in three days for the entire Canal Zone. The Disbursing Office, at Empire, is a great bank handling nearly \$3,000,000 a month. A Chinaman and a Hindoo are

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the expert money counters in this office. Payments for wages have increased from \$600,000 monthly, in 1905, to nearly \$2,000,000 a month as a maximum in 1910-1911-1912.

Silver employees, or common laborers, earn 5, 7, 10, 13, 16, 20, and 25 cents an hour, with a few exceptions at 32 and 44 cents an hour, and a maximum monthly silver rate of \$75.

Gold employees, which includes all the Americans, are paid from a minimum of \$75 monthly to a maximum of \$600 monthly, not including in this classification heads of departments. Col. Goethals, as Chairman and Chief Engineer and President of the Panama Railroad Company, receives \$21,000 annually; other members of the Commission, \$14,000 annually; clerks, from \$75 to \$250 monthly; draftsmen, \$100 to \$250; engineers, assistant, special and designing, \$225 to \$600; foreman, \$75 to \$275; inspectors, \$75 to \$250; marine masters, \$140 to \$225; master mechanic, \$225 to \$275; physicians, \$150 to \$300; district quartermasters, \$150 to \$225; hotel steward, \$60 to \$175; storekeepers, \$60 to \$225; superintendents, \$175 to \$583.33; supervisors, \$200 to \$250; teachers, \$60 to \$110; trainmaster, \$200 to \$275; yardmaster, \$190 to \$210; nurses, \$60 to \$150; policemen, \$80 to \$107.50; master car builder, \$225; fire department privates, \$100; traveling engineer, \$250; accountants, \$175 to \$250; musical director, \$166.67; mates, \$100 to \$175; postmasters, \$50 to \$137.50.

Wages on an hourly basis are in part as follows: apprentice, 10 to 25 cents; blacksmith, 32 to 70 cents;

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boilermakers, 32 to 70 cents; bricklayers, 65 cents; car inspector and repairer, 32 to 65 cents; carpenter, 32 to 65 cents; ship caulker, 65 cents; coach cabinetmaker, 65 cents; coppersmith, 32 to 65 cents; ironworker, 44 to 70 cents; lineman, 32 to 65 cents; machinist, 32 to 70 cents; molder, 32 to 70 cents; painter, 32 to 65 cents; pipefitter, 32 to 65 cents; planing mill hand, 32 to 56 cents; plumber, 32 to 75 cents; tinsmith, 32 to 65 cents; wireman, 32 to 65 cents; shipwright, 44 to 65 cents; locomotive engineers earn from \$125 to \$210 monthly; steam-shovel engineer from \$210 to \$240; steam engineer, \$75 to \$200. The hourly rates quoted run as high as 62 per cent greater than the pay for similar work in the United States Navy yards, or private industries.

The canal was estimated to cost \$375,000,000. Out of that amount, the part which had gone into wages and salaries to June 30, 1912, was approximately \$120,000,000. By the time the canal is finished, and opened for permanent use, in 1914, this item will reach the startling total of \$150,000,000. From 20 to 25 per cent of it has gone into salaries of officers and supervisory employees, and from 75 to 80 per cent into wages to skilled and unskilled labor.

The Commission has the work of repatriation of imported employees already under way. While nearly 45,000 workers were imported under contract that provided for their return home when the canal was done, the Commission will not have anything like this number to repatriate as thousands have left voluntarily to new fields of labor or quit the service under conditions



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that forfeit their right of return at the Commission's expense. It will not be difficult to get sufficient common labor for the permanent canal.

As the conglomeration of races presents names impossible of uniformly correct spelling, every employee has a numbered brass check for identification, which he must show to get his pay.

## CHAPTER XVII

### COMMISSARY—QUARTERS—SUBSISTENCE

**D**URING the first year of American operations in Panama, the problem of food and merchandise supply for the army of workers was not worked out. The Panama Railroad long had maintained a commissary for its employees, but its facilities totally were inadequate, as they existed in 1904, for satisfactory service to the increased thousands of employees and their families.

Chief Engineer Stevens, in 1905, turned his attention to this problem as one, upon the proper solution of which would depend satisfactory conditions of living for the canal workers. By April, 1907, when he resigned, the present commissary and hotel systems, as well as the system of housing the employees, which challenge the admiration of the tourist, had been created, and all that was left to Col. Goethals to do, in this phase of the task, was to enlarge the systems as the organization expanded.

Under Mr. Stevens the Department of Labor, Quarters, and Subsistence covered the whole ground. In 1908, Col. Goethals modified the organization by creating a Quartermaster's Department along Army lines, which had charge of all buildings and the accountability for all physical property of the Commission, the recruiting of labor, storage of material and sup-

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plies, collection of garbage, distribution of commissary merchandise to employees, and the cutting of grass as directed by the Sanitary Department. A Subsistence Department then was created, which in addition to operating the hotels, kitchens, and messes, was given supervision over the Panama Railroad Commissary. The bookkeeping for the commissary, however, is done by the railroad company and the profits go into its accounts, but as the government owns the railroad, the distinction only is one of bookkeeping.

Merchants in Panama and Colon objected to a government commissary on the idea that it would be a competition not contemplated when the Canal Zone was ceded, and they made overtures to the Commission for taking over the business of supplying canal employees with the necessaries of life. Had this been done an inconceivable amount of dissatisfaction would have resulted, through the ruinously high prices the employees would have been compelled to pay for the privately owned merchandise.

The government has made a profit from the commissary operations because it arbitrarily has fixed the price of commodities at a point which would pay for the construction of storehouses, and the usual expenses of merchandising two thousand miles from the markets of the world. But, owing to the immense quantities in which all articles are bought, and the absence of a grasping policy as to profits, the canal employees customarily buy almost everything more cheaply than the same merchandise sells for in the United States.

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For one reason, there is no tariff in the Canal Zone. Foreign made goods are imported without the expense to the consumer that the high protective duties at home necessitate. Irish linens, English and Scotch cloth, French perfumery, Swiss and Scandinavian dairy products, and a wide variety of other European manufactures, make the commissary, with the American merchandise in stock, a great department store which in the fiscal year 1912 did a business amounting to \$6,702,355.68.

General headquarters are at Cristobal, on the Atlantic side. The steamships of the Panama Railroad Line every week replenish the food supplies with seasonable offerings from the American markets. The scope of the operations include a laundry, bakery, ice cream plant, ice factory, cold storage, coffee roasting plant, and laboratory for making extracts.

The year 1911 is typical of the scale on which the commissary has been operated since 1906. Importations of principal commodities were as follows:

Groceries .....	\$1,278,594.79
Hardware .....	86,768.86
Dry Goods .....	603,490.18
Boots & Shoes .....	164,168.89
Cold Storage Supplies .....	1,573,202.97
Furniture .....	9,020.48
Tobacco .....	182,590.96
Raw Materials .....	215,375.22
Paper, Stationery, etc.....	54,579.05
Total .....	<u>\$4,267,792.05</u>

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These importations do not represent the total transactions of the commissary for that year, as the stock on hand, and bought on the Isthmus, ran the volume of business to \$5,754,955.69. Of this amount the Commission paid \$1,625,348.77 for supplies used in the hotels, messes, kitchens, and elsewhere; and \$3,609,358.01 represents the amount of the total which was paid by employees using coupon books. Nineteen stores were operated in as many settlements and towns and the average monthly business was \$479,579.69.

No cash sales are made at the Commissary. Employees are issued coupon books in value from \$2.50 to \$15.00 and containing coupons ranging in face value from one cent to twenty-five cents. Enough coupons are torn out by the clerks to cover each purchase. At the end of each month the value of the coupon books is deducted from the employee's salary. In 1912 the practice of selling coupon books for cash was extended to the employees. Formerly no books would be issued after the 28th nor before the 4th of each month, and a gold employee could only ask for books to the extent of 66 $\frac{2}{3}$  per cent of his salary, or a silver employee for not more than \$15 in any one month. While the old method still is in vogue, by selling books for cash the employees who thoughtlessly failed to provide books to run them through the month may supply their needs. The books are not transferable.

The quantities of various articles handled by the commissary in the year being reviewed were as fol-

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lows: Eggs, 692,060 dozen; butter, 429,267 pounds; meats, 9,241,858 pounds; poultry, 554,028 pounds; milk and cream, 86,466 gallons; coffee, 320,491 pounds; flour, 16,638 barrels; ice, 33,267 tons; ice cream, 110,208 gallons.

At 4.30 o'clock each morning a special train of from fourteen to eighteen cars leaves Cristobal with fresh supplies for the towns in the Canal Zone. The branch stores usually have small cold storage facilities to preserve such meats and perishable goods as may be necessary for the day's operations. Once a month the Commissary Bulletin is issued, with price lists and announcements of special sales on various articles. The feminine instinct for bargains thus is not atrophied by residence in the Canal Zone.

While the cost of living has been a rampant issue in the United States, the canal-employees have enjoyed comparatively lower prices, as well as a greater purchasing power because of higher pay.

One central laundry is operated for the white, or gold, employees. In 1911 there were 7,260 patrons and 3,581,923 pieces were laundered. Patrons deposit their bundles at the branch commissaries in the respective towns and they are collected for shipment over the railroad to Cristobal. By this centralization of work the cost is from 30 to 50 per cent lower than for similar work in American cities. Cleaning and pressing are done for both men and women's clothes at correspondingly low rates.

Panama hats are not as extensively worn by the Americans as one might imagine, and they are not a





*Photograph, Underwood & Underwood, N. Y.*

**HOTEL AND QUARTERS FOR AMERICAN EMPLOYEES.**



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great deal cheaper than in the United States. Contrary to popular belief, Panama hats are not made in Panama. They are made in Colombia, Ecuador, and Peru, the finest coming from Montecristi, Ecuador. Years ago traders from those countries were in the habit of bringing the hats to Panama to sell to ships bound for the United States or Europe, and so they came to be known as Panama hats. Imitations are made in Jamaica and Porto Rico and many frauds are perpetrated upon the American people by dealers who profess to have genuine Panama hats at prices sometimes lower than our tariff would be on the real article. Prices vary according to the length of the fibers used in their manufacture, the finest ones being without any seams, and cost as high as \$150.

### QUARTERS

Early in 1905, the Commission advertised free quarters to both married and bachelor employees as a special inducement to come to the Canal Zone. Thus, in addition to high pay the employees have no house or room rent to pay. This alone constitutes a sharp increase in an employee's income over what he could earn in the United States for similar work, but this is not all he receives gratis.

It has been figured that in six years the Commission grants to each married employee gratuities that cost it \$3,000; and to a bachelor employee gratuities that cost \$750. The monthly service, such as commissary, fuel, and distilled water deliveries, removal of garbage, etc., to a married employee costs \$12; and

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janitor service, and other service to a bachelor employee costs \$2.25 monthly. In six years an average force of 5,000 employees has been entitled to these gratuities and it is figured that the total investment by the Commission in that period for all free service and gratuities runs between ten and twenty million dollars.

To a married employee the free allowance is as follows: An individual house, or an apartment in a building with two or four families; a range, a double bed, two pillows, six dining chairs, two kitchen chairs, one chiffonier, two center tables, a mosquito bar, a refrigerator, a double dresser, a double mattress, a kitchen table, a dining table, sideboard, bedroom mat, and three wicker porch chairs.

The Quartermaster's Department delivers purchases from the commissary and ice; the fuel used in the kitchen stove is free, as are electricity and hydrant and bathroom water. Telephones are free if the employee needs one in connection with his duties. Housekeepers must buy their own tableware, bedclothes, light furniture and bric-a-brac.

Married quarters were assigned, in 1905 and 1906, on the basis of one square foot for each dollar of salary, with extra allowances for the wife and children. This method was abandoned and quarters are assigned without regard to salary, except that officials receive first consideration. There are one, two, and four family houses, entirely screened on the outside. As a rule there has been a scarcity of married quarters and occasionally of bachelor quarters. Every

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house, or apartment, has its shower bath, tubs not being used, and each town has a complete sewer system.

Bachelors, whether men or women, are treated correspondingly well. Quarters with two, three, or four in a room, and janitor service are free. In the early days there was unpleasant crowding because of the scarcity of buildings, but only occasionally has there been congestion in late years. These buildings shelter from a dozen to sixty men and like the married quarters are screened on the outside. A war was waged until vermin practically was eradicated. They are electrically lighted and have the usual shower bath and sanitary arrangements. Barracks of a less pretentious architecture are provided for the silver employees.

Hotels operated by the Commission are the boarding places for the bachelor employees. The wide verandas are screened and tables here are reserved for the bachelor girls, and for the men who wear coats at meal time. Inside the employees may eat in their shirt sleeves. The meals cost thirty cents each and are paid for by coupons that come fifty to the book. These books cost \$15, and the amount is deducted from the employee's salary at the end of the month, so that no cash is handled at the hotels, except from nonemployees, who must pay fifty cents for a meal.

The fare could not be duplicated in the United States for seventy-five cents a meal. A typical thirty-cent menu includes soup, two kinds of meat, four kinds of vegetables, hot rolls or light bread, a salad, tea,

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coffee, or cocoa, and for dessert, ice cream or pie. On every table are fruit, olives, preserves, condiments—and for several years in the early stages, an open bowl of quinine as a malarial antidote. To even up with the free goods given to married employees, the Commission furnishes the hotels their stoves, furniture and fuel and does not include these items in figuring the cost of operation.

The hotels for the gold employees usually have been operated at a slight loss, while the European laborers' messes and the colored laborers' kitchens have shown a profit. At the messes for the Europeans, principally Spaniards and Italians, the cost of three meals is forty cents, while at the kitchens where the West Indian laborers get their food cooked, to take away and eat, the cost is thirty cents for three meals. The food is always wholesome and plentiful and the tastes of the various nationalities are studied to give them that to which they are accustomed. The West Indians consume more than 100 tons of rice monthly, the Italians want macaroni, and the Spaniards eat vast quantities of bread.

Stewards at the hotels for the gold employees found that each man averaged only two meals a day. The saving to an employee by cutting out one meal is \$9 a month. They substitute fruit, or a sandwich from the clubhouse, for the third meal and in the two they do eat, stow away enough to satisfy their needs. Three meals a day at thirty cents each would cost \$27 a month. Two meals a day, or sixty for the month, cost \$18. Some of the employees cut out breakfast

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and some lunch, so the stewards prepare food for an average of two meals per employee.

The Tivoli Hotel at Ancon, on the Pacific side, is the tourist hotel operated by the Commission. Its rates, American plan, are \$5.50 a day and up. During the dry season it is crowded with guests, in 1912 about 14,000 tourists having visited the Canal Zone. There are 218 rooms and a dining room that will seat 750 persons. An addition was finished in 1912 at a cost of \$57,000. At Colon, on the Atlantic side the Commission is building the Washington Hotel, to cost \$500,000, for the use of visitors to the Canal Zone.

In 1911, the hotels for American employees showed a loss of \$20,905.44; European messes, a profit of \$39,236.63; colored laborers' kitchens, a profit of \$14,461.95; and the Tivoli Hotel, a profit of \$26,227.05.

Still another factor that makes living in the Canal Zone cheaper than in the United States is the result of the climate. With a uniformly warm temperature, the quality of clothes does not vary the year round. For the women, light summery goods, largely white; for the men, duck or linen suits or light staple cloths. The saving from not having to buy new clothes with the change of seasons is important, and the employees generally try to arrange their vacations so as to be in the United States in mild weather. Class distinctions are not drawn rigidly, so that there is not a furious competition in dressing or keeping up appear-

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ances, but there decidedly is no "slouch" in the Canal Zone.

A bride starts out life there on a basis that means a rude jolt to her when the canal is finished and she returns to the United States. Young couples who have been treading the easy path of high salary, free rent, free water, light and fuel, cheaper food, clothes and furniture, elastic class distinctions and plentiful though not efficient servants, must ever look back upon their Canal Zone experience as the particularly bright period in their careers. The withering blasts of social competition, high cost of living, and salaries from one to two thirds lower in the United States, will make the easy-going, over-generous life at Panama seem the "temps de luxe" in their lives.

Transient writers visiting the canal dilate on the happy demeanor of the employees. A perusal of the foregoing conditions of employment would suggest that a good many million dollars of government money have been spent to buy that joyousness. The employees have a very happy time at the expense of the American people, yet it has been a better way of investing money than maintaining useless navy yards, or \$100,000 Federal buildings at Western prairie hamlets!

## CHAPTER XVIII

### CIVIL ADMINISTRATION

**H**AVING undertaken an eleven-year task in Panama, the Americans realized at the outset that it must be gone about with the deliberation of a permanent settlement in the tropics. The problem was to duplicate the civilization of the United States on a scale suitable to the Canal Zone, so that the employees and their families would not lack for anything essential to their happiness and normal advancement.

In the first conception of the needs of the situation, the position of Governor was created, with Maj.-Gen. George W. Davis as the head of civil government. His powers were coextensive with the Chief Engineer and the Chairman of the Commission. During the year he spent in the Canal Zone as Governor, Maj.-Gen. Davis was occupied with engineering problems and in settling disputed points with the Republic of Panama, but substantial progress in organizing the powers of government was made.

Charles E. Magoon was appointed Governor on April 1, 1905, to succeed Maj.-Gen. Davis, and he served until September 25, 1906. Gov. Magoon had powers as extensive as Gov. Davis, and the present civil government was rounded into form under his direction. Ex-Senator Jo C. S. Blackburn, of Ken-

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tucky, became the head of civil government with the Goethals Commission on April 1, 1907, but the President had transferred the vital powers of the office to the Chairman and Chief Engineer, and thenceforward the Governor was known as the Head of the Department of Civil Administration. Gov. Blackburn resigned on December 4, 1909, and was succeeded on April 12, 1910, by the Hon. Maurice H. Thatcher, also of Kentucky.

This department conducts the diplomatic affairs of the Commission with the Republic of Panama and the representatives of foreign governments in Panama. It is organized as follows: Division of Posts, Customs, and Revenues; Division of Police; Division of Schools; Division of Fire Protection; Division of Public Works; Division of Courts.

The Division of Posts, Customs, and Revenues has the supervision of the Canal Zone post offices, the entrance and clearance of ships at Cristobal and Balboa, the leasing and taxing of government lands, and the laying and collecting of taxes on houses, occupations, and businesses. Every settlement has a post office, which the employees used as a bank until the opening of the postal savings system on February 1, 1912. Since the opening of the money-order department on June 1, 1906, the Canal Zone post offices have sold more than \$25,000,000 in money orders. Out of this amount more than \$5,000,000 was for money orders payable in the Canal Zone and represents a practice of buying the orders to have a safe depository of surplus earnings. When an employee



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desired his money, he presented the money order payable to himself. In 1911 the money-order business was \$5,304,906.60, divided among 214,000 orders. The great bulk of the orders was payable in the United States. Postage rates are the same as in the United States, but Panama stamps are used.

Spanish taxing methods were followed, so far as was practicable, by the Americans in dealing with the natives. The sixty or seventy saloons that the Commission licensed in the Canal Zone are regulated strictly and pay an annual license, each, of \$1,200. Selling liquor on government property is another instance where the Canal Zone is an exception to the rules followed in the United States. Only revocable leases for lands are issued to the natives now, so that the Canal Zone may be cleared of all but employees on short notice.

The Division of Police was organized by George R. Shanton, a Western type of rough-and-ready sheriff, specially selected by President Roosevelt. The division now is a well-disciplined body of officers and men, numbering forty-one of the former and 233 of the latter, of which all the officers and 117 of the privates are white. Each town has a police station, and, considering the conglomeration of races, the Canal Zone is conspicuously law-abiding.

The judiciary system as developed for the Canal Zone includes a Supreme Court at Ancon, circuit courts and district courts, with right of appeal to the Federal courts of the United States. It was not until February 6, 1908, that jury trials for capital offenses

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were granted, as President Roosevelt wanted "frontier" justice to prevail, on the idea that discipline among the employees and population best could be maintained thereby. The first execution for a capital offense was on November 20, 1908. The first jury trial was on March 19, 1908. The natives found American ideals of justice somewhat exacting, especially the one requiring all those of opposite sexes who lived together to be married formally. Free love was a practice of long standing. A penitentiary, maintained at Culebra, will be relocated on the east side of the canal for the permanent organization. The native people have been nick-named "spiggoty" by the Americans from their expression "speeka-da-Engleesh," which finally was contracted into "spiggoty."

Fires have been unusually rare occurrences in the Canal Zone, where all construction is frame. The largest and only fire of consequence was at Mt. Hope on April 1, 1907, when the quartermaster's storehouse was destroyed at a loss to the Commission of \$100,000. There are sixteen officers and forty-six firemen on the regular pay-rolls, and there have been as many as eighteen volunteer companies with 295 members. The equipment is of the most modern American type.

Gov. Magoon opened the first public school in the Canal Zone on January 2, 1906. In 1912 there were 25 buildings for both white and colored pupils, with 46 white and 28 colored teachers, an enrollment of 1,240 white and 1,524 colored pupils, and an average





*Photos, 1, 2, 3, Harris & Ewing, Washington, D. C. ;  
4, International News Service.*

1. MAJ.-GEN. GEORGE W. DAVIS. 2. CHARLES E. MAGOON.  
3. JO C. S. BLACKBURN. 4. M. H. THATCHER.

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attendance for the former of 904, and of the latter, 688. The schools have a number of disadvantages to overcome, not the least of which has been the epidemic of matrimony that has raged unremittingly among the teachers. Sometimes the personnel changes 40 per cent from this factor alone. Another factor has been the diversity of standards and nationalities. In one year the teachers were from 16 different states, bringing as many systems of education into their work; 732 pupils had come to the Canal Zone from thirty-six states, and there were twenty-one nationalities other than American. To weld all these heterogeneous elements into a uniform system has been a difficult task. Transportation over the railroad to and from the schools is free to the pupils, as are the books and other materials used. High schools are maintained at Gatun and Ancon.

Social life in the Canal Zone expresses itself in weekly dances at the clubhouses and Tivoli Hotel, in woman's clubs, lodge auxiliaries, church societies, and the usual round of parties. The Commission has furnished houses for use by the lodges and religious denominations, many of which are represented in regular meetings and services. The clubhouses, under the supervision of the Y. M. C. A., are the social centers of each community, as the women are given limited privileges. Soft drinks, tobacco, and lunches may be obtained at the clubhouses at all hours. The annual cost of operating them is about \$150,000, the Commission paying the deficits where the membership fees do not cover the expenses.

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The Panama Lottery has found in the canal employees generous patrons. It was started in 1883, with a provision in the concession that 64 per cent of the income should be paid out in prizes. When the President, in 1904, forbade the sale of the tickets in the Canal Zone, the Lottery Company thought they had been damaged several million dollars' worth, but the Americans have been able to get all the tickets they wanted, either by going into Panama and Colon for them or sending others. A full ticket costs \$2.50 and may draw a prize of \$7,500. A fifth of the ticket may be bought for fifty cents and, if of the winning number, draws \$1,500. There are smaller prizes for approximations of the right number. Each Sunday at Panama a boy draws a number from a box, and there has never been complaint of unfairness in deciding the winning number. It is difficult to estimate the amount invested each week in the lottery by the Americans, but it runs well into the thousands of dollars. Many of them have won capital prizes. In view of the fact that the moral sense of the nation has condemned lotteries, this free participation in the one at Panama does not constitute a praiseworthy feature of the American occupation.

Each Sunday afternoon or evening in some Canal Zone town the Commission band gives a concert. This pleasing organization has a director who is paid \$2,000 a year and the members receive slightly more than \$3 each for a concert. The band members are canal employees.

The first census of the Canal Zone was taken in

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1908, and a population of 50,003 was reported. In February, 1912, another census was taken, and the population had increased to 62,810. However, there were 8,871 employees living in Panama and Colon, which brings the population to 71,682, not including the native populations of the cities of Panama and Colon. The white persons numbered 19,413; the colored, 31,525; yellow, 521; mixed, 10,323; miscellaneous, 1,028. Great Britain had 30,859 subjects; the United States, 11,850, and the remainder was distributed among thirty-eight other nationalities. Of the American citizens, 9,770 were born in the United States, mainly from eight States, as follows: Pennsylvania, 1,375; New York, 1,372; Ohio, 692; Illinois, 453; Massachusetts, 386; Indiana, 382; Kentucky, 369; Virginia, 338. Gatun was the largest town, Empire second, Cristobal third, Gorgona fourth, Paraiso fifth.

Dr. Belisario Porras, as President of the Republic of Panama, will play a decisive part in the next four years in guiding the relations of his country with the United States.

## CHAPTER XIX

### THE SOCIETY OF THE CHAGRES

“**C**ARAMBA,” exclaims the native Panaman, as the torrential rains soak him through and through, and he wonders what reason Providence has in the prodigal tropical showers. He watches the river Chagres rise under the stimulation of the rainy season from a puny creek, fordable almost anywhere, to a stream as masterful almost as the Mississippi on a rampage.

Balboa saw the same thing, and so did the pirate Morgan, and many Spanish seekers after El Dorado. It was not until the engineering mind began figuring on a canal connecting the Atlantic and Pacific oceans that the tremendous rainfall began to possess utility, and then the river Chagres assumed a significance, and the heavy precipitation a beneficence, which causes orators nowadays to see the hand of God in the forming of the natural conditions of the Isthmus. Thus does man change his conceptions of Deity to suit his needs!

In a lock-type canal, such as the Americans are completing, the river Chagres absolutely is indispensable. Without this river only a sea-level canal could have been built at Panama. For the engineers have harnessed this stream so as to form the great Gatun Lake, comprising all but fifteen miles of the



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Panama Canal. The floods, which for centuries have emptied unrestrained into the Caribbean Sea, will lave the impregnable Gatun dam, or be spilled, at the pleasure of the Americans, through turbine engines to generate power, or flow at their will through the locks to lift or lower the commerce of the world across the Isthmus.

It is not hyperbole, therefore, to say that the Chagres River is the greatest single factor in the success of the Panama Canal. The locks and the Culebra cut are no more than preparations for the utilization of the river.

When the time came for selecting a name for a society which should embrace in its membership the canal workers who had been with the job at least six years, the object of which should be to keep alive the memories of those years in the future, it seemed peculiarly appropriate to name such an organization **THE SOCIETY OF THE CHAGRES.**

The idea of an organization of this kind first was exploited in December, 1909, when a "Panama Canal Service Medal Association" was organized, with membership limited to employees who had earned the Roosevelt Canal Medal, and having an insurance feature. This movement failed. In August, 1911, William F. Shipley, of the Subsistence Department, initiated a new movement, which reached a head on October 7, 1911, with the organization of the Society of the Chagres and the selection of Col. W. C. Gorgas as the first President. Tom M. Cooke, a canal

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veteran, and head of the division of posts, customs and revenues, is now President.

The Society is thoroughly democratic in its membership, any employee, of either sex, who is white and an American citizen, and who has worked for six years continuously on the canal, being eligible. An applicant must have earned the Roosevelt medal and two Commission service bars, and thereby hangs a tale.

Col. Roosevelt, in a speech to the canal employees at Colon, on November 16, 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 idea here expressed did not reach fruition until October, 1908, when a ton of copper, bronze, and tin taken from old French locomotives and excavators, was shipped to the Philadelphia Mint to be made into medals. Victor D. Brenner was the designer, the medal showing on one side a likeness of President Roosevelt, and on the reverse side a ship in the Culebra cut. They are about the size of a dollar. The first order was for 5,000 medals, and by January 1, 1911, 4,487 had been earned. By the time the canal is finished more than 6,000 will have been earned, every employee who has worked for two years on the canal being entitled to a medal.

For each successive two years the employee works

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he receives a bar, made from the same material and presented by the Commission. Thus, a Roosevelt medal and two bars mean an employee has worked for six years on the canal, and is eligible to membership in the Society of the Chagres.

Col. George W. Goethals' eligibility dates from April 1, 1913, from which date he will have completed the sixth year of his connection with the project. It undoubtedly is true that this medal, which intrinsically is of little value, has held many a man to two years in Panama from a sentimental desire to have something officially attesting his connection with the great task.

There has been much more changing in the personnel of the American force than the public knows, and to have been six years an employee means that one came when conditions literally were rotten and stuck it out until to-day, when they are nearly ideal. The Constitution provides for an annual meeting on the Isthmus until 1915, and then in some American city, or the Canal Zone, as may be elected. On January 12, 1912, the first annual banquet was held at the Tivoli Hotel.

The emblem of the Society is a circular button, nine sixteenths of an inch in diameter, showing on a black background, surrounded by a narrow gold border, six horizontal bars in gold.

A determined effort was made to make Col. Roosevelt the only honorary member, but this has not been accomplished. It would be necessary to amend the Constitution, and as every member, in whatever part

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of the world, has a vote by letter, the two-thirds vote possibly never will be registered.

The first Year Book of the Society was published in January, 1912. It is a volume of 145 pages and contains brief biographies of the members, the Constitution, speeches by Presidents Roosevelt and Taft, in the Canal Zone, and by Chief Engineers Stevens and Goethals. The six-year men all worked under Mr. Stevens and loved him well.

Forty States were represented in the membership of 304 in July, 1912. The following States were not represented: Arkansas, Colorado, Delaware, Nevada, New Mexico, North Dakota, South Dakota, Wyoming. As some of the members have not turned in information as to their native States, the exceptions noted may be represented in the Society. Members who are American citizens, but who were born abroad, represented the following countries: Canada, England, Germany, Russia, Greece, Italy, Ireland, Scotland, Sweden, and South Africa.

Among the biographies the one of Alexander A. Lundisheff perhaps is the most picturesque. He was born in Russia, ran off to sea, joined a circus, became a sailor, crossed the Isthmus in 1888 as an American bluejacket, fought in Mexican revolutions, guarded convicts in Africa, enlisted in our Navy in the Spanish-American War, worked in the Alaska Coast Patrol, helped to fight the Panama revolutionists in 1902 and had his life saved by a beautiful Panaman girl, whom he married, and when the Americans came to Panama went to work under Col. Gor-





*Photograph, Underwood & Underwood, N. Y.*

**PART OF GATUN LAKE—CAPACITY, 1,632,000,000,000 GALLONS.**

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gas, in the sanitary department, where he has since remained. He had the unique record of working eight years for the Commission without being sick a day or losing a half hour from work, and had not taken a vacation in that period. Other members, women as well as men, have seen service in all parts of the world.

President Taft, in a speech to the employees in November, 1910, said of the older men: "As the great creation, which was so clear to the professional men who designed it, opens itself in concrete mold to the observation of the layman, the eagerness with which we all look forward to the completion of the work grows apace, and we envy the record of the men to whose skill and courage and energy, persistence and foresight, the canal will forever form an enduring monument!"

The time of the departure of the canal workers is near at hand. The old-timers feel that they have fought a good fight and that henceforth there is laid up for them the admiration which President Taft expressed. In a space of time now measured in months all will have left except those who remain with the permanent operating force. Already they are scattering to the four ends of the earth, whence they came. The Society of the Chagres will become one of the historic organizations of the United States, along with the Grand Army of the Republic, the United Confederate Veterans, the Spanish-American War Veterans, and the Sons and Daughters of the American Revolution.

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### THE INCA SOCIETY

This organization includes in its membership only those employees who came to the Canal Zone in 1904 and have been with the job ever since. At the annual banquet at the Tivoli in May, 1912, the eighth anniversary of American occupation, there were found to be only 63 such employees in the Canal Zone.

### I. O. P. K.

Recreation ever has been the least satisfactorily solved problem at Panama. In 1904, 1905, and 1906 the employees did not have the Y. M. C. A. club-houses which, after 1907, became the centers of social activities. State Clubs and various social organizations were formed, but most of them passed out of existence, the University Club in Panama being a conspicuous exception.

One night, a few of the boys, who congregated in the box cars connected with the wrecking train, authorized several of their number to arrest an employee suspected of having some cash on his person. He was brought to the cars and placed on trial, on trumped-up charges, before a Kangaroo Court. He was fined the amount of money found in his pockets and the sum was invested in refreshments at the nearest saloon and grocery.

This proved to be so interesting that the events became weekly, no employee knowing when he might be arrested and fined to pay for the refreshments. Out of this incident grew the Independent Order of Pana-



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manian Kangaroos, the only original lodge started successfully among the white canal employees.

The first meeting was on October 10, 1906, and subsequently Kangaroo Courts were organized in Tabernilla, Gorgona, and other Canal Zone towns. A Supreme Court was organized, with a supreme justice, two associate justices, prosecuting attorney, defendant attorney, chaplain, comptroller, clerk, and sheriff. The order was incorporated under the laws of the State of Tennessee, and the Constitution, adopted on March 18, 1908, forbids membership to liquor dealers, gamblers, or procurers, and requires American citizenship, white color, legal age, a belief in a Supreme Being, and an honorable means of support in those accepted. The first Sunday in December is Memorial Day. Clinton O. Simmons was Chief Justice in 1912.

This order has done a great amount of charity work among members, or their families, and others who got in hard lines in the Canal Zone. It is significant of the character of the employees in the sterling ideals maintained. The membership is more than 800.

## CHAPTER XX

### THE TRADE OUTLOOK

**T**IME and space, if they will not be annihilated, certainly will be tremendously lessened by the Panama Canal.

On February 11, 1912, a tug and three barges lay at the wharf in Cristobal, on the Atlantic side of the canal. They were needed at Balboa, on the Pacific side, only forty-seven miles across. There were two methods of getting the craft and barges to the desired point, one being to take them to pieces and transport them by the railroad and reërect them on the other side, and the other method being to send them around Cape Horn.

They started on the journey of 10,500 miles on that date, and arrived safely at Balboa on June 16, 1912, consuming 126 days in the trip. If the canal had been finished, the distance of forty-seven miles could have been traversed in ten hours! This is only one graphic illustration of the utility of the Panama Canal.

San Francisco is now 14,000 miles from New York around Cape Horn. Through the Panama Canal it will be 8,000 miles nearer, or a little more than 5,000 miles distant. From New York to Valparaiso, by the Straits of Magellan, the distance is about 9,000 miles. Via the canal it will be less than 5,000 miles.

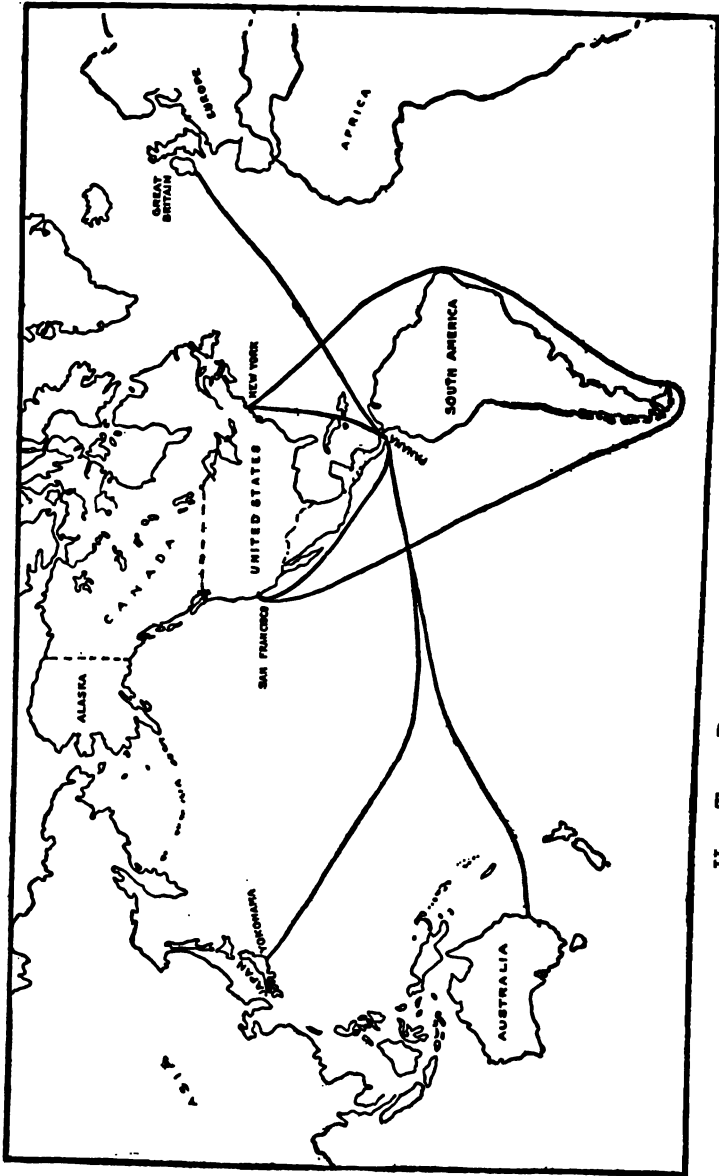
## THE TRADE OUTLOOK

Our Atlantic coast will be brought 4,000 miles nearer to Australia than by the Suez Canal, through the Panama Canal route. New York will be 5,000 miles nearer to New Zealand via Panama than around the Cape of Good Hope. The distance to the Philippines will not be materially reduced from Eastern Atlantic ports, but the Panama route will make Hongkong, Yokohama, and San Francisco ports of call for our own and European vessels, which the Suez Canal does not readily permit.

Equally great advantages in shortened trade routes will come to the Gulf and Pacific ports of the United States. San Francisco, Seattle, and Portland may place their products on our Atlantic coast, the West Indies, the east coast of South America, and in Europe at correspondingly great savings in time and distance.

For coal- or oil-burning ships this saving in time represents an impressive lowering in freight rates. Sailing vessels will not feel the fuel saving, but the difference in time effected by the Panama Canal doubtless will serve to hold that slow-transit method much longer in use than it otherwise would be held for those commodities, like lumber, which do not require speedy delivery.

Already the United States does a larger coastwise trade than any other nation in the world, and the canal will give this a spurt that cannot be measured accurately at present. Pacific coast wheat, wines, lumber, barley, hops, wool, dried fruits, and mining products may be laid down in Gulf and Atlantic ports



HOW TRADE ROUTES ARE SHORTENED BY THE CANAL.

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through the canal much more cheaply than by the continental railroads. Atlantic and Gulf coast machinery, manufactures, textiles, and finished products generally, likewise may be delivered to the Pacific ports at a lower cost.

The great staple products of the South, cotton, tobacco, lumber, iron, and coal, when destined for Asiatic ports, will have an immense advantage by the Panama route, and much of the ocean freight which has been shipped long distances to Eastern ports to ships will go through the Gulf ports. There necessarily will be a radical readjustment of our whole internal freight movements, but the increase in volume still will leave the railroads their proportionate share.

Geographically, the United States is magnificently situated, facing as it does the Atlantic and Pacific oceans and the Gulf of Mexico. The natural flow of commerce will be southward to the republics which so far have bought more in Europe than they have in America. The intensely self-centered industrial development which has characterized the United States to date seems to have reached a turning point, with the nation, after the first great attack at our own resources, ready to look around and participate more extensively in foreign commerce. It is true, of course, that our foreign commerce already is stupendous, but it will be immeasurably greater when our enterprise is directed as absorbingly toward that phase of industrialism as it has been toward internal development.

The Panama Canal is bound to affect the politics of the United States, with especial regard to the tariff

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policy. So long as we were engrossed in our own provincial affairs, taking such foreign trade as voluntarily came our way, the exclusiveness of the high protective tariff was beneficial. When we get out into the realm of international trade with our full capacity, it is inevitable that we must modify that policy as the particular demands of commerce may require.

The United States has been too busy farming, mining, manufacturing, and exchanging these products among its own people to care whether the national flag floated on few or many ships. It must be different when international competition becomes so keen that a nation operating its own ships would have a substantial differential in freight rates over a nation that must depend upon foreign bottoms for its carrying business.

England has had an absurdly disproportionate share of the world's shipping, due partly to our tariff policy, but more largely to the fact that its smaller internal resources made it necessary for its citizens to develop shipping as a main industry. Following the opening of the Panama Canal an increase in American registry will be noticeable.

If we simply are anxious to see ships running about the oceans flying the American flag, Congress has acted effectively by throwing down the bars and allowing American capital not only to build its ships abroad, but to import ship-building materials duty free. It is obvious, however, that such a method of building up our merchant marine will enrich European ship-

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yards rather than our own, because Congress has set its seal of approval upon the practice of buying abroad if it can be done more cheaply than in the United States. Coastwise ships still must be built in America.

Congress will be called upon to provide some way for handling the passenger traffic that would prefer to go to the San Francisco Exposition through the canal from Atlantic and Gulf ports. This will be coastwise trade, and there are no American ships adequate for the probable traffic. Unless Congress grants a special dispensation allowing the foreign lines to handle this traffic during the Exposition, it is likely that they would have to relay the Atlantic traffic to Bermuda Islands and the Gulf traffic to Cuba, and so make it, by reëmbarkation, travel from a foreign port to San Francisco.

There has been speculation as to whether the canal would pay. Congress has authorized a maximum freight rate of \$1.25 a ton and a rate of \$1.50 for each passenger that passes through the canal. The President has the power, through proclamation, to reduce these rates to any point that will still supply sufficient revenues to pay operating and maintenance expenses. The Suez Canal pays for itself every four years, but it cost less than a third as much as the Panama Canal, which also will require 2,500 employees as a permanent operating force.

Operating and maintenance expenses for the canal in Panama will be, annually, about \$4,000,000. Interest on the investment, part at 2 per cent and part at 3 per cent, will be around \$10,000,000 a year.

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Thus the canal must bring in approximately \$14,000,000 a year to be self-sustaining. Traffic experts estimate that the possible tonnage by 1914 will be 10,000,000 tons. At the \$1.25 rate, the income, therefore, would be \$12,500,000, or \$2,500,000 less than operating cost, but this loss would be reduced by the tolls from passengers. It is possible that the canal may not pay right at the start, but ultimately there is no doubt that it will.

Suez may be expected to fight for its business by reduced rates. This will not be so formidable as our own short-sighted management. Congress, by exempting American coastwise ships from tolls, deliberately affronted England, the largest prospective patron of the canal, because the greatest maritime nation. And England, it should be remembered, controls Suez. Misguided patriotism alone dictated the exemption of our coastwise ships. They already have a natural monopoly of coastwise trade. If the nation desires to give a special industry a gratuity, it should be done without antagonizing the best customer we are likely to have at Panama—England. The American people show an inconsistency in sanctioning this treaty violation, inasmuch as the whole cry for the last ten years has been against special interests and private monopolies fostered by the government. To deliberately subsidize the shipping business, as much a private industry as Standard Oil, not only violates the spirit of the times but inevitably will result in a great economic loss at Panama, if the present method is continued.



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One advantage Panama will have over Suez will be in the coaling rates. We can sell coal at Panama for \$5 a ton, or a trifle less, whereas \$6 a ton is the prevailing rate at Suez. This saving will go far toward paying for the passage of a ship through the canal. For instance, a ship leaving New York, or Liverpool, would take on only enough coal to run to Panama, where a fresh supply could be obtained, and thus room that otherwise would be filled with coal for the whole journey may be used for additional freight. The same saving to ships will be experienced in securing all kinds of supplies from the government at Panama, while dry docks and other facilities will be available.

Col. Goethals has displayed a high order of business acumen in guiding the government into this policy. The advantage to the United States lies in the fact that other nations will not have to establish coaling stations and repairing facilities on the pretense of caring for their merchant marine, and so lead into a possible infringement of the Monroe doctrine. An incidental benefit of the policy, though decidedly one worth while, lies in the fact that our coal mines will find a great market at Panama through the practice of selling to ships. The government will not have private competition, because private capital could not operate on the margin of profit that will satisfy the government.

The rapid development of South America is the surest promise of a commerce that will make the canal economically profitable. The business that originates

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there and our own expanding foreign trade will be great feeders of the canal, not considering Europe, Asia, Africa, and Australasia.

As the United States becomes more thickly populated the overflow will go largely to the South. With the practical proof afforded at Panama that health can be maintained in a tropical climate, Americans more and more will swarm to South and Central America. Hundreds of canal employees have gone into business in the tropical countries rather than return to the harsher climate and sterner industrial competition of the United States. South America, however, is not the place for the man with small capital such as the United States has been. The cultivation of the staple products, such as bananas, coconuts, coffee, cocoa, sugar, rubber trees, etc., is precarious on a small scale because great monopolies dominate these industries and crush individual enterprise. Syndicate operations on a large scale are the only successful means of business promotion, though here and there the prospector strikes a good thing. For men of ability who are willing to work as employees there are many good openings in Latin America.

The Americans have a great deal to learn from the older nations of Europe in order to make the most of their natural advantage in South American markets. Our merchandise is more attractive to the Latin American because usually it is smarter in design and appearance, though frequently inferior in quality, and simply because the United States dazzles the Southern imagination. The Germans and the English are past

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masters in getting foreign business. They send out salesmen who speak the native languages, and when they make shipments it is in a manner most convenient to the peculiar conditions of the particular country.

Your American manufacturer or exporter gets the biggest box he can find and puts as much into it as it will hold. Frequently the big box is broken when it is unloaded at the South American port, occasioning trouble to the consignee. Often the shipment is consigned to some interior point to which a mule pack train is the only means of transportation. This occasions more trouble and expense to the purchaser. The Germans do things differently. They pack their merchandise in small packages and in durable boxes, knowing that it may have to be handled over mountain passes by hand or muleback. They have a regard to the high temperature and the character of the merchandise so that it may not spoil. But these are not insuperable faults upon the part of the Americans, and already they are being eliminated intelligently after bitter experience. In nearly all our Eastern or seaport cities every exporting office has a Spanish-speaking attaché to conduct correspondence in the language of its Southern customers.

Among the agencies at work to bring Americans to a realization of the opportunities that lie in plentiful profusion in South and Central America none is more ably and successfully managed than the Bureau of American Republics, in Washington, with John Barrett as Director-General. The most striking fea-

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ture of Mr. Barrett's work is the statesmanlike plane on which he seeks to interest Americans in the twenty republics to the South. Get business is his motto, but get it by straightforward, respectful, and enduring methods. The constant aim of the Bureau is to abolish the foolish opinions Americans have entertained about the business, social, and political capacities of Latin Americans. They are not the comic-opera revolutionist type at which we laugh on Broadway. They are cultured people who expect to be approached as gentlemen, and the periodic fighting that attends a change in administration in some Central American countries does not gainsay that fact.

Mr. Barrett edits a monthly Bulletin which already is in the most wide-awake American exporting offices, and should be in the hands of every business head who directly or indirectly touches South American commerce. Printed as it is in English and Spanish, it is serving to remove many prejudices by making closer acquaintances. An impartial monthly review of all subjects of real interest, industrial, political, and general, enables its readers to keep in touch authoritatively with Latin America. In view of the forebodings some of the Southern republics have had at the possible territorial expansion of the United States at their expense, this Bureau under Mr. Barrett is doing an inestimably valuable service to American business interests by its sympathetic and tactful policy.

The dynamic expansion of American industrial life is the one overshadowing fact in the Western Hemisphere, as indeed it is in the whole world. It is a

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new kind of conquest, not preceded by the sword, and if we maintain our moral poise will not be followed by any other than happy results to the conquered. English is destined to be the sole language of the Western world. American merchandise will form the bulk of its commerce. American citizens will be found in every out-of-the-way corner of the two continents, carrying with them, even if in diminished luster, the ideals and abilities which have made the nation eclipse all records thus early in its youth. The Panama Canal marks our passage from unfledged provincialism to the full stature of national manhood among the industrial activities of the nations of the world.

## CHAPTER XXI

### SETTLING OUR ACCOUNT WITH COLOMBIA

**T**HE American people, like the Israelites of old, are a peculiar people, chosen of God to fulfill a high destiny among the nations of the world.

Whether it was a good thing for Puritanism to be set down in the lap of material luxury on the North American continent is not yet disclosed, although we have abundant evidence of the struggle, already sharply drawn, between the spiritual and materialistic forces in the national character.

The Civil War was an even mightier conflict, between the Puritan and Cavalier, than Marston Moor and Naseby. In it the Puritan triumphed even more gloriously. In it the Puritan was clinching the principles of the great English struggle. He was stamping out the embers of the unspiritual forces in Anglo-Saxon character.

Our unparalleled material prosperity is at work to revive the spirit of the Cavalier and to dull the keen edge of Puritanism. Righteousness never has flourished under great material prosperity. The cocksure feeling, that comes from the possession of much worldly goods, is beginning to appear in the external and internal actions of the American nation. The letter of "In God We Trust" remains unimpaired on our currency, but its Puritanic spirit has weakened

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perceptibly. We are depending on a big navy to see us through.

Probably no war ever was fought with more disinterested motives than the Spanish-American War. The Americans seemed to relish the opportunity to lay aside the rich pursuits of commercialism for a while to exercise the old spiritual forces of the Puritan. The dash and vitality of that outburst caused Europe to think deeply.

But the Spanish-American War had one result that shows the American people are measurably less determined in their spiritual conceptions than the generation of '65. We kept the Philippines, much as the warriors of Israel kept the plunder of the Philistines when they had been commanded sternly not to make their cause one of material aggrandizement.

Our treatment of the Filipinos has been as unparalleled in its humanitarianism as our conduct in the war that gave them to us. But that is our way of assuaging our conscience for holding them, a sugar-coating process to make the act pass muster. Down in our national heart we know we are holding the Philippines for what they ultimately will mean to us materially, not what we can do for them spiritually. If the ten million Filipinos were in the Southern States, where we could see them and feel the pulsation of democratic forces, and not seven thousand miles away, we would fight another Civil War over them, just as we did over the Negro.

All of this by way of introduction to the act that gave us the Canal Zone. We have the admission of

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the President himself that he abandoned the regular diplomatic methods of securing the territory needed for building a canal in favor of the primitive method of taking it by force. This leads straight to the admission that we set up the Republic of Panama merely to make an otherwise bald steal appear to bear some evidence of justification. It has been shown in a previous chapter that the revolution that gave the Republic its independence was made a success by the United States.

So far, the national conscience has not stirred itself greatly over this act. At least it has not stirred itself decisively, and that is another proof that the Puritan spirit is taking itself much less seriously than it did so short a time ago as 1898. One reason has been that the American people only recently have begun to get the true understanding of what did happen at Panama. President Roosevelt exerted the full capacities of his versatile mind to cloud the situation, so that the moral sense of the people would not be aroused, until it would be too late to undo his act.

He pretended that the treatment Panama had received, as a kind of stepchild of Colombia, warranted the same kind of action we took to free Cuba. His Secretary of State advanced the strained construction of our solemn treaty with Colombia that we were under obligation to maintain the neutrality of the Panama Railroad, and so prevent the soldiers of Colombia from striking down the revolution. The President further recognized the independence of the Republic, and insisted that it was an act as disinter-



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ested, for instance, as our recognition of the new Republic of China. In truth, they bear no similarity of feature.

In China the masses of the people were trying to demonstrate an advance in their understanding of government to the point where authority would be recognized as inherent in them, and not an external imposition by an alien line of Emperors. In Panama the masses of the people not only did not know about the revolution until it had passed, but no more than an ordinary mob, such as may be aroused on an hour's notice in any city, participated in it.

It was not necessary that the people of Panama should know about it. The United States had agreed to stand between the clique of Panaman financiers and any offensive act Colombia might undertake. Undoubtedly there had been popular uprisings against Colombia in Panama, but the revolution of November 3, 1903, was not one of them. This revolution had three sources of inspiration—The French Canal Company, the capitalist Junta in Panama, and Theodore Roosevelt's desire to get a canal started before his inherited administration should end.

In this review of the canal President Roosevelt's action in taking Panama has been approved. It is approved as an international act of eminent domain. Where criticism is directed is at our refusal to pay for what we took. The \$10,000,000 we paid Panama was a moral quibble, as may be illustrated.

Any American railroad, or any municipality, county or State, may exercise the right of eminent domain

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to secure property in its right of way, or necessary to their well being. But property so taken must be paid for at a fair valuation to the rightful owner.

The rightful owner of the territory we desired for a canal was Colombia. When we took that territory we took it from Colombia. The way we took it was to participate in a bogus revolution, engineered by a Junta of wealthy Panaman business and professional men. It turned out that the part they played in making the revolution a success was farcical, while the part the United States Marines played was vital.

The Marines at first had orders not to allow either Colombian or revolutionary troops to use the railroad. When this order was issued the revolution had not started. Besides, there were no revolutionists after it did start on the Atlantic side to use the railroad, except a handful of the hirelings of the Junta. The second order the Marines received was that Colombia would not be allowed to settle the revolution by force.

In two days the United States recognized the independence of a republic thus created. Twelve days later it had signed a treaty with this republic guaranteeing that Colombia would not be allowed to recover possession. The treaty recited that the United States was to be ceded a Canal Zone in consideration of this guarantee.

There we have the facts in the "taking" of Panama. What we did was to help the Panama capitalist Junta to steal the Isthmus from Colombia, then, in the division of spoils, we obtained a Canal Zone. The \$10,000,000 to the new republic was part of the ad-

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ministration's efforts to create an appearance of regularity in the proceedings. It was meant to ease the national conscience—not the administration's conscience.

Anyone who will spend a month in Panama will discover that the republic would not stand from supper until breakfast if it were not for the supporting arm of the United States. It has become rather a burdensome task, too, as our interference three times with Marines to keep the government from toppling over proves. This is not because the Panamans are inferior to any other Central American peoples. It is because there is not sufficient inherent vitality in so tiny a republic to hold it up alone.

If any American railroad should desire property for a right of way and, instead of condemning it by due process of law, should connive with a neighbor to falsely claim possession of the property and then buy the property from the illegal owner, the action not only would not stand in law but it would outrage public opinion. That precisely is the course we followed at Panama. President Roosevelt did not dare to take the property outright from Colombia, the compensation to be fixed by due process afterward, but connived with a revolutionary Junta, through his Secretary of State, to have the property claimed by a Republic to be set up specifically for that purpose, which Republic would sell the property to the United States.

The whole thing was done with the Rooseveltian dash that won frequently by sheer momentum. Eight

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years later, believing it to be a closed incident, President Roosevelt confesses: "I took Panama and left Congress to debate the matter afterwards." There is a deal of contempt for the acumen of Congress in that remark, and looking back at the way Congress swallowed the incident, it is merited contempt.

It is a closed incident so far as the territory comprised in the Canal Zone is concerned. The issue to-day only is this: Have the American people enough of the old Puritanic righteousness left to insure that if a clear case of national wrongdoing is proved they will make reparation?

Colombia cannot compel reparation, nor can Europe. When we consider Germany and France quarreling over the spoils of Morocco, Italy taking Tripoli, England and Russia partitioning Persia, and Japan annexing Korea, what is left of The Hague to sit in judgment upon the action of the United States in Panama?

Absolutely nothing will compel the United States to do justice—except the still, small voice of national conscience. The action of the Minister from Colombia in declining an invitation to Secretary Knox to visit Colombia, in the spring of 1912, is the limit of Colombia's ability to protest.

But it ought to be set down as a maxim of canal management, if not of national policy, that no neighbor of the canal should be allowed to remain on bad terms with the Americans. It is not good that a nation so near as Colombia should be in a hostile frame of mind toward the United States. This is

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true, not so much for what a sense of injustice rankling in the minds of her citizens might precipitate, but because, if anything happened to the canal, Colombia, in the event blame was not promptly fixed, inevitably would have to bear the burden of our suspicion.

There is still doubt as to whether Spain set off the mine that wrecked the *Maine*, but that did not keep Spain from taking the consequences. So with the canal. If it should be disabled without a clear cause or responsibility, the jingoes in the United States would point to Colombia as one with a grudge. Thus, the bad feeling engendered in the taking of Panama might precipitate the mighty United States, in a fit of national passion, upon an innocent nation, more sinned against than sinning.

But, ultimately, the question of reparation must rest squarely upon a moral issue. It is not so much the rights of Colombia that should impel us to an act of reparation as a desire to live up to our own best instincts. The American ideal is something far different from law-compelled righteousness; it rises to the grandeur of righteousness for the sake of righteousness. Colombia suffered materially by our act, but we have suffered morally, and an enlightened judgment would be that we suffer the most.

Is it compatible with the dignity of a great nation like the United States to reverse its position by making reparation? This question more properly should read, Is it compatible with the pride of a great nation like the United States to make reparation? The an-

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swer is: The United States has no dignity to uphold. It may restore its dignity and sense of righteousness only by reversing its wilful and headstrong action. We merely play the ostrich in sticking our national head into the sand of the Panama revolution and fancy our action is hid.

There are three courses open to the United States. The first is to consider the acquisition of the Canal Zone a closed incident and decline discussion or reparation. The second is to pay Colombia a cash indemnity for the loss of her richest province. The third is to make reparation by restoration.

Manifestly, the first course involves national dishonor. This is true even if it has become an international fad for strong nations to pillage the weak ones. The second course would involve the arbitration of Colombia's claim and a payment by the United States in some form for the adjudicated damage. Naturally, in such an event, the excuse for the continued existence of the Republic of Panama would vanish, unless after paying for the whole territory we should make the Republic's title clear by gift.

The third course involves the restoration to Colombia of the territory comprised in the Republic of Panama, except the Canal Zone. It also would involve some cash indemnity equal to the loss of revenues during the nine years of separation, minus the improvements made by the United States. Article XXIV of our treaty with the Republic of Panama seems to have contemplated some such contingency as

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this, as we note the fine hand of Secretary Hay in the following:

“If the Republic of Panama shall hereafter enter as a constituent into any 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.”

In other words, if we should restore Panama to Colombia, less the Canal Zone, which ostensibly was all we wanted, the point to be arbitrated would be the value of the Canal Zone. It would be necessary, of course, as the foregoing article provides, that all our privileges under the present treaty with Panama should be binding if the province returned to the sovereignty of Colombia. Those privileges include the vital right to use any rivers or lands in the Republic that may be necessary to the construction, maintenance, operation, or defense of the canal.

Colombia would regain control of a province vastly improved since the separation. The cities of Panama and Colon have been made into modern cities by the Americans. Of the \$10,000,000 we paid to Panama, about \$6,000,000 remains unexpended and invested in New York real estate. This would revert to Colombia, as well as the improvements made with the portion expended. Whatever loss in revenues during the

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separation that Colombia might claim would not be a material consideration to the United States.

Undoubtedly under such an arrangement provision would have to be made whereby the old order of things that existed prior to the revolution should not recur. The United States could not tolerate a turbulent situation on the banks of the canal. It still would have to retain the plenary powers in respect of sanitation and order that exist under the present treaty. This doubtless would be the hitch that would come in attempting such a solution.

The people of Panama, remembering the old days, and keen in the enjoyment of conditions as created and maintained by the United States, probably would object to any solution that gave Colombia renewed sovereignty. It would be far less of an exercise of arbitrary power to overrule this objection than it was to set the republic up in 1903. In whatever solution that may be selected some authoritative actions will be necessary.

Those Americans who balk at the prospect of a large money indemnity to Colombia, for taking Panama, should ask themselves whether any mere love of lucre should stand between us and a clean conscience. The situation in which we are involved may cost dearly to straighten out, but that is the inevitable price, in the individual or national life, of walking in the paths of unrighteousness. The Colombian claim is a call to arms between the forces of good and evil in the American national character. Do we stand at Armageddon, and do we battle for the Lord?



## CHAPTER XXII

### THE MONROE DOCTRINE

**I**T is to be doubted if so lion-hearted a policy ever was announced by so weak a people as the principle that is involved in the Monroe doctrine, promulgated in 1823. That it should have stood all the years prior to our attainment of the physical strength to make it good, is proof that its real vitality lies in the truth that it expresses rather than in the battleships we can summon to intimidate its acceptance.

To-day, more than ever, the American people need to study the spirit that prompted that declaration. The United States in recent years has been perilously near to just the violation of it that we prohibited to Europe. It is certain that if we ourselves ever step over its spirit we will need all the steel and powder this resourceful nation can command to hold Europe and Asia back; whereas, if we continue to interpret it aright, the land-hungry nations may look covetously upon the Western Hemisphere, but that same vital quality that restrained them in the days of our weakness will hold them back now.

The Monroe doctrine asserted that the principle of democracy, which had sought a haven in this Hemisphere, must not be pursued and persecuted by the institution of monarchy. The phraseology declared that the Americas must not henceforth be considered

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a place for European colonization, but the spirit of the policy meant that two such irreconcilable systems of government as monarchy and democracy could not live side by side in the same hemisphere, and that the safety of democracy required the exclusion of monarchy.

In these latter days there has sprung up a tendency, not strongly developed as yet, to interpret that doctrine to mean that, while Europe and Asia must keep out, the United States is destined to dominate the whole situation. That instead of America for Americans, it means the Western Hemisphere for the United States.

It is certain that the nations of the Gulf of Mexico and the Caribbean Sea discern such a tendency in the actions of the United States. The United States looms up to them with a strength far more formidable than we are conscious of, and they fear the day when we grow conscious of that strength with a waning sense of Puritan justice.

The Spanish-American War was a revelation to them as it was to us. Far-sighted Latin Americans could read in that altruistic interference in their affairs the forerunner of interferences which might not be so altruistic. So far it substantially is true that we have not interfered anywhere in Central or South America that it was not to the benefit of the nation involved.

When the United States executed the coup that rid Venezuela of Castro it did a service of inestimable value to that nation. When it rid Nicaragua of

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Zelaya it did a similar service. In aiding Santo Domingo to straighten out its finances, in setting civil government upon its feet in Cuba, and in other instances of interference not so important, the Americans have played the rôle of disinterested friendship.

On the other hand, the manner in which we acquired the Canal Zone suddenly showed Latin America that, though Uncle Sam might bear the visage of a rector, he could just as readily play the rôle of a strong-arm man not overly scrupulous when he is selfishly impelled.

In the early days of our own republic political controversy revolved around the relation to England, with one faction being intensely provincial, and generally successful, and the other faction rather inclined to take the European view of our affairs. The situation in the republics that fringe the Gulf and Caribbean Sea to-day is identical, only the factions revolve around the issue of American interference.

Our smaller Southern neighbors have grown to look upon American interference as inevitable, with the faction that can enlist our sympathy pretty well assured of success. Hence the revolutionary factions struggle for the strategic position involved in the approval of our State Department. Sooner or later such approval means United States Marines to help the favored side.

This strikingly was illustrated in the June and July Presidential elections in the Republic of Panama in 1912. Dr. Belisario Porras, the popular candidate, openly solicited American military intervention, and

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it was forthcoming. In Nicaragua, in August of 1912, Marines were landed ostensibly to protect American interests, but one faction had allied itself with those interests, so that our interference was in reality to aid that faction of revolutionists.

These incidents are not cited as instances of unwarranted interpretation of the Monroe doctrine. Each was justified by the facts of the individual case. The point in mind is that we are embarked upon a rôle, as umpire in Central and South American affairs, that will require the utmost keenness of Puritanic justice to prevent a change from a policy of altruism to one of open selfishness.

When President Roosevelt announced that if we ever went into Cuba again it would be to stay, he made just such a change imminent. There never was a declaration of policy that more widely missed the true spirit of the Monroe doctrine. It would start the United States upon a course that, in twenty-five years, would reduce every Gulf and Caribbean republic to the position of a satrapy of the United States, with United States soldiers, as in the Philippines, exercising the final powers of the legislative, executive, and judicial functions.

The lesson President Roosevelt had in mind was that the United States could not be continually troubling itself to maintain order among any people that were not capable of self-government. But, with the memory of other great nations, which undertook to manage the affairs of widely distributed peoples by the power of military might, not to mention the fundamental

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tenets of our governmental faith on such an imperial policy, it will be wise for the Americans to be cautious in endorsing the Cuban declaration.

Our Civil War ought to have taught us that the American people cannot live in the face of a flagrant lie to our institutions. Slavery was such a lie, and it was stamped out. The military control we exercise over the Philippines is another such lie, but so far away and vague that the Puritan conscience does not grasp its significance. The moment we begin the forcible military occupation of Cuba, Mexico, or other American republics, we will be adding other lies to the foundation of our republic, namely, "that all men are free and equal and have certain inalienable rights."

The right of Cuba to manage its own affairs, however wretchedly, is an inalienable right. Our interference is never justified except to enable the Cubans to continue that right. Where we interfere to permanently remove that right, such as would occur in annexation or habitual military supervision, we pass the lie direct upon our own profession of principles.

God made the Americans a superior people to fulfill a high destiny, but he never made them so superior that they can trample all rights of weaker nations in the dust from a supercilious idea that we can manage their affairs better than they.

When President Roosevelt asks, Shall we forgive Cuba unto three times for its shortcomings? the answer of the American people must be, Yea, until seventy-times seven. But this does not mean that the United States must continue to bear the expense of

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such efforts to prevent a collapse in Southern governments. Our interference primarily is to obviate the necessity of European interference, and if we act as police of the Western Hemisphere there should be a compensation, at least, equal to our outlay in such efforts.

Whenever we go into Cuba, Nicaragua, Panama, or any other republic, to protect American and European interests, the cost of the expedition should be assessed against the country which necessitated the expedition. Then we should retire and allow them to try again at the task of self-government. And we should stay off from annexation, or permanent military occupation, as we would from taking a tarantula into our national breast.

There is no truth quite so important for the American people to burn into their consciousness, as with a hot iron, to guide their foreign policy as this: The Lord we serve is no less the God of the Mongolian, the Ethiopian, or the Latin American than he is of the Caucasian and the American. Let us beware what we do against these other peoples in His name.

The wise decision of President Taft to stay out, both of Cuba and Mexico, during recent troubles, was in accordance with the best spirit of the Monroe doctrine. It allows these nations latitude to work out their own destinies, certainly the very least that they could ask. Meanwhile they are responsible for every dollar's damage they do to our own or foreign property, and any attempt to make them pay such damage would be founded in right. Forcible interference,

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however, automatically cancels a claim for damages, except such as may be won by the sword. And that would mean that our young manhood henceforth would have to be enlisted to sacrifice their lives in maintaining a suzerainty radically antagonistic to true Americanism.

Aside from the turbulent characteristic of the Latin American temperament, the most prolific cause of American interference in Central and South American affairs is the American capitalist. This especially is true in Cuba and Mexico, and in the republics south of Mexico to Panama.

Your American capitalist in these countries smiles indulgently when you talk about the departure of the United States from its principles in establishing sovereignty over the smaller republics. To him there is absolutely nothing on the horizon but the dollar he has invested, and his government does not exist except to guard that dollar. But he goes much further than that. He believes his dollar will have added value if the United States were sovereign instead of the particular native government under which he operates.

The sugar-plantation owners in Cuba are more responsible for the unsettled conditions in that island than the Cubans themselves. And they almost invariably are Americans. They believe that the free trade that would follow American occupation would benefit them as well as other phases of American governmental methods. Hence they finance revolu-

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tions and assiduously work to create public opinion favorable to American sovereignty.

Native political factions, in their extremity, make alliances with the American interests of one kind or another, and so complicate the situation that it appears to be the usual case of a revolution. But the American dollar, even if not the primary cause, always is a potent secondary cause, and for that reason the United States should look a long time before it leaps at annexation or military suzerainty.

So far as the Latin republics are concerned, what difference would it make to them whether a European, or the American power, dispossesses them of self-government? If the Monroe doctrine does not stand as a bulwark against American domination, as well as against European domination, what boots it to them? Would American domination be wiser or less distasteful to a proud people than European domination? To what effect was all the revolting from Spain in the eighteenth and nineteenth centuries if it is to be succeeded in the twentieth century by American sovereignty? And would not the American sword in Cuba be just as relentless in its autocratic sway as the Spanish sword?

We cannot afford to embark on a policy of paternalism in Latin America because of the damage it would do to us through underliving our basic ideals. This generation of Americans has before it the necessity of demonstrating that self-government is possible among our neighbors to the South. If we do not prove this truth, we may build a material civilization



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as high as the combined achievements of Egypt, Babylon, Greece, and Rome, and still the eternal query will arise, What shall it profit a nation if it gain the whole world and lose its own soul?

The Magdalena Bay incident is typical of the operations of capital in Latin America. Instead of jingooing about Japan over this Bay, why not find out what syndicate of capitalists is trying to force the United States to buy it, by spreading all kinds of rumors against a friendly power? There is no nation directing its foreign policy so wisely to-day as Japan, and it would as soon think of securing a naval base in the Americas as it would of attempting to annex China.

The Senate issued a warning to the world, reaffirming the Monroe doctrine as regards the securing of naval stations in the Western Hemisphere. Europe will respect the Monroe doctrine as long as the United States does. It will respect it as long as the United States maintains it as a disinterested, unselfish pronouncement. But the moment we begin gobbling up these weak republics, that moment will Europe pounce down upon Central and South America. And then we will need the biggest navy our forests and mines can supply to maintain the Monroe doctrine.

There is more than one South American republic where Germany is regarded in a more friendly light than the United States. Germany has aided Brazil and Argentine to discipline their armies along modern lines, and these republics do not have to grovel at Uncle Sam's feet. Argentine is completing one of the largest battleships in the world. The European policy

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will be to encourage these Latin republics on the assumption that some day they may combine to humble the United States. Napoleon sold the United States the Louisiana purchase and remarked that he thereby sold a territory that would one day humble England.

The most salutary thing that could happen in the American foreign policy would be the apprehension and execution of any American capitalists who inspire revolutions in Latin America, rather than the hounding of these republics, more sinned against than sinning. From now on it is going to be a titanic struggle with the American people to prevent the ascendancy of the dollar over principle in the interpretation of the Monroe doctrine. There is not the slightest doubt about our getting all that rightfully belongs to us. Can we restrain ourselves from taking more than our just desserts?

The Panama Canal makes us rub elbows with Latin America as never before. Secretary Knox, in his 1912 junket to Central America, assured the Latin republics that the United States does not crave one foot of their territory. Such a declaration will serve to keep the Monroe doctrine inviolate better than the largest caliber rifles, because it notified the world that we will not ourselves do what they have been forbidden to do. There is no nation in the world that will dare fight the United States when the right is on our side. We can keep it there only by loving our South American neighbors as we love ourselves.