

# THE PANAMA CANAL FROM A BUSINESS POINT OF VIEW

## No Doubt That the New Waterway Will Prove to Be a Profitable Investment For Uncle Sam.

**A**MONG all the objections which have been urged against the building of the Panama canal ever since the project was proposed it has never been asserted that, once completed, it would turn out to be an unprofitable investment. Not to speak of the treasure sunk by De Lesseps in his disastrous and decidedly pathetic attempt to secure the glory of the undertaking for France, it is now regarded as a conservative estimate to put the cost of digging the long coveted ditch at \$200,000,000. That enormous sum represents the amount that Uncle Sam must have spent before his little strip of the Central American isthmus known as the canal zone will become the greatest artery of trade in the world.

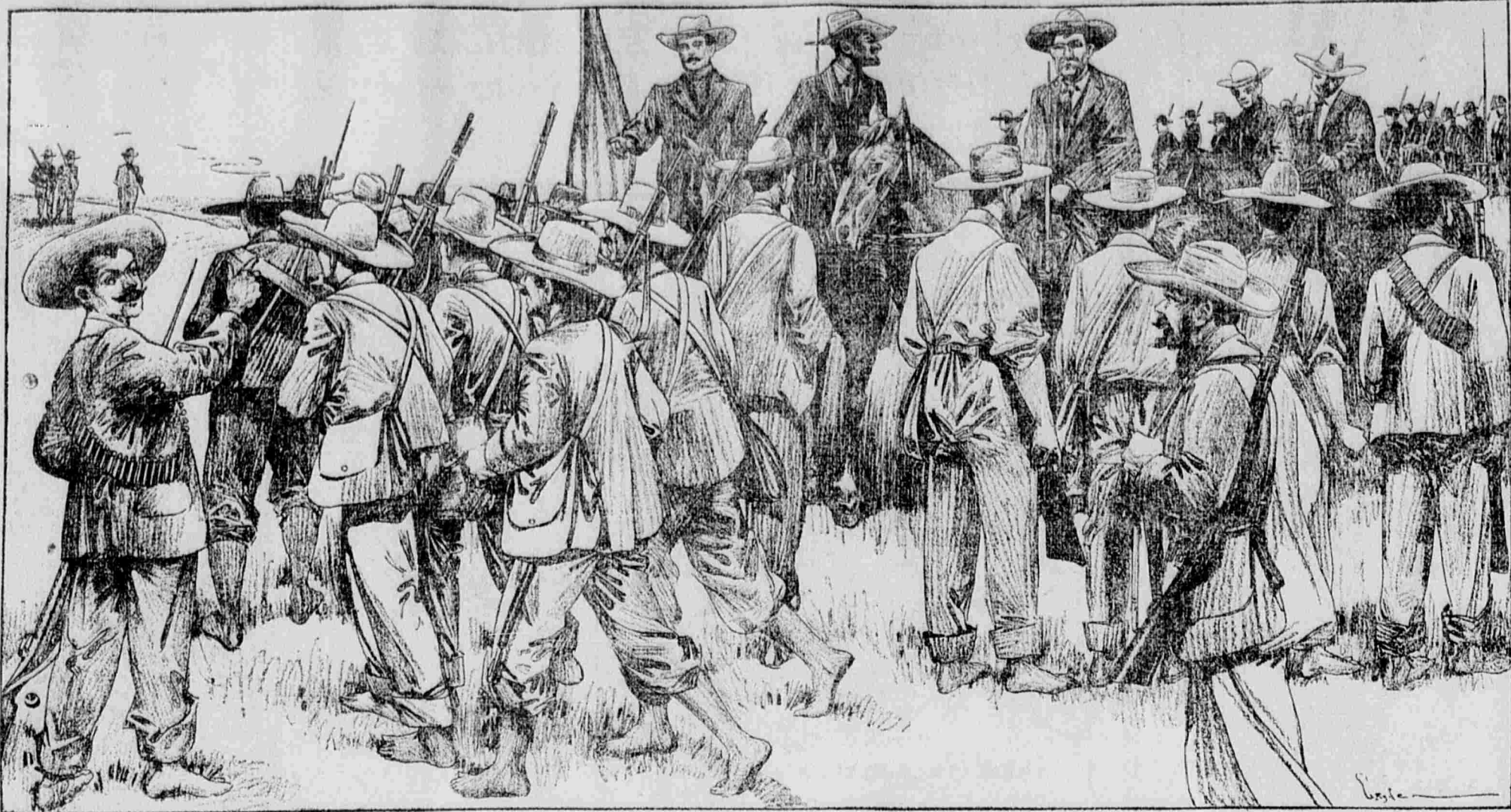
Three hundred millions! That is a sum the mere mention of which is sufficient to obstruct the breathing apparatus. Were Mr. John D. Rockefeller deprived of that amount of property suddenly he would experience a sense of loneliness which it is not pleasant to contemplate, and if Mr. Andrew Carnegie were obliged to raise such a sum offhand the free library business would languish painfully. It is a tremendous amount of money even for so rich a capitalist as Uncle Sam.

Viewed as an investment, however, it becomes quite another matter, especially since Uncle Sam and the American people are to profit from it. It is only in the light of an investment that it is to be considered, and it is fortunate that it happens to be an exceedingly promising way of looking at it. There is every reason to believe that Uncle Sam will realize largely from his investment.

### A Conservative Estimate.

Now that the completion of the canal is assured—it must be admitted that sometimes it has seemed doubtful—all the experts in this country and elsewhere are beginning to figure out the probable income from the great waterway for the first ten years of its operation. Thus far no one has put the total amount for the first decade at less than \$100,000,000. Most persons who have looked deeply into the matter would be disposed to regard that estimate as too low. Many men of excellent business judgment put the income at \$15,000,000 per annum for the first ten years and predict a constantly increasing amount thereafter. Speaking safely and in round numbers, it is not extravagant to look for 3 per cent interest on the investment of \$200,000,000.

It is now believed that the first ship will pass from sea to sea through the new waterway on Jan. 1, 1915. There is nothing absolute about that date, but



SOLDIERS OF THE NEW REPUBLIC OF PANAMA, ADJOINING THE CANAL ZONE.

its probability is based on the present state of the work and also on past performance. According to the estimate of the canal commission—which is composed of men who are supposed to know whereof they affirm—there will be by the close of 1915 at least 6,598,773 tons of traffic which will use the canal, passing in both directions. Counting the increase in traffic at 62½ per cent for the next ten years, which no one considers unreasonable, there will be 19,241,127 tons. Taking the gradual increase from year to year from the opening of the canal until 1924, it will be seen that between 100,000,000 and 150,000,000 tons of traffic will clear the waterway. This estimate is based on the increase in the trade which would have used the canal had it been available during the last twenty years.

This method of making an estimate does not take into the consideration the development of our trade in the ex-

panding markets of the new world. All attempt to use this indefinite factor as an argument must be purely speculative, but it is a matter of tremendous possibilities.

### A Knotty Problem.

One of the knottiest problems encountered by the canal commission thus far has been the fixing of a satisfactory toll. Of course it will be some time before a rate is actually needed, but it is going to be an exceedingly delicate business to establish one which will be popular in all quarters. If it should happen to be too low Uncle Sam would not be getting a fair interest on his investment.

It has been agreed by the commission that it will not be expedient to make the rate as high as that which now obtains on the Suez canal. The toll now

demanded on the latter waterway is \$1.70 per ton, and it is proposed to make the Panama rate a dollar. In fixing on this rate elaborate calculations have been made as to the exact saving in time and expense to the various trade routes by using the canal. As a result it is believed that the rate of \$1 cannot be considered as excessive for the ships of any of the regular routes. A ship on the voyage from Europe to the west coast of America, say to Chile, could save ten or eleven days by using the canal. The cost of using the canal would be about the same as that of maintaining the ship for the extra time, so that the balance would be largely in favor of the shorter route.

The comparative cost of the old and the new routes has been estimated with the most scrupulous care and attention to detail. A modern freight steamer of 2,500 tons register has been taken as a unit of measure. The cost of operating such a vessel is about \$175

a day. If fifteen days could be saved by using the canal instead of going by the longer route, it would mean a saving of \$2,625. At \$1 per ton the cost of using the canal would amount to \$2,500. That would seem to be an actual saving of only \$125, but a closer inspection makes it apparent that a far greater economy would result. In the event that the cargo carried by the steamer was a perishable one, which is so frequently the case, the saving in time would be of great importance. It is the opinion of the commission that this one item of the saving of time will be sufficient to deflect most of the enormous traffic to the new route.

### Influence on Commerce.

The canal commission has been making an exhaustive study of the trade routes which will be affected by the opening of the Panama waterway. Many conflicting opinions have been advanced as to the effect which is like-

ly to be produced on the present routes. The commission believes that it will facilitate the movement of commerce around the world. It will induce shipping from Europe to carry on trade with the orient, and it will also make it vastly more feasible for vessels from the east coast of America to discharge their cargoes in far eastern ports. It is certain that a vast amount of commerce from Europe to South America will find its way through the new waterway and on to the orient, making the circuit by the Suez canal. It is altogether likely that a commercial tour of the globe will become the regular practice in the near future.

At this distance it is possible to foresee that the Panama canal will attract and deflect at least four great lines of trade. The bulk of the traffic between Europe and the west coast of America is certain to use the shorter route. The great and constantly growing fleet which plies between the ports of Europe

## The Inter-oceanic Canal May Pay For Itself In Less Than a Quarter of a Century.

and the orient is not less likely to choose the Panama route. Still more important is the line of water traffic between the east and west coasts of America. Quite too important to be forgotten also is the trade between Atlantic America and the far east, which is expanding rapidly and should be stimulated markedly by the new facilities.

The trade between Europe and the orient, which now goes the other round, is enormous. It is not rare to believe that this great traffic is influenced by sentiment. It merely solves itself into a question of geography. The Panama route will be the shortest distance between two points, and that will be quite enough to settle the question in its favor. The attraction of the new waterway for all the commerce between Europe and New Zealand as well as of other islands of the Pacific east of Australia will in time become irresistible. This is hardly to be wondered at when it is remembered that New Zealand will be over 1,500 miles nearer England by the Panama canal than by the Suez route, and more than 2,000 miles nearer than by way of the Cape of Good Hope. What a sea voyage may be shortened by 200 or in some cases 5,000 miles, all questions of sentiment give way to expediency. It is not a cheerful prospect for the holders of Suez canal securities, but it ought to be a pleasant anticipation for Uncle Sam.

In estimating the possibilities of a work of the magnitude of the Panama canal there is some danger of being lured astray by enthusiasm. Realizing this, the commission has been exceedingly moderate in its figures, basing all of its deductions on the traffic reported for 1908. In that year it amounted to 55,000,000 tons. No one is ignorant of the fact that it is an estimate far too low for the present time. In every branch of traffic the amount of tonnage which might use the new waterway to advantage has increased greatly. At the present rate of increase the available canal tonnage across the isthmus of Panama at the time of the completion of the work. A decade later, at the same rate of expansion, there should be a tonnage of 113,728,200.

If all this be fact—the painstaking investigation of the canal commission seems to make it so—the great American waterway across the isthmus of Panama for itself in a quarter of a century after the first cargo of west-bound merchandise is conveyed from sea to sea without transshipment. To be the proprietor of such a profitable enterprise is far more satisfactory to the American public than any other arrangement could be.

SILAS O. WOODSON.

# An Able Apologist For President Cipriano Castro; Denies That the Asphalt Trust Is a "Good Trust"

**W**HY all this perennial posturing over Venezuela, Castro and the asphalt trust? Why this standing threat of Uncle Sam to resort to something more forcible than mere words and the unflinching postponement of the implied chastisement? Who is this Castro that he is permitted to assume an attitude of aggressive defiance against the most potent government on the hemisphere and to maintain it for so many years? What is the status of this so-called American asphalt trust, which seems not only able to keep Venezuela in a perpetual broil, but equally capable of enlisting the sympathy of Uncle Sam in its behalf?

For several years we have had the picture of an insignificant South American republic ruled by a dictator who is able to keep both Europe and the United States in a constant fume, a condition which thus far has induced only bluster and a hint of the dreadful things which might happen—if it were really necessary. Sometimes it has seemed to be almost necessary, but so far the provocation has never reached the stage in which actions are supposed to speak louder than words.

As for Venezuela pure and simple, she isn't worth a tithe of the attention which has been given to her, and were it not for a certain sort of nature manifested within her borders we should have heard very little from her. Even Castro's opportunity to become famous would have been exceedingly limited had it not been for a substance that is even blacker than he has been pictured. Were it not for just this malodorous asphalt, neither Venezuela nor its president would cut any considerable figure among the Latin American republics.

Venezuela has more than enough of this sticky and unsavory bitumen to pave all the streets of American towns and cities with the most perfect substance that has yet been put into actual use. Enriched by a tropical jungle lies the famous ebony deposit known as Bermudez lake, which is the glory of the little republic and also, by a curious chance, its curse. Some idea of what this deposit might mean to Venezuela under favorable conditions may be gathered from a brief consideration of the growth of asphalt paving in American cities. A quarter of a century ago only about twelve miles of pavement in the cities of the United States were made of this material. At the present time more than 2,500 miles of this most satisfactory of all pavements are in daily use. This represents an original outlay of more than \$100,000,000.

Little wonder, then, that the possession of such a rich source of supply has been a hope of contention. The Bermudez asphalt deposit is an immense morass of pitch, with here and there a patch of vegetation. As fast as the semiliquid asphalt is dug out a fresh supply oozes up from below. Un-

til 1883 the value of this great freak of nature was unsuspected. Left to their own resources, the natives of the country would never have discovered the rich treasure which lay all uncovered at their very feet. It was Horatio R. Hamilton, a soldier of fortune, who had been stranded in the republic, that was first to realize the magnitude of the matter.

Without making too great a stir over his discovery Hamilton persuaded General Blanco, who was then dictator of the republic, to grant him a concession to explore the natural resources of the state of Bermudez, which has an area of 32,000 miles. Hamilton did not mention the asphalt find. He even tried to make it appear that he was interested in matters of a very different nature, the export of woods, minerals, etc. Blanco, however, who was one of the shrewdest Latin Americans of his day, suspected that Hamilton was after big game and took the precaution to make the concession conditional. Royalties were to be paid on all exports without exception.

Hamilton was not long in finding out that he would not be able to make his concession profitable. He had no capital to put into the development of the asphalt industry, and he could obtain no financial aid in Venezuela. He realized that the job was too big for him to handle alone, and he resolved to dispose of his concession. Weary of waiting for the royalties which did not come, Blanco gave a willing assent to the proposition, and the privilege was sold to the New York and Bermudez company. This was in 1885, and the company has owned and tried to work the asphalt deposit ever since that time.

It was not long before Venezuela awoke to the fact that she had thrown away the one golden opportunity which might have been turned to her great advantage. She saw others reaping the benefit of an enterprise which she had neglected to further, and the sight was maddening. The large sums of money spent by the asphalt companies in building a railroad to the coast and in many other improvements lessened the sting for awhile, but with the growth of the asphalt industry it began to dawn on the republic that in the dismal morass which she had bartered away for little or nothing others had found a veritable gold mine.

By 1897 the asphalt company was in excellent working order. The asphalt paving had become very popular in the United States, and there was a ready market for all the crude material that could be taken from Bermudez lake and shipped. The company's plant was in fine working order, and a flood of golden dollars was pouring into its treasury. At this time also it had secured for itself a firm hold in political affairs and was safely influential at government headquarters. It was so well entrenched in the favor of the

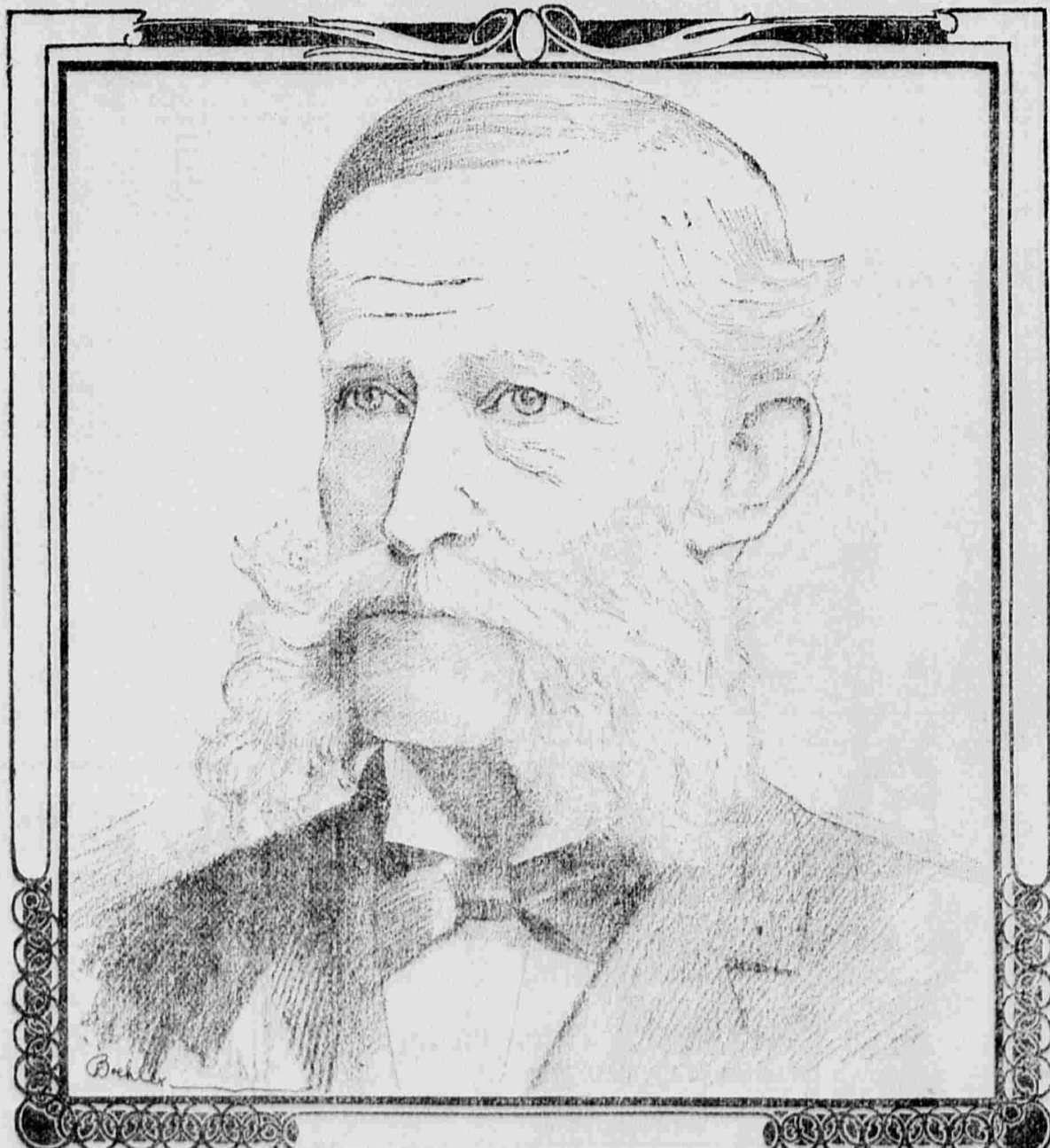
state that it could well afford to disregard the charges made by unfriendly political agitators to the effect that it had made the government its own creature by the use of money.

About that time a revolution was

asphalt trust realized that "things had taken a turn."

There is every reason to believe that Castro had put his mind to quarrel with the trust some time before he arrived at the fulfillment of his politi-

thing that has saved him from overthrow. His conduct has been so erratic and so inconsistent that no one seems to be able to form a correct opinion as to what his actual intention may be. Once domiciled in the president's pal-



EX-SECRETARY OF STATE FOSTER, APOLOGIST FOR CASTRO.

due, and it came according to the schedule. This was the famous movement engineered and conducted by Cipriano Castro, the present head of the Venezuelan state, and when he seated himself in the presidential chair the

ical expectations. His enemies declare that his avowed determination to "make it hot" for the American company contributed largely to his success and that his continued aggressiveness against the trust has been the one

up only once in 400 days are now manufactured in Munich. The English national anthem was first sung in public in 1740. The strength of a horse is equal to that of seven and a half men. Ten days per annum is the average amount of sickness in human life. One-half of the wealth of Britain is in the possession of 1,000 individuals. Artist gardeners are numerous in Japan. They can twist and control

carried on with great shrewdness, and the trust has also exhibited the most amazing generosity. Castro began by granting a series of infringing concessions. He issued hostile decrees almost daily and gave official endorsement to attempts to blackmail the trust. At these attacks were met firmly, and some of the most vicious thrusts were parried. The battle with the wilderness went bravely on. Two hundred laborers were employed by the trust to build a road in a climate in which wood rots almost overnight. About 20,000 cocoa trees were planted, warehouses and dwellings were built, and communication with the adjoining towns was established. In fact, the trust actually made the region habitable. Castro kept up the fight. Four years ago it became violent. The late little president issued a proclamation to the effect that the trust had forfeited all its rights in Venezuela on account of its failure to fulfill its obligations to the state. Without further notice to the company the asphalt beds were seized and a receiver was placed in charge of them.

Ever since then the trust has been trying to recover its property. It has tried to force Castro to arbitrate the issues in dispute before an international tribunal. Castro has no fondness for international arbitration. Owing to his statutory tactics in the matter of paying his debts he is on bad terms with several European powers, some of which have threatened to collect their dues by force. Two years ago President Roosevelt sent Judge Calhoun to Venezuela to go over the matter in detail and to find out whether or not the trust had been forfeited. After the learned jurist's report had been submitted the business seemed to be more complicated than ever.

Finally the quarrel has become a matter of national interest in the United States. Congress is hopelessly divided in opinion as to the equity feature of the dispute, and it has assumed an aspect decidedly political. The administration is anxious to guard the rights of its citizens abroad, but is quite as jealous of its old-time reputation as a respecter of the rights of its neighbors.

Meanwhile the matter is being discussed emphatically in all quarters. Both sides of the controversy have found able apologists, and the separate committee on foreign relations has been presented with numerous briefs in the interests of all parties concerned. One of the ablest of these and one that must carry considerable weight on account of the prominence of its author in international affairs was submitted by John W. Foster, former secretary of state and a recognized authority on such subjects. Mr. Foster advocates the cause of the Venezuelan government. He bases his argument on the principle that an individual or corporation that takes up arms against a nation with which we are at peace cannot appeal to the United States for relief

from the consequences of his own acts. He claims that the asphalt trust aided an armed rebellion against the government of Venezuela and that on that account it has lost its right to Uncle Sam's protection.

W. E. HARRINGTON.

### TROUBLE IN A ROYAL FAMILY.

The differences between King Leopold of Belgium and his daughters, the Countess Lonyay and Princess Louise of Coburg, have been enough to make that royal family unpleasantly conspicuous, but the family of his brother, the Count of Flanders, seemed likely to have escaped these domestic wranglings, and it comes as rather a shock to learn that Prince and Princess Albert of Flanders, who have hitherto been looked upon as quite a model couple, have also followed the example of their more august relatives and allowed the "little rift within the lute" to spoil the harmony of their private life.

The reason for it is rather a curious one. As everybody knows, Prince Albert has since the death, in 1905, of his father, the late Duke of Flanders, younger brother of King Leopold, been the presumptive to the throne of Belgium.

Albert's wife, the Princess Elisabeth of Bavaria, is the second daughter of the celebrated royal cousin and philanthropist, Duke Karl Theodore of Bavaria. Father and daughter are extremely devoted to each other and have maintained in common and ever since her marriage six years ago it has been the invariable custom of the princess to pay frequent and lengthy visits to her parents in Bavaria. During these visits the princess often helped her father in his official duties, and it was not long ago that she was acting as his assistant at more than one of his most important negotiations.

For a time the young husband put up with this more or less wifely neglect. At last, however, he began to object to these protracted absences, and, finding gentle persuasion of no avail, he put his foot down, metaphorically speaking, and even went so far as to limit his wife to one visit a year to the parental roof and, worse still, absolutely forbade her to assist at any more operations. A terrible blow to a lady who can write the letters M. D. after her name, given by so doing and terming them "a most becoming occupation for a lady who will one day be queen of Belgium!"

### THE RARE BUFFALO.

The bison is becoming rare the world over and is really only kept in existence by protective means. Russia possesses two species of bison, one found in the north and the other along the extreme northern limits of the European dominions of the czar. This latter is the celebrated bison of the Caucasus, and to one of the grand dukes belongs at present the right to hunt a privilege which he may extend to his chosen friends. But instead of the animal the grand duke carefully guards them.

ing of the Spaniards who had never intermarried with Moors. Upon the opening day of the wireless telegraphy service from Great Britain to Canada it is computed that about 14,000 words were transmitted across the Atlantic. The total number of volumes in the Imperial library of Japan when the count was last made, on March 31, 1910, was 219,483, of which 194,500 were Japanese and Chinese books.

### HERE AND THERE.

A system of wireless telephony has been successfully tested between Rome and Monte Marie, a distance of nearly three miles. The voices of the speakers were distinctly heard and recognized.

The Countess von Linden is publishing the results of her research regarding the endurance of hunger among butterflies. She finds that one

of these animals may live for seventeen days without food, having lost in the meantime two-thirds of its initial weight, whereas birds and small mammals die in nine days, when their loss of weight is only from one-fifth to two-fifths.

A young Greek lady, Mlle. Uranie, twenty years old, is perplexing the French savants by a phenomenal mem-

ory for figures, names and letters, which is supported by her fixing them all in her mind by means of different colors. One is black, two is luminous yellow, three is old gold, four is chestnut, five blue, six dark yellow, seven marine blue, eight pearl gray, nine bluish and zero white. Names come to her mind as the dominating that in a complex color.

It is reported that after a demonstration of its practical utility the Ca-

nadian government has adopted the new marine fog signal invented by Mr. Thomas L. Wilson. The device, which is intended for use in connection with acetylene lighted buoys and beacons, is automatic, being operated by explosion. The inventor affirms that it will run continuously and regularly for months without attention and that it is absolutely independent of the action of waves.

Special clocks which need winding

up only once in 400 days are now manufactured in Munich. The English national anthem was first sung in public in 1740.

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traces and make them grow in the shape of fowl and strange animals. In budon accents, strange to relate, no giddiness is ever experienced by the occupants of the airship. Scientists cannot account for this.

As many as 24,581 jackals—one of the greatest pests to farmers—were destroyed in Cape Colony, Africa, last year.

"Blue blood" is an expression of Spanish origin. It was used in speak-