

## PROBLEM OF CANAL MANAGEMENT NEXT

One-Man System, Successful in Building, Is Favored by Engineers.

### GOETHALS NOT IN HURRY

Congress Urged to Make Early Provision, That Force May Be Adequately Trained When Services Are Needed.

BY GEORGE PALMER PUTNAM.  
BALBOA, Dec. 17.—The United States Government soon will have a completed Panama Canal in return for the \$400,000,000 it will have cost. It will be finished before 1914, and it will be opened to traffic in 1915. And yet at the time this letter is written, as the Pacific Mail steamer lies off Balboa in the Bay of Panama, no decision has been reached regarding who is to operate the canal or how it is to be operated.

What do the American people propose to do with their canal? Also, what will it do for them? Both questions are of vital interest, not only to Americans, but to all the shippers of the world.

**Issue Much Complicated.**  
To begin at the end, it is apparent that we must wait for the answer to the second query. For the results of the canal's opening are dependent upon such a multitude of developments, such as the tonnage tolls, what the transcontinental railroads do or do not do with their freight rates, the actions of the Interstate Commerce Commission, changes in trade routes or in our venerable shipping laws, and so forth.

What are we going to do with our canal?  
The query is meant particularly to apply to methods of operation. It is uppermost in the minds of the men on the isthmus who have built the canal and are now wondering who is going to handle it when it is completed. The Pacific Coast is particularly concerned. Oregon has a special sentimental interest in the canal, because the cruise of the battleship Oregon around Cape Horn did more to make the canal essential in the eyes of the American people, than did any other single incident.

It will be necessary to keep an operating force of about 2500 men on the isthmus. Colonel G. W. Goethals, chief engineer, in his annual report for 1911 recommends that this force be picked as soon as possible, so it may be trained suitably.

Existing laws provide for the construction of the canal and for the exercise of civil, military and judicial government during the construction period. But there is no provision for the conduct of affairs after its completion, and Colonel Goethals urges Congress to decide this question. He has been the one-man power at the head of the construction. He has seen the success of this kind of administration, as have all those who are on the Canal Zone. So Colonel Goethals and the engineers who are building the canal favor a one-man administration after completion.

**Goethals Is Unselfish.**  
There is no hint of political campaigning in this, for Colonel Goethals has no idea of remaining on the isthmus after the work is completed. He does not want the job of "operator-in-chief," and will not take it if it is offered to him.

"When we are done here," he has said, "the canal will be nearly ready to run itself. All it will need is a competent man at the head and a competent corps of helpers."

An indication of the thoroughness that is characteristic of the chief engineer is his plan for "breaking in" the canal and its operating force.

The canal will be used for shipping probably in July, 1912. It has been suggested that as soon as that date as possible shipping be permitted to pass through.

"That will mean a big return on the big investment a year earlier than expected. It will encourage the establishment of trade routes by way of Panama," say the enthusiasts who are in a hurry to see the wheels go round.

But the white-haired autocrat who is finishing the job has been cautious from the start, and everyone who is familiar with the situation believes both that his suggestions will be carried out to the letter and that his plan is the only wise one.

**Practice Will Be Needed.**  
"No sir," says Goethals. "No hurry here. It would be a pretty situation if, when the fleets of the world are ready to pass through the canal, something should go wrong, simply because we had not tried all our mechanism first and given our operating force thorough training. We want 15 months to practice with the canal, and then, when we are done, you may rest assured that there will be no hitch."

That is characteristic of Goethals. It may cost money and take time and some politicians and shippers may get impatient, but when the big day comes the American people will have a canal that will do its work, and do it without a hitch. It is beautiful to see their confidence down here! They have it all figured out to a nicety, and they know just what they are doing, and exactly when it will be done, and how it will work when it is finished.

There has been no experiment of late, excepting perhaps the Gatun Dam, which is somewhat novel, from an engineering standpoint, but so huge as to be many times safer than required. That is the keyword of the construction success—certainty. Everything has been certain, just as the dates of completion of the various portions have been certain many months before the layman could see anything but an unfinished chasm in the big undertaking.

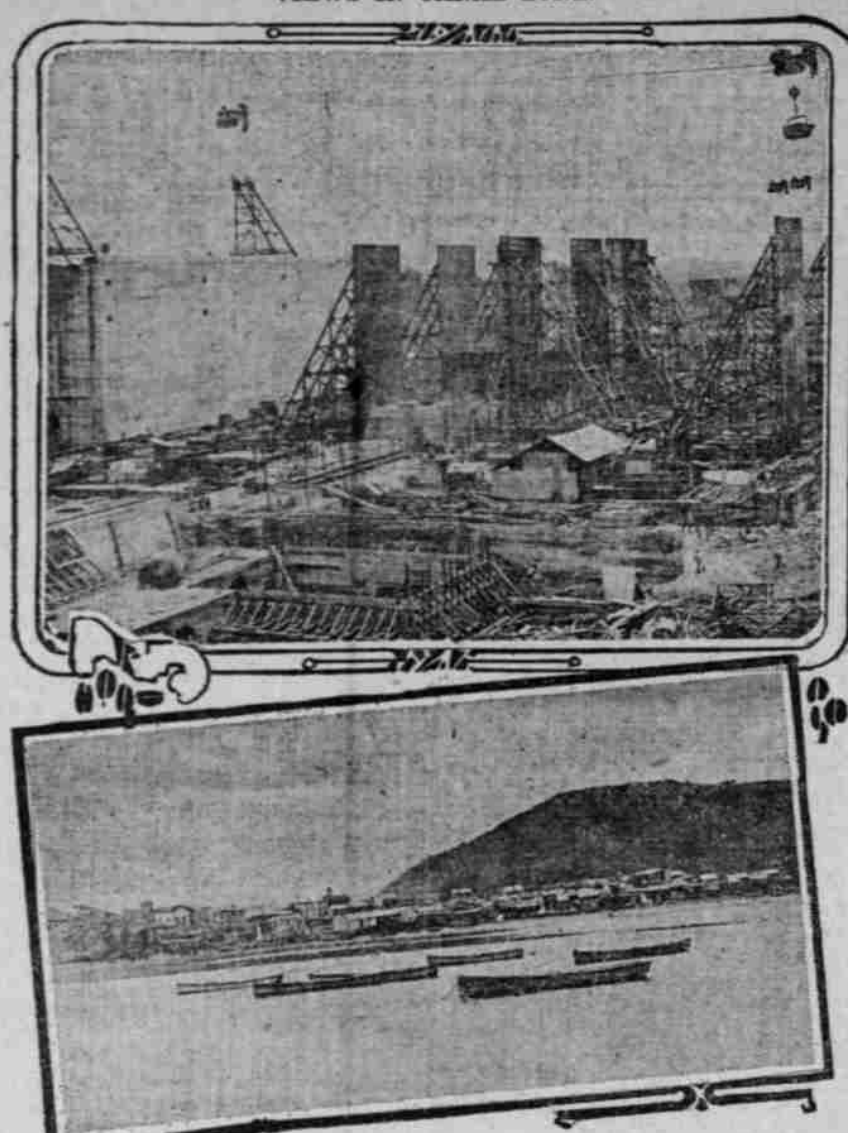
"The success of the Army engineers and of Colonel Goethals is chiefly due to the fact that they have been cautious above all else," an engineer told me. "There have been no experiments. There has been precedent for every step of the work, and no one has been a mistake and no waste."

Colonel Goethals has other suggestions regarding the operation of the canal after completion. He knows more about the subject than any other man living, and what he says should receive careful attention.

**National Force Advocated.**  
It is proposed that the Government become a storekeeper upon an unprecedented scale. The reasons for this are two: First, to get all the revenue possible from the expensive canal and its legitimate adjuncts, and secondly, to retain the vital appearance of the canal in Federal hands so that they can be utilized to the best advantage in case of war.

"These facilities means for insurance

## VIEWS IN CANAL ZONE.



CONCRETE WORK ON GATUN DAM (ABOVE), AND VIEW OF PANAMA CITY FROM THE BAY.

ing the canal's revenue should be adopted," says Colonel Goethals. "The Government should conduct coal and fuel-oil stations on the isthmus, both for its own vessels and for the supply of all comers. The existing commissary, manufacturing plant and laundry should be continued for the benefit of United States warships and of all shipping using the canal. Tools and appliances should be sold on the isthmus, and repair shops should be maintained by the Government, as well as a suitable drydock."

In other words, the United States should become the storekeeper of the isthmus.

There will be opposition to the scheme from private interests who have an eye on the isthmus for the establishment of the different kinds of businesses into which it is proposed that the Government shall enter. It seems probable that should the United States sell ice and coal and oil and do repair work, there would be no chance for competition. It might be monopolistic, but as the Government owns all the desirable land, it would be easy to prevent others from entering the field, even if they could find it profitable to do so.

**Efficiency Seems Probable.**

From the viewpoint of shipping using the canal it would appear that the Goethals plan is desirable. With the Government of the United States in charge, there would be no possibility of discrimination of any kind. Prices would be low and the service good. Perhaps this prediction may sound Utopian, especially to Oregonians, who are familiar with Governmental tardiness in Columbia River lock construction, for instance, and who know the tangles that have followed upon the heels of Nationally conducted irrigation enterprises. But I am speaking with the example of the Canal Zone administration in mind. There is no just reason for supposing that the affairs of the Canal cannot be handled as excellently after it is completed and everything is upon a permanent basis, as it has been during the more or less chaotic period of construction. And today even the most ardent skeptic must admit that the efficiency that pervades every department of the Canal Zone (I am referring to the general administration, aside from the construction operations) is little short of marvelous.

But I seem too free with my encomiums. It may be well to call attention to a state of affairs that is not as satisfactory as it should be. It is particularly true of the Pacific Coast. At Balboa, the Pacific port at the terminus of the Panamanian Railroad, there is a miserable inadequacy of dockage facilities. At present, the wharves provide berths for only five vessels and the facilities for handling cargo are far from satisfactory. However, there are plans on foot for making Balboa an admirable harbor. The surprising part is that these plans have been so long delayed.

## CRIMINALS ARE ACTIVE

SAFE BLOWN, STORE ENTERED AND PEDESTRIAN ROBBED.

Fire, Started by Explosives, Leads to Discovery of Unsuccessful Burglary Attempt.

Criminals were active in the city Saturday night and yesterday morning, their most notable achievement being the blowing open of a safe, from which, however, no money was obtained.

While passing the East Burnside Market, 422 East Burnside street, about 5 o'clock yesterday morning, E. H. Short, living at 722 Holman street, saw smoke coming from the place and called the fire department. It was found that the smoke came from smoldering rags, placed around a safe, which had been blown open by burglars. There was no damage by fire.

Patrolman Leavens attended at the alarm and discovered the burglary. He called the proprietor, who said that the safe contained only books and papers and had been broken once before. Two men were seen by a newboy loitering in the shadows near the building.

P. J. Van Rye, grocer, 455 Lombard street, found, yesterday morning, that his store had been entered by thieves, who first broke a glass and raised a window, took off the hinges of a door between two rooms, but could not open it. They then went to the other side of the building, entered through a transom and unlocked the door. Cigars and candy were missing. The depression is laid to boys of the neighborhood.

J. W. Tanasky, 5356 Forty-fourth street, Southeast, reported yesterday that he was held up by two men at Forty-third street and Fifty-third street early Sunday morning. One man held him covered with a revolver, while the other searched his pockets and removed \$21.

## MANY LIEU LAND TITLES CLOUDED

Secretary of Interior Denies Validity of Selection Made Before Survey.

### LOCATOR SUFFERS LOSS

Decision Is Incentive to Speculative Locating and Professional Contesting—Good Faith Not Enough to Save.

OREGONIAN NEWS BUREAU, Washington, Jan. 21.—A decision by the Secretary of the Interior several months ago, which escaped general notice at the time, threatens to invalidate titles to many thousands of acres of land in the West unless the department recedes from its position or Congress comes to the rescue of innocent holders whose titles are in danger.

The decision virtually holds invalid all lieu selections filed upon lands that were unsurveyed at the time of selection, and state selections are just as much affected as selections by individuals. The amount of land and the number of titles affected by this decision cannot be even approximately estimated at this time, but they are large.

The decision referred to was made in a case involving a selection made by F. A. Hyde, a California lumberman, and afterwards transferred by him to the L. E. White Lumber Company. Hyde held title to a quarter section of land in one of the California forest reservations. He relinquished this and made lieu selection of a quarter-section of unsurveyed public land outside the reserve, for which he received a certificate in regular form. He then deeded the land so selected to the lumber company.

**Title Declared Invalid.**

Under the ruling of the department, Hyde did not acquire any sort of title to the land selected, because the land was unsurveyed, and the title he attempted to pass to the lumber company was no more valid than his own. Yet he has relinquished the original quarter section to the Government, and can not recover it, and if the lumber company, through contest, loses the 180 acres covered by lieu selection, it must fall back upon the original quarter section, and Hyde's predicament is one likely to befall any man or any state which made lieu selection of unsurveyed lands.

In this particular instance, Hyde relinquished his forest reserve land to the Government in August, 1898, and immediately filed his selection upon 180 acres that were not then surveyed. He, however, designated the land selected by the subdivision lines that later would be laid off by the surveyor and his selection was approved by the Land Office in October, 1898, and certificate of approval was issued to him. The land selected was not surveyed until May, 1902, but in the meantime, his selection was approved by the Land Office. Hyde had transferred his claim. After survey was made, protests and contests were filed, and the department holds that the mere filing of a selection by Hyde did not give him any color of title to the unsurveyed land, but rather that any settler, squatter or locator who went on this land and was there at the time of survey, even though he went there subsequent to Hyde's selection, would have the first claim upon and right to the land.

**Many Contests in Prospect.**

By standing by this decision, the department will not invalidate all selections made of unsurveyed lands; only those in cases where contest is brought. But it behooves every person who made lieu selection of unsurveyed land or who purchased such land from the selector, to get busy and get absolute title from the Government, for in every instance where title has not been secured, the locator, contestor or even the honest settler can go in upon the land and his claim will be held valid by the Interior Department as against the selector or his transferee.

It has come to light that locators and speculators in the West have had

# SIXTY-SEVENTH ANNUAL REPORT NEW YORK LIFE

INSURANCE COMPANY

346 Broadway, New York

## Balance Sheet, January 1, 1912

ASSETS		LIABILITIES	
Real Estate	\$ 10,616,711.90	Policy Reserve	\$566,919,308.00
Loans and Mortgages	116,298,323.50	Other Policy Liabilities	7,359,006.83
Loans on Policies	113,516,068.47	Premiums and interest prepaid	3,385,535.50
Bonds (market value Dec. 31, 1911)	421,122,821.04	Commissions, Salaries, Taxes, etc.	1,287,423.53
Cash	7,284,253.12	Dividends payable in 1912	11,690,143.32
Premiums in course of collection	7,724,930.65	Reserve for Deferred Dividends	83,064,153.00
Interest and rents due and accrued	8,121,577.82	Reserve for other purposes	10,979,116.32
<b>Total</b>	<b>\$684,684,686.50</b>	<b>Total</b>	<b>\$684,684,686.50</b>

### TO THE POLICY-HOLDERS:

Within the year just closed the Insurance Department of New York has examined the Company. The examination went much deeper than the mere question of solvency and a correct statement of assets and liabilities. It went to questions of economy, efficiency and especially to the attitude of the Executive Officers toward the rights of policy-holders, the laws of the State and the regulations of the Department.

It would not be possible for me by any use of statistical tables, ratios or comparisons, to present a statement so luminous and convincing as that made by Honorable William H. Hotchkiss, Superintendent of Insurance, at the close of his examination.

It is the last word in State supervision—impartial but just—constructed on the sound theory that it is as much the duty of a public official to commend fine public service as it is to denounce wrong-doing or inefficiency. The muckraker will find nothing interesting in it. You will. It is, therefore, printed below in full.

*Samuel P. Kingsley*  
President.

New York, Jan. 10, 1912.

(Copy of Memorandum filed at Albany, December 9, 1911, by Hon. Wm. H. Hotchkiss, Superintendent of Insurance)

## State of New York—Insurance Department

IN THE MATTER OF THE EXAMINATION OF THE NEW YORK LIFE INSURANCE COMPANY

MEMORANDUM OF THE SUPERINTENDENT

It is thought proper to file with the report on the examination of the New York Life Insurance Company, dated November 21, 1911, the following memorandum:

The examination of this company now completed, is the second since the enactment of the amendatory laws of 1906. It is even more complete and painstaking than was the examination of three years ago.

The New York Life is one of the great life insurance companies under the supervision of this department. As of December 31, 1910, such Company had assets approximating closely to \$650,000,000, outstanding insurance exceeding \$2,000,000,000, and an annual premium income of about \$80,000,000. It disbursed for policy-holders in 1910 over \$53,000,000. As of December 31 last, such Company held in reserve for its policy-holders—including deferred dividends—upwards of \$600,000,000, and in contingency and special funds for the protection of policy-holders, nearly \$18,000,000. It does business generally in the United States and in 39 principal nations of the world. It has approximately 996,000 policy-holders.

The mere recital of these figures indicates the magnitude of the task committed to the examiners, and gives emphasis to the fact that after an examination covering seven months, such examiners concluded:

*"The final results of this examination show that the work of the Company is done efficiently and economically; its claims are paid promptly; its policy-holders are treated fairly; its dividends are apportioned and paid without discrimination; and the Company complies with the requirements of the law and the rulings of the supervising authorities in both the spirit and the letter."*

The above statement should not be taken, however, as indicating that this Company and its work were in no respect found the subject of criticism. The fact worthy of note is that the criticisms made by the examiners have to do with minor details and do not concern the management, the observance by such management of the law, the Company's treatment of policy-holders, or matters of Company policy generally. Indeed, the criticisms set forth in the report are so relatively unimportant as to be in effect negligible.

The impression made by the examiners' report was considerably strengthened by a personal inspection of the Home Office of this Company made by me shortly after such report was completed. Evidences of economy, both in the number of employees and in the space occupied, as well as in the use of labor-saving devices of various kinds, were noticed. The efficient organism of this great institution, centering as it does in its so-called "office committee," was everywhere evident. An almost scrupulous desire to comply with every statutory requirement or departmental regulation was also noted. Indeed, for general Home Office efficiency, for watchfulness over the little things that go to increase a company's expense ratio, for accuracy of record and in accounting methods, and for a full observance of the law, this Company is entitled, not merely to the commendation given it by the examiners, but to the official approval of this department here recorded.

*William H. Hotchkiss*  
Superintendent of Insurance.

Dated, Albany, December 9th, 1911.

Information as to the effect of this decision, and for several months persons have been located upon these lands with a view to bringing contest against the selector or his transferee. Following the precedent laid down in the Hyde case, the contestant will win, and the selection will be held invalid where the lieu filing was made upon unsurveyed land, for that decision is an incentive to speculative locating and professional contesting. Moreover, if adhered to, it will invalidate a great many filings made in good faith, and also a great many transfers made in equal good faith.

**CARNEGIE FRIEND OF REDS**  
Millionaire Will Give Building to Federation of Indians.

WASHINGTON, Jan. 21.—Andrew Carnegie has found a new outlet for his generosity. He has offered to contribute \$50,000 for the erection here of a magnificent home to be used as the headquarters of the Federation of North American Indians, recently organized in a convention held here, at which Indians from a number of tribes were present.

A prominent architect, it was said, would be here Monday to look over the ground and consider the site and the style to be used in the new building.

**BOY TAKES AUTO, IS HELD**  
Arrest of Elevator Operator Follows While Speeding in Vancouver.

VANCOUVER, Wash., Jan. 21.—(Special.)—George Schmiedeknecht, 19 years old, an elevator operator, of Portland, was arrested here today by Officer McCurdy for speeding an automobile. Schmiedeknecht at the time was driving Oregon car No. 1465, said to be the property of A. L. Fish, business manager of a Portland evening paper.

The machine, four-passenger, was taken from in front of the Arlington Club, West Park and Taylor streets, about 7 o'clock Saturday night.

The prisoner and the car were taken back to Portland today by Detective Hawley. The lad is to be charged with larceny.

Buy the records for your Victor, Victrola or talking machine from Sherman, Clay & Co., Morrison at Sixth. Victor records are the best, and can be used on all disk machines.

**PIMPLES, BLOTCHES, SORES, ULCERS AND ALL BLOOD DISORDERS GO IN A FEW DAYS**

Pimples, eruptions, blotches, scales, ulcers, sores, eczema and chronic swellings are caused by bad blood, but don't become discouraged—no other trouble is so easily overcome. Cascarets are wonder-workers in the cure of any disease caused by bad or impure blood. They eliminate all poisons, build up and enrich the blood, enabling it to make new, healthy tissue.

Pure blood means perfect health, and if you will use Cascarets they will give you good health and a pure, clean skin, free from pimples and blotches. To try Cascarets is to like them, for never before has there been produced as perfect and as harmless a blood purifier, liver and stomach regulator as Cascarets Candy Cathartic! Be sure to take Cascarets and you will surely have good, pure, healthy blood and no more eruptions or disfigurements. A 10-cent box of Cascarets will truly amaze you.

