

Goethals Talks on Completion of Canal

Entering the locks from Lake Gatun

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WASHINGTON, July 26.—It was in a little ten-by-twelve room in the top of the Mills building that I talked with Colonel George W. Goethals as to the completion of the Panama canal. The colonel sat in front of a window looking out on the Potomac, the War department and the Washington monument, and the hot breeze which blew through seemed like a north pole zephyr in comparison with Panama. It made his blue eyes bright, his dark cheeks rosy, and he seemed as cool as the center seed of a cucumber. I know now that he was loaded with work, but he did not show it then. Indeed, I find that the busiest men are those who seem to have the most leisure. They know how to use their minds, and do not let their souls fly to the four corners of the world while talking to you. The chief of the great work at Panama had only a week to spend in Washington, and every bit of that time, with the exception, perhaps, of six hours at night for sleeping, has been occupied with the president, the secretary of war and anxiously inquiring members of the senate and house. Big questions were discussed and matters involving millions were weighed in the balance.

Date of Completion.

It was during one of the intervals of such discussions that I got an appointment for an interview. I put my questions, and the answers promptly came. Said I:

"When will the canal be done?"

"I don't know. It will be finally opened in 1915. I expect to see it done long in advance of that."

"When will the water be let into the Culebra cut?"

"Early in October next."

"But will the cut be ready by that time?"

"The cut is ready for the water now. The difficulty is that we cannot get the dredges in. The situation is briefly this: When I went last February I found that two slides had developed and the engineers told me that the cut could not be made ready for the water until January 1, 1914. So I had to figure backward and see how soon after that time we could raise the level of Gatun lake from the fifty feet, which it is now, to the required level of eighty-five feet. This could be done only during the rainy season, which does not begin until July, and it would have been far along in November of 1914 before we could have the maximum lake level. The canal had to be opened, thoroughly tested and ready for work by 1915, and I could plainly see that this was impossible if we relied upon excavating the balance of the Culebra cut in the dry and did not finish it before January 1. That determined me upon letting the water in during the coming rainy season and completing the work with the dredges."

"The rainy season is now at about its beginning. It will rise to the level of seventy-five feet by October 1, when the dike which separates the lake from the cut will disappear and the waters flow in."

Work for the Dredges.

"But how about the work then? What kind of progress can you make in scooping up the earth and rock out of that mighty ditch of water forty feet deep?"

"The progress is all a question of slides," replied the engineer-in-chief.

"We expect to put in three dredges, and Mr. Comber, who is in charge of the Pacific division, tells me that these three dredges will take out 500,000 cubic yards in one month. I believe we can do the work cheaper and quicker by the dredges than by the steam shovels. The arrangements are such that we will get the dredges in about October 1. The contractors will finish one flight of locks throughout the canal by that time. We shall then blow up the dike and let the suction dredges in from the Atlantic end. We will bring up the Corozal from the Pacific end, and we will have three great dredges carrying the material of the Cucuracha slide and other material over the sides of the cut into the Rio Grande valley on the west. I have also installed a sluicing plant which will carry the top of the Cucuracha slide back into the valley at the east."

"That means that October 1 you will have three great streams of earth and rock flowing out of Culebra cut at different places?" said I.

"Yes, that's it, and those streams will keep moving day and night. We shall keep the machinery going for twenty-four hours of the day and for six days of the week."

Where Will Men Go?

"The stopping of the dry excavation will greatly reduce the number of the men employed, will it not?"

"Yes. We shall begin to make a heavy reduction in the force by October 1."

"How many men have you at work now?"

"About 40,000, including those under the contractors as well as our own."

"What will become of them?"

"The natives will go back home and the Americans will be scattered."

"What will become of the skilled force?"

"I mean the thousands of engineers and mechanics whom Uncle Sam has trained?"

"Most of them will have to find jobs wherever they can," said Colonel Goethals. "It would be almost impossible to transfer the organization as a whole, and there is no other piece of work which the government has on hand that would require such an organization. Indeed, the task of transferring the organization



Colonel Geo. W. Goethals

from Panama to other places is more or less hot air."

About the Machinery.

"What will become of Uncle Sam's machinery at the completion of the canal?"

"I asked."

"There is some talk of sending it to Alaska to aid in the building of railroads, and also to the Mississippi valley for the improvement of that great waterway," replied Colonel Goethals. "I know nothing about that. I am only interested in that we get as much as possible out of it to cut down the total cost of the canal."

"Is there any possibility that we will get very much?"

"Yes, the returns should be considerable, and whatever we get will be clear gain. You see the cost of the whole plant, including machinery and supplies, is figured up in the cost of the canal. It forms a part of the cost of every cubic yard of concrete put into the place and of every cubic yard of earth taken out."

So when the canal is done the machinery will all have been paid for, and what we get for it will be velvet. It will decrease the total cost of the canal."

"Can you give me any idea as to its possible value?"

"No, it is worth what it will bring and that is all. This is always the scrap value, and if the government should take the plant and use it elsewhere we shall get an appraisal value, which will be far more than that of ordinary scrap. We should like to see it go into government work, for that would add to our assets."

"If sold to private parties it would bring comparatively little, I suppose?" said I.

"That depends," replied Colonel Goethals. "We are now selling it piecemeal at Colon for 50 per cent of its actual cost to us. That is the price delivered at the steamship docks."

Knows Cost of All.

"Can you tell just what the machinery

has cost as a whole and in detail?" I asked.

"Most certainly. We keep a close account of everything. Our books tell just what becomes of the scrap, and we have been selling everything from the old wire netting torn from the houses to the steam shovels and dredges and other machinery. We have sold everything possible as soon as it had done its work, and we know just what we have gotten from it. The waste in such matters has been small, and that especially on account of our system of cost keeping, which charges every branch of the force with the tools and machinery and supplies it has to work with. There is a great rivalry between the men to keep the cost down, and this has been so throughout the building of the whole canal."

"But will not a large part of the present equipment be retained at Panama?"

"In one of your reports you say that the government should use every effort to make the canal pay."

"Yes, I believe that," said Colonel Goethals. "The government will have quite a plant at Panama outside of the canal property, and some of the present equipment will be of value in that plant. We shall need supply depots to furnish the steamers with fuel. We are erecting coal depots now and we are putting up tanks for fuel oil on both sides of the isthmus. You know, many of the steamers are now burning oil. This is so of the Peruvian line, which plies between Lima and Panama."

"Is there any possibility of having a pipe line from the Mexican oil fields to Panama?"

"Not that I know of. I doubt that one will ever be constructed."

"Will Uncle Sam keep his hotels on the isthmus?"

"I suppose so. The Tivoli hotel, which is at the Panama end of the canal, is now being run at a profit. The New Washington, which we have opened on the Colon end, will probably do equally as well. There should be good hotels at Panama."

"Will the government keep the Panama railroad?"

"It will have to do so," replied Colonel

Goethals. "That road is a necessity for the working of the canal. We cannot rely entirely upon the boats, for if any damage should occur to the locks we could not get our supplies back and forth across the isthmus. We shall have to operate the road as a matter of convenience and safety. The road has been making money as a private corporation, and it ought to continue to do so under the government."

"How many men will it take to operate the completed canal?"

"Between 1,500 and 2,000, exclusive of the Panama railroad. Adding the force required for that, I should say that the limit would be 2,500."

"I receive many letters from young men and young women who want to go to Panama. Will there be any chance for such persons from now on?"

"There are absolutely no opportunities open to young women, and very few for young men," said Colonel Goethals. "You see, we have now a large force at Panama, and many of the employees of the completed canal will be taken from it. We shall need trained men to operate the canal, and we shall have to try them out and find the best man for each place."

Make It Military Camp.

"How about the canal zone? Will it be a pleasure resort or a beehive of American plantations and winter homes?"

"I hope it will be none of these," said the chief engineer of the canal. "I think it should be a military reservation, devoted to the care of the canal and its protection. I believe in depopulating the zone as soon as the work is completed, and in leaving nothing there except the homes of the employees necessary to the running of the canal and the buildings of the military and naval establishments. We shall need dry docks, warehouses and other facilities at each of the terminals, but the interior of the zone should not be given up to private residences nor to private ownership."

"How are you getting on with the fortification?"

"Very well. We are building forts on the islands at the Pacific terminal, and we shall have fortifications at the entrance from the Atlantic, as well as a scheme of defense along the line of the canal."

"Will Uncle Sam be able to protect the canal?"

"I don't think I should talk about such matters," said the chief engineer. "They

are military features and I would rather not discuss them. There is no question but that the canal should be amply defended, and I have no doubt but that we shall have everything necessary to that end."

"But, Colonel Goethals, do not the improvements in flying machines make it impossible to defend a work of this nature. Could not an aerodrome fly over Panama and knock a hole in your ditch with a stick of dynamite?"

"I don't think that danger is great," was the reply. "It would take a good many sticks of dynamite to harm the ditch proper, and to do any damage to the locks the dynamite would have to be carefully located. You cannot do much by scattering dynamite about as you would have to do from a flying machine. It would be merely a matter of luck and besides we have guns which can disable almost any flying machine."

First Ship Through.

"When will the first ship go through the canal?"

"Just as soon as we can get the slides sufficiently dredged to give us ample depth and width for the vessels to move."

"Will you risk anything as to that?"

"I will take no risk as to stating the exact time of the passage of the first ship," said the great engineer.

"What ship will you choose to make the trial?" I asked.

"It will be a boat belonging to the government, and in all probability one of the Panama railroad steamers. We shall choose our own boat, and then, if anything happens to the boat, the dog is ours, and no one can blame us for having done as we pleased with it."

"I see that one of the Hamburg-American line steamers is advertised to pass through the canal about the first of next February."

"Yes, I have seen the advertisement. It is made upon their own responsibility. It is their own lookout whether it goes through or not."

"How soon do you expect the canal to be open to traffic?"

"I shall have to go back and answer that just as I did before. It depends entirely upon the removal of the slides. As soon as we have the canal clear we shall have to run ships through and test the machinery, and then we want as much traffic as possible in order to give us the practice necessary for the official opening of the canal in January, 1915. At

that time we shall have the vessels of all the great navies passing through on their way to San Francisco, and we do not want them to be in the least danger."

May Write a Book.

"What other representation will the canal have at San Francisco, outside of those naval vessels?" I asked.

"I have no idea," replied Colonel Goethals. "I have nothing to do with the exposition, I have troubles enough of my own."

"You do not look it," said I. "You seem to be in the pink of condition and your health is apparently perfect."

"My health is all right," said the chief engineer, "but there are times when this job gets on one's nerves, and I have been at it, you know, for quite a few years."

"But you have enjoyed the job, have you not?"

"Yes, very much, especially since the executive order of 1908."

"What are you going to do when the canal is completed? Have you picked upon your next world to conquer?"

"I am not going to conquer any more worlds. One of the first things I shall do after I leave this job will be to take a vacation, and I shall perhaps write a book about the canal. I am receiving a number of applications to do so from some of the leading publishing houses, and I may make some arrangement to that effect."

FRANK G. CARPENTER.

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DR. BENJ. F. BAILEY.

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This institution is the only one in the central west with separate buildings situated in their own ample grounds, yet entirely distinct, and rendering it possible to classify cases. The one building being fitted for and devoted to the treatment of non-contagious and non-mental diseases, no others being admitted; the other Rest Cottage being designed for and devoted to the exclusive treatment of select mental cases requiring for a time watchful care and special nursing.

NO. 13

You Use The Heaviest Taxed Gas In the United States

So far as we can learn the Omaha Gas Company is the heaviest taxed gas company in the United States.

For every thousand feet of gas sold in Omaha the company pays 17 cent in taxes.

The average tax payment per thousand feet of gas throughout the country is about 6 cents.

These facts should be taken into consideration when contrasting the rates for gas in Omaha with the rates for gas in other cities.

Taxes have to be included in the selling price of gas. There is no other way of paying them. They are part of the cost of doing business.

For every day in the year the company now pays in taxes of all kinds approximately \$358.00.

In 1912 the city of Omaha had a total revenue of \$1,658,792 from all sources. Of this amount the gas company paid \$95,629 or 5.7 per cent of the total. The company has borne similar and even larger proportions of the tax burden in previous years.

The company pays regular city, school, county and state taxes upon an assessed valuation of more than \$3,500,000; a royalty of 5 cents a thousand feet upon gas sold, and an occupation tax of 3 per cent upon its gross receipts. In 1912 the total was \$125,800. Besides this the company pays the federal corporation and state occupation taxes.

The proposed national income tax will add further to the company's tax burdens.

At the present time the gas company is assessed upon one forty-second of all the taxable property in the city of Omaha, but pays into the city treasury one-eighteenth of all revenues except those derived from the sale of bonds.

THE BURDEN OF TAXATION UPON THE GAS COMPANY PER DOLLAR OF VALUATION IS MORE THAN TWICE THE BURDEN ON PRIVATE PROPERTY.

Under the proposed franchise, it is proposed to make a limited reduction in the occupation taxes paid by the company.

This reduction will make a difference of less than two cents per thousand feet in the amount of taxes paid by the company. IT WILL GO TO THE GAS CONSUMERS.

The present taxes of 17 cents per thousand feet

mean that for every dollar of revenue earned by the company, nearly 15 cents is paid back in taxes.

Under the PROPOSED franchise the company will pay slightly less per thousand feet in taxes, but will continue to pay into the public treasury approximately the same proportion of its gross revenue—this owing to the reduction of 15 cents per thousand feet in the gas rate.

Excessive taxes are unfair to a service company and its patrons. They force the company to charge rates higher than are necessary and make the service user an involuntary taxpayer in addition to the tax burden which he bears directly.

Below is a list of representative cities showing the taxes paid on each thousand feet of gas used:

| City | Population | Taxes per 1,000 feet of gas |
|--------------------|------------|-----------------------------|
| Albany, N. Y. | 100,253 | 7.91 cents |
| Baltimore, Md. | 558,485 | 6.77 cents |
| Bridgeport, Conn. | 102,054 | 5.73 cents |
| Cambridge, Mass. | 104,839 | 7.53 cents |
| Camden, N. J. | 94,538 | 4.39 cents |
| Chicago, Ill. | 1,185,283 | 4.90 cents |
| Denver, Colo. | 213,381 | 7.10 cents |
| Detroit, Mich. | 465,766 | 5.00 cents |
| Des Moines, Ia. | 86,368 | 7.23 cents |
| Fall River, Mass. | 119,295 | 7.50 cents |
| Harrisburg, Pa. | 64,186 | .84 cents |
| Hartford, Conn. | 98,915 | 4.00 cents |
| Jersey City, N. J. | 267,779 | 4.94 cents |
| Milwaukee, Wis. | 373,857 | 6.50 cents |
| Minneapolis, Minn. | 301,408 | 5.37 cents |
| Newark, N. J. | 347,469 | 4.57 cents |
| New Haven, Conn. | 133,605 | 5.68 cents |
| Oakland, Cal. | 150,174 | 8.55 cents |
| Omaha | 124,096 | 16.99 cents |
| Paterson, N. J. | 125,600 | 4.50 cents |
| St. Paul, Minn. | 214,744 | 9.50 cents |
| Seattle, Wash. | 237,194 | 9.00 cents |
| Spokane, Wash. | 104,402 | 7.38 cents |
| Syracuse, N. Y. | 137,249 | 7.13 cents |
| Trenton, N. J. | 96,815 | 4.39 cents |
| Utica, N. Y. | 74,419 | 5.40 cents |
| Worcester, Mass. | 145,986 | 8.00 cents |

This exhibit might be prolonged indefinitely and would still show the taxes per 1,000 cubic feet paid in Omaha to be far the highest.

Despite the excessive tax upon gas in Omaha the proposed rate reduction franchise will give \$1.00 gas immediately if approved by the voters at the special election August 19th.

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