

Reorganization of the Isthmian Canal Commission

The practical result of the operations of the Isthmian Canal Commission appointed and acting under previous executive orders has not been satisfactory, and requires a change in the personnel of the Commission and in the instructions for its guidance.

The Commission will hold quarterly sessions the first of January, April, July, and October of each year, at the office of the Governor on the Isthmus of Panama, and will continue each session as long as public business may require. Further notice of such meetings shall not be necessary to their regularity. The Commission may hold special sessions at the call of the Chairman. Four members shall constitute a quorum, and the action of such majority shall be the action of the Commission.

The Commission, under the supervision and direction of the Secretary of War and subject to the approval of the President, is charged with the general duty of the adoption of plans for the construction and maintenance of the canal and with the execution of the work of the same; with the purchase and delivery of supplies, machinery and necessary plant; the employment of the necessary officers, employes and laborers, and with the fixing of their salaries and wages; with the commercial operation of the Panama Railroad Company and its steamship lines as common carriers; with the utilization of the railroad as a means of constructing the canal; with the making of contracts for construction and excavation, and with all other matters incident and necessary to the building of a waterway across the Isthmus of Panama, as provided by the Act of Congress of June 28, 1902.

For convenience and to secure the uninterrupted course of the work, an Executive Committee of not less than three members of the Commission shall be appointed by the Commission to act in place of the Commission during the intervals between the meetings of the Commission, and to report its doings in full to the Commission at the next regular meeting. A minute of every transaction of the Executive Committee shall be made, and one copy of the minutes shall be forwarded to the Secretary of War and another copy transmitted for the consideration of the Commission at its next meeting. Regular meetings of the Executive Committee shall be held at the office of the Governor on the Isthmus of Panama at 10 o'clock in the forenoon on each Monday and Wednesday of every week, and further notice of such meetings shall not be necessary to their legality. A majority of their number shall constitute a quorum for the transaction of business at such meetings. The action of such majority shall be the action of the Executive Committee.

For convenience of executing the work to be done, there shall be constituted three executive departments:

(a) The head of the first department shall be the Chairman of the Commission, who shall have direct and immediate charge of:

1. The fiscal affairs of the Commission;
2. The purchase and delivery of all materials and supplies;
3. The accounts, bookkeeping and audits;
4. The commercial operations in the United States of the Panama Railroad and steamship lines.
5. He shall have charge of the general concerns of the Commission, subject to the supervision and direction of the Secretary of War, and shall perform such other duties as may be placed upon him from time to time by the Secretary of War.

(b) The head of the second department shall be the Governor of the Zone, with the duties and powers indicated in the Executive Order of May 9, 1904, which includes, in general:

1. The administration and enforcement of law in the Zone;
2. All matters of sanitation within the Canal Zone, and also in the cities of Panama and Colon and the harbors, etc., so far as authorized by the treaty, the Executive Orders and Decrees of December 3, 1904, between the United States and the Republic of Panama relating thereto.
3. The custody of all supplies needed for sanitary purposes, and such construction necessary for sanitary purposes, as may be assigned to this Department by the Commission.
4. Such other duties as he may be charged with from time to time by the Secretary of War.
5. He shall reside on the Isthmus and devote his entire time to the service, except when granted leave of absence by the Secretary of War.

(c) The head of the third department shall be the Chief Engineer. He shall have full charge on the Isthmus:

1. Of all the actual work of construction carried on by the Commission on the Isthmus;
2. The custody of all supplies and plant of the Commission upon the Isthmus;
3. The practical operation of the railroad on the Isthmus, with the special view to its utilization in canal construction work.
4. He shall reside on the Isthmus and devote his entire time to the service, except when granted leave of absence by the Secretary of War.

APPOINTMENT OF OFFICERS.

All officers and employes shall be appointed and their salaries shall be fixed by the head of the department in which they are engaged. Their appointment and salary shall be subject to the

approval either of the Commission or, if the Commission is not in session, of the Executive Committee. The employment of laborers, where the contract of employment is made in the United States or outside of the Isthmus! shall be negotiated and concluded by the Chairman of the Commission, subject to the approval of the Executive Committee. Where the employment of laborers is effected upon the Isthmus, it shall be conducted under the supervision of the Chief Engineer, subject to the approval of the Executive Committee.

CONTRACTS.

Contracts for the purchase of supplies or for construction involving an estimated expenditure exceeding \$10,000 shall only be made after due public advertisement in newspapers of general circulation, and shall be awarded to the lowest responsible bidder, except in case of emergency, when, with the approval of the Secretary of War, advertising may be dispensed with. In the making of contracts for supplies or construction involving an estimated expenditure of more than \$1,000 or less than \$10,000 competitive bids should be secured by invitation or advertisement whenever practicable.

As soon as practicable after the date of this order, the Isthmian Canal Commission, as hereafter constituted, shall hold a session in the city of Washington for the general purpose of reorganization under this order, and for the special purpose of fixing the number and character of officers and employes to serve in the city of Washington in the work of the Commission. The Commission is especially charged with the duty of maintaining a complete system of accounts on the Isthmus, which shall be duplicated in Washington, so that there may always be in Washington the proper means of informing the President, the Secretary of War and the Congress of the amount of work done, the cost of the same, the amount of money available, the amount of money expended, and the general financial condition of the enterprise.

BOARD OF CONSULTING ENGINEERS.

There will hereafter be appointed by the President, nine civil engineers of the highest standing, having experience in works of canal construction and hydraulics, to constitute a Board of Consulting Engineers, to which will be submitted by the Isthmian Canal Commission, for its consideration and advice, the important engineering questions arising in the selection of the best plan for the construction of the canal. The recommendation of the Board of Consulting Engineers shall be considered by the Isthmian Canal Commission, and, with the recommendations of the Commission, shall finally be submitted, through the Secretary of War, to the President for his decision.

REPORTS.

The executive officers of the Commission shall make duplicate reports upon the work and operation of their respective departments to the Secretary of War and the Isthmian Canal Commission from time to time, and as often as may be required by the Secretary of War or the Chairman of the Commission.

The Secretary of War will make to the President a report at least annually, and as often as he may deem advisable or the President may require.

All executive orders relating to the subject of the Panama Canal, except so far as they may be inconsistent with the present order, remain in force.

Theodore P. Shonts is hereby appointed a member of the Isthmian Canal Commission, and its Chairman; Charles E. Magoon is hereby appointed a member of the Commission and Governor of the Canal Zone; the appointment as Governor shall take effect upon the date of his arrival on the Isthmus, and the resignation of the present incumbent of said office shall thereupon take effect; John F. Wallace is hereby appointed member of the Commission and Chief Engineer; Rear-Admiral Mordecai T. Endicott, U. S. N.; Brigadier-General Peter C. Hains, U. S. A. (retired) ; Colonel Oswald H. Ernst, Corps of Engineers, U. S. A., and Benjamin M. Harrod are hereby appointed members of the Isthmian Canal Commission.

THEODORE ROOSEVELT.

WHITE HOUSE,

April 1, 1905.