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*In my minds eye I am still reliving the sight of giant ships rising in the locks of the Suez Canal and slowly moving ahead with their sides only 25" (50 cm) from the concrete canal walls. Our trip to the Canal was an unforgettable experience. In a previous column I have shared some of the Canal's early history when France tried – and failed – to build it. Here is the continuation of that story.*

On February 4, 1889 the French effort to construct a transoceanic canal through Panama came to an end. It cost over 25,000 lives and hundreds of millions of dollars in labor and equipment that was left to rust in the Panamanian jungle.

Coincidentally, just a year later, U.S. Navy captain Alfred Mahan, wrote a book that was to influence U.S. foreign policy for generations. The book, *The Influence of Sea Power Upon Policy*, traced the rise and decline of past maritime powers and concluded that national greatness and commercial supremacy were directly related to supremacy at sea. One of those who wholeheartedly accepted these conclusions - and wrote one of the first letters of congratulation and enthusiastic agreement to the author - was the 31-year old man with eyeglasses, flashing teeth and immeasurable energy who was to become a war hero, a cowboy, zoologist and big game hunter, New York City's police commissioner, governor of New York, U.S. vice-president and, after the assassination of President McKinley in 1901, President Theodore Roosevelt. He saw the transcontinental canal as America's destiny – easy and swift access to the sea lanes of the world.

U.S. had continued to investigate the possibility for the construction of a canal after the end of the French effort, but the arrival of Teddy Roosevelt in Washington gave it unprecedented impetus. The main unresolved question was the location: Panama or - the more preferred choice - Nicaragua. By 1902, Congress had already voted for Nicaragua when the defunct French Panama

canal company offered to sell all its assets and rights to the U.S. for \$40 million. Roosevelt switched his support to Panama and managed to persuade House leaders to change their minds. A Senate amendment to the House bill was introduced to acquire the French property and build the canal in Panama. It specified, however, that if a satisfactory agreement could not be reached within a “reasonable time”, the canal would be built in Nicaragua.

Intense lobbying that followed this flip-flop was largely headed by Philippe Bunau-Varilla, former Director-General of the French company, an engineer and a charming and energetic proponent of the Panama location. In 1894, when it became obvious that the French company was in trouble, he even rushed to Russia in order to convince Czar Alexander III to provide capital to finish the project. He managed to convince Czar’s Minister of Finance, Witte, that the Trans-Siberian Railroad and the Panama Canal, both under construction at the time, would be a perfect Franco-Russian cooperative effort. Witte seemed interested but the Czar’s assassination put an end to the scheme.

Now, it was he who, on the eve of the crucial Senate vote, sent a Nicaraguan postage stamp to all Senators as proof of the danger of earthquakes in Nicaragua. The stamp pictured a smoking volcano but, in fact, the volcano was hundreds of miles from the proposed construction path and had been inactive for centuries. This ruse – and others – worked. The Panama location was accepted by a majority of just 4 votes.

There was, however, another serious obstacle: Colombia insisted that American negotiations should be conducted with Colombia rather than with the French who, they maintained, did not have the right to transfer Colombian territory to another power. Roosevelt was outraged at the “despicable creatures in Bogota who ought to know how they are jeopardizing things and imperiling their own future”.

Bunau-Varilla who had been in contact with some of the local leaders in Panama devised a plan to by-pass Colombia. Working alone in a Washington

hotel and without actual authorization from anyone in authority he declared himself to be the authorized representative-plenipotentiary of the Panamanian Republic. He devised a plan for a revolution that would create an independent Panama, wrote a draft of a constitution, a declaration of independence and even a design for a national flag of Panama. He then presented the plan to Teddy Roosevelt who appeared to approve it.

After an exchange of coded wire messages the bloodless revolt took place. An American warship was sent to Panama with orders to prevent any disturbances, the garrison in Panama City was bribed, 400 sharpshooters sent by Colombia to restore order returned to Bogota after their general was also given a substantial bribe, and on November 6, 1903 the republic of Panama was recognized by the U.S. after issuing a 100-year lease, renewable in perpetuity, and granting the U.S. use, occupation and control of the Canal Zone.

The new 30,000 sq. mile country was bordered by Costa Rica on the west, Colombia on the east and had no meaningful income other than the yearly canal dues and the \$10 million it received in 1904.

The United States paid \$40 million to France – the largest such payment issued by the U.S. since it purchased Alaska for \$7,200,000.

Assessment, planning and construction of the enormous task began almost at once – Roosevelt was habitually in a hurry. It was an enormous project – one of the largest successfully completed ones in human history, done remarkably and uniquely for governmental projects before and since, at 15% below budget and almost 2 years before the projected completion date.

The construction of this miracle of engineering skill and human genius is a story I will tell in another article.

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