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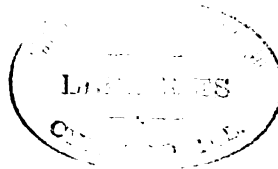
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"Gift"

SECOND SESSION

Friday, April 25, 1913, 10 o'clock a.m.

The meeting was called to order by Mr. James Brown Scott, Recording Secretary of the Society.

The SECRETARY. Gentlemen, I have the honor to introduce Judge George Gray, Vice-President of the Society, who will preside this morning, and before asking him to take the chair, I would like to make an announcement.

First, the sessions of the Society will end, as usual, with a banquet on Saturday evening at half past seven in this room, the Red Room, and I am hoping that you will be good enough to get your tickets for the banquet sufficiently in advance, so that there will be no trouble about arranging the seats.

[Judge Gray thereupon took the chair.]

The CHAIRMAN. The first address on the program this morning, gentlemen, as you will observe by the printed program, is an address by Mr. E. D. Warfield, President of Lafayette College, on the subject of "Historical account of Isthmian projects."

The SECRETARY. Mr. Chairman, Professor Warfield intended to be here and has sent me a copy of his paper. Unfortunately, however, he has been detained by illness, and I suggest that his paper be read by title and printed in the Proceedings.

The CHAIRMAN. The suggestion of the Secretary will be adopted.

HISTORICAL ACCOUNT OF ISTHMIAN PROJECTS.

ADDRESS OF PROFESSOR ETHELBERT D. WARFIELD,
President of Lafayette College.

The dream of Columbus was a western waterway from Europe to Cathay. There is no more pathetic figure in history than the old discoverer dying with the illusions and the achievements of his epoch-making life hopelessly confused. None could then distinguish dream from reality. The pathos and power of his life are symbolical of the

slow unfolding of the conditions essential to the attainment of the object of his quest. Great conceptions have been clouded with misconceptions, economic possibilities confused with impossibilities, and policies of world-wide scope have been thwarted and postponed by provincial and personal greed and graft.

Columbus coasting along the western shores of the Caribbean Sea in the delusion that somewhere there was an open pathway to the West was no more misled by his hopes than those who later thought that the resources of the earlier centuries were equal to the task of piercing the isthmus with a practicable ship canal. The problem has steadily outgrown its solution. The occasional fleet of wooden ships, however large they may still loom in the imagination, however rich the booty of Spain's new world conquests which they bore, was as different from the merchant marine and the naval armaments of to-day which await the opening of the canal as the proposed waterway of the age of Charles V was unlike the great engineering feat of our own time. The realization of the dream of the centuries has only served to make clear the inadequacy of the economic and engineering resources even of the nineteenth century to meet all the requirements of the problem.

The Isthmian projects therefore involve chapters of economic and industrial history as well as of national politics and international relations. To even indicate their broad outlines within the scope prescribed for this paper is an almost hopeless task.

The whole western coast line was carefully examined from the earliest years of the sixteenth century in the hope of discovering a strait. The momentous glimpse of the Pacific obtained by Balboa in 1513 gave a fresh impulse to discovery, which was intensified by the confirmation of the rumors with regard to Peru. Almost impossible feats were accomplished in transporting materials for ship-building from ocean to ocean. A permanent settlement was effected upon the original site of Panama, and a wagon road was opened from Porto Bello. Pedrarias Davila (Pedro Arias de Avila) tried to divert traffic to his government by making canals around the rapids on the San Juan River, the first exploitation of the Nicaragua route. Cortez, as soon as he was settled in his conquest, explored the Isthmus of Tehuantepec with a view to a canal.

The great Emperor Charles V entered thoroughly into the spirit of his representatives in the new world, and as early as 1520 ordered

the Isthmus of Panama to be surveyed. Saavedra made plans under his direction, and though they led to no practical result, the interest in a possible artificial waterway was not suffered to rest. In 1534 the Emperor ordered an exploration of the region from the head of navigation on the Chagres River to the Pacific to be made by Pascual Andagoya, who reported that the difficulties were insurmountable and that the undertaking would exhaust the richest treasury in Christendom.

The confidence and courage of the great Emperor ceased to animate the councils of Spain with the accession of Philip II. He seems to have thought that the natural barrier between the oceans was a providential obstacle to the English seamen. His successors reflected in their new world policy the decadence of Spain.

The first appearance of England upon the scene is more representative of her energy and enterprise as a sea power than of her rôle as a colonizer and civilizer. The exploits of the great seamen of the sixteenth century are easier to admire than to justify, and the deeds of Sir John Hawkins and Sir Francis Drake were hideously caricatured by the buccaneer Morgan, who captured and destroyed Porto Bello and Panama in 1671. An attempt at colonization was made by William Paterson, the founder of the Bank of England, on the Isthmus of Darien in 1698, but completely failed. The foundations of the colony of British Honduras and of the claims to a protectorate over the Mosquito coast were laid in the middle of the seventeenth century.

Late in the eighteenth century a Spanish royal commission had taken up the canal question and explored the Nicaragua route. With a just conception of the resources of Spain and the difficulties of the undertaking, the commission made a highly unfavorable report. Two British agents, however, who had been with the expedition, made a report to Great Britain, declaring that a canal was feasible, and impressed the British Government with the desirability of such an undertaking. So when war broke out between England and Spain in 1780 the time seemed opportune for the extension of the hold already secured in Central America, and Nelson was sent to the coast of Nicaragua. In a report he said:

In order to give facility to the great hope of government, I intend to possess the Lake of Nicaragua, which at the present

time may be looked upon as the inland Gibraltar of Spanish America; as it commands the only water pass between the oceans, its situation must ever render it a principal post to insure passage to the Southern Ocean, and by our possession of it Spanish America is divided in two.

The attempted occupation failed because of climatic conditions, which have proved so fatal an element in the canal problem.

Until the nineteenth century no survey of value was made. The economic resources of no country in the world and the commercial value of no canal that could have been constructed were adequate to the requirements. The gradual appreciation of the project as an engineering feat and its value as a commercial outlet began to be understood only in the middle of the nineteenth century.

The wars of liberation completely severed the connection of Spain with the canal problem. The new epoch was characterized by a spirit of enthusiasm for the ideals of liberty and Pan American union; and later by "practical politics," which sought to make as much as possible for the states of Central America out of the world-wide need of an isthmian canal. The Panama Congress of 1826 recognized the value of a canal to promote inter-American commerce. As early as 1825 Señor Antonio José Canaz proposed to the United States that it should coöperate with the Central American Republic in the construction of a canal. And Mr. Clay, full of enthusiasm for the new order, gave assurance of our interest "in an undertaking so highly calculated to diffuse an extensive influence on the affairs of mankind." Mr. Clay further directed our Chargé to collect information with regard to a canal by way of Lake Nicaragua, and in 1826 in his instructions to the representatives of the United States to the Panama Congress in referring to such a canal said that its benefits "ought not to be exclusively appropriated to any one nation."

During the quarter of a century from 1825 to 1850 there was no appreciation of the economic problem, and no accurate estimate of the place the canal would then fill or was destined to fill commercially. Canal projects became the plaything of enthusiasts abroad and practical politicians in Central and South America. The American states were always willing to grant concessions for a "consideration" and prominent individuals and commercial companies were ready to embark in a venture more or less advantageous to them as individuals or

as political actors in the world drama of their times. In 1830 (December 18) the King of the Netherlands entered into an engagement with Nicaragua for the construction of a canal "to be opened on the same terms to all nations." The United States offered no diplomatic objections but directed our representative to secure a share in the stock of the company and of the monopoly which it was to enjoy. In 1835 (March 3) the Senate of the United States passed a resolution asking President Jackson to request the Governments of Central America and New Granada to grant the United States a free and equal right in the enjoyment of any canal that might be constructed. In 1839 (March 2) the House of Representatives passed a similar resolution providing for the sending of an agent of the United States, who reported in favor of the Nicaragua route, but added that on account of political unrest no canal project was feasible. In 1845 the most conspicuous adventurer of the age appears upon the scene, and a concession was granted (January 8) to Louis Napoleon for *Le Canal Napoléon de Nicaragua*. The United States does not seem to have taken special notice of this, but in 1846 (December 12) a treaty was negotiated with New Granada, which shows that it was watching the canal question and beginning to appreciate the political as well as the commercial aspect. This treaty provided not only for equal rights for the United States, but the United States joined in a guarantee of neutrality, which is not only important as the appearance of a new and significant idea, but doubly so because this treaty is the foundation upon which the law which governs the present canal ultimately rests. President Polk in his message explained the position of the United States in guaranteeing neutrality so as to completely satisfy the Senate, and the treaty was unanimously ratified on June 10, 1848. The significance of this treaty in the ultimate construction of the canal is such that a fuller discussion will be reserved till the consideration of the last phase.

In connection with the Senate's resolution of 1835 President Jackson sent Charles Biddle to Nicaragua to make inquiries; but acting with surprising independence, he went to New Granada instead and there obtained a concession granting the citizens of the United States the exclusive right of constructing a canal across the Isthmus of Panama, with the thrifty additional provision that two-thirds of the stock created under the grant should be his own property and that of such citizens of the United States as he might associate with him.

The discreditable character of this action led to a disavowal by our government, but nevertheless, seems to have been contagious. Only a few years later (1849) Elijah Hise was appointed Chargé to Central America with instructions to investigate the British claims to the Mosquito coast and to negotiate commercial treaties. He too exceeded his instructions and negotiated a treaty with Nicaragua with exclusive rights of construction in the United States and her citizens and the right to fortify the canal and station troops in the canal territory. It was further provided that the canal was to be closed to war vessels and to contraband of war. His action was disavowed, and General Taylor sent E. G. Squier, who also concluded a treaty which was never ratified.

With the discovery of gold in California in 1849 a new importance was given to the question. A more regular and rapid means of communication between its Atlantic and Pacific coasts became a matter of urgent concern to the United States. This found its expression in the concession for the building of the Panama Railroad in 1855. Eventually it led to the building of trans-continental railroads and the construction of the canal. It brought into prominence the commercial companies, which since 1826 had been dabbling in canal enterprises. The Central American and United States Atlantic and Pacific Canal Company, incorporated for the purpose of building a canal at an estimated cost of five millions of dollars, had been encouraged by an act of Congress, but it was unable to raise sufficient funds to give body to its undertaking. In 1848 a new company, the United States Atlantic and Pacific Canal Company, was organized, and Cornelius Vanderbilt became its president. It took advantage of the gold fever and established a line of steamers on the San Juan River and Lake Nicaragua and a line of stages from the Lake to the Pacific. The company made money during the first period of the westward movement until superior facilities were provided by the Panama Railroad. This company was reorganized as the Central American Transit Company, and despite legal difficulties maintained its existence until 1869, when it sold out to an Italian company. In the meantime in 1858 a French company headed by Felix Belly was organized and played a part in the canal drama long enough to evoke a declaration from Mr. Cass that the United States would not tolerate interference with American affairs by European nations. His undertaking revived the interest of Louis Napoleon in a canal, an

interest more or less identified with the ideas which led to the French expedition to Mexico in support of Maximilian. The French at last took up the question seriously in 1878 under the leadership of de Lesseps, fresh from his great triumph at Suez. It is impossible to do more than refer to this company,—its organization, its mismanagement, its misfortunes, and its final collapse. It must suffice to say that with an adequate concession, the approval of the civilized world, and the first true conception of the immensity of the undertaking, it revealed the real conditions of success by emphasizing the necessity of probity and leadership in the management of so vast an undertaking.

Until the conclusion of the war for the Union the American people and the Government of the United States did not appreciate the necessity of the construction of a canal as a national undertaking executed by the government itself. The war was scarcely over when Mr. Seward began to use language indicative of the new point of view. President Grant clearly stated it. President Hayes coined the phrase "an American canal under American control." Mr. Blaine threw his weight eagerly into the new policy. Eventually under McKinley and Roosevelt it came to full growth.

In the meantime the engineering problems had been thoroughly studied and reduced to form. Six main routes had been suggested and examined. In order to secure the best possible information President Grant appointed in 1869 the first Inter-oceanic Canal Commission, and, after extensive surveys, it reported in 1876 (February 7) unanimously recommending the Nicaragua route with the Pacific terminal at Brito. Work was actually undertaken by a private corporation, and Senator Bacon maintained a persistent effort to secure the construction of a canal by the government or with government aid. A commission of investigation was provided by Congress in 1895, but with inadequate funds. Another followed in 1897, and in 1899 another with an appropriation of \$1,000,000 to investigate both the Nicaragua and Panama routes. The French company being in possession at Panama, the commission seemed limited to a recommendation of the Nicaragua route. But the collapse of the French company and the unravelling of the diplomatic tangle eventually opened the way for the final adoption of the Panama route for a canal constructed by the Government of the United States.

The treaty with New Granada of 1846 underlies the present undertaking. President Polk in his message transmitting this treaty to the Senate (February 10, 1847) said:

It will be perceived by the 35th article of this treaty that New Granada proposes to guarantee to the Government and citizens of the United States the right of passage across the Isthmus of Panama over the natural roads and over any canal or railroad which may be constructed to unite the two seas, on condition that the United States shall make a similar guarantee to New Granada of the neutrality of this portion of her territory and her sovereignty over the same.

The importance of defining the attitude of Great Britain led to the Clayton-Bulwer Treaty, and under it to the eventual withdrawal of that Power from the field of canal operations. The French undertaking became matter of protest with eventual acquiescence in its work. It collapsed in 1888. Then followed the negotiations resulting in the Hay-Pauncefote Treaty (November 18, 1901); the negotiations for a renewal of the purchased French concession, ending in the failure of Colombia to ratify the Hay-Herrán Treaty; the Panama revolution; the Hay-Bunau Varilla Treaty; and the organization and prosecution of the construction of the canal across the Isthmus of Panama as a national undertaking.

These steps are characterized by notable questions of international law and policy which tempt the chronicler to pause at least to point out their interest and importance. The growing vision of world-wide need and international interest in an isthmian canal must at least be emphasized as a reason for dealing with these questions in a large and generous spirit which prefers the welfare of mankind to the glory or the gain of any nation however great or however beloved.

The CHAIRMAN. The next paper on the program is on the subject of "Comparison of the relative interests of the United States and Great Britain in the Western Hemisphere at the different stages of negotiations," and Mr. Crammond Kennedy, of the Bar of the District of Columbia and of the Supreme Court of the United States, will address the Society on that subject.