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# The Congressional Decision to Build the Panama Canal: The Influence of Senators John Tyler Morgan, Marcus Alonzo Hanna and Others, and the Role of the Walker Report

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AN ABSTRACT OF THE THESIS OF Andrew Scott Merrifield  
for the Master of Arts in History presented July 31, 1975.

Title: The Congressional Decision to Build the Panama  
Canal: The Influence of Senators John Tyler  
Morgan, Marcus Alonzo Hanna and Others, and the  
Role of the Walker Report.

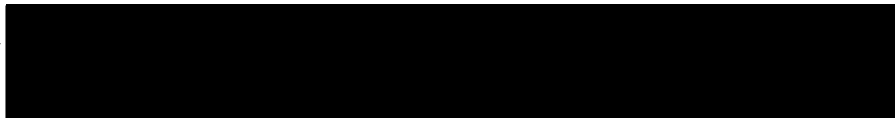
APPROVED BY MEMBERS OF THE THESIS COMMITTEE:



Bernard V. Burke, Chairman



Victor C. Dahl



Jesse L. Gilmore

Throughout most of the modern history of the Western hemisphere, explorers, engineers and merchants have been interested in finding or building a waterway that would connect the Atlantic and Pacific Oceans. By the early part of the sixteenth century most of these people had settled

their attention on the Central American Isthmus. Several major commercial nations showed an interest in the project at one time or another, including France, Spain, Great Britain and the United States.

Serious attention to building a canal started in the late nineteenth century with two areas, southern Nicaragua and central Panama becoming the two most logical sites for canal construction. By the middle of the 1880's the United States had private interests trying to start a canal in Nicaragua, while the end of that decade saw the formation of a French canal in Panama. The United States seemed committed to a Nicaraguan canal as late as 1901, yet the U.S. government eventually bought a concession, interceded in a revolution and built a canal through Panama. The purpose of this paper is to investigate the major characters in the struggle to determine a canal route and to build a canal, and to investigate the role played by the several presidential commissions established to discern both the feasibility of any canal and in the final analysis determine which canal route would be the best. Special emphasis was paid to the Isthmian Canal Commission of 1899-1901, popularly known as the Walker Commission.

The primary data used in this investigation were selected Senate and House Documents and Reports from the 55th, 56th and 57th Congresses in a special collection at

the Portland State University Library. Other important documents used were the Hearings on the Rainey Resolution entitled "The Story of Panama," from a House Report of the 63rd Congress found in the Documents Library at the University of Oregon, and Volume XIV of the Private Papers of John Tyler Morgan, and Box 26 of his collected papers acquired by Portland State University from the National Archives. A final important source of information was the New York Times for the years 1897-1902 available on microfilm at the Portland State University Library.

The research done for this paper has led me to believe that several factors played an important role in the Congressional decision to build a canal through Panama, but the single most important factor was the Report of the Isthmian Canal Commission of November 1901, and its supplemental findings of January 1902.

THE CONGRESSIONAL DECISION TO BUILD THE PANAMA CANAL: THE  
INFLUENCE OF SENATORS JOHN TYLER MORGAN, MARCUS ALONZO  
HANNA AND OTHERS, AND THE ROLE OF THE WALKER REPORT

by

ANDREW SCOTT MERRIFIELD

A thesis submitted in partial fulfillment of the  
requirements for the degree of

MASTER OF ARTS


in

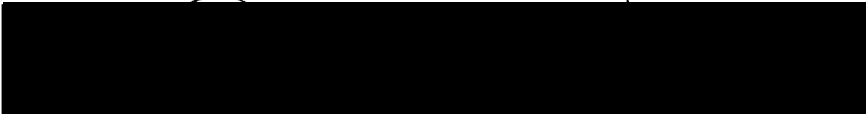
HISTORY

Portland State University  
1975

TO THE OFFICE OF GRADUATE STUDIES AND RESEARCH:


The members of the Committee approve the thesis of  
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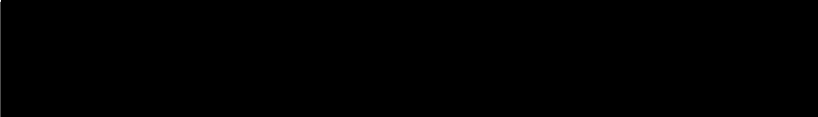
  
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## Chapter I

Ever since the day in 1513 when Vasco Núñez de Balboa sighted the great South Sea explorers, adventurers, and engineers have dreamed of building a passageway through the Central American isthmus. During the latter part of the colonial period serious attention was turned toward the problem. Some form of commercial passageway was planned, either a canal or a roadway. Don Agustín Craine, a Spanish engineer, and the commander of the fort of San Juan de Ulloa in Vera Cruz, was put in charge of an official survey in 1774. The survey recommended the Isthmus of Tehuantepec in Mexico as the most logical site for a canal. The results of the survey were forwarded to the King of Spain, but more pressing issues both in the colonies and at home demanded his attention and no action was taken.<sup>1</sup>

The last decades of the eighteenth century saw revolutions and international upheavals both in the New World and on the continent. Spain became embroiled first in the American revolution, as a reluctant co-belligerent with the United States, and later in the French revolutionary wars caused by the French revolution and the Napoleonic Era. Despite the grave crisis thoughts of a canal were not completely forgotten. Alexander Humboldt, the noted German geographer and naturalist, urged Ferdinand VII of Spain to

<sup>1</sup> Miguel Covarrubias, Mexico South: The Isthmus of Tehauntepec hereafter cited Mexico South, p. 159.

build a canal at Tehuantpec in 1808. The urgings of Humboldt and others finally convinced the King to take action. In 1814 the Spanish monarch ordered work to begin in Mexico, but it was too late because the wars for independence had started in Spanish America.<sup>2</sup>

The successful revolutions in Central America allowed both the United States and Great Britain to pursue the commercial interests in markets they had wanted to exploit for many years. Great Britain had actually settled on the Caribbean coast of Central America during the last part of the eighteenth century. This settlement, Belize, had originally been established as a wood cutting camp for ships' timbers and other marine uses. Great Britain and Spain had been embroiled in controversy over the area as early as the 1790's. The British government claimed the land as open for her use, but made no claim for colonialization. The controversy was unsettled at the time of the wars for independence.<sup>3</sup> When the Central American isthmus became independent from Spain, Great Britain attempted to strengthen her position at Belize by making the area a formal crown colony.

United States' interest in Central America arose from several sources. New England merchants saw all of

<sup>2</sup> Ibid., p. 164.

<sup>3</sup> M. W. Williams, Anglo-American Isthmian Diplomacy 1815-1915 hereafter cited Isthmian Diplomacy p. 9. Also, see Troy Floyd, The Anglo-Spanish Struggle for Mosquito, the entire work deals with the question of seventeenth and eighteenth century friction in this area.

independent New Spain as new markets opening up after the expulsion of the Spanish and their closed mercantilist policies. Anglophobes of all stripes saw a vacuum created in Latin America with the withdrawal of Spain, a vacuum that Great Britain would fill if the United States did not do something. Still others in the United States believed in the ideals of democracy for all of the hemisphere and did not want to see the return of European domination, and its inevitable return to monarchical ways.<sup>4</sup>

The real confrontation between Great Britain and the United States in Central America came about in the second quarter of the nineteenth century. By the beginning of the 1830's the threat of armed intervention from the countries of the Holy Alliance to help Spain regain her lost colonies was past. This realization created an atmosphere of competition for domination between the United States and Great Britain. By 1840 both countries had discussed seriously the possibility of building a canal across the Darien Isthmus. Most preliminary investigations had shown Nicaragua to be the most logical spot for the canal. The situation was complicated by British claims in the area. Great Britain claimed a protectorate over the Mosquito Kingdom, the area inhabited by the Mosquito Indians normally considered a part of Nicaragua. Great Britain signed a group of agreements with the Indians that gave them virtual sovereignty over

<sup>4</sup> Ibid., Williams, p. 27.

the entire area. The agreements further stated that the Kingdom was fully independent of any other power, and laid out the boundaries of the country. The boundaries of the Kingdom included both sides of the San Juan del Norte River, which was considered the best possible site for the eastern terminus of any Nicaraguan Canal.<sup>5</sup>

The government of Nicaragua after trying unsuccessfully to settle the question directly with Great Britain, turned to the United States for help. The United States was quite willing to become involved, because of the lively feeling of Anglophobia, and the fear that a British canal might be built to the commercial disadvantage of the American merchant. The situation between the two powers became so strained that war rumors circulated through Washington in the late 1840's.<sup>6</sup> To avoid a head-on confrontation and possible violence in 1850 negotiations opened in Washington between John Middleton Clayton, the United States Secretary of State, and Sir Henry Bulwer, the British Chargé d' Affairs. The negotiations were arduous, and often complicated by reckless actions involving both parties in Nicaragua. At one point the negotiations were suspended when the British learned that the American Minister in Nicaragua had signed a secret agreement with the Nicaraguan government that

<sup>5</sup> Ibid., p. 47.

<sup>6</sup> Ibid., p. 66.

superseded the treaty negotiations then in progress. Violence erupted when a contingent of the British navy seized an island that had always been under the jurisdiction of Nicaragua.<sup>7</sup> Fortunately for all, the cooler heads in both Washington and London prevailed and the erratic actions of both the American Minister and the British Admiral were repudiated by their respective governments. The Cabinet ordered the British navy to abandon the island, and Clayton recalled to Washington the American Minister to Nicaragua.

The treaty was finally completed between Clayton and Bulwer in 1850, putting an end to direct conflict in Nicaragua for over a half century. Great Britain quickly ratified the treaty, but strong opposition arose in Washington. Many members of Congress felt that Great Britain received all the benefits of the treaty while the U.S. gained little or nothing. Further complications arose over the status of Belize. Several Senators argued the treaty was to settle the issues for all of Central America, but the British maintained that since Belize was her personal property it lay outside the treaty. Great Britain particularly stressed this point after she had ratified the treaty, thus causing some Americans to claim that the treaty was signed in bad faith, and was invalid from the outset.<sup>8</sup>

<sup>7</sup> M. W. Williams, "John Middleton Clayton" in American Secretary of States and their Diplomacy, S. F. Bemis editor, vol. vi, pp. 65-82.

<sup>8</sup> Hunter Miller ed., Treaties and Other International

Despite some delays the Senate ratified the treaty, with less than one day's debate and no amendments in 1851.

The Clayton-Bulwer Treaty despite the controversy did settle key points of contention between all the parties. The Mosquito protectorate was dissolved and Nicaragua's sovereignty was firmly established. Nicaragua agreed not to punish the Mosquito Indians, nor treat them any differently than any of their other citizens. More importantly the United States and Great Britain agreed not to build a canal through Nicaragua unilaterally.<sup>9</sup> Thus both countries were treaty bound to a joint project or renegotiation. This portion of the treaty altered all proposed canal projects drastically.

While the United States and Great Britain confronted each other in Nicaragua, other parties were busy trying to develop canal projects of their own.

The Isthmus of Tehuantepec had not been forgotten as a route possibility. José de Garay, a Mexican promoter, sought and received a concession from the government of Antonio López de Santa Anna. The concession, which helped finance further military adventures of the Generalissimo, granted Garay ownership of any land that a canal would go

Acts of the United States of America, 685-87, Bulwer to Palmerston.

<sup>9</sup> W. M. Malloy, Treaties, Conventions, International Acts and Agreements Between the United States and Other Powers, IV, 659-670.

through.<sup>10</sup>

The question of a Tehuantepec canal came up later in the decade as a result of the Mexican War. During the truce of 1847 the American Secretary of State, James Buchanan, pushed to have a treaty clause that would guarantee free transit across the Isthmus of Tehuantepec for all United States citizens. The steadfast refusal of the Mexican Government to agree to this, as well as certain other demands of the United States caused the negotiations to break down, and hostilities started up again in September, 1847. The ensuing hostilities resulted in the U.S. occupation of Mexico City, the defeat of the Mexican army and an unconditional surrender. In the peace negotiations of 1848 Buchanan again proposed free transit for Americans on the Isthmus, and even hinted that the United States might wish to buy the territory; both proposals were rejected. The final treaty between the United States and Mexico gave up all claims to Texas, California, and much of the southwest in exchange for fifteen million dollars and unpaid claims, but they refused to give the United States any concession or privileges in Tehuantepec.<sup>11</sup>

Despite the refusal of the Mexican Government to allow United States' interests on the Isthmus the two

<sup>10</sup> "Report on Tehuantepec Senate Document 231, 56th Congress, 1st Session, p. 83. Hereafter cited "Tehuantepec."

<sup>11</sup> J. F. Rippey, The United States and Mexico, hereafter cited U.S. and Mexico, p. 23.

governments were to clash within a few years. Garay sold his concession to Manning and MacIntosh Co. of London in 1848. The transaction was kept secret until 1849 when the company announced the purchase and tried to enforce the terms of the concession. The Mexican Government balked at the purchase and claimed that the transfer of the concession was illegal. Before the issue was settled an American banker, Peter A. Hargous from New York, bought the concession and tried to enforce the terms. The Mexican Government reiterated that the original transfer of 1848 was illegal, and in 1852 went further declaring the original concession illegal. The Mexican Government stated that the entire reign of Santa Anna had been in violation of the Mexican Constitution and any action taken by that government was void. Hargous turned to the United States Congress to help him enforce his claim.<sup>12</sup>

A United States Senate committee investigated his claim and filed a report. The report found that Garay's original claim was valid as was its transfer to Manning and MacIntosh Co. The report therefore concluded that the Hargous claim was valid. The report urged Congress to inform the Mexican government to recognize the claim. The sectional controversy in the United States made Congressional action impossible on the Hargous concession. The Southern bloc refused to aid a New York banker, and the

<sup>12</sup> "Tehuantepec," p. 89.



issue was soon laid aside. Hargous eventually sold his concession back to the Mexican Government for a fraction of its worth.<sup>13</sup> The issues that were to result in the U.S. Civil War overshadowed all others in the 1850's thus pushing canal interest into the background.

The United States besides being interested in the Isthmus of Tehuantepec and the Nicaragua canal also showed an interest in the Isthmus of Panama. From the colonial period onward the Isthmus of Panama had been used as a roadway for goods from the Caribbean to the Pacific. Panama was a province of New Granada (later called Colombia) in the middle of the nineteenth century. The Isthmus was the most isolated portion of the country, and was treated almost as a colony by the central government in Bogota. The revenue garnered from the use of the Isthmian road made its way down to the capital leaving the province itself impoverished. The result was a constant attempt at revolution in the province.<sup>14</sup> Though the revolutions were uniformly unsuccessful they did lead to an unstable business atmosphere in the area. To stabilize the business climate there and at the same time insure the permanence of New Granada's claims in Panama a treaty was signed and ratified between New Granada and the United States in 1846.

<sup>13</sup> Ibid., p. 89.

<sup>14</sup> Miles DuVal, Cadiz to Cathay, p. 28; also D. C. Miner, The Fight For the Panama Route, hereafter cited Panama Route, p. 11.

The New Granada Treaty of 1846 provided for the use of the United States Army and Navy to insure order on the Isthmus. The central government was therefore insured that no revolutionary group would be successful. In return the United States citizens who traded on the Isthmus got equal treatment under the laws with citizens of New Granada.<sup>15</sup> The United States honored their treaty obligations several times in the next half century to preserve order on the Isthmus. President Theodore Roosevelt used the treaty as justification for sending American Naval forces to Panama in November, 1903.

The decades of the 1850's and the 1860's saw the United States preoccupied with mounting sectional strife and the Civil War, as a result the interest in a trans-isthmian canal waned. After the Civil War some earnest attempts were made to revive interest in the project, but the first full scale project came not from America, or even from Great Britain, but from France.

Ferdinand de Lesseps, the great French engineer who built the Suez Canal, had shown an interest in Panama for years. Finally with the prestige that rested upon his name, and an enormous subscription campaign waged throughout France, enough money was raised to purchase a concession from the government of Colombia in 1881. De Lesseps'

<sup>15</sup> "Correspondence Relating to Clayton-Bulwer Treaty etc." Senate Document 161, 56th Congress, 1st Session, p. 196; also Miner, Panama Route, p. 11.

name opened up the doors but it was the subscription money from thousands of middle class households throughout France that provided the capital.<sup>16</sup>

The De Lessep project got off to a bad start and never recovered. The company was mismanaged at every level. The workers were paid low wages while the supervisors lived lavishly. Money that was to be spent on equipment, and railroads was funneled off to build fancy houses and private railway cars. Little real work was done, and equipment was lost, stolen or allowed to rust in the jungle. The financial mismanagement of the company resulted in bankruptcy and the ensuing settlement ended up in the French courts.<sup>17</sup> The French courts found that the mismanagement in many cases amounted to fraud and embezzlement. Members of the board of directors as well as some officers, supervisors, and engineers were imprisoned for their role in the company's scandal. Only De Lesseps' age and reputation saved him from prison, though negligence rather than avarice was his major crime.<sup>18</sup>

The French courts liquidated the old company and formed a new one, acquiring the initial capital from

<sup>16</sup> Miner, Ibid., pp. 19-20.

<sup>17</sup> "The Report of the Isthmian Canal Commission 1899-1901" Senate Document 54, 57th Congress, 1st Session, hereafter cited Walker Report, p. 57.

<sup>18</sup> Philippe Bunau-Varilla, Panama: Creation, Destruction, and Resurrection, hereafter cited Panama, pp. 81-82.

mandatory subscriptions from the main officers of the old company. These men were required to put up funds from their own pockets. A percentage formula was worked out so that those who were most responsible for the collapse of the old company had to fund the most for the new. Though the former officers were required to put up the capital they were banned from having any positions of power, or from taking any part in the decision making process in the new company. Among the persons required to put up money for the new company was a French newspaper publisher, and his brother, Philippe Bunau-Varilla, an engineer on the project. The Bunau-Varilla brothers were forced to put up nearly two million francs.<sup>19</sup>

Philippe Bunau-Varilla was a graduate of the Ecole Technical France's most prestigious technical school. Like all of the graduates Bunau-Varilla was required by French law to serve his country for a few years. This suited Bunau-Varilla's plans, and he desperately sought an appointment as an engineer on the Panama project. The young engineer was driven by a number of forces: patriotism, a belief in De Lesseps, the grandeur of the project, and a lust for power and wealth. Though trained as an engineer Bunau-Varilla's real talents were those of promoter and propagandizer. Despite the failure of the first French company, a Panama canal became his obsession for the rest

<sup>19</sup> Gerstle Mack, The Land Divided, p. 418.

of his life.<sup>20</sup>

Five years before De Lesseps obtained his concession a group of Americans founded the Nicaragua Canal Co. In 1877 Ulysses S. Grant, the still popular former president, ascended to the presidency of the company. His role was that of a figurehead, but his presence added greatly to the prestige of the organization. The company purchased a concession and started preliminary engineering surveys. The surveys showed the feasibility of several Nicaraguan routes.<sup>21</sup> Despite the prestigious chief executive, the Nicaragua Canal Company never received proper financial backing, and at the end of the decade it gave way to the better financed Maritime Canal Company. At the same time President Rutherford B. Hayes became a vocal proponent of a Nicaragua canal. Hayes and a number of businessmen realized the commercial benefits that would be granted to the country that built and maintained a canal. With the beginning of the French project in the early eighties American resolve to build a Nicaraguan canal was reaffirmed. The United States must build the first canal, and with the French in Panama, Nicaragua became the "American" canal.<sup>22</sup>

<sup>20</sup> Bunau-Varilla wrote three separate memoirs, all concerned with his two great obsessions, the Panama project, and his hatred of Germany.

<sup>21</sup> "Tehuantepec" p. 128 (see 13).

<sup>22</sup> Miner, Panama Route, pp. 20-21, 29.

The United States Congress was committed to a policy of a canal built by private enterprise, but at the same time they realized the need for more awareness of the political and engineering situation. To insure that the Congress would be more aware, the Senate established a subcommittee on the Nicaragua Canal out of the Commerce Committee. This small subcommittee over the years would expand in size and importance until it became the Senate Committee on an Isthmian Canal. One of the original members of the subcommittee was Senator John Tyler Morgan of Alabama.

John Tyler Morgan was a small town lawyer who had been involved in Alabama politics since before the Civil War. Morgan had taken part in the Alabama secession convention, where he was generally recognized as the most eloquent speaker. When Alabama left the Union in late 1860 Morgan gave up his law practice to enlist in the new Confederate Army. By the time of Lee's surrender Morgan held the rank of Brigadier General in the cavalry, and had taken part in several of the key engagements of the war. Besides being cited for bravery, Morgan also showed leadership and administrative talents. At the end of the war Morgan returned to the practice of law, but he hoped to some day become involved in politics. In 1877 reconstruction officially came to an end with the withdrawal of the last of the Federal troops, and the acceptance of all the former Confederate states back into the national government.

Morgan, though only 41 and completely unknown outside of his home state, was elected by the Alabama legislature to the United States Senate, a position he was to hold for the rest of his life. Morgan's interest in a canal dominated his career and earned him the informal title of "father of the transisthmian canal."<sup>23</sup>

While the French were busy mismanaging the Panama project Senator Morgan and his allies were working in the Senate. Morgan's interest in the Nicaragua project stemmed from several sources. Morgan realized earlier than many of his Southern colleagues that the Federal government could not be overthrown by military might, and that if the South were to regain any of its fallen stature an alternative form of power was needed. Morgan believed that a Nicaragua canal would be of added advantage to the South.

Several factors were responsible for the South's inability to progress economically with the rest of the country. The Civil War had been fought mainly on Southern land, resulting in the destruction of some means of production. A second major problem for the region was its lack of shipping routes. All the major transcontinental railroads went across the upper Midwest and the Great Plains; Southern cities were connected only by feeder lines. Morgan saw the building of a canal as a way of equalizing

<sup>23</sup> August Radke, "Senator Morgan and the Nicaraguan Canal" Alabama History Review, January 1959, hereafter cited "Morgan," p. 11.

the shipping patterns. The Nicaragua Canal would be a particular boon to the Southern ports. Goods shipped to Hawaii, San Francisco, or the Orient would have from nine days to three weeks head start if shipped from Southern ports via the Nicaragua route, as opposed to Eastern ports. A similar canal built through Panama would remove most of the Southern advantage, due to the prevailing shipping lanes.<sup>24</sup> If a Nicaragua canal was built Mobile, New Orleans, and Houston would soon equal Eastern ports in importance in the international trade. Throughout the eighties and nineties Morgan and his allies introduced canal bills in the Senate.<sup>25</sup>

The leading advocate of a Nicaraguan Canal in the House of Representatives was William Hepburn, a Republican from Iowa, and the head of the House Interstate Commerce Committee. Hepburn's motives for wanting a canal are not as clear as Morgan's. Iowa would not be directly affected by either the Nicaragua, or Panama route, in fact the railroad interests were very powerful in his home state. Two reasons for his advocacy can be found in his pronouncements: the Panama route was "French," thus Nicaragua became the "American" route; and, his ambition for fame required his authorship of the final bill.<sup>26</sup>

<sup>24</sup> Ibid., pp. 8-9.

<sup>25</sup> Ibid., p. 12. Also Miner, Panama Route, p. 26.

<sup>26</sup> Radke, Ibid., pp. 9-22.



These early attempts to pass a Nicaragua Canal Bill snagged on two issues. The first concerned credit for the authorship; in the 1880's and the early 1890's both Hepburn and Morgan wanted the honor. The other issue concerned the Maritime Canal Company. Morgan felt that the Maritime Canal Company deserved compensation for both its early surveys and the right of way and related concessions. By the middle of the eighties the company realized that a government subsidy would not be enough to finish the canal. With this in mind, the company attempted to cultivate friendly Senators and Congressmen to have the government either become a partner in the enterprise, or to buy them out completely.<sup>27</sup> Representative Hepburn and others saw this first option as most likely illegal, and reasoned that if a joint partnership was illegal then buying the concession was unnecessary. The Maritime Canal Company had done nothing of substantial value, and direct negotiation with the government of Nicaragua would be necessary before the United States could receive a concession. Therefore it seemed both expensive and frivolous to deal at all with the company.<sup>28</sup>

In the early years neither Morgan nor Hepburn would compromise on either authorship or the role of the Maritime Canal Company. As a result every time Morgan introduced a canal bill into the Republican-dominated Senate it was killed

<sup>27</sup> "Tehuantepec" p. 144 (see 13).

<sup>28</sup> Radke, "Morgan" p. 13.

without a full hearing.<sup>29</sup> The situation might have gone on indefinitely had it not been for the changing situation in Panama.

The New French Panama Canal Company was formed by the French courts and was ready to go to work by 1894. Though work began again in earnest, it was obvious from the outset that more trouble lay ahead. The taint of scandal remained on the project despite the fact that no one associated with the old company had any authority in the new venture. Whereas the old company had had no trouble raising funds from the French public, the new company was doomed to insolvency from the outset. Too many people had lost too much money to invest in a canal again. After 1895 the company realized that selling out might be the best solution. One of the first steps taken by the company in this direction was the retention, in 1896, of William Nelson Cromwell as chief legal counsel for the company.

William Nelson Cromwell was the senior partner in the law firm of Cromwell and Sullivan, a New York-based firm with a reputation for salvaging foundering businesses.<sup>30</sup> Cromwell, a man with a quick legal mind and a flair for the dramatic, was distinguished looking with prematurely gray hair worn unfashionably long for a more august appearance. He used both his mind and his social graces to convince and

<sup>29</sup> Ibid., p. 19.

<sup>30</sup> Miner, Panama Route, p. 76.

cajole in the interest of his clients. Cromwell was not a newcomer to the transisthmian questions; he had been the chief legal counsel for the Panama Railroad Company for some years.<sup>31</sup>

The year 1896 being an election year proved to be a turning point on the canal issue. The election of the Republican William McKinley stimulated renewed hope in the hearts of American imperialists. McKinley's predecessor, Grover Cleveland, while not openly hostile to a canal had moved with caution on the question and had gone so far as to drop a treaty in the works at the time of his first inauguration. The Zavala-Frelinghuysen Treaty would have cleared the way for the construction of a canal through Nicaragua, built exclusively by the United States. Cleveland's major objection to the treaty was its unilateral abrogation of the Clayton-Bulwer Treaty of 1850 which forbade any Nicaraguan canal to be built unilaterally by either the U.S. or Great Britain. Cleveland maintained that the United States had no right to abrogate a treaty signed in good faith if the other party to the treaty had done nothing to violate it.<sup>32</sup> While McKinley did not publicly favor abrogation of the Clayton-Bulwer Treaty he was on record in favor of a canal.

<sup>31</sup> Charles Ameringer, "The Panama Canal Lobby of Philippe Bunau-Varilla, and Wm. Nelson Cromwell" American Historical Review, January 1963, LXVIII, No. 2, p. 347.

<sup>32</sup> Williams, Isthmian Diplomacy, p. 286.

The Republican platform of 1896 called for the surveying and building of a canal through Nicaragua by the government of the United States.<sup>33</sup> A survey to study potential Nicaragua routes had been carried out by Philip Ludlow an American engineer in 1895. The results of the survey clearly showed the feasibility of a Nicaragua canal and even contained estimated costs.<sup>34</sup> Though the Ludlow survey was the most complete one of its kind to date by an American, the McKinley Administration recommended that a new commission be established to redo the work. In 1897 President McKinley established a commission to carry out the new survey. The commission consisted of three members, Colonel John Hains of the Army Corps of Engineers, Professor Arthur Haupt, a noted Civil Engineering professor, and Rear Admiral John G. Walker of the United States Navy as the President. The commission provided for a completely new survey of all feasible routes through Nicaragua, to be done by a staff of engineers and scientists appointed by Admiral Walker. The work started in 1897, and was to take the better part of two years to complete.<sup>35</sup>

While things were thus progressing in the Executive

<sup>33</sup> Radke, "Morgan" p. 15.

<sup>34</sup> "Correspondence Relating to the Interoceanic Canal," Senate Document [11], 56th Congress, 1st Session, p. 71.

<sup>35</sup> "Report of the Nicaraguan Canal Commission 1897-1899," Senate Document 114, 56th Congress, 1st Session, hereafter cited "First Walker Report" p. 1.

branch the Legislative branch was not idle. In 1896, one year prior to the organization of the first Walker Commission, Senator Morgan finally saw his Nicaragua canal bill pass on the floor of the Senate. The bill, however, did contain certain provisions that made final acceptance for both Houses doubtful. No clear decision on what to do with the Clayton-Bulwer Treaty was included. A second drawback lay in the fact that Morgan's Bill called for financial compensation for the Maritime Canal Company, and finally the bill was under the sponsorship of Morgan, and not the bill that the Republican Hepburn desired. These combinations of negative factors plus United States preoccupations with other problems led to the ultimate shelving of the bill in the House of Representatives.<sup>36</sup> The passage of this bill through the Senate was as close to victory as Morgan was ever to get.

The beginning of the year 1897 saw Cromwell begin direct action in trying to divert the Nicaragua Canal Bill. Though his tactics were varied his immediate goal was to stall. The passage of a Nicaragua Bill seemed inevitable in 1897, so Cromwell realized that these first manuevers were critical. The ultimate aim was to educate or indoctrinate enough of the Senate to the advantages of a Panama route, but this education took time. Cromwell felt that his best argument hinged on the Walker Commission report.

<sup>36</sup> Radke, "Morgan" p. 19.

No action should be taken to propose a canal through Nicaragua until all the evidence from the commission had been weighed.<sup>37</sup> Thus a commission formed to promote a Nicaragua Canal was being used by Panama interests as a stalling tactic.

While the Walker Commission worked in Nicaragua the eyes of most of the country turned to another part of Latin America--Cuba. The two areas were to become interrelated in 1898. Cuba had waged a war against Spain for independence since the beginning of the decade, though they did not seem near military victory, they had aroused world concern. United States interest and involvement in the revolution led to deterioration of relations between the United States and Spain which led to a formal declaration of war in 1898.

One of the results of the Spanish American War was a renewed cry for a transisthmian canal. Even before the war, advocates of a great American Navy argued the necessity of a canal. Captain Alfred T. Mahan, the chief propagandist for a great Navy, argued that the building of a canal would virtually double the size of the fleet.<sup>38</sup> The fleet could get from the Atlantic to the Pacific rapidly with a new canal. Captain Mahan influenced many prominent men, including McKinley's Undersecretary of the Navy, an avid

<sup>37</sup> Miner, Panama Route, p. 80.

<sup>38</sup> W. E. Liveazy, Mahan on Seapower.

naval history buff, Theodore Roosevelt.

When the war broke out much of America's coastal fleet was in the Pacific. The battleship Oregon was berthed in Puget Sound, but immediately ordered to Cuba. The cruise of the battleship Oregon through the Straits of Magellan captured the imagination of the press and the American public. Newspapers ran almost daily progress reports on the ship.<sup>39</sup> When the battleship finally reached Santiago after a sixty-nine day cruise the country was both amazed and horrified. Sixty-nine days was a record for such a journey, but it was also a long time in a short war. Advocates of a canal pointed out that the journey could have been cut by as much as two thirds if a canal had existed in Nicaragua.<sup>40</sup> The need for a canal got a further boost from the Spanish-American War. The overwhelming victory of the United States brought about the formation of an instant overseas empire. Puerto Rico, Cuba, and the Philippines all came under American jurisdiction as a result of the treaty. A canal would bring these possessions closer together, and closer to United States ports. Some imperialists envisioned Manila as an American Hong Kong,<sup>41</sup> and saw that a canal would cut thousands of miles from Manila to

<sup>39</sup> Portland Oregonian throughout the two month period.

<sup>40</sup> Radke, "Morgan," p. 17.

<sup>41</sup> Ibid., p. 19.

either the Gulf Coast or Atlantic ports. The stage was now set for a canal. The war had made most of the United States realize the need for a canal. The only questions left were what kind of a canal, and which route would be the best.

As the winter session of 1899 turned toward spring, and adjournment the final report of the Walker Commission was sent to Congress. The report covered two routes as most likely, both through Nicaragua.<sup>42</sup> The differences in the two routes were minor, and both covered approximately the same ground. The report leaned toward one route because it would be cheaper. All findings of previous surveys were upheld on the question of feasibility. The report estimated the cost at \$120 million. This estimate included a sizeable percentage for unforeseen problems, accidents and other contingencies. Admiral Walker, Colonel Hains, and Professor Haupt all gave their unconditional approval to the project, though Professor Haupt added his own cost estimate of just over \$134 million.<sup>43</sup>

The Nicaragua canal Senator Morgan had worked for since the early 1880's seemed assured in the spring of 1899. The Walker Commission on a Nicaragua Canal had given a favorable report, and Senator Morgan and Representative Hepburn had ironed out their differences. Morgan realized after the defeat of his bill in the House in 1896 that he

<sup>42</sup> "First Walker Report," p. 3.

<sup>43</sup> Ibid.



would have to give in on certain issues if the bill were to pass through both chambers. Morgan therefore agreed to abandon the Maritime Canal Company's claims and to allow Hepburn to sponsor the bill.<sup>44</sup> The two men could now work in complete harmony on the bill. Hepburn and Morgan's optimism was to be short-lived, as the Panama Route had picked up some powerful allies, including Senator Marcus Alonzo Hanna of Ohio.

Mark Hanna, the junior Senator from Ohio, was one of the most powerful men in the country in 1899. A coal and shipping magnate from Cleveland, Hanna was President McKinley's best friend in government, and more than any other man, had been instrumental in making McKinley the President. The Senator was also the Chairman of the Republican National Committee and the chief fund raiser for the party. Hanna's first interests in the canal issue came as a result of a conversation he had with Philippe Bunau-Varilla at a luncheon in Cincinnati. Bunau-Varilla claims he convinced Hanna of the Panama route immediately.<sup>45</sup> This claim like many of Bunau-Varilla's is undoubtedly an exaggeration. Hanna was too shrewd a businessman and politician to be convinced by pure rhetoric. Soon after hearing the French engineer, Hanna heard that the Panama project might be for sale. This aroused Hanna's business interest. The

<sup>44</sup> Radke, "Morgan," p. 21.

<sup>45</sup> Bunau-Varilla, Panama, p. 179.

Panama route, already started, might be a sounder investment than the Nicaragua project, and Hanna felt the possibility should be investigated. Rumors started at the time, that have continued to the present day, tie Hanna's decision to a campaign contribution of \$60,000 for the Republican party from William Nelson Cromwell.<sup>46</sup> This explanation, like Bunau-Varilla's, is also an oversimplification. Hanna at no time acknowledged receipt of the money, and Cromwell himself made no mention of the donation. Furthermore, despite the magnitude of the sum, Hanna received even larger sums for the party the same year with no strings attached.<sup>47</sup> A combination of factors influenced Hanna, but his businessman's outlook made an investigation of the Panama Route necessary in his eyes.

Through the influence of Senator Hanna, and other influential Republicans Congress authorized, at the President's request, a new commission. This commission, authorized March 3, 1899, was

. . . empowered to make full and complete investigation of the Isthmus of Panama with a view to the construction of a canal by the United States across the same to connect the Atlantic and Pacific oceans; that the President is authorized to make investigation

<sup>46</sup> House Hearings on the Rainey Resolution, 63rd Congress, 1st Session, pp. 157-158, "The Story of Panama" contains the so-called Cromwell Brief, hereafter cited as "The Story of Panama." The news of the contribution was reported indirectly by a report from John Hall of the New York Sun, and was never verified anywhere by either Hanna or Cromwell.

<sup>47</sup> Miner, Panama Route, p. 78.

of any and all practicable routes for a canal across said Isthmus of Panama, and particularly to investigate the two routes known respectively as the Nicaraguan route and the Panama route, with a view of determining the most practicable and feasible route for such canal, together with the proximate and probable cost of constructing a canal at each of two or more said routes . . . 48

The President was further authorized to spend up to one million dollars on the commission.

The makeup of the new commission concerned Cromwell and he dispatched a list of recommendations to the President. The attorney also took action at this time to try to halt any action on the part of the Nicaraguan proponents, by bringing up the Clayton-Bulwer Treaty as a barrier to unilateral action in Nicaragua.<sup>49</sup> In later years Cromwell was to claim inordinate credit for the makeup of the Isthmian Canal Commission. The claim lacks a certain validity when one realizes that the backbone of the commission was the same as the previous one, and that the only man Cromwell did not want on the board, Professor Haupt, was reappointed.

President McKinley announced his appointments to the new commission in June 1899. Rear Admiral Walker was again appointed President, and Colonel Hains as well as Professor Haupt was asked to serve again. Six new people were appointed to the board along with the three holdovers. Included in the six were Professor Emory Johnson, a

<sup>48</sup> "Walker Report," p. 3.

<sup>49</sup> "Story of Panama," p. 144.

transportation expert from Cornell University and strong advocate of a canal, and a Mr. Pascoe, a former Democratic Senator from Florida. The commission was divided into five sub-committees to investigate the different aspects: the Nicaragua route, the Panama route, any other routes, industrial, commercial and military value of a canal, and investigations of rights, privileges and franchises.<sup>50</sup>

The makeup of the second Walker Commission drew a positive reaction for the most part. The New York Times in an editorial commended the President for the non-partisan nature of the commission and the high caliber and integrity of its membership.<sup>51</sup> Despite the praise, harmony did not reign among the membership of the new group. Professor Haupt was quoted in a leading Philadelphia newspaper as seeing a conspiracy against the Nicaragua route in the very formation of the new group. Haupt hinted that the pro-Panama forces were responsible, and that railroad interests may have played a role in the matter as a stalling tactic.<sup>52</sup> The statements allegedly made by the Professor raised a clamor from both sides. A secret role played by the railroads was suspected by many. The New York Times suggested more than once during this period that those who clamored for a Panama route might be railroad men hoping to defeat

<sup>50</sup> "Walker Report," p. 3.

<sup>51</sup> New York Times, June 13, 1899, p. 6.

<sup>52</sup> Ibid., June 25, 1899, p. 1 from Philadelphia Bulletin.

any proposed canal.<sup>53</sup> The Panama proponents demanded Haupt's resignation for his alleged statements. The professor in his own defense denied that he had stated a conspiracy existed, though he admitted that he was convinced that the Nicaraguan route was best, and that the chances of him changing his opinion were negligible.<sup>54</sup> With the controversy unsettled the Isthmian Canal Commission set out for Paris in August, 1899, to investigate the records of the New French Panama Canal Company.

<sup>53</sup> New York Times, July 9, 1899, p. 6.

<sup>54</sup> Ibid., July 27, 1899, p. 4.

## CHAPTER II

The Isthmian Canal Commission went to Paris, and the proponents of the Nicaragua route turned to a new problem, the Clayton-Bulwer Treaty. The treaty of 1850 specifically prohibited the building of a canal across Nicaragua unilaterally by either the United States or Great Britain.<sup>1</sup> The terms of the treaty were clear and the meaning was obvious, still even before renegotiations could start certain members of the Senate called for abrogation. The jingoistic Senators were in the foreground denouncing the treaty. Their arguments were both varied and vehement. The treaty could be abrogated because it had been ratified under false pretenses in 1850 as it applied to British Honduras. The treaty by limiting United States action in Latin America vis-a-vis a European power, violated the tenets of the Monroe Doctrine was a second argument for abrogation. The treaty was obsolete and applied to an earlier era, but United States' progress could not and should not be limited by a fifty year old white elephant.<sup>2</sup> Though these Senators calling for abrogation for these and other reasons were vocal, they were in a distinct minority. The overwhelming number of Senators favored renegotiation as the method that

<sup>1</sup> "Clayton-Bulwer Treaty," in Treaties, Conventions, International Acts and Agreements Between the United States and Other Powers, IV.

<sup>2</sup> "Hearings of Foreign Relations Committee," Senate Document 268, 56th Congress, 1st Session, p. 310.

seemed most reasonable.

John Hay, the American Secretary of State, proposed that the Clayton-Bulwer Treaty should be modified through negotiation with Great Britain. Hay was a man of integrity who felt that the United States would sacrifice its greatness in the eyes of the rest of the world if any attempt was made to abrogate a treaty signed in good faith, without cause. To this end Hay made initial advances to Lord Pauncefote, the British Ambassador to the United States. Lord Pauncefote was one of Great Britain's most respected diplomats, and like Hay, a man of unimpeachable integrity. Pauncefote also carried a lot of weight with the government in London. Hay felt that Pauncefote's reputation would help the two men to negotiate a treaty that would be acceptable in both capitals.<sup>3</sup>

The government of Great Britain agreed willingly to discuss renegotiation and the rewriting of the new treaty came about early in 1900. Though not known at the time the first Hay-Pauncefote Treaty was drafted almost exclusively by Lord Pauncefote and his staff. The treaty was then sent to the American Secretary of State for minor modification.<sup>4</sup> Hay and Pauncefote agreed from the outset that it should appear that Hay had written the majority of the treaty to

<sup>3</sup> J. A. S. Grenville, "Great Britain and the Isthmian Canal 1898-1901," American Historical Review LXI, No. 1, October 1955, hereafter cited "Britain and the Canal."

<sup>4</sup> Ibid., p. 57.

better insure ratification by the Senate. Lord Pauncefote's role was kept secret because of the still widespread feeling of Anglophobia in certain segments of American society. The Anglophobes distrusted Hay from the outset because of his reputation as the number one Anglophile in the administration.

The treaty of February 1900, which had to await the December session of Congress, contained many concessions to the Americans that favored a government-owned canal. The United States was given the right to build, own and operate a canal through Nicaragua. In exchange for the renunciation of the bilateral nature of the old treaty Great Britain did request certain safeguards. The first safeguard demanded that the canal once built was to be perpetually neutral, "in times of war as in times of peace."<sup>5</sup> This stipulation was not new with the Hay-Pauncefote Treaty, in fact the same principles were embodied in the treaty that governed the Suez Canal.<sup>6</sup> The second safeguard called for all nations to sign the agreement thus insuring neutrality by full international cooperation. The treaty also prohibited fortification of any type on the proposed canal.<sup>7</sup>

The United States Senate did not receive the Hay-Pauncefote Treaty before the spring recess of 1900, but the

<sup>5</sup> Miller, Treaties.

<sup>6</sup> Grenville, "Britain and the Canal," p. 57.

<sup>7</sup> Miller, Treaties.



very fact that they knew negotiations were going on was enough to again thwart John Tyler Morgan's attempt at passing a Nicaragua Canal Bill. Morgan attempted to introduce his bill during the 1899-1900 session, but the negotiations between Hay and Pauncefote and the investigation being conducted by the Isthmian Canal Commission were both used to block consideration.

The Hay-Pauncefote Treaty was brought up for ratification in the early days of the December 1900 session. Though this treaty like all treaties was considered in executive or closed session, the importance of the treaty was such that the chief issues of the controversy were public knowledge, to anyone who read a newspaper. It was obvious from the outset that the Hay-Pauncefote Treaty would not be ratified without amendment. The major stumbling block to ratification was the prohibition of fortification of the canal. Senator Davis led the fight to amend this portion of the treaty. Davis introduced an amendment that would allow the United States to fortify both ends of the canal and to take any other action necessary to insure the security of the area. Davis argued that once a canal was built it would become a section of the United States shoreline, the section that would be most likely attacked in time of war. The United States had a right to protect its investment and its territory from aggression.<sup>8</sup> The treaty

<sup>8</sup> New York Times, December 13, 1900, p. 1.

clause that called for international signatures met stiff opposition in the Senate too. If the United States ratified a treaty with such a clause included in it they would be obligated to compliance on the issue of neutrality. The rest of the world would recognize the canal's neutrality only if they chose to sign the document. The United States would therefore place themselves in an inferior legal position on a canal that they had built and operated. Davis found this situation intolerable.<sup>9</sup>

One group of Senators argued throughout the debate that consideration of the treaty was unnecessary because the Clayton-Bulwer Treaty was invalid. The United States had neither the obligation nor the right to consider this treaty; consideration of the treaty granted a status to Great Britain over an area to which she had no right. If the United States should ratify the treaty and then Great Britain rejected it the United States would have given them a status that they had lost by the passage of time.<sup>10</sup>

Feelings on the Hay-Pauncefote Treaty were not divided along either party lines or route preference. Senator Morgan backed the Hay-Pauncefote Treaty in the form originally proposed. Morgan opposed the Davis Amendment or any other amendments that would jeopardize the speedy

<sup>9</sup> W. S. Holt, Treaties Defeated by the U.S. Senate, p. 231.

<sup>10</sup> "Views of the Minority," Senate Report 2402, 56th Congress, 2nd Session, pp. 2-9.

ratification of the treaty. To Morgan the treaty was a nicety, it allowed Great Britain to give up a claim that it was no longer fully entitled to, without the loss of diplomatic prestige. The canal was to be built to promote commerce, and military considerations such as fortifications were too insignificant to hold up action according to Morgan.<sup>11</sup> Morgan's other reason was more important, it would slow things up. Morgan argued that the adoption of the Davis Amendment would make the treaty unacceptable to Great Britain and assure its rejection in London. The rejection of the treaty would mean further negotiations and resubmission of the document. In Morgan's eyes anything that slowed down the canal project worked to the benefit of the Panama proponents and to the detriment of the Nicaragua forces.<sup>12</sup>

The Senate ratified the Hay-Pauncefote Treaty just before the Christmas recess of 1899. Despite the arguments and warnings of Morgan and others the treaty was modified by the Davis Amendment and two others that proved to be offensive to the government in London. Fortifications on the canal were to be allowed, and the clause concerning an international agreement was also eliminated.<sup>13</sup> The treaty

<sup>11</sup> New York Times, December 6, 1901, p. 6.

<sup>12</sup> Radke, "Morgan," p. 21.

<sup>13</sup> Grenville, "Britain and the Canal," p. 68.

sent to Great Britain no longer represented a compromise, but a full surrender of principle if she were to ratify it.

Secretary Hay realized that the treaty he had attempted to negotiate in good faith was dead. The Secretary was so outraged that he threatened to resign his post.<sup>14</sup> Though McKinley refused to accept the resignation, and eventually convinced him to stay his attitude was partially responsible for the treaty's failure. McKinley at all times showed complete confidence in Hay, but throughout the negotiations and the Senate debate he used none of his influence to aid his Secretary of State. While publicly asking for a fair treaty he claimed that to take any direct political action would be overstepping his prerogatives.<sup>15</sup> In weighing the President's statements on this it is important to remember that Senator Hanna, and others with great influence were in no hurry to see any action favorable to the Nicaragua route until the report of the Isthmian Canal Commission was completed. In fact it has been noted that Morgan had better access to the President than did many members of his own party, but on this question all inquiries were turned directly over to Secretary Hay.<sup>16</sup> President McKinley's role in the entire canal controversy was reflected in his action at this time--the United States needs

<sup>14</sup> William Thayer, The Life of John Hay, pp. 226-227.

<sup>15</sup> Radke, "Morgan," p. 16.

<sup>16</sup> Ibid., p. 18.

a canal, but let the Congress decide the details.

While McKinley's attitude about the revised Hay-Pauncefote Treaty was one of aloofness the reaction in Great Britain was less restrained. Great Britain's initial agreement to renegotiate the Clayton-Bulwer Treaty was closely intertwined with her entire foreign policy. The years around the turn of the century were ones of transition for the British Empire. Great Britain was actively seeking friendships abroad, and if they could not recruit any new friends they wished to avoid any new trouble spots. The renegotiation on the Clayton-Bulwer Treaty was an attempt to strengthen an amiable bond with the United States.<sup>17</sup>

Despite the British Government's realization that good relations with the United States were necessary, the British press found the revised treaty appalling. The English newspapers editorialized that Great Britain would end up giving up everything and gain nothing in return if the amendments from the American Senate remained intact. The consensus seemed to be that the United States was arrogant, greedy and aggressive in these demands, and if the London Government should ratify the agreement it would bring dishonor to the entire Empire. Occasionally in a more moderate vein the British press pointed out that the United States did have a bigger stake in a proposed canal than Great Britain and therefore some safeguards on her

<sup>17</sup> Grenville, "Britain and the Canal," p. 68.

part were to be expected, but at no time did any paper defend the treaty in the revised form, neither did any newspaper recommend that the government ratify the treaty.<sup>18</sup>

The semi-official organ of the British Government, the London Times, stated categorically that the Salisbury Government would reject the Hay-Pauncefote Treaty and hold the United States to the Clayton-Bulwer Treaty.<sup>19</sup> The British Government in an attempt to modify the harsh tone of The Times stated that the article was based on pure speculation, with no inside information.<sup>20</sup>

Despite the modification of The Times story by the government, Henry Lansdowne, the British Foreign Secretary, knew upon receipt of the amended treaty that his government would have to reject it in that form. At the same time he hoped to keep the inevitable rejection a secret for as long as possible. Lansdowne hoped in rejecting the treaty containing the Davis Amendment that a new treaty could be worked out with better terms for Great Britain. The Foreign Secretary further hoped that the new treaty would be less insulting in tone.<sup>21</sup> The amendments added by the U.S. Senate left nothing for Great Britain and Lansdowne realized

<sup>18</sup> New York Times from the London Times, January 18, 1901, p. 1.

<sup>19</sup> Ibid.

<sup>20</sup> New York Times, December 25, 1900, p. 4.

<sup>21</sup> Grenville, "Britain and the Canal," p. 64.

it would be disastrous for the ministry to ratify it.

Great Britain's intent to keep their inevitable rejection secret as long as possible served more than one purpose. Lansdowne planned to keep the rejection a secret until the Senate adjourned in the Spring of 1901. This would allow several months delay before a new treaty could be worked out. Delay would hopefully put Great Britain in a better bargaining position, provided that in the meantime the situation in South Africa and elsewhere came to a successful conclusion.<sup>22</sup> Lansdowne never lost sight of the international situation and Great Britain's fluctuating bargaining power. The Admiralty and other branches of the government also felt that any delay could work to the benefit of the Empire. The military establishment in general and the Admiralty in particular was not anxious to see the United States build a canal across the Isthmus, especially one that would be solely controlled and fortified by the United States. While certain segments of the London Government saw a gradually growing friendship and inevitable alliance between the two nations, other groups were more wary. During this period the Admiralty had gone as far as preparing a contingency plan to be used in case of war with the United States.<sup>23</sup> The military argued that while the Germans appeared to be the most dangerous threat to Great

<sup>22</sup> Ibid., p. 66.

<sup>23</sup> Ibid.

Britain, the United States and Great Britain had enough areas of overlapping interests that friction between the two powers could conceivably result in open warfare. The Canadian Government also pushed for delay in any treaty ratification until the question of the Alaska-Yukon boundary was settled. The Canadians wanted a reciprocal agreement on this issue as part of any treaty ratification.<sup>24</sup> In fact when Lansdowne asked the various branches of the government to submit a report of their feelings toward an American owned canal, only the report filed by the Board of Trade wholeheartedly favored an immediate American construction.<sup>25</sup>

While British reaction to the Hay-Pauncefote Treaty was unfavorable, but primarily after the ratification, United States newspapers showed a profound interest particularly during the debates of December 1900. Throughout the month of December 1900, the debate on the treaty was front-page news in such geographically different newspapers as the New York Times and the Daily Oregonian. Despite the closed sessions both papers covered the debate fully, and editorialized on the progress of the debate and on the major amendments.

The Davis Amendment took up the most space in the New York Times and the editorial reaction to it was negative.

<sup>24</sup> C. C. Tonsill, Canadian-American Relations, p. 218.

<sup>25</sup> Grenville, "Britain and the Canal," p. 58.



The fortification suggested by the amendment and the wording were both condemned for bringing dishonor to the United States. The New York Times went on to argue that the treaty as worked out by Hay and Pauncefote provided the United States all the authority they needed to build a canal, and that all Great Britain wanted was the assurance of neutrality. Great Britain had granted a great deal to the United States and her request for guaranteed neutrality was perfectly logical. The treaty if it adopted the Davis Amendment would not only reject Great Britain's only real request, but would alter the entire meaning of the treaty.<sup>26</sup> The Times went on to warn that the inclusion of any amendments that destroyed the neutrality of the canal would insure the refusal of Great Britain to ratify the treaty.<sup>27</sup> The editors of the Times throughout the debate called upon the United States Senators to act like statesmen for the good of the American image and to guarantee British acceptance.

When the Senate did ratify the treaty in December 1900, the New York paper did not give up trying to salvage what they considered a poor treaty. The editors while admitting that the Senate had destroyed much of the treaty, now argued that the Government of Great Britain should ratify it despite its weaknesses. The British Government was called upon to show a high degree of statesmanship in

<sup>26</sup> New York Times, December 11, 1901, p. 8.

<sup>27</sup> Ibid., December 20, 1901, p. 8.

accepting a treaty that had not treated them entirely fair.<sup>28</sup> Great Britain's statesmanship would not only serve as an example to our own Senate, but could have even more far-reaching ramifications. Acceptance of the treaty would be a giant step toward still better relations between the two powers, an end that was hoped for by both the New York Times and the editors of the Daily Oregonian. Rejection of the treaty would be a victory for the Anglophobes. The Times saw a small but vocal group of Anglophobes still trying to keep the United States and Great Britain apart, and their cause would be boosted immeasurably if the treaty were rejected.<sup>29</sup> Therefore the ramifications of rejection reached far beyond the issues in the treaty--Anglo-American relations would face a severe and hard to overcome setback.

The newspapers saw the possible hand of yet another group in the opposition to the Hay-Pauncefote Treaty as originally introduced--the railroads. Several times the New York paper questioned the role and motives of the railroads in the issue. Was an attempt being made by the trans-continental lines to postpone the canal or even to foil the project permanently, wondered the New York Times?<sup>30</sup> A canal could destroy what amounted to the railroad's virtual shipping monopoly on goods in the United States, and it was

<sup>28</sup> Ibid., December 20, 1901, p. 6.

<sup>29</sup> Ibid., December 21, 1901, p. 1.

<sup>30</sup> Ibid., December 20, 1901, p. 6.

common knowledge that this segment of the population did not look favorably on the project. Though it is true that the railroad interests were anti-canal, and they fought the projects in articles,<sup>31</sup> seminars, and speeches<sup>32</sup> for several years, the New York Times never presented any proof of covert action on the part of the railroad interests. The paper did, however, suggest that maybe the forces in favor of Panama were simply railroad men hoping to throw up a smoke screen in an attempt to destroy the whole project.<sup>33</sup>

While the Times did feel that the United States Senate had acted poorly, and that there was a possibility of a railroad conspiracy they felt that the press of Great Britain was over-reacting to the treaty revisions. The editors admonished the British press for their totally negative attitude toward the Senate debate and the Senators' motives. Some of the backers of the Davis Amendment acted from firm political belief and not strictly from Anglo-phobia. The United States Senate, the editors of the Times reminded the British press, was not a group of one dimensional bigots and chauvinists, complex issues were at stake

<sup>31</sup> Joseph Nimmo, "The Proposed American Interoceanic Canal in its Commercial Aspects," National Geographic Magazine XXIV, August, 1899, pp. 297-310.

<sup>32</sup> Morgan Papers in the National Archives, vol. 11. Morgan collected speeches that both favored and opposed not only Nicaragua, but all canals. Many of these he kept with his private papers.

<sup>33</sup> New York Times, December 20, 1901, p. 6.

and therefore complex considerations were necessary.<sup>34</sup> The New York paper was most vocal in its criticism of the London paper's attitude toward renegotiation. The British press overwhelmingly favored no further attempts at negotiation. The Clayton-Bulwer Treaty should remain the binding agreement between the two countries. The New York Times condemned this attitude as both unfriendly and unrealistic. The United States and Great Britain must update and renegotiate the Clayton-Bulwer Treaty because it was outmoded.<sup>35</sup> The press of Great Britain was justified in disliking the Hay-Pauncefote Treaty as it came out of the United States Senate, it was harsh and unfair, but at the same time the papers must realize that the United States must have some guarantees for their project. The estimated cost of the Nicaraguan project was well in excess of \$100 million and for that amount of money the investors could demand some rights and privileges.<sup>36</sup> The New York Times in December 1900 had written that the Senate had acted in a short sighted and selfish manner, even suggesting that a conspiracy of businessmen had tried to shelve the whole project, yet when the foreign press said basically the same thing in early 1901, the New York Times felt things had gone too

<sup>34</sup> Ibid., December 25, 1901, p. 4.

<sup>35</sup> Ibid., January 18, 1901, p. 6.

<sup>36</sup> Ibid., February 27, 1901, p. 8.

far. An American liberal newspaper had the right to condemn their Congress, but the British press must be more circumspect.

Soon after the British Government made public their rejection of the Hay-Pauncefote Treaty, Foreign Secretary Lansdowne and Lord Pauncefote agreed to renegotiate a new treaty. One factor in this decision was reaction in the United States Senate, which did learn of the rejection just before the recess, and immediately passed a resolution calling for unilateral abrogation of the Clayton-Bulwer Treaty.<sup>37</sup>

The situation elsewhere had not improved for the British, and thus their hopes of negotiating from new-found strength was not forthcoming. Despite the Senate's resolution, Lord Pauncefote and Secretary Hay agreed to renegotiate the treaty. Lord Pauncefote agreed to certain demands rejected in the earlier treaty: the New Hay-Pauncefote Treaty included the wording that the treaty would supersede, not just modify, the Clayton-Bulwer Treaty. The Ambassador realized that rather than weakening British global prestige it would enhance it; Great Britain would appear to be acting in a statesmanlike manner. On the more practical side, Pauncefote realized that without such wording the new treaty would not make it through a Senate made

<sup>37</sup> Williams, Isthmian Diplomacy, p. 307. Also Miner, Panama Route, p. 109.

hostile by the initial rejection. Hay and Pauncefote agreed to write the second treaty in such a manner that it would not require any Senate modifications.<sup>38</sup> At the initial meeting between the two men it was decided that the new treaty would not be drawn up until early fall, to insure its completion just before the Senate reconvened in late 1901. There would then be less chance of the opposition rallying its forces against the treaty, and it also fell within the British idea that haste on this issue was not in the best interest of Great Britain.<sup>39</sup> With these plans worked out, Hay left for his summer vacation and Lord Pauncefote prepared to move the embassy to Newport, Rhode Island, for the summer.

The change in British attitude as it was linked with the international political realities did not improve in the summer of 1901. The Boer War which had made them unpopular throughout Europe led to the British unpopularity increasing not decreasing. To aid their situation worldwide, the cabinet decided to ease tensions in the Caribbean area. The British Foreign Office decided that the days of British domination and even parity had passed in this part of the world. The United States was going to be the power in the Caribbean and there was little if anything that Great Britain could do. The decision was made to back out of the

<sup>38</sup> Williams, Ibid., p. 308.

<sup>39</sup> Grenville, "Britain and the Canal," p. 67.

area gracefully, both to save face and in the hope that it would strengthen ties between the United States and Great Britain. Despite the enmity of Canada over the failure to reach an agreement on the Alaska boundary dispute, and the secret Admiralty report on defenses against potential war with the United States, the Foreign Office decided that Germany and Russia were more likely to be the future enemies.<sup>40</sup> Great Britain decided to turn to the United States and her traditional enemy France to seek alliances to stave off the German threat. Worldwide considerations more than American pressure were responsible for the favorable Hay-Pauncefote Treaty.

The new Hay-Pauncefote Treaty of 1901 was written with an eye on the United States Senate. The treaty contained most of the guarantees that were included in the amendments of the old treaty. Gone was any mention of an international agreement to be signed by all the countries of the world to guarantee the canal's neutrality. The agreement gave the United States the ability to rule over a canal zone, and to take all necessary steps, including fortification, to insure the safety of their investment in times of peace and war. The treaty included the principle of international neutrality, and guaranteed the ships of Great Britain absolute parity with the ships of all other nations. Ships of the United States obtained no special

<sup>40</sup> Ibid., p. 51.

privileges.<sup>41</sup>

The new treaty was submitted early in the December 1901 session and there was little of the fanfare or wrangling that was found the year before. The acquiescence of Great Britain to the terms, and the satisfactory wording of the new document guaranteed ratification. There was only token opposition, and this came primarily from those jingoistic Senators who continued to maintain that no treaty was needed and the problem could be solved only through unilateral abrogation.<sup>42</sup> Meanwhile the Panama proponents both in and more especially out of Congress hoped that the treaty would meet with some obstacles while still calling unilateral abrogation illegal. The more realistic proponents were resigned to the fact that the treaty would pass, and thus they fell back on the argument that the Hay-Pauncefote Treaty did nothing to enhance the Nicaragua route vis-a-vis the Panama route.

Great Britain stepped aside as one of the major obstacles to a Nicaragua canal with their own ratification of the second Hay-Pauncefote Treaty, but the delay of two years seriously hampered the Nicaraguan proponents. If the Hay-Pauncefote Treaty had not been necessary or even if the first one of December 1900 had been ratified by both parties quickly, the results might have been different.

<sup>41</sup> Hay-Pauncefote Treaty.

<sup>42</sup> New York Times, December 17, 1901, p. 1.



The pro-Nicaraguan momentum that had been building for the previous years added to the weight of the first Walker Commission report might have carried through the Hepburn Bill despite the unfinished work of the Isthmian Canal Commission. The obstruction caused by the existence of the Clayton-Bulwer Treaty is not measurable on any scale, but should not be discounted when analyzing the final victory of the Panama route.

### CHAPTER III

The Haupt controversy concerning the role of the Panama forces and the new canal commission died down by mid-summer 1899 and the commissioners and their entourage set out for Paris. The trip to Paris was to be a fact-finding mission. All records of the New French Panama Canal Company were to be open for the commissioners' inspection, the financial as well as the engineering documents. The promoters of the sale of the Panama concession were leaving nothing to chance, therefore William Nelson Cromwell sailed for Paris a week before the second Walker Commission did in August, 1899.<sup>1</sup>

Cromwell's journey to Paris was to establish a two-pronged attack of the commission; first to insure that the French effort to date in Panama was shown in the best possible light, and second to insure that the charms of Paris did not go unnoticed by the members of Admiral Walker's group. To this second end Cromwell organized receptions regularly. Parties were held in their honor almost nightly, resplendent with caviar, champagne and the finest food available, in the most elegant surroundings.<sup>2</sup> Cromwell took great care to insure that none of the Americans suffered any inconvenience. The facts on the canal would speak for

<sup>1</sup> "Story of Panama," p. 153.

<sup>2</sup> Ibid., p. 152.

themselves, but pleasant memories of the entire trip would add a lasting favorable impression. Courtesy in all matters was both extended and graciously acknowledged.

The special treatment paid off for the French. The final commission report to the Senate contained high praise for every facet of the Paris trip. The commission report complimented the New French Panama Canal Company for the efficiency with which they carried out their duties while thanking them for their courtesy. Cromwell's work had been done superbly.<sup>3</sup>

The New French Panama Canal Company prepared for the Walker Commission visit with the same careful preparation that Cromwell had taken in setting up the social calendar. The company officers had the problem of showing a solid responsible canal project, that was for sale. If the Panama venture was assured of success, why did the company wish to sell it? If the company did wish to sell it, could it be sold to another group at a reasonable price? These questions and others of the same type had to be faced and answered without directly dwelling on the infamous role of the old company. Though both the commissioners and the company officers knew that the financial problems sprung from the relationship between the old company and the new, the new company had to promote itself as entirely independent from its scandal-ridden predecessor.

<sup>3</sup> Walker Report, p. 11.

The engineers and officers of the company showed the Walker Commission any data requested on the progress and forecasts on canal construction. Besides explaining the theories and accomplishments to date, the commission was provided with scores of tables on such diverse matters as annual rainfall, jungle growth, water tables, local building materials and the type and condition of construction equipment available.<sup>4</sup> Complete inventories of all equipment, buildings, and other properties owned by the company were available with assessed valuations. The company portrayed the project as one moving along at a reasonable rate toward completion. The completion dates put forth by the company were presented as feasible; an overall soundness of the enterprise was conveyed in all the documents and presentations.

The company also prepared statements on the issue of the concession they had purchased from Colombia. Questions had been raised in the United States, as early as the formation of the commission, on the legal status of the concession. All interested parties were not in total agreement as to the transferability of the title from the New French Panama Canal Company to another organization, let alone to the government of a foreign power. Nicaragua canal supporters in and out of public life were particularly skeptical

<sup>4</sup> Ibid.

on this point.<sup>5</sup> The company argued that the concession was valid and could be sold to any group or organization with which the company wished to deal.

The Walker Commission stayed in Paris for about two weeks to complete their investigations. While in Paris the commissioners talked not only to the canal company officials, but also to a group of international engineers about the project. The engineers who talked to the Walker Commission were not chosen at random, rather they were carefully selected by William Nelson Cromwell. Several years earlier a group of engineers was assembled in Paris to study the possibility of a canal through Central America. The international event was attended by engineers from France, Germany, Great Britain, Russia, and the United States. At the end of the meeting the engineers unanimously endorsed the Panama route as the most feasible one. Though the caliber of the participants was high, the meeting was not totally unbiased. As was later brought out in a Senate committee hearing, the participants knew in advance that they were there to endorse the route chosen by the French company.<sup>6</sup> The majority of the engineers who met with the Walker Commission during their tour of Europe had taken

<sup>5</sup> Morgan Papers, vol. 11 and several Senate Documents and Reports.

<sup>6</sup> "Hearing from the Committee on Isthmian Canals," Senate Document 50, 56th Congress, 1st Session, pp. 9-10. Hereafter cited Sen. Doc. 50.

part in this earlier conference.<sup>7</sup>

One of the functions of the Walker Commission was to study the commercial advantages of having any canal at all. A special sub-committee of the commission was appointed by Admiral Walker, as part of his instructions from Congress, to study the question. With this in mind the committee members visited several canals in Europe to study both the physical operation and their economic return. The canals at Kiev, in Russia, one in Germany, and another in Manchester England were given closest study.<sup>8</sup> All three of these canals were financially successful. The Manchester canal in fact, had completely changed the economic structure of the area by making an inland manufacturing city an ocean-serving port.<sup>9</sup> The financial success of all the canals appeared to be a solid argument for a transisthmian canal, but the design and function of these European canals were entirely different from the proposed projects in Central America. These European canals had all been built to bring a city into the commercial mainstream, not to establish and refine an international trade route. It was also noted that the canals built in Europe involved almost none of the engineering problems that would be encountered in a canal

<sup>7</sup> Walker Report, p. 63.

<sup>8</sup> Ibid., p. 19.

<sup>9</sup> Ibid., p. 4.

project at either Panama, or Nicaragua.<sup>10</sup> Despite these major differences between canal types, the inspections left a favorable impression on the committee members.

The Walker Commission left Europe in the late fall of 1899 favorably impressed with what they had seen. French work at Panama seemed to be progressing at a sound rate and the chances of a successful canal, at least on paper, seemed good. The commercial potential seemed good, as all major canals observed in Europe made money. Though the commissioners did not visit the Suez Canal the tremendous financial success of that venture was public knowledge, and a further reinforcement for a canal project. The entire Suez project had paid for itself in relatively few years, and the annual return on investment was incredibly high at the turn of the century. The findings of the Walker Commission at the point when they left Europe were: the Panama project looked feasible, and a Central American canal appeared to be a sound business investment.<sup>11</sup>

The Walker Commission left Europe for a brief stop-over in the United States and then proceeded to Central America. To study the feasibility of the project in the time allotted the Commission divided into two groups, one group going to Nicaragua, and the other going to Panama. The group that went to Nicaragua did not go just to review

<sup>10</sup> Ibid., pp. 17-20.

<sup>11</sup> Ibid., p. 438.

the work of earlier surveys, but to make a new study. Though all the data from the Ludlow Survey, and the Nicaraguan Canal Commission (the first Walker Commission) Survey were re-investigated, new engineers were sent to do their own survey. Route changes, and variations on previously discussed routes were studied. The economic, political and health aspects of the entire area were again given close scrutiny. In short, the team did not perform a formal rehash of earlier surveys, but a complete new study.<sup>12</sup> Professor Haupt, the most outspoken advocate of the Nicaraguan route accompanied this group, a fact that was to bear heavily in the forthcoming Senate debate.

The second group of commissioners went directly to Panama. The New French Panama Canal Company, at the urging of Cromwell planned well for their arrival and stay. Cromwell, who left Paris right after the Walker party, took care to insure that everything went as smoothly in Panama as it had in Paris.<sup>13</sup> The commission members were to receive special treatment again. The company had done their planning well, and the tours and briefings were handled efficiently. The French company impressed all the commissioners on the efficiency of their work. The Panama study was handled in a different, but no less stringent manner than the study in Nicaragua. Since the canal was

<sup>12</sup> Ibid., p. 3.

<sup>13</sup> "Story of Panama," p. 153.



already under construction, the route had already been settled. The New French Panama Canal Company maintained that over forty percent of the work on the canal was finished, a figure that seemed high to the Americans, though the commissioners admitted that a considerable amount of work had been completed. Admiral Walker and his fellow commissioners carried out a thorough investigation of the project, as well as observing the work in progress. As in the Nicaraguan study, engineers and scientists covered the territory completely. Rock and soil samples were taken and analyzed, and the climate and water tables were fully investigated. Though a great deal of data was made available to the investigators by the French Company, Walker and his party did most of the work over again in an attempt to reach their own conclusions.<sup>14</sup> Like their counterparts in Nicaragua, the Panama team approached the project as something new and started at the beginning.

While the commissioners in Panama were investigating the project their social wants were being well taken care of. The province of Panama had little of the charm of Paris, nonetheless, the French made an effort to insure the comfort of the American group. The best homes, carriages, and railroad cars were placed at the Americans' disposal. Guides, well versed in all phases of the project were assigned to insure that all went smoothly. Parties and

<sup>14</sup> Walker Report, p. 3.

dinners were planned to honor the men. Though the positive aspects of the project were accentuated, the French did not try to dupe the commission members. The French wanted the Americans to see the project in its real light--a sound project that could succeed with proper financing. The French further realized that they were dealing with a blue ribbon committee that would not be impressed or fooled by inflated progress reports. An optimistic, but honest front was put forward.<sup>15</sup>

The Walker Commission after initial visits to both Panama and Nicaragua, as well as shorter trips to less publicized possible route areas, released a preliminary report. This initial report dealt primarily with the Nicaragua route. Morgan and his allies were delighted with the report's assertion that the project was completely feasible.<sup>16</sup> The Senate Committee on Interoceanic Canals, as it had been renamed after the United States began investigating the Panama route, held hearings and invited the members of the commission who had worked in Nicaragua. The committee, under the watchful leadership of Morgan, attempted to shed favorable light on the project. Those members of the commission most favorable to Nicaragua were questioned by Morgan in a manner that would promote the

<sup>15</sup> "Story of Panama," p. 155.

<sup>16</sup> "Correspondence Relating to the Inter-Oceanic Canal."

project.<sup>17</sup> While Morgan took the lead in questioning each witness, the other members of the committee also showed deep interest. They asked the witnesses technical questions that reflected considerable research into the project. Though Morgan and Hanna seemed to dominate the meetings, several other Senators did show an interest. Questions during these hearings, held in early May 1900, centered around climatic conditions, soils and exact route recommendation. While paying lip service to an open mind on the issue, the majority of the committee sympathized with the Nicaragua route.<sup>18</sup>

Beside members of the Walker Commission, experts from a variety of fields also testified. The committee brought as witnesses doctors who specialized in tropical disease to comment on the situation in both countries. Many of the doctors contended that Nicaragua's climate was better suited for the type of work to be done. Yellow fever, malaria and the other prominent diseases of the area were shown to strike whites with much more frequency in Panama than in Nicaragua. Though both countries were in the tropics, the doctors testified that the jungles of Panama were statistically much deadlier. At Morgan's behest, social scientists, economists and people with business contacts in the two areas also testified before the committee.

<sup>17</sup> Sen. Doc. 50.

<sup>18</sup> Ibid. p. 312.

These experts agreed that Nicaragua was a better location from the standpoint of labor. The natives of Nicaragua were said to be more ambitious, healthier and more stable than their counterparts in Panama. These and other lesser arguments were not new to the investigations of 1900, nor did they settle the issues at hand, but they were discussed.<sup>19</sup> Morgan in 1900, as he had been doing for almost two decades, brought in anyone who would testify to the benefits of building a canal through Nicaragua.

The question of earthquakes, and volcanic eruption were not ignored by the committee. The whole area was made up of volcanic mountain chains, and earthquakes were regular occurrences on the isthmus. The testimony touched heavily on the earthquake damage to Panama City, and Colón, while pointing out that the proposed route through Southern Nicaragua was relatively free of danger. Volcanic activity did not concern the geologists who testified. Nicaragua possessed several volcanic peaks, but most were inactive, and those that did still erupt were hundreds of miles from the site of the canal route.<sup>20</sup> These geologists, like all the experts who testified were not the first to give evidence, but their evidence was similar to the predecessors. They asserted that there was always danger of some earthquakes due to the large fault that ran the length of the

<sup>19</sup> Ibid.

<sup>20</sup> Walker Report, p. 137.

isthmus, and while the chain of mountains was volcanic, danger of eruption at either site was minimal.<sup>21</sup>

The Committee on Interoceanic Canals also questioned proponents of the Panama Canal. One of the first witnesses questioned was the American engineer who had served on the Paris Committee to study canal projects in the nineties. The gentleman was a former General in the Army Corps of Engineers, and at the time of the interview, the leader of several proposed projects in the upper Midwest. The General had already gone on record in favor of the Panama route, and his convictions were strengthened by his belief that real progress was being made on the isthmus.<sup>22</sup> The General was treated by most of the committee as an honored guest. He was asked the same kind of extensive intelligent questions that were asked to the members of the Walker Commission. Senator Morgan's attitude differed. Morgan questioned the General as if it were a trial. He seemed to feel that anyone who would favor the Panama route was an agent of a foreign power. The favoring of a Nicaragua route had by this time become an obsession on an almost religious plane, and his opponents became infidels.

Though Morgan treated the engineer rudely, he saved his real wrath for two additional witnesses, the Director General of the New French Panama Canal Company, Maurice

21 Ibid.

22 Sen. Doc. 50.

Hutin, and his chief legal counsel, William Nelson Cromwell. Morgan attacked Cromwell like a prosecutor attacking a felon. The Alabama Senator showed open disbelief for Cromwell's data, and at the same time impugned the attorney's motives.<sup>23</sup> Despite Morgan's years of research into the canal issue and his ability as an orator, he did not destroy the Panama project as he hoped. Cromwell was an even match. Cromwell never waivered from his projections on the canal's progress, and feasibility despite the pressure from Morgan. As to the questions concerning his own functions and duties, these too he handled well, if somewhat evasively. Cromwell appeared to be a master of his craft, relying on his legal mind, and his skill as a negotiator to handle all attacks. He used the defense of client-attorney relationship several times to thwart Morgan's prying. His methods were both legally correct, and successful. If Morgan's aim was to discredit either the attorney or the project he failed. Cromwell was a legitimate attorney representing an established international construction project.<sup>24</sup>

At the same time that Cromwell testified before the committee, so did Maurice Hutin the Director General of the New French Panama Canal Company. Hutin's testimony was limited by his inability to speak any English. Thus

<sup>23</sup> Ibid., p. 314.

<sup>24</sup> Ibid., p. 319.

he filed a brief statement, and agreed to answer in writing any questions submitted, the answers would be submitted the following day. Hutin then agreed to answer a few simple questions through an interpreter. Hutin, like the American engineer, and Cromwell, faced Morgan's hostility. Morgan's lightly veiled accusations suggested the Panama project was a bill of goods.<sup>25</sup> Hutin stated that he came to testify in an effort to be helpful, adding that the concession might be for sale if the proper arrangements could be made. The Director General also re-affirmed the saleability of the concession as it stood. Hutin felt there was no agreement with the Bogotá Government that prohibited the sale to anyone.<sup>26</sup>

While the Senate Committee on Interoceanic Canals was questioning witnesses on the feasibility of the two routes and other preliminary matters, things had progressed much farther in the House of Representatives. With the question of authorship of the bill settled with Morgan's agreement in 1899 to allow Hepburn of Iowa to author the bill, the bill moved along rapidly.<sup>27</sup> As previously mentioned, Hepburn was not from a commercial state that would be directly affected by one route or the other, rather his jingoism, and his ego demanded a Nicaragua route. It seems clear

<sup>25</sup> Ibid., p. 321.

<sup>26</sup> Ibid., p. 322.

<sup>27</sup> Radke, "Morgan," pp. 21-22.

that one other factor forced his demand for authorship, his Republicanism. Hepburn in earlier proceedings had insisted that no money go to the Maritime Canal Company because the McKinley Administration opposed paying out any money to the private for a concession.<sup>28</sup> Hepburn felt that the canal was going to be one of the great accomplishments of the era, and a Republican, not a Democrat should have his name on the bill that authorized it.<sup>29</sup> Though Morgan wanted the bill under his name to boost his own ego, he realized after the House rejection of his 1898 bill that it was hopeless under his name. Morgan decided to allow Hepburn the authorship, because building the canal was the most important thing.

Hepburn was as anxious as his counterparts in the Senate to proceed with haste. He planned to send a bill through the House during the early days of the Winter 1899-1900 session, so it could get final Senate hearings the same session. The Hepburn Bill called for the ownership and construction of a canal through Nicaragua by the government of the United States. The bill likewise made provisions for ample funds to insure the completion of the project, but did not include any mention of reimbursement for the Maritime Canal Company, nor any mention of waiting upon the Hay-Pauncefote Treaty, still in negotiation between

<sup>28</sup> Ibid., p. 11.

<sup>29</sup> Ibid., p. 17.



the United States and Great Britain.<sup>30</sup>

Hepburn's Bill was recommended out of the Commerce Committee with relative ease, but immediately ran into stiff opposition on the floor of the entire House. Among the opponents of hasty consideration of the bill was Representative Joe Cannon of Illinois. Cannon, who was later one of the most powerful and dictatorial of all the House Speakers, was the Republican Chairman of the House Appropriations Committee. Cannon's major ally in this opposition was Representative Burton, another Illinois Republican. Illinois, like Iowa and the rest of the Central Midwest was railroad country, and though no direct link between the railroad lobbies and the bill's opponents was ever shown, the accusations existed.

Representatives Burton and Cannon argued that the Hepburn Bill was premature for two reasons: first the Hay-Pauncefote Treaty was still being negotiated, and secondly the Walker Commission had not finished their investigations and given their final report. Hepburn answered the first objection by stating that the United States should unilaterally abrogate the Clayton-Bulwer Treaty, which was obsolete, and probably illegal from the outset. The Ludlow Commission of 1895, and the first Walker Commission of 1897-1899 had both favored the route recommended in his bill, and any waiting for yet another survey in the

<sup>30</sup> Grenville, "Britain and the Canal," pp. 52-53.

same decade was a stalling tactic. Hepburn implied that there might be some ulterior motives behind those who favored further delays.<sup>31</sup>

The debate between the Hepburn supporters, and those who felt that not all the information had been gathered was drawn out and bitter. The major participants in the debate all made lengthy speeches filled with statistics to support their positions. Data of both a scientific and historical nature fortified the positions on both sides. Hepburn called upon Congress to make haste in selecting the Nicaragua canal, the "American route." The Panama route was described as the "French route," implying not only European imperialism, but also the scandal that had rocked the isthmus during the first company's existence.<sup>32</sup> The opponents of the bill argued for patience and practicality. Cannon and his allies did not argue against a canal, on the contrary all the speakers who talked against the Hepburn Bill went on record in favor of a canal. Burton and Cannon, like Hanna in the Senate, felt the project must be approached in a business-like manner; the economic and commercial potential of all routes must be thoroughly scrutinized before a final route was chosen.<sup>33</sup>

<sup>31</sup> Congressional Record, v. 33, pt. 6, 56th Congress, 1st Session, House, p. 4945.

<sup>32</sup> Ibid., p. 5005.

<sup>33</sup> Ibid., p. 4914.

Hepburn again countered that all the preliminary work necessary had been done in the numerous surveys already completed, and that patriotism demanded immediate action. The fact that the Hay-Pauncefote Treaty was still being negotiated and that the Congress had appropriated over a million dollars to establish the second Walker Commission proved that the preliminary studies were not completed argued the bill's opponents. The opponents also called on the House membership to look at practical business realities in deciding the issue, and warned against being swayed by wild rhetoric. The debate was interspersed with a series of name-calling episodes, and occasionally one of the proponents would be rewarded with outbursts of derisive laughter aimed at his opponents.

Despite the length and the intensity of the debate in the House and the positions of power held by the opposition leaders, the outcome was never in doubt. The House of Representatives passed the Hepburn Bill by an overwhelming majority and sent it on to the Senate.<sup>34</sup> Representative Cannon, and his allies in the end supported the bill, showing that they did in fact want a canal, but they were not totally committed to that bill, at that time.

Morgan now set about the task of getting passage of the bill in the Senate as soon as possible. His calling of the various members of the Walker Commission, and other

<sup>34</sup> Ibid., p. 5011.

witnesses in the Spring of 1900, was to further this aim. The Hepburn Bill did receive the consideration of the Senate Committee on Interoceanic Canals, where it was recommended favorably in May 1900, but it was too late for consideration before the summer adjournment. The Alabama Senator was discouraged by this turn of events, but he nonetheless attempted to get early consideration after the Senate reconvened in the fall. He hoped to have the bill passed and signed no later than early winter 1901, before the Congress adjourned for the March inauguration.

When Congress reconvened in December 1900, Morgan asked that the Hepburn Bill be placed on the calendar for consideration. Senator William Allison, the Republican Chairman of the Order of Business Committee, ruled that appropriation bills carried first priority and therefore there could be no guarantee of a spot on the calendar for the canal bill.<sup>35</sup> The primary appropriation bill to be considered at the time was the River and Harbor Bill, a bill of special interest to Senator Hanna. After the Christmas recess, January started slipping into February, and the days before the inaugural adjournment got shorter and shorter. Morgan then tried to demand consideration on the basis that the bill was old business. He rested this claim on the basis that the Hepburn Bill had passed through the Committee on Interoceanic Canals during the previous

<sup>35</sup> Miner, Panama Route, p. 100. Also Radke, "Morgan," p. 24.

session. Again the Republican leadership of the Senate disagreed, stating that Morgan's bill must get special consideration of the Senate to be handled at that session. Morgan asked for unanimous consent that the canal bill be placed on the calendar, but Senator Henry Cabot Lodge, the Republican from Massachusetts, objected, and special consideration was denied. Thus Morgan's final attempt to get consideration from that Congress was thwarted.<sup>36</sup> Senator Hanna's influence among the Republican leadership was too strong for Morgan to overcome, and the pro-Nicaragua forces in the Senate were not as strong as their counterparts in the House of Representatives. The Panama advocates had successfully stalled in the spring of 1901.

A plethora of circumstances arose to block Senate consideration of the Hepburn Bill during the years 1900-1901. The fact that the bill did not reach the Senate until near the end of the spring session of 1900 made the initial holdover almost inevitable. The uncertain status of the Hay-Pauncefote Treaty, which the Senate did not even ratify initially until the fall of 1901 slowed up the bill during the winter 1900-1901 session. A combination of pro-Panama sentiments, and Senator Hanna's interest in the River and Harbor Bill, eased the Nicaragua legislation off of the calendar. Still the Hepburn Bill might have received consideration, but some of the most influential

<sup>36</sup> Miner, Ibid., p. 107.

Senators including Lodge and Nelson Aldrich of Rhode Island opposed such a move in the waning days of the session.

To the combination of the pro-Panama Senators, and pending Senate business was added another blow to Morgan's cause, the refusal of Great Britain to ratify the amended version of the Hay-Pauncefote Treaty. There is little doubt that a plurality of the United States Senate favored the Nicaragua route over any other route in the spring of 1901, but enough other Senators either favored Panama, were awaiting the final Walker Commission Report, or felt that the Hay-Pauncefote Treaty controversy must be satisfactorily settled before action could be taken on the Hepburn Bill, to kill the bill at that time. When the Senate met for the special session after McKinley's second inauguration, Morgan called for a Senate resolution to unilaterally abrogate the Clayton-Bulwer Treaty. Though the resolution did pass, the Senate adjourned and negotiations between the U.S. and Great Britain continued.<sup>37</sup>

The summer of 1901 arrived with no Nicaragua Canal Bill, and no final report from the Second Walker Commission. Lord Pauncefote, who had agreed in principle to meet with Hay before the next session of Congress to write a new agreement left for England, later to rejoin his embassy in their Newport summer residence. Though no new

<sup>37</sup> Williams, Isthmian Diplomacy, pp. 307-308.

treaty had been written, it was just a matter of time.<sup>38</sup>

Hay, bitterly disappointed in the fate of his treaty, took a lengthy vacation during the summer of 1901, while President McKinley took a trip to Buffalo, New York, to attend an international exposition. While shaking hands at a receiving line at the exposition, McKinley was shot by an anarchist. The shots, though first thought to be minor, proved fatal. McKinley's replacement as President, Theodore Roosevelt, had a different view of the canal project than his predecessor. While still Governor of New York in 1899, Roosevelt had demanded some action be taken to insure the United States a concession on the isthmus.<sup>39</sup>

Roosevelt, a strong believer in sea power, had no intention of sitting back and letting things materialize on the canal question. He was a man who liked action.

<sup>38</sup> Grenville, "Britain and the Canal," pp. 63-67.

<sup>39</sup> New York Times, August 17, 1899.

## CHAPTER IV

By the early fall of 1901 the shock of President McKinley's assassination had sunk in and then slowly faded away as the nation tried to return to normal. The new President made no immediate changes in the administration, all cabinet members were asked to stay, and did so. Secretary of State Hay, with Roosevelt's concurrence, did meet with the British Ambassador as previously planned, and a new Hay-Pauncefote Treaty was written with the goal of sure Senate acceptance. The new treaty, submitted early in the opening session of the new Congress, met with little resistance and quick ratification eliminated this long-standing obstacle to the Nicaragua canal.<sup>1</sup>

Two months before final ratification of the second Hay-Pauncefote Treaty proponents of the Nicaragua canal route received an even larger boost; the final publication of the Isthmian Canal Commission report was released in October 1901. The Commission recommended that the United States build its canal through Nicaragua.<sup>2</sup> The Second Walker Commission, like the Ludlow Commission, and the First Walker Commission, saw the engineering and geological problems as solveable, and the project as feasible with available knowledge and equipment. The report estimated

<sup>1</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, Senate, pp. 314-315.

<sup>2</sup> Walker Report, p. 11.



that the cost of the project would be higher than reported in 1899 at a cost of close to \$190 million versus an earlier estimated cost of approximately \$115 million.<sup>3</sup>

Though the selection of the Nicaragua route was received with joy by the proponents of the route, the outcome was expected by many. Senator Morgan anticipated the outcome. His anticipation was based partially on a letter he had received from Admiral Walker in the spring of 1900. Walker's letter had optimistically predicted that the Alabama Senator would see his bill as law by Christmas, 1900.<sup>4</sup> Though the date suggested by the Admiral's estimate had been premature, Morgan was convinced by the late fall of 1901 that his years of labor were about to bear fruit. Secretary Hay in anticipation of the outcome had met with the Nicaraguan Minister in Washington in December, 1900. The meetings took place to set up a protocol agreement that would establish procedure for any further agreements between the two countries.<sup>5</sup> The protocol was signed in 1900 by both Hay and the Nicaraguan Chargé d' affaires. No action was taken on the agreement at the time because Hay felt that it would violate the Clayton-Bulwer Treaty which was still in effect. The proposed canal route would

<sup>3</sup> Ibid., p. 12.

<sup>4</sup> Radke, "Morgan," p. 22.

<sup>5</sup> "Views of the Minority," Senate Report 2402, 56th Congress, 1st Session, hereafter cited as "Views of the Minority," pp. 4-5.

run along the San Juan del Norte River, which made up the border between Nicaragua and Costa Rica, therefore Secretary Hay also met with the Chargé d'affaires of Costa Rica to work out a protocol agreement with that country. The documents with each country for all intents and purposes were identical.<sup>6</sup>

While the Walker Commission did recommend the Nicaragua route it did not downgrade the Panama project. All the American engineers, who took part in the intensive investigation of the project agreed to its feasibility. A Panama canal would be approximately forty-nine miles long from ocean to ocean whereas the Nicaragua route would be about one hundred and eighty miles long. The difference in length would seriously affect travel time between the two routes. A ship would take nine to fifteen hours to pass through the Panama canal, but the same ship would take over a day to get through Nicaragua. The Walker Commission also felt that the work would be completed sooner in Panama. Construction had begun and equipment and men were in place at Panama, while only preliminary surveys had been completed in Nicaragua. The report also estimated a lower maintenance cost in Panama than in Nicaragua.<sup>7</sup>

Despite the projected advantages mentioned in favor of Panama, there was one serious disadvantage--cost. When

<sup>6</sup> Ibid., p. 5.

<sup>7</sup> Walker Report, p. 116.

the New French Panama Canal Company had sent out its first feelers about a possible sale of the concession, the price asked was astronomical. The company wanted a cash settlement for the equipment and work done, plus money for the concession, and finally special reimbursement against the loss of potential revenue they would have earned if they had finished the canal. The United States Government reacted to the first two demands by saying it would negotiate on the price, the third demand was rejected outright. Representatives of the United States argued that no organization that sold its interest in a company could expect a share of the profits after the sale.<sup>8</sup> The company realized the weakness of the demand and dropped it as a condition of negotiation.

The New French Panama Canal Company set the value of the concession, equipment and completed work at \$110 million. The Walker Commission estimated the value at \$40 million. Several times during the two-year life of the commission, Admiral Walker conferred or attempted to confer with Director General Hutin of the company to discuss the differences in the price estimates. At no time during the negotiations was a compromise worked out. In fact, though the figure of \$100 million was both mentioned and even justified in writing, M. Hutin never set a firm price.<sup>9</sup> This

<sup>8</sup> Mack, Land Divided, p. 347.

<sup>9</sup> Walker Report, p. 10.

inability on the part of the two parties to settle on a price forced the Walker Commission to recommend the Nicaragua route. The Nicaraguan canal project would cost \$189 million including extra money to cover unforeseen events, the total cost for the Panama project was \$144 million or about \$45 million less. The French, however, had hinted at around \$100 million for the work done and the concession, thus making the route more expensive by some \$60 million.<sup>10</sup>

The Walker Commission dealt with one more important issue that would crop up throughout the route debate--the transferability of the French concession. Senator Morgan and many other opponents of the Panama route argued that the concession granted to the two French companies was not transferable to another party, particularly a foreign power. The Walker Commission saw this issue as insignificant, while arguing that the best evidence seemed to suggest the title's transferability.<sup>11</sup>

When the Walker Commission recommended Nicaragua in October 1901, and the Hay-Pauncefote Treaty was ratified in December of the same year, Morgan's position seemed invincible. The anti-Nicaragua forces who had insisted that these two issues be resolved before further action be taken, had run out of ammunition. The job of the commission

<sup>10</sup> Ibid., p. 13.

<sup>11</sup> Ibid., p. 68.

met with the approval of much of the press. The New York Times congratulated Admiral Walker and his associates for the excellent job they had done. The newspaper complimented the men particularly on the high quality and thoroughness of the research, and the unbiased nature of the work and the conclusions. The paper appeared pleased with the selection of the Nicaragua route, and saw the report's completion as the final defeat of the leaders of the anti-canal forces, the railroad lobbies.<sup>12</sup> A feeling still existed in the fall of 1901 among certain groups that the whole Panama investigation had been an attempt to either slow up or destroy any American canal project. Therefore the selection of the Nicaraguan, or "American" route brought a sense of relief to these people.

Despite the double boost the Nicaragua project received in late 1901, Senator Morgan and his allies did not allow themselves to become trapped into a false feeling of confidence. His dream of an American-owned canal located in Nicaragua to aid the economic resurgence of the South had been thwarted too many times to allow inaction. The Senate Committee on an Interoceanic Canal immediately scheduled hearings to bring home the full brunt of the commission's recommendations. Members of the Walker Commission were once again invited to appear and reiterate their findings. The pro-Nicaragua forces geared up for a final onslaught

<sup>12</sup> New York Times, November 6, 1901, p. 6.

by preparing all the best testimony available. Legal experts were also invited to discuss the Wyse Concession, as the French concession was called. These experts all agreed they had grave reservations about it.<sup>13</sup> Morgan intended to accent the positive events of the last several months while further discrediting the Panama forces.

The recommendation of the Nicaragua route by the Walker Commission came as a crushing blow to Philippe Bunau-Varilla. The French engineer saw this as nearly fatal to his dream of a Panama canal, and a death blow to his hopes of recovering at least some of his two million francs. Bunau-Varilla, like his opponent Morgan, was not a man to stop fighting despite the serious setback. The New French Panama Canal Company had scheduled its annual stockholders' meeting for the third week in December, 1901, and Bunau-Varilla saw this as the last chance to arrange the sale. The French courts in the bankruptcy decisions of 1894 had ruled that any major participants in the old company could not take an active role in the new company. This made it impossible for Bunau-Varilla to attend the meeting as a voting stockholder. The wily Frenchman was too desperate to let a court ruling deprive him of this last chance, fortunately his brother, another involuntary investor in the new company, was a newspaper owner and could get Bunau-Varilla a press pass for the upcoming

<sup>13</sup> Sen. Doc. 114, p. 127.

event.<sup>14</sup>

The findings of the Walker Commission had sounded a death knell for Panama that was heard by more than just Philippe Bunau-Varilla. Many of the other stockholders realized that unless something were done soon the United States would purchase a concession from Nicaragua and Costa Rica and begin a canal, thus almost assuredly dooming any chance for their canal. With this gloomy thought in the minds of most of those stockholders in attendance, chaos reigned from the outset of the meeting.<sup>15</sup> Bunau-Varilla, though only a reporter, managed to be heard from the floor. The United States Government was the only salvation of the Panama canal project warned Bunau-Varilla. The company could not raise the funds to complete the canal through private sources, and the British had relinquished any interest in the project with their ratification of the second Hay-Pauncefote Treaty. The French Government would not intervene to buy the foundering concession, and even if she did the United States would not sit idly by while a European power attempted to move into the Western Hemisphere in such a large way. The only other country with resources to build a canal through Panama was the German Empire, and no Frenchman could seriously entertain this notion, the thirty year old wounds that dated back to the

<sup>14</sup> Bunau-Varilla, Panama, p. 210.

<sup>15</sup> New York Times, December 25, 1901, p. 4.

Franco-Prussian War had not healed yet.<sup>16</sup> The United States was the only country that could offer a way out.

Bunau-Varilla continued by saying that the \$40 million offer was the highest one they could expect. The Walker Commission report had already been filed with the United States Congress, and the \$40 million figure had been included, that recommendation would not be raised. It was pointed out that the Walker Commission had tried with no success, as late as the first week in October 1901, to establish a selling price. When Director General Hutin refused to consider the \$40 million offer, he forced Admiral Walker and the Commission to recommend the Nicaragua route. The American commission would not change their collective minds and reconsider unless there were a change in the situation on the part of the company. The company would be forced to lower its demand to \$40 million.<sup>17</sup>

Despite Bunau-Varilla's speech, the meeting was still badly split between those who would sell at any price and those who would look for a way to get the \$100 million. Director General Hutin refused to consider such a small sum, and led the forces who wished to hold out for the full amount. Bunau-Varilla and his allies warned that further inaction would be the canal company's undoing, not only

<sup>16</sup> Bunau-Varilla, all his major works refer constantly to the evils of the Germans.

<sup>17</sup> Bunau-Varilla, Panama, p. 211.



would the price have to come down, but it must come down at once. An offer must be made to the Walker Commission before Congress reconvened after Christmas. The confrontation between those who would sell and those who would look for a better offer erupted into a full scale power struggle. The majority of the stockholders joined Bunau-Varilla in a swift organizational coup that ousted Director General Hutin and the other officers. The new slate of officers immediately moved that an offer be made to the United States Government to settle all the assets of the New French Panama Canal Company for the \$40 million specified by the Walker Commission. The plan was overwhelmingly adopted.<sup>18</sup>

Philippe Bunau-Varilla was triumphant, but not complacent. Bunau-Varilla insisted that the new Director immediately dispatch a telegram to Washington with the sales offer. The officers of the company, though willing to sell out at that lower price, refused to move that quickly. Whether they moved slowly because of a sense of wounded pride, or because they did not share Bunau-Varilla's sense of urgency is not clear, but they did write a letter to Admiral Walker with the new offer.<sup>19</sup> Bunau-Varilla, not taking any chances, dispatched a telegram of his own that contained the new offer. Thus while Congress was out of session for the Christmas holidays of 1901-1902, the New

<sup>18</sup> New York Times, January 6, 1902, p. 1.

<sup>19</sup> Miner, Panama Route, p. 119.

French Panama Canal Company officially went up for sale at a price that the Walker Commission could and would recommend.

While the United States was busy negotiating with Nicaragua, Costa Rica, and Great Britain over a possible canal through Nicaragua, and negotiating with a French company over a possible Panama route, the one other government that would become involved was having internal troubles. Colombia, of which the Isthmus of Panama was the northernmost province was in the middle of a civil war. The government, which had been shakey throughout most of the 1890's, had now split between two factions. The legally elected president of the country was under house arrest outside the national capital at Bogotá. The Colombian constitution stated if a president were out of the capital beyond a prescribed number of days he forfeited his power. The country's vice-president had used this loophole to assume and retain power.<sup>20</sup> The situation was further complicated by a multitude of factors both political and economic. The end result was political chaos and deep financial problems.

Despite the raging civil war in Colombia, attention was being paid to the negotiations and expeditions in the province of Panama. Since its incorporation into the country in the early days of the Republic, Panama had always been a frontier area. The Panamanians claimed with

<sup>20</sup> E. T. Parks, Colombia and the United States, p. 159.

some justification that the government in Bogotá exploited the province because of the financial and commercial advantages of her geography.<sup>21</sup> During this period of political and economic upheaval, the national government saw an opportunity to exploit the situation through their ability to grant and control canal concessions. If the New French Panama Canal Company were going to sell its concession to the United States then someone was going to pay a great deal of money to bolster the faltering Colombian treasury.

During most of the final decade of the nineteenth century Colombia had no representative of ministerial rank in Washington, but when the United States showed a real interest in the Panama canal project this situation was remedied. In April 1901 Colombia sent Carlos Martínez Silva, a highly respected former Foreign Minister to Washington as Minister Plenipotentiary. Though Dr. Martínez had no instructions officially to negotiate a protocol or treaty between the two countries he did send out feelers.<sup>22</sup> Dr. Martínez's position was that the concession could be transferred intact from the New French Panama Canal Company to the Government of the United States, provided that the United States met all deadlines as outlined in the

<sup>21</sup> Miner, Panama Route, p. 119.

<sup>22</sup> Ibid., p. 105.

Wyse concession and for some financial consideration.<sup>23</sup>

When Dr. Martínez met with Secretary Hay to present his credentials in the spring of 1901 these preliminary conditions were discussed. The situation changed rather drastically, however, in June of 1901 with the abrupt dropping of communications between Martínez and his government with respect to this issue.

The situation between the two countries did not change for six months until February 1902, when Colombia sent Jose Vicente Conchas to replace Martínez. Martínez's recall was based at least partly on his earlier public attitude on the concession, but he was also assigned to represent his country at the second Pan American Conference about to convene in Mexico City. Conchas while not openly refuting the statements of his predecessor made it clear that the policy of the Colombian Government had changed. Conchas used a subtle approach to publicize the change in attitude by denying to the press that Colombia had been negotiating with Great Britain on a canal concession to go into effect after the French concession lapsed.<sup>24</sup> By denying that Great Britain and Colombia were negotiating, Conchas brought up the number of options still open to his country. Colombia in the winter of 1901 was not negotiating with any European power on the canal issue,

<sup>23</sup> Ibid., p. 111.

<sup>24</sup> New York Times, February 7, 1902, p. 4.

but they had not eliminated it as a possible option. Conchas further let it be known that despite the Hay-Pauncefote Treaty that had just taken effect, Great Britain could still build a canal in Panama, the treaty only dealt with British rights in Nicaragua.<sup>25</sup> If the French failed to construct the canal in the time allotted to the Wyse concession, and the Governments of the United States and Colombia could not come to terms on the transfer of the concession, then Colombia was free to deal with any country on earth.<sup>26</sup> The uncertainty of Colombia's intent, as well as the other considerations prompted Senator Morgan's Committee to request a formal report be made on the legal status of the Wyse concession with respect to its transferability to be forwarded to the full Senate upon completion.<sup>27</sup>

The Congress that reconvened after the Christmas holiday of 1901 was aware that the French company had made an offer to sell the canal for the \$40 million recommended price, but there was little impact at the outset. The House of Representatives in particular seemed unmoved by the announcement that came from Paris. Congressman Hepburn

<sup>25</sup> The Clayton-Bulwer Treaty and the Hay-Pauncefote Treaty had both restricted British action in Nicaragua, but neither treaty had any jurisdiction over Panama, therefore Great Britain had unrestrained movement in the area.

<sup>26</sup> Parks, Colombia and the United States, p. 388.

<sup>27</sup> Sen. Doc. 114, p. 131.

reintroduced the Nicaragua Canal Bill in 1902 in exactly the same form as it had been introduced in 1900. The Hepburn Bill this time cleared through the proper committees and made it to the floor with no opposition. The proponents of the bill used the same arguments they had in 1900: the route was "American," it could be easily negotiated, and it was feasible.<sup>28</sup> Three new factors now also made the route the most logical. The protocols signed, though not ratified, between the United States and Nicaragua, and the United States and Costa Rica; the new Hay-Pauncefote Treaty had been ratified by the Senate, and British ratification was assured, thus erasing any obstacle to American unilateral action; and the third factor and probably the most convincing new argument was the recommendation of the Walker Commission. One of the major arguments in opposition to the Hepburn Bill in the fifty-sixth Congress had been that the Walker Commission had not completed the study of all possible routes across the Isthmus.<sup>29</sup> The commission had completed its study by January 1902, and the Nicaragua route had been recommended unanimously.

Despite the overwhelming support for the Hepburn Bill in the House, some debate did take place. The proponents of the Panama route expressed their views, though the

<sup>28</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, House, pp. 540-541.

<sup>29</sup> Congressional Record, vol. 33, pt. 6, 56th Congress, 1st Session, House, pp. 4926-4927.

debate was neither prolonged nor strenuous.<sup>30</sup> The bill passed the House of Representatives early in January by a margin of 307 to 2. The two no votes were not cast by proponents of the Panama route, but by two Congressmen who felt there existed no need for any canal. The members of the House who favored the Panama route all voted for the Hepburn Bill, for often differing reasons. Some Panama proponents hoped that the bill would be amended in the Senate to favor Panama, while others felt that any canal was preferable to no canal.

Senator Morgan was not as nonchalant about the offer from the New French Panama Canal Company to sell their concession. Years of frustration and false hopes had made the Alabaman wary of any change in the canal situation. Hoping to combat any changes in sentiment caused by the French announcement, Morgan sought immediate action on the newly passed legislation. In this push Morgan argued that all preliminary work had been done on the bill, and further hearings would be superfluous. On the other hand, the proponents of a Panama canal were as heartened by the Paris decision as the Nicaragua proponents were disheartened. They therefore hoped for Senatorial inaction until the Walker Commission had an opportunity to react to the formal offer. The Panama forces, a group that included many of the most powerful Republican Senators, used stalling tactics

<sup>30</sup> Congressional Record, vol. 35, pt. 1, 57th Congress, 1st Session, House, pp. 513-518.

in an effort to postpone action on the Hepburn Bill.<sup>31</sup>

The majority of the Senators in January 1902 probably favored the Nicaragua route, but the power of the opposition was such that they could at least continue to delay the wishes of the majority. Among the opponents of speedy action for the bill were Senators Hanna, Lodge, and Aldrich, the last being the chairman of the Senate Rules Committee. With this kind of opposition the bill could not get to the floor until it went into the Committee on an Interoceanic Canal for another round of hearings.<sup>32</sup>

While the Republican leadership in the Senate once again foiled the hopes of early passage for Senator Morgan, President Roosevelt was taking steps that would bring him actively into the fray. Roosevelt had been in close contact with the Senate since taking office during the previous summer. Some of the Senators, particularly Henry Cabot Lodge and George Hoar had been friends of Roosevelt since he was Governor of New York. Lodge became one of the President's closest advisors at this time. Senator Hanna had also been involved in the President's career, though for different reasons. Hanna, as McKinley's closest political advisor, distrusted the ambitious young Governor of New York and had pressed for his not being placed on

<sup>31</sup> Miner, Panama Route, p. 124.

<sup>32</sup> "Hearings Before a Sub-Committee of the Committee on Inter-Oceanic Canals," Senate Report 783, 57th Congress, 1st Session, hereafter cited Sen. Rpt. 783, p. 44.



the second spot of the ticket in 1900. Hanna had referred to Roosevelt as "a goddamn cowboy" and also used other non-flattering terms.<sup>33</sup> Roosevelt for his part wanted no part of the vice-presidency when the first feelers went out. One of the reasons that he had made such vehement statements about the Clayton-Bulwer Treaty in 1899 was to stop any talk of his accepting the post.<sup>34</sup> Roosevelt only relented after direct appeals from McKinley himself, and when faced with some unpleasant political realities. Despite the earlier political animosity between Roosevelt and Hanna, the two men learned to work together, and even to rely on each other. Since both Senator Lodge, and Senator Hanna hoped something would come out of the French offer, it is no surprise that President Roosevelt asked Admiral Walker to reconvene his commission to discuss the offer.<sup>35</sup>

President Roosevelt was the only man with the authority to call the commission back together and Admiral Walker needed no coaxing to go along as Walker felt the French offer turned the tide in favor of Panama. When the commission did reconvene on January 15, 1902, Admiral Walker informed the membership that President Roosevelt felt the French offer now made the Panama route the more

<sup>33</sup> Margaret Leech, In the Days of McKinley, p. 537.

<sup>34</sup> New York Times, August 17, 1899, p. 4.

<sup>35</sup> Miner, Panama Route, p. 120.

desirable. The majority of the members agreed with the President before Admiral Walker's announcement. Most of the evidence contained in the Walker Report seemed to recommend the Panama route as the easiest,<sup>36</sup> and now with \$60 million dropped from the implied asking price, the last obstacle to approval was removed. The commission was not unanimous on the switch away from the Nicaragua route. Professor Haupt, the perennial champion of the Nicaragua route, at first refused to sign the supplemental report, and vowed to submit a minority report. To prevent discord within the commission, and at the urgings of the President, who wanted a unanimous report, Admiral Walker interceded. Haupt later reported that Admiral Walker had called him out of the room to reconsider, even telling him of the President's request. The combined pressure of Admiral Walker and the President's name accomplished the goal. Haupt agreed to sign the supplemental report favoring the Panama route.<sup>37</sup> The supplemental commission report was given to the President on January 18, 1902, and Roosevelt sent the new findings directly to Congress for immediate action.

The month of January 1902 saw another development that would help defeat the Nicaragua route--the alliance of William Nelson Cromwell, and Philippe Bunau-Varilla. Bunau-Varilla experienced his finest hour in January because of

<sup>36</sup> Walker Report, pp. 18-400.

<sup>37</sup> Sen. Rpt. 783, p. 17.

the action of the stockholders' meeting. Never a man to be overcome by modesty, Bunau-Varilla took complete credit for the coup at the stockholders' meeting and the subsequent sale offer.<sup>38</sup> Besides action in Paris, the Frenchman had also been busy in the United States. Throughout the short term of President Roosevelt, Bunau-Varilla had attempted direct appeals to the chief executive to intervene in favor of Panama. When Roosevelt did act by calling for the Walker Commission to reconvene, Bunau-Varilla took credit for the conversion. Bunau-Varilla's third reason for assuming credit for the reemergence of the Panama route dated back to 1899. In that year Bunau-Varilla made a speaking tour to extoll the virtues of the Panama route. One of the cities on the itinerary was Cincinnati, where he spoke to a group of prominent businessmen. After the speech he was introduced to Senator Hanna, whom he talked with for some time about Panama. Bunau-Varilla claimed that his conversation with Hanna convinced the Senator of the superiority of the Panama route.<sup>39</sup> Thus Bunau-Varilla took credit for establishing the price of the concession, interesting the President, and converting the Senate's most powerful advocate to the side of Panama.

While Bunau-Varilla was claiming victory for himself, based on the Walker Commission's decision to recommend

<sup>38</sup> Bunau-Varilla, Panama, p. 212.

<sup>39</sup> Ameringer, "Panama Lobby," pp. 347-348.

Panama, William Nelson Cromwell was temporarily out of the fray. Cromwell was not employed by the New French Panama Canal Company during the last six months of 1901. Cromwell like Bunau-Varilla, whom he had never met, had insisted that Hutin's asking price of \$100 million was too high. The New York attorney pressed the company board on this issue until July 1, 1901, when he was dismissed. Hutin claimed that Cromwell's job was to represent the best interests of the company, and this included getting the highest asking price possible in case of a sale. Cromwell by insisting that the company would have to lower their price failed in his duties according to Hutin. Cromwell's dismissal was also based on the amount of money he had spent in his work. The company executives felt that he had been extravagant in relationship to what he had accomplished.<sup>40</sup> Cromwell claimed in his brief before the French court to collect \$800,000 in fees, that he had continued to work for the Panama route throughout the remainder of the year 1901 despite his dismissal.<sup>41</sup> In evaluating that claim it should be remembered that Cromwell was trying to acquire the largest legal fee ever rewarded by the French courts, and that his sole argument was based on his success in getting the canal route selected. Dwight C. Miner in discussing the motives of Hanna, Bunau-Varilla, and

<sup>40</sup> Ibid., p. 347.

<sup>41</sup> "Story of Panama," p. 169.

While agreeing on the necessity of an alliance, the two men also agreed on the need for secrecy. The two men never divulged the alliance. In fact both men denied working together both at the time and for the remainder of their lifetimes. Bunau-Varilla, who wrote three memoirs all dealing with this same issue, mentions Cromwell only in passing, and then gives him credit for neither the selection of the Panama route by the Senate, nor in the subsequent revolution of 1903.<sup>45</sup> Cromwell, whose only written account of his role is contained in the legal brief he filed in the French courts in 1907, never mentions Bunau-Varilla's name.<sup>46</sup> Though the leaders in Congress who favored the Nicaragua route accused Cromwell and Bunau-Varilla of conspiracy in trying to deny the United States the best route, no hard evidence came to light until the early nineteen sixties with the discovery of some heretofore unnoticed papers belonging to the Frenchman.<sup>47</sup> The conspiracy so vehemently denied by the Panama proponents existed.

The Senate, as well as all interested segments of

<sup>45</sup> Bunau-Varilla, Panama: Creation, Destruction and Resurrection. The Great Adventure of Panama. From Panama to Verdun: My Fight For France.

<sup>46</sup> Though no mention of the Frenchman is made directly, the telegram informing Cromwell that he was rehired by the company and signed by Bunau-Varilla is included in the "Story of Panama," p. 124.

<sup>47</sup> Ameringer, "Panama Lobby," p. 346.

the public, realized a major battle was shaping up over the Hepburn Bill that had passed the House of Representatives so overwhelmingly. Senator John Spooner of Wisconsin, a man better known for his floor management of administration bills than for his interest in any canal route,<sup>48</sup> introduced an amendment to the Hepburn Bill. The Spooner Amendment called for the substitution of the word Panama for Nicaragua in the Hepburn Bill, and also authorized Congress and the President \$40 million to purchase the Wyse Concession from the French.<sup>49</sup>

While the several groups that favored the Panama route geared up for the Senate struggle, Senator Morgan was planning the strategy of the Nicaragua forces. Throughout the month of February 1902, Morgan worked on his two-pronged attack; showing the obvious benefits of the Nicaragua route, and downgrading the Panama route as unhealthy, and scandal riddled. Morgan's private correspondences during this period show him in contact with a variety of different experts and investigators. All the correspondence relates to Nicaragua and the canal. Morgan was in contact with such diverse groups as members of the sailing marines, and development engineers. The member of the sailing marine, maintained that the sailing vessel would remain important in world commerce, and that the

<sup>48</sup> Miner, Panama Route, p. 124.

<sup>49</sup> Ibid., p. 123.

Nicaragua canal had numerous advantages over a Panama route for this type of vessel.<sup>50</sup> The developing engineer wrote to Morgan informing him that Lake Nicaragua had the greatest development potential for a canal, that the Nicaragua route had the better water supply, and that the Lake's water supply would be advantageous to ship maintenance. Lake Nicaragua, and the entire Nicaragua canal would be fresh water, and fresh water destroys barnacles that build up on the hulls of sea-going vessels, thus using the Nicaragua route would cut down the number of times a ship would need its hull scraped.<sup>51</sup>

Morgan not only corresponded with experts in many fields, but he also had at least one person engaged in data gathering for his own use. The man, identified by his signature as C. Colne, gathered what he could in the way of engineering data favorable to the Nicaragua route, while attempting at the same time to dig up evidence adverse to the Panama route. Colne showed particular interest in the formation of the New French Panama Canal Company, and the company by-laws as they pertained to the status and transferability of the concession. Colne's

<sup>50</sup> The Private Papers of Senator John Tyler Morgan in the National Archives, vol. 11, hereafter cited as Morgan Papers. The Morgan Papers as reproduced by the National Archives contain no page references, but are in approximate chronological order. Letter S. A. W. Benjamin to Morgan, March 1, 1902.

<sup>51</sup> Ibid., letter E. P. Alexander to Morgan, March 4, 1902.

information convinced Morgan that the United States could never receive clear title to the Wyse Concession and would simply set herself up for extortion by the Colombian Government, which had a right to any money involved in the transfer of the concession.<sup>52</sup> Morgan was later to use this information in the debate on the Senate floor. Morgan through his private writings also accumulated numerous shipping tables that showed the benefits of using a Nicaragua route. These tables he often submitted to the Senate in related reports.<sup>53</sup>

During the critical months of March and April 1902 Morgan worked feverishly to insure that his long struggle would be successful. Besides his correspondences with those who would aid Nicaragua, or shed disfavor on Panama he accumulated articles that might be useful in his upcoming speeches.<sup>54</sup> Morgan was in contact at this time with Luis Corea, the chargé d'affaires at the Legacion de Nicaragua in Washington. Morgan had contacted Corea concerning the rumor that Nicaragua intended to raise the price of any concession granted to the United States.

<sup>52</sup> Ibid., letter C. Colne to Morgan, February 28, 1902, also March 7, 1902.

<sup>53</sup> Ibid., letter Edward North to Morgan, March 11, 1902, also Senate Rpt. 1667, 57th Congress, 1st Session contains such tables.

<sup>54</sup> Ibid., Morgan Papers, letter Morgan to Roosevelt concerning an article by Andrew Carnegie recommending the Panama canal route.



Corea, in his reply claimed that any statement of this type was false adding:

The government of Nicaragua has ever acted in good faith in this matter . . . Admiral Walker and his colleagues recommended four consecutive times the acceptance of the Nicaragua route, my Government never tried to take advantage of these recommendations.<sup>55</sup>

Morgan further contacted financial experts for their opinions on the funding of a canal. Would the canal funding require interest bearing bonds, or were there other ways of doing it?<sup>56</sup> The Morgan papers for this period show a man obsessed with attaining a long-sought goal. They also show Morgan as a hard working, realistic and meticulous politician, checking all facets of the question to be prepared for any contingency. Morgan realized that this would probably be the last chance for the canal he now considered his route, and he wanted to take no chances.

<sup>55</sup> Ibid., letter L. Corea, Nicaraguan chargé d'affaires to Morgan, March 7, 1902.

<sup>56</sup> Ibid., letter Griffith Davis to Morgan, received March 18, 1902 dated January 1, 1902.

## CHAPTER V

The Hepburn Bill which passed the House of Representatives by a margin of 307 to 2 in January 1902 was sent directly to the Senate. Unfinished business on the floor of the upper chamber, and the dealings of Aldrich and others in opposition, delayed the introduction of the bill throughout January and February. Finally in March 1902 Senator John Tyler Morgan introduced the Hepburn Bill to the whole Senate. Though Morgan had worked very hard both in and out of the Senate to insure the passage of the bill, he realized that his advantage was slipping in favor of the Panama proponents. As a last ditch effort to pass the bill before the opposition's already growing strength got any greater, Morgan asked for immediate consideration of the bill and suspension of the rules.<sup>1</sup> The request was denied and the bill was sent to the Committee on an Interoceanic Canal for consideration.

As Morgan saw his support slowly fading, the opposition strength grew around him. Senator Lodge of Massachusetts and Senator Hanna both wielded their considerable power to line up votes for the Panama route. The supplemental report to the Walker Commission that favored Panama aided its Senate supporters. The reasoning of the new report impressed not only uncommitted Senators, but

<sup>1</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, Senate, pp. 754-755.

even swayed some of the here-to-fore diehard proponents of the Nicaragua route. The Senate confrontation appeared long and bitter as the bill went through committee and a second reading and the Senate leadership established a debate schedule.<sup>2</sup>

The debate between the proponents of the Panama and the Nicaragua routes started out with the leading advocates. Senator Morgan gave the opening speech of the debate in April 1902, and although he planned to speak more than once during the debate, he pulled out all stops on this first excursion. The Nicaragua route was feasible; the Walker Commission reports from both 1899 and 1901 declared there were no engineering problems to be faced in the construction of a Nicaragua canal that had not been faced and conquered elsewhere in the past. All the equipment necessary for the project was readily available.<sup>3</sup> Morgan did not rely solely on the Walker Commissions, he also quoted from the Menocal survey, the Ludlow Commission of 1895, and even submitted a survey taken during the colonial period.<sup>4</sup>

Senator Morgan's speech drew upon the numerous sources he accumulated over the years, while drawing especially on the report of Admiral Walker's two commissions. In Morgan's

<sup>2</sup> Ibid., p. 755.

<sup>3</sup> Walker Report, p. 147.

<sup>4</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, Senate, p. 950.

eyes the supplement to the second Walker Report was insignificant compared to all the positive things said about the Nicaragua route. The reports uniformly agreed that the climate in Nicaragua would be ideal for building a canal, not all the material was as favorable in discussing Panama. Morgan pointed out that several surveys of the terrain had shown the climate along the Nicaragua route as warm and humid, but not infested with the numerous disease-carrying insects that existed in Panama. One report showed that whereas the Europeans and Americans who worked in Panama had a high rate of infection from yellow fever and similar tropical diseases, the few white men that had worked in Nicaragua had been more productive and healthier.<sup>5</sup> In this same vein Morgan accumulated evidence that the natives of the region in Nicaragua where the projected canal was to be built could and did work hard and were not detrimentally affected by the climate.<sup>6</sup>

According to Senator Morgan, the political climate in Nicaragua favored a United States canal and the government had the sole authority of working out a concession. There would be no need for third party interference. The Panama route on the other hand belonged to a French company under

<sup>5</sup> "Material on the Nicaragua Canal," Senate Document 157, 56th Congress, 2nd Session, p. 361.

<sup>6</sup> "Documents Relating to Inter-Oceanic Canal," Senate Document 377, 57th Congress, 1st Session, p. 241. Hereafter cited Sen. Doc. 377.

a Colombian government grant. This situation was further complicated by the unstable political climate in Panama where the frequent attempts to secede from Colombia had not abated. The unstable political situation avoided chaos only because of national military intervention, and occasional intervention of the United States military based on the treaty signed in 1846.<sup>7</sup> The political situation in Nicaragua by comparison was stable. The border disputes with Costa Rica which had flared up from time to time had subsided due partially to the projected canal.

Costa Rica, which would have some territory in a projected canal zone, and Nicaragua signed a preliminary agreement with the United States in December 1900. The agreements negotiated by Secretary of State Hay established protocol for any further agreements between the countries with respect to a canal. Senator Morgan claimed that these treaties, which were never submitted for ratification due to the uncertainties of the Hay-Pauncefote Treaty, could now be ratified by all the concerned countries. This would give the United States Government the basis it needed to handle all legal questions concerning a concession.<sup>8</sup> Morgan contrasted this simple step with the entangled legal barriers in Panama.

<sup>7</sup> Sen. Doc. 231, p. 183.

<sup>8</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, Senate, p. 4288.

Morgan called upon the patriotism of the Senators in considering the two routes. The Nicaragua route as Morgan painted it, both in his speech and in numerous documents he ordered printed over the years, was the American route. Over the last three decades such prominent Americans as Ulysses S. Grant and Rutherford B. Hayes had been directly interested in a Nicaragua canal. All the early surveys and commissions sent out to investigate a route had been sent to Nicaragua.<sup>9</sup> The Panama route on the other hand, was the French or foreign route. Europeans had planned it, financed it, and involved it in scandals, while all action in Nicaragua had been carried on in the highest tradition of American business.

Senator Hanna made the initial speech opposing Morgan's position. After a political career as a behind-the-scenes kingmaker in Ohio, he had received an interim Senatorial appointment in 1897. Hanna had never practiced or mastered the art of oratory, but despite these drawbacks, he outlined adequately what he considered the major issues of the controversy. Knowing that several surveys had shown that a canal through Nicaragua was feasible, Hanna recognized the efficiency of the commissions and would not argue with the conclusions, but took the stance that a Panama site was more practical. Hanna felt that since the venture to build a canal through the Central American isthmus was

<sup>9</sup> Walker Report, p. 9.

one of the largest business investments in history it should be approached in a very business-like manner. No work had been done in Nicaragua, no equipment was there, and there were no workers in the area who were trained for the kind of work that would be done. The situation in Panama was different. As the Walker Commission had pointed out, major progress had been made in the Panama project. Even subtracting all the work that would have to be done over because the jungle had reclaimed the right of way, or because the climate had destroyed the equipment, \$40 million worth of work had been done. The equipment necessary to start the remaining work in Panama was on the scene. A trans-isthmian railroad that followed the route specified for the canal was already constructed. At least some of the engineers and laborers who would take part in the project were there, and housing, storage, and health facilities were in place. For these reasons among others, the Walker Commission had felt that the Panama project could be completed faster than the Nicaragua project, and time on a project like this was money.<sup>10</sup> Hanna pointed out that one of the major cost differences computed between the Nicaragua project and the Panama project was based on the money being spent in interest. Since the latter would be done first, or faster, less money would be lost in interest

<sup>10</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, Senate, p. 4304.

before revenues started coming in.<sup>11</sup>

Hanna was to make another speech on the issue near the end of the debate, a speech that is generally considered the finest speech of his career, but Morgan and Hanna were not the only Senators to take an active role in the debate. Both the pro-Panama forces and the pro-Nicaragua forces took an active role in the question. Senator John Mitchell, a Republican from Oregon, played a key role in the controversy as an advocate for Nicaragua. Mitchell, who was the Chairman of the Senate Committee on Coastal Defenses, was nearing the end of a checkered career that dated back over twenty-five years in the Senate. An attorney by profession, he seemed astonishingly well versed on many of the major engineering issues even with the most detailed information from the second Walker Commission report. Besides stressing what Mitchell felt were the obvious engineering advantages to the Nicaragua route, the Oregon Senator also stressed the political climate in Nicaragua. As had been pointed out before, both in the Senate, and in the numerous reports, Nicaragua was a stable country with little likelihood of political turmoil, while the political dissension at Panama was notorious. Large amounts of capital should be invested where the political climate was stable, not in a possible hotbed of separatist feeling.

<sup>11</sup> Ibid., p. 4305.



This was the critical feature in Mitchell's eye.<sup>12</sup>

Senator Harris, a Republican from Kansas who was a trained engineer, strongly advocated the Nicaragua route and, unlike most members of Congress, read the Walker Commission Report with a professional expertise. Like all the major speakers on the debate, he extensively quoted the report's evidence favoring Nicaragua over Panama. Though his arguments did not prevail, it is interesting to note that the only engineer who took part in the Senate debate did favor the Nicaragua route.<sup>13</sup>

Much of the debate centered on engineering questions, particularly as they applied to Panama. One of the chief areas of contention was the Bohio Dam. The dam would be necessary in building a lock canal through Panama, and was considered the most difficult single engineering feature on the route. One of the arguments put forward by the partisans of the Nicaragua route was the impossibility of building the dam. The proponents of the Panama route defended the dam by quoting the Walker Commission. The commission had found the dam to be feasible with the equipment and knowledge then available.<sup>14</sup>

The Walker Commission Report discussed the water tables of both countries. Nicaragua, due to the vastness

<sup>12</sup> Ibid., p. 6329.

<sup>13</sup> Ibid., pp. 6500-6505.

<sup>14</sup> Walker Report, p. 78.

of the lake that the canal would travel through would have adequate water at all times. It was pointed out in several documents that from the time that Europeans had started keeping records of the area there had never been a serious water shortage.<sup>15</sup> In discussing the Panama route the Walker Commission maintained that whereas certain times of the year provided more water for the canal than others, at no time was there serious danger of the route having inadequate supplies. The Nicaragua proponents had shown in evidence submitted before the Committee on an Inter-oceanic Canal that the danger of drought was very real. At this point, both sides used any argument they could to discredit the opposition, yet constant reference to the report of the Walker Commission seemed to indicate that it had been carefully read by a great many Senators.

The last major engineering question to concern the Senators dealt with the harbor facilities in Nicaragua. Panama had deep water harbors at both ends of the isthmus, that had been operating as major ports for decades. The Panama Railroad, and the earlier Panama road across the mountains had made this area a major shipping lane for well over a century. The eastern terminus, and the western terminus of the proposed Nicaragua route had no ports, in fact neither place had a navigable harbor in 1902. The proponents of the Panama route pointed out that while the

<sup>15</sup> Ibid., p. 81.

Walker Commission Report agreed that a feasible harbor would be possible at both locations, the report had favored the already existing ports in Panama, as both already established, and better than any that could be built in Nicaragua.<sup>16</sup>

The proponents of the Nicaragua route argued the case of the sailing merchant marine. Morgan, as mentioned above, had been in contact with members of this group of seamen, and they had favored the Nicaragua canal for their vessels. The Nicaragua canal would not only allow for easier transport for these vessels, but the onshore winds favored the Nicaragua route. Ships that were dependent on the trade winds had been stuck for some days awaiting favorable winds in both ports on the coast of Panama. The prevailing winds near the Nicaragua canal were more reliable. The proponents of the Panama route saw this argument as trivial; the days of the sailing ship were numbered, and should not be considered seriously when discussing the project.<sup>17</sup>

The debate continued throughout the months of April and May 1902, with each side attacking and defending their relative positions. The advocates of the Nicaragua route detailed the health hazards that existed in Panama. There existed solid evidence that the isthmus at Panama had a

<sup>16</sup> Ibid., p. 139.

<sup>17</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, Senate, p. 6662.

real yellow fever problem. As far back as the first French efforts on the isthmus, the disease had taken its toll in lives and lost man hours, seriously hampering construction. The pay scale was high in Panama, due a great deal to the health hazards faced by any Europeans, or North Americans who tried to work there.<sup>18</sup> Senator Morgan, as part of the campaign he waged to distribute evidence on the question, submitted portions of a book, Five Years in Panama, that dealt with the problem. The book, written by a physician, took the pessimistic view that European settlement in Panama would be futile, unless a cure for the disease could be found.<sup>19</sup> The proponents of the Panama canal could not refute either the argument, or the evidence on the state of disease, so they generally ignored the issue when it was raised.

Indirectly the Panama advocates countered the yellow fever arguments with a safety argument aimed at the Nicaragua advocates. Nicaragua was said to be unsafe as a project site due to the dangers of earthquakes and volcanic action. This argument had been put forward and debated several times in the past, in committees, in the House of Representatives, and even in periodicals, including National Geographic, nonetheless it was dragged

<sup>18</sup> "Five Years in Panama," Senate Document 401, 57th Congress, 1st Session, p. 368.

<sup>19</sup> Ibid., p. 371.

out for the purpose of debate again in 1902. The advocates of a Nicaragua canal, while not denying that there was some danger of volcanic action and earthquakes in Nicaragua, contended that a similar danger existed in Panama. Another one of the numerous pieces submitted to the Senate through the Committee on an Interoceanic Canal dealt with a severe earthquake that had partially destroyed Colón, one of the port cities on the Panama route.<sup>20</sup> Throughout the debate both sides claimed to be on the side of the angels by consistently referring to the Walker Commission Report, yet on this issue both sides ignored the report's conclusion; the danger of earthquake, and volcanic activity existed, but was too slight to be considered significant at either location. The argument when first introduced into the debate seemed to be but a minor piece in the whole argument, though later events were to make this an issue of considerable significance.

The Senate debate on the Spooner Amendment to the Hepburn Bill was not carried on in a vacuum. Besides the activities of William Nelson Cromwell, and his ally Philippe Bunau-Varilla, the press showed a marked interest in the debate's progress, and none more so than the New York Times. Since the United States had become seriously interested in building a transisthmian canal, the Times had shown a pronounced favoritism toward the Nicaragua route.

<sup>20</sup> Sen. Doc. 377, p. 258.

The reports of the various commissions had been noted, as had the scandals of the first French company, and the economic woes of the second company. When the second Walker Commission released their final report in November 1901, the paper applauded their effort, and wholeheartedly endorsed their conclusion.<sup>21</sup> The editors were satisfied that the best interest of the United States had been served, and that any attempts by the railroad lobby to stop a canal had been thwarted. As the situation changed, vis-a-vis the French company's attitude toward establishing a selling price, the newspaper's editorial opinion changed. The paper duly reported the supplementary report of the Walker Commission, but gone was the enthusiasm that had met previous announcements, and in its stead was a note of caution.<sup>22</sup> The editors did not criticize the new report, on the contrary, they recognized merit in the new proposal, and courage in the forthright manner in which the change had been handled.

As the debate progressed in the Senate during the spring of 1902 the New York Times slowly returned to its original stance in favor of a Nicaraguan canal. The paper agreed with the Walker Commission's cost analysis of the two routes, but pointed out that perhaps there were other factors than just money to be considered. If the United

<sup>21</sup> New York Times, November 6, 1901, p. 6.

<sup>22</sup> Ibid., June 21, 1902. Also June 8, 1902, p. 6 and May 28, 1902, p. 6.

States could purchase the Panama concession for \$40 million then the Nicaragua canal would cost five million dollars more than Panama, but the paper warned that perhaps it was a five million dollar mistake. In applauding the decision of November 1901, the paper had rejoiced at the final demise of those who would try to foil an American canal, in the spring of 1902 the warnings seemed to reappear.<sup>23</sup> When the Times first reported the introduction of the Spooner Amendment the paper predicted but never endorsed the passage of the amendment. Throughout the Senate debate, while trying to appear objective, and non-partisan, the paper favored the Nicaragua route.

During the critical months from February to June 1902, the secret alliance of Cromwell and Bunau-Varilla worked overtime. Both men, Cromwell the realist and Bunau-Varilla the optimist, realized that a Senate vote for the Nicaragua route at that time would end their hopes for a Panama route permanently, while a vote for Panama would simply mean they had won another round. Cromwell worked feverishly with Senator Hanna and the other Republican leaders to stress the practicality of the route. While preparing the Senators for the debate, Cromwell was constantly reassuring them of the rightness of their action. He issued continued assurances that the transferability of the concession was no problem. Just how involved Cromwell was behind the

<sup>23</sup> Ibid., June 8, 1902, p. 6.

scenes is not known. The attorney's sole aim was to sell the company, thus earning a sizable commission. In accomplishing this feat he not only was willing to stay out of the public view, he felt that it was imperative. His reputation as a wheeler-dealer would be of no aid to the pro-Panama forces if it became known that he was helping them. It was not until over five years later, in 1907, that Cromwell admitted any role in the proceedings, and he only did so at that time to justify the enormous fee he asked the French court to award him. Also by 1907 the United States was in the middle of construction of the canal, and his role would have no effect on the project. In the Cromwell brief, which is still the only document available to study the role he claimed to have played, he went so far as to claim authorship for Hanna's speeches of June 5 and 6.<sup>24</sup> This claim, like many of the claims of his ally Bunau-Varilla, is undoubtedly inflated. Hanna did work with Cromwell and was influenced by arguments, but it seems unlikely that a man as knowledgeable of the subject as Hanna was, and as shrewd a politician, would either need or allow a lobbyist to write the most important speech of his career. Even today, almost sixty years after his death, it is difficult for the historian fully to evaluate Cromwell's role and motives because his private papers have never been opened to public scrutiny.

<sup>24</sup> "Story of Panama," p. 180.



While Cromwell labored covertly, Bunau-Varilla took the direct public approach he had used for years. The Frenchman ran a perpetual lecture series for anyone who would listen, and who might have some power to alter the outcome. For several years Bunau-Varilla had made a habit of inviting men of influence to his home for dinner, and then talking for hours about the benefits of the Panama canal.<sup>25</sup> His activities in the spring of 1902 reached a fever pitch, not only did he continue to entertain at home, and carry on his lecture series, but he also wrote letters to people of influence, from President Roosevelt on down. Bunau-Varilla not only extolled the virtues of the Panama route, but turned his talents as a promoter towards discrediting the Nicaragua route. Bunau-Varilla paid particular attention to the argument that the Nicaraguan route was in constant danger from natural disaster. Nature came to the aid of Philippe Bunau-Varilla in May of 1902 in the form of a disaster in the Caribbean Sea.

Mt. Pelée, on the island of Martinique, erupted suddenly and violently, pouring tons of lava onto the town of Saint-Pierre. The eruption was so sudden and devastating that over thirty thousand people perished, one of the worst disasters in the modern era. The significance of the event, both as to timing and geography was not lost on Bunau-Varilla. Martinique was situated on about the same

<sup>25</sup> Bunau-Varilla, Panama, p. 181.

latitude as the proposed Nicaragua canal. Nicaragua, as mentioned above, had a number of volcanic peaks in various states of activity, in fact, Nicaragua's most famous landmark was Mt. Momotombo, a picture-perfect cinder cone, that was even glorified on the country's postage stamps. Bunau-Varilla took this opportunity to insure victory for the Panama route. By his own account, Bunau-Varilla purchased one hundred Nicaraguan stamps with the picture of Mt. Momotombo. He then sent one stamp, along with an account of the Mt. Pelée disaster to every Senator. The remaining stamps he sent to other persons directly involved in the controversy, including President Roosevelt, and Secretary of State John Hay. It is impossible to measure the impact of this deed, though Bunau-Varilla maintains that this insured the victory of the Panama route in the upcoming debate.<sup>26</sup>

Even if Philippe Bunau-Varilla was a more credible witness to the events of the period, his assertion that the stamps turned the tide would be questionable, when added to the other evidence it assumes the proportions of being absurd. The New York Times, as previously mentioned, had predicted victory for the Spooner Amendment, at the time it was introduced. The reasons the paper gave were many, but the argument of natural disaster was not one of them. It is also true, and was known at the time

<sup>26</sup> Ibid., p. 229.

that Mt. Pelée and Mt. Momotombo were not in the same volcanic range. Mt. Momotombo was part of the volcanic mountain range that stretches with few interruptions from Alaska to Tierra del Fuego, Mt. Pelée was part of a volcanic chain that stretches primarily in an east-west direction, at that latitude in many parts of the globe. In other words, the eruption of Mt. Pelée did not increase in any way the danger of an eruption of Mt. Momotombo, or any other volcano on the American continent. It was also common knowledge that Mt. Momotombo was not situated anywhere near the proposed canal route. The mountain was located on the north end of Lake Managua, in northern Nicaragua, the proposed canal route ran through the southern portion of Lake Nicaragua, on the southern border of the country. Even a total eruption of Mt. Momotombo would have no effect on the canal, whether it was under construction, or in operation. These factors, along with the often quoted Walker Commission findings that the danger of natural disaster was minimal, deflated the Frenchman's inflated claim. Still, the disaster at Martinique made the world and the United States Senate volcano conscious at a critical period.

As the debate moved into the final month, Senator Morgan realized he was losing ground. On June 5, 1902, Hanna gave his much-heralded speech in defense of the Panama canal. The speech, although it introduced no new arguments, was not only the greatest of the Ohio Senator's career, but

the most important speech of the entire debate. The speech was presented like a business report to a group of potential stockholders, complete with graphs and charts. Hanna did not try to sway the Senate with his rhetoric because he knew that if rhetoric was going to decide the issue he could not possibly compete with the oratorical skills of Morgan; Hanna used cold facts and figures. He referred to the Walker Commission as a source of his evidence, both financial and scientific. The Panama project was partially done, therefore it would be less expensive. The Panama project would be done sooner, thus it would start paying off sooner than the Nicaragua route. The Panama route was only forty-nine miles from port to port, while the Nicaragua route was over one hundred and eighty-three miles wide, therefore the trip would take less time, and more ships could pass through faster, providing more revenue for the country that built it. The shorter canal would also be easier and cheaper to maintain, and finally it would be safer. Hanna reminded the Senators that this was the largest business investment ever made by the United States in peacetime, and therefore great caution must be exercised to insure it. Hanna then outlined a history of natural disasters in the area around Nicaragua that would make any investor wary.<sup>27</sup> The political lessons of Mt. Pelée were not lost on Hanna, and he would stick to the

<sup>27</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, p. 6853.

advantage it had granted him. Whether Hanna was indeed influenced by Cromwell, as the latter was later to maintain, it is impossible to say. The Senator obviously received the stamp and the articles from Bunau-Varilla, though it is rather doubtful that they added anything to Hanna's pre-arranged battle plan. Hanna left no record of how he formulated the ideas for his speech, nor did he ever say who helped him with it, so it is impossible to know for sure what role any outside characters played. It is certain though that the affect of the speech was both immediate and profound. The New York Times granted more coverage to this speech than any other of the entire debate.<sup>28</sup>

The proponents of the Panama route had one other great speech in the debates of June 1902, by Senator A. B. Kitteridge, a South Dakota Republican, who spoke on the issue a few days after Senator Hanna. The speech, which was the maiden one for the Senator, paid only scant attention to the scientific and financial questions, because Kitteridge was more interested in the legal questions. Senator Kitteridge discussed the protocols that had been signed by Secretary Hay and the ministers of Nicaragua and Costa Rica in December 1900. Senator Morgan argued that these unrati-fied protocols were the basis for future dealings on an interoceanic canal through Nicaragua. Kitteridge contended

<sup>28</sup> New York Times, June 6, 1902, p. 1.

they meant nothing. The two protocols had never been introduced into the Senate for ratification, and until they had been presented, and ratified they had no standing in international law. In the meantime, they could be completely ignored.<sup>29</sup>

Kitteridge next discussed the French canal concession granted by the Colombian Government. Drawing from a number of legal sources, including the Walker Commission, and a firm law background, Kitteridge argued that the transfer of the Wyse Concession was legal and could be accomplished with minimal effort.<sup>30</sup> The United States Senate was comprised of many lawyers, and the legal questions on the concession had been discussed over and over, but the Kitteridge speech stood out as the most important one on the topic during the prolonged debate.

The debate moved into the second week of June, and an attempt was made to stave off the increasing bitterness in the Senate by refusing to make a decision on which route to choose for the canal. George Frisbee Hoar, the senior Senator from Massachusetts, introduced an amendment during the final days of the debate that would put the selection in the hands of the President. The Hoar Amendment authorized Congress to appropriate the money necessary to build a canal through Central America, but instructed the President

<sup>29</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, p. 6853.

<sup>30</sup> Ibid., p. 6855.

to negotiate with whomever necessary to determine a route. Hoar observed that if the Spooner Amendment was adopted, the President would have the final say over which route was selected anyway, and that the adoption of his amendment could accomplish the same end with less bitterness.<sup>31</sup> The Hoar Amendment was defeated handily, to no one's great surprise, but it is significant that George F. Hoar, one of the oldest and most respected Republican Senators, should introduce such an amendment. Hoar was representative of a number of Senators more concerned with getting a canal built, than with any one route.

Throughout the last month of the debate Senators Mitchell, Morgan, and Harris, as well as some of their allies had desperagely tried to turn back the tide that was pushing for the Panama route. On the 16th and 17th of May Senator Morgan warned the Senate that a conspiracy existed that would deprive the United States of a feasible canal route. The chief villain of the conspiracy in Morgan's speech, was William Nelson Cromwell. Cromwell, the power behind the Panama "lobby," was trying to sell the United States a canal route that probably could not be completed as planned.<sup>32</sup> Though Morgan's allegation that a "lobby" existed was denied at the time, the Alabama Senator came very close to the truth, a truth that would not come to

<sup>31</sup> Ibid., p. 6860.

<sup>32</sup> Ibid., pp. 6653-6656.

light for many years. While Senator Morgan was cautioning the Senate about the conspiracy, Senator Harris was trying to play down the danger of natural disaster. The Walker Commission clearly showed that earthquake, and volcanic danger was minimal, despite the evidence presented by Senator Hanna. The eruption of Mt. Pelée had deprived the advocates of the Nicaragua route of a positive attack against earthquake danger in Panama, volcanoes became the chief concern, and they existed in Nicaragua. Defensive action was necessary. The Nicaragua advocates also reminded the Senators that the transfer of the concession was questionable, and even the Colombian Government was now making no direct statements on their attitude on the issue. While the Spooner Amendment would mean the beginning of a long, possibly fruitless, negotiation with Colombia, the adoption of the Nicaragua route would mean the simple ratification of pre-signed protocols, and then negotiations with two countries eager to have a canal.

The debate wound up on the eighteenth of June, and the vote on the Spooner Amendment to the Hepburn Bill took place on the nineteenth. As expected, the amendment substituting the word "Panama" for "Nicaragua" was adopted. The vote on the amendment was 42 to 34. The reconstituted bill passed in the Senate 61 to 7,<sup>33</sup> and the two houses of Congress had now reached a stalemate. The House of

<sup>33</sup> Ibid., p. 7074.



Representatives had selected the Nicaragua route by the overwhelming majority of 306 to 2, and the Senate had selected the Panama route by the likewise huge majority of 61 to 7. The two bills now went to a joint committee for a compromise.

The Senate sent to the joint committee Senators John Tyler Morgan, Marcus Alonzo Hanna, and A. B. Kitteridge; the House sent Representatives Hepburn, Fletcher, and Davey to the committee. The committee met several times before they broke the impasse caused by Morgan, Hepburn and Fletcher favoring Nicaragua, and Hanna, Kitteridge, and Davey being equally committed to Panama. As the end of the week drew near, the stalemate was finally broken, one of the Nicaragua proponents switched his support to the Panama route. John Morgan, the father of the Nicaraguan canal, agreed to vote for the Spooner Bill on June 25, 1902.<sup>34</sup>

Though Senator Morgan never stated his reasons for the sudden switch in his vote, his motives are clear. Morgan was convinced that the President would never get clear title from the Colombian Government for the Wyse Concession, and that eventually he would have to turn to Nicaragua. The House of Representatives, in a dramatic turnabout voted to accept the committee recommendation by over two hundred votes. Many members of Congress must have agreed with Morgan's thinking, and many more must have felt

<sup>34</sup> New York Times, June 26, 1902, p. 1.

that any canal was preferable to no canal.<sup>35</sup> William Hepburn did not vote to adopt the committee recommendation, nor did he ever forgive Morgan for what he considered a betrayal. Hepburn knew only that the bill authorizing the construction of a transisthmian canal would not bear his name.

The President received the Spooner Bill, as it was then known, on June 28, 1902, and signed it into law. The President was elated to have the bill, and gave credit for its passage to Senators Hanna and Kitteridge.<sup>36</sup> How much consideration the President had given to the clause of the bill that called for him to negotiate with Nicaragua if the Colombian Government could not agree to the transfer of the concession is not known. The events of November 1903 would suggest that the President never gave serious consideration to Nicaragua after the signing of the bill.

The Congress of the United States had decided to recommend the building of a canal through Panama, and the President had signed into law the bill that would make it possible. The fight for the route appeared over. The next eighteen months would prove that the battlefield had changed, though many of the warriors had not. The battle moved into the diplomatic realm, between Bogota and

<sup>35</sup> Congressional Record, vol. 35, 57th Congress, 1st Session, House, p. 7441.

<sup>36</sup> New York Times, July 1, 1902, p. 4.

Washington.<sup>37</sup>

With the signing of the Spooner Bill, many of the advocates of the Panama route hoped the bitterness was over. Senator Hanna, and even William Nelson Cromwell, hoped that Senator Morgan could be appeased. Overtures were made to the Senator to have him remain at the head of the canal committee, though all overtures were spurned. Morgan became furious when Hanna informed him that he would always be considered the father of the Panama route.<sup>38</sup>

Senator Morgan never gave up his interest in the project, for the rest of his life he sat on the committee that oversaw the construction. While serving on the canal committee he kept a file on the project and scrutinized every transaction. Morgan knew by the middle of July 1903 that the Nicaragua route was finished, but he was still convinced that he had been right. The file on the Isthmian Canal was a record to prove his point. The fanatic of the Nicaragua route became the watchdog of the Panama route. The files he kept show that he continued to investigate and scrutinize the role played by both Bunau-Varilla and Cromwell, and that he locked horns with the New York attorney again in a Senate hearing.<sup>39</sup> The Alabaman also continued

<sup>37</sup> Miner, Panama Route, the second half of this work deals with this question.

<sup>38</sup> Charles Ameringer, "New Light on the Panama Canal Treaty," The Hispanic-American History Review, February, 1966.

<sup>39</sup> The Papers of John Tyler Morgan in the National

investigating the role played by the railroad officials. In pursuing this investigation he brought to light that John Pierpont Morgan, the financier, had received the contract to act as the agent of the French Company in the transference of the \$40 million.<sup>40</sup> Though the New York Times may have been wrong in asserting that the railroad people were behind the Panama route to destroy any canal, Morgan did find evidence that if the railroad could not stop the canal from being built, at least one man with railroad interests was going to get involved in the project. Senator Morgan died before the Panama canal was completed, and also before the Cromwell litigation started in the French courts. He never saw the completion of the project he indirectly was responsible for, nor did he ever have the satisfaction of Cromwell's admission that he was indeed the behind-the-scenes manipulator of the Panama "lobby."

It is impossible to give a percentage breakdown of the factors that led the United States away from the Nicaragua route and onto the Panama route, nonetheless certain factors do stand out as important. The international situation that Great Britain found herself in forced her to

Archives Box 26, "Papers on the Isthmian Canal," from a memo dated 1904. The memo concerns a company titled the Panama Supply Company that Cromwell was also affiliated with.

<sup>40</sup> Morgan Papers, Box 26. March 11, 1904. In this paper Morgan suggests that of the \$40 million paid out by the United States through J. P. Morgan, over two million wound up in W. N. Cromwell's pocket. There seems to be no corroborating evidence of this accusation, not even in his own papers.

renegotiate the Clayton-Bulwer Treaty, and the dynamic nature of the situation allowed her to choose her own pace for the renegotiation. If the Clayton-Bulwer Treaty had not existed, or if the United States Senate had not modified so drastically the first Hay-Pauncefote Treaty, the Nicaragua route might very well have been adopted in early 1901. Despite the imperialist expansionism that dominated the age, the United States Congress was wary of violating a treaty obligation with a country as powerful as Great Britain.

William Nelson Cromwell and Philippe Bunau-Varilla both played important roles in influencing the decision for Panama. The incredible ego of the French engineer, and the obsession with covert activity of the New York attorney made it difficult to evaluate just how important a role they played. Both men take credit for converting Senator Hanna to the cause of Panama, while both men reject any claim that the other one accomplished anything significant. Recent evidence has shown that the two men did work together, but it is not really known how much. Cromwell was to claim in his brief that he was responsible for the establishment of the Isthmian Canal Commission, better known as the second Walker Commission. He also claimed that he influenced President McKinley's selection of who was on the commission, yet Professor Haupt, the strongest advocate of the Nicaragua route was included despite Cromwell's attempt to insure that he would not be included.

The single most important figure on the Panama side of the issue seems to be Mark Hanna. Bunau-Varilla claimed one of the most important things he did in the name of the Panama route was to convince this incredibly powerful man of the rightness of the route. President Roosevelt, an old political enemy of Hanna's, gave him credit for the victory of the Panama route. William Nelson Cromwell tried to take credit for the speech he made that cemented the victory for the Spooner Amendment. The statements of two Senators probably go a long way in explaining the impact of Hanna's speech. Senator Platt stated that Hanna's speech, "was the most effective speech made in the Senate during his career."<sup>41</sup> Senator Frye maintains in the same work that Hanna changed his thinking, after "a life long advocacy of Nicaragua."<sup>42</sup>

The eruption of Mt. Pelée is another factor that played a critical role in the vote for the Panama route. If the eruption had not taken place, Hanna's speech would not have concentrated so heavily on the danger of natural disaster in Nicaragua, the part of the speech that is generally considered the most important. The eruption undoubtedly made the Senate volcano conscious, at a time when there was discussion concerning the possibility of spending

<sup>41</sup> Herbert Croly, Marcus Alonzo Hanna: His Life and Works, p. 384. Also, Miner, Panama Route, p. 151.

<sup>42</sup> Ibid., Croly, p. 384, Ibid., Miner, p. 151.

millions of dollars in a country where volcanoes were numerous. Still the tide seems to have turned before the eruption. Predictions of the victory of the Spooner Amendment precede the eruption.

The one factor that seems to best shape the opinion on the route selection is the report of the Walker Commission. Congressmen Burton and Cannon justified their decision to wait before voting on a route because the Walker Report was not completed. When the report did come out in favor of Nicaragua neither man raised an objection to the Hepburn Bill in January 1902. Senators Morgan, Mitchell, and Harris, as well as the less active advocates of the Nicaragua route used the Walker Commission Report as their primary source of evidence. Senator Hanna in his great speech used the Walker Report more than any other single source. Cromwell claimed to be instrumental in the panel selection in the same brief in which he claimed to have written Hanna's speech. Bunau-Varilla realized the importance of the commission by his reaction to their initial recommendation for Nicaragua. The Frenchman knew that unless the company acted immediately the report would win overwhelming support in the United States as the final authority. In January 1902, after the Walker Commission Report had recommended the Nicaragua route, the House of Representatives voted 306 to 2 in favor of the Nicaragua canal. In June 1902, after the Walker Commission Report had filed a supplemental report favoring the Panama route,

the United States Senate voted to build a canal through Panama. The House of Representatives then voted overwhelmingly to go along with the Senate. The factors that went into the decision to vote for Panama rather than Nicaragua are numerous, and are the purpose of this study, but the one unifying effect is the report. No government body recommended the Panama route before the Walker Commission Report, and no government body recommended the Nicaragua canal after the Walker Commission switched to favoring the Panama route. The selection of the Panama route was dependent on such diverse factors as international diplomacy, volcanoes, legislative investigation, lobbying, and possibly even bribes, but the most important factor was the Report of the Isthmian Canal Commission.



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