

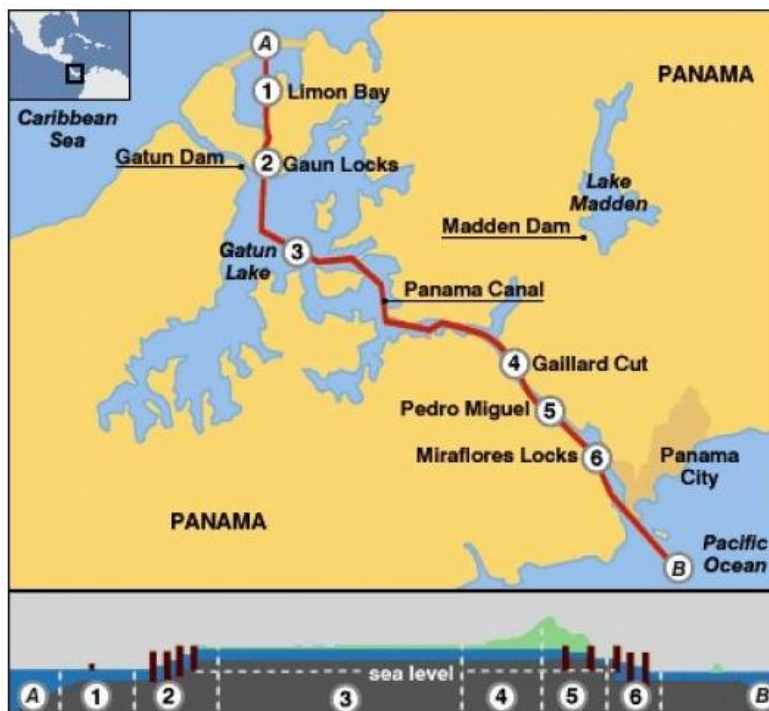
The Panama Canal

Introduction:

The U.S. was interested in building a canal from as early as the 1890's. During the Spanish American War it took three times longer for the troops to sail from California to Cuba. The Panama railroad which she constructed in 1851-1855, reinforced or highlighted the importance and urgent need for the transoceanic route. It was the route for prospectors to the California Gold Rush.

The Canal would connect the **Pacific to the Atlantic Ocean**

1. Provide easy access and communication between her territories in these two areas.
2. Save time on commercial shipping between the two areas
3. It would prove to be a very profitable investment
4. She would once again prove her dominance and hegemony in the Western World. She could more effectively carry out her role as international policeman and watchdog for the Hemisphere.
5. It would give her some amount of power over the other super powers.



Panama Canal layout

Theodore Roosevelt acquired the right to build the Panama Canal in **1903**. How did he accomplish this?



Theodore Roosevelt

- a. In 1850 the U.S. and Britain signed the Clayton Bulwer Treaty. They agreed to the joint construction and use of a canal in Panama.
- b. By the 1880's the French commissioned Ferdinand de Lesseps, the man responsible for the construction of the Suez Canal to build a similar one in Panama. Based on his track record of success, it was relatively easy for him to get the necessary funding for such a mammoth project.
- c. The venture failed however due to an epidemic of tropical diseases, technological problems and financial mismanagement. This was the break that the U.S. was waiting for.
- d. She approached Britain and requested that the 1850 treaty be annulled. Britain could not afford a 'showdown' at this point. She needed the U.S. if not as an ally at least to remain neutral in European affairs.
- e. In 1901, Britain signed a new treaty- The Hay Paunceforte Treaty in which she surrendered her rights to the construction and operation of a canal across the Isthmus of Panama as long as the U.S. allowed ships of all other nations to use it and be charged equal tolls.
- f. She still had two problems: Panama still belonged to Colombia and Colombia was asking a high price. The French still had the rights to construct the canal. That problem was easily solved. Given the difficulties and obstacles faced, the French company quickly sold the rights and equipment to the U.S. for \$40M. The deal was signed in the Hay Buneau-Varilla Treaty. Phillipe Buneau-Varilla being the major shareholder in the French Company.

g. The Hay-Herran Treaty was signed in 1903. The U.S. offered to pay Colombia \$10M for the right to dig the canal on a ten kilometer corridor. It would be leased for 99 years at \$250,000 p.a.

h. On November 3, 1903 a revolutionary war broke out between Colombia and Panama. It is said that the French company incited it because they were afraid that the U.S. might change its mind and seek a route through Nicaragua.

i. The U.S. President Theodore Roosevelt sends the USS Nashville "to protect U.S. life, liberty and property". They seize the Panama railroad and this prevents Columbian forces from landing within 80 kilometers (fighting distance) of Panama which then declares its independence.

j. Three days later on November 6th the U.S. recognizes Panama's independence and a new treaty was signed. The size of the zone increased to 17 km. and the life of the lease was 'in perpetuity'. The U.S. promised to protect and guarantee the independence of Panama under terms similar to the Platt Amendment.

k. Construction lasted ten years. It started in 1904 and ended in 1914

l. Over 75,000 workers were recruited from all over to include Caribbean territories such as Barbados and Jamaica.

m. It cost approximately \$400M to construct

n. American doctors and scientists worked feverishly and developed a cure for the malaria and yellow fever. They also sprayed the area eliminating the mosquitoes and installing adequate drainage systems to prevent further breeding of the insects.

o. American engineer John Stephenson designed the master plan for the canal as well as the use of railroads to carry away the dirt.

Positive effects of Panama Canal

1. U.S. provides employment for locals

2. Defense- during WW2 U.S. had airfield and military bases in Panama

3. Financial aid totaling \$40M in addition to annual rent which was raised from 250,000 to 436,000 in 1934 (F. Roosevelt) and 1.930M in 1955

Negative Effects

- 1.** It violated the sovereignty of the Panamanian people
- 2.** It strained relations between U.S. and Panamanians. In 1931 there was an overthrow of the Panamanian puppet President.
- 3.** Panamanian laws did not apply within the zone.
- 4.** Violence erupted in 1959 when Panamanians attempted to hoist their national flag in canal zone and strongly resisted by U.S. troops
- 5.** Locals were not allowed within several miles of the canal. An area of no man's land was established.
- 6.** There was an influx of American goods. These were available from shops in the Zone. They offered stiff competition to locally produced goods.