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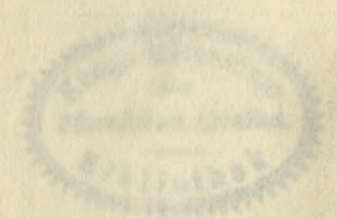
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THE NICARAGUA CANAL
THE MONROE DOCTRINE

POLITICAL THEORY OF ISTHMIAN CANALS
SPECIAL REFERENCE TO THE NICARAGUA
PROJECT AND THE ATTITUDE OF THE
UNITED STATES GOVERNMENT

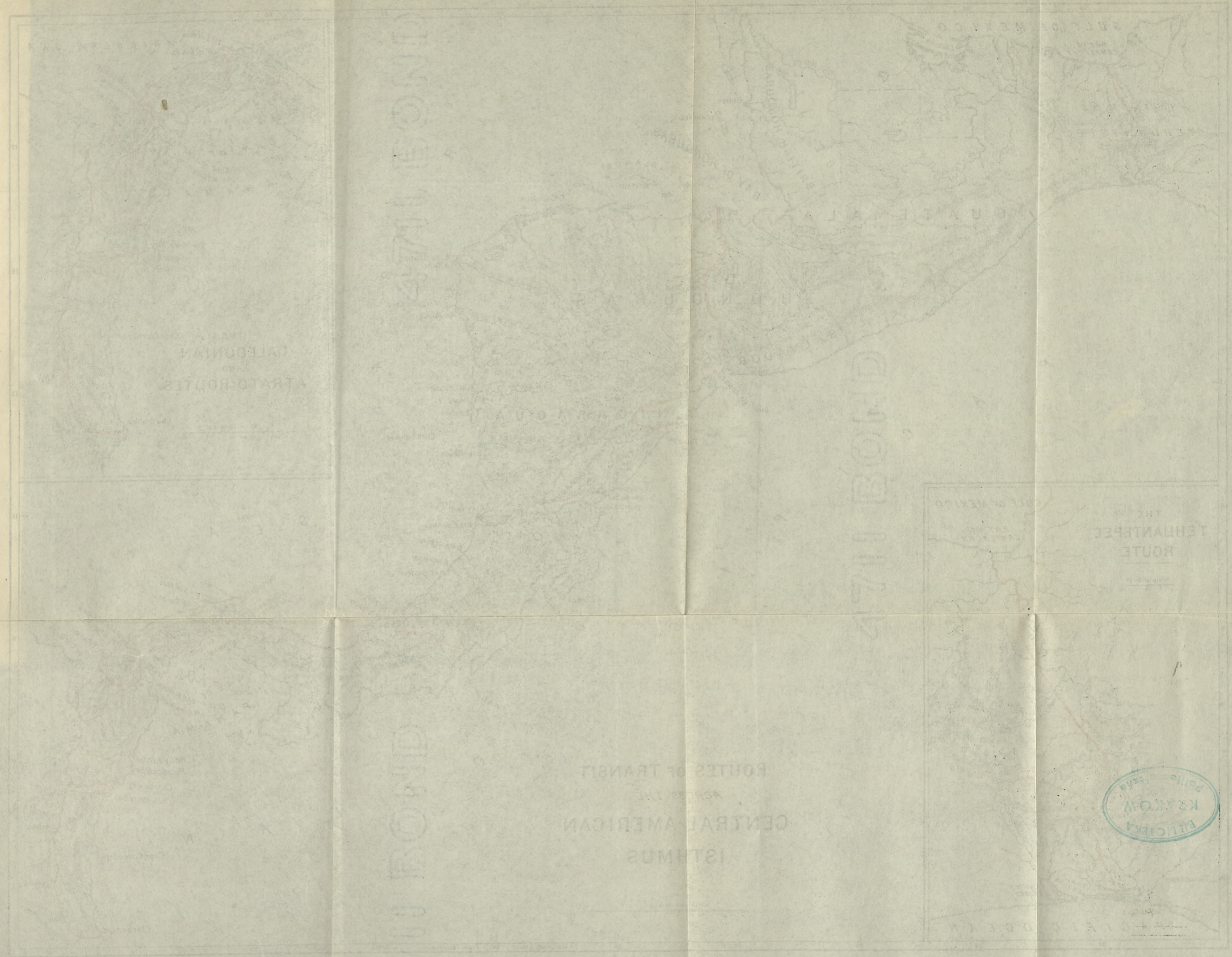
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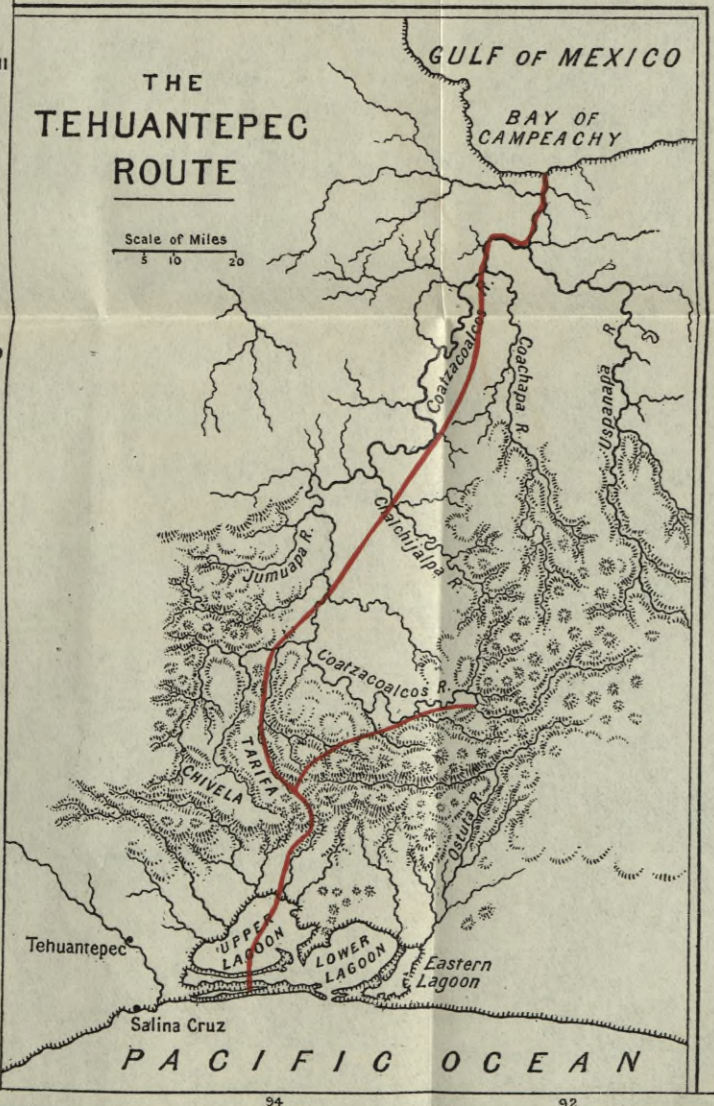
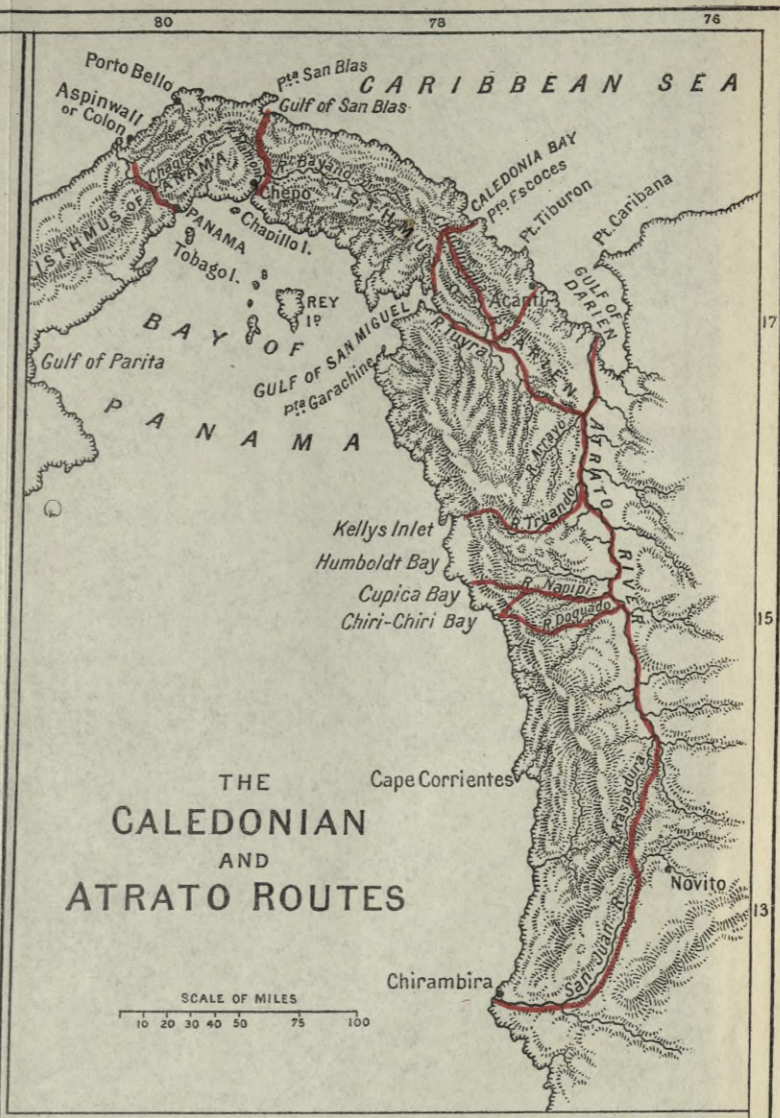
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ROUTES OF TRANSIT
ACROSS THE
CENTRAL-AMERICAN
ISTHMUS

SCALE OF MILES
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Longitude West from Greenwich

THE NICARAGUA CANAL AND THE MONROE DOCTRINE

A POLITICAL HISTORY OF ISTHMUS TRANSIT, WITH
SPECIAL REFERENCE TO THE NICARAGUA CANAL
PROJECT AND THE ATTITUDE OF THE
UNITED STATES GOVERNMENT THERETO

BY

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PREFACE.

SINCE the discovery of America, much has been said and a great deal has been written concerning the question of isthmus transit; but during all these four centuries, comparatively little has apparently been accomplished toward actually joining the seas. The problem of interoceanic communication has, however, in our day at last entered upon its practical stage, and without being over-sanguine, we may now look forward to its not far distant solution. While the final technical plans for the ship-canal are being perfected, it has, therefore, seemed to me opportune to undertake the history of this project which has been so long before the eyes of the civilized world as an immediate possibility, and which ere long, let us hope, will be a realized fact.

Owing to the geographical position of the United States and their resultant political ambition, the subject is one of peculiar importance to us Americans, and it is under this settled conviction that the present work has been conceived and carried out. If the narrative exhibits a national prejudice, therefore, it may rightly be attributed to the fact that the book is written avowedly from the Monroe doctrine standpoint.

As no complete history of the isthmus-canal project has thus far been written, the necessary material for the subject was found scattered through a number of old archives, government documents, general histories, and books of travel, and among a host of monographs and pamphlets. Having collected and classified these various data, I have attempted to weave the thread of the historical narrative through the following pages in as even a manner as possible; and in order that the necessary coördination of the raw material might not be entirely lost, I have furthermore taken pains to group the exact bibliographical references under each section, hoping that this arrangement of the notes may prove a useful guide to those who desire more detailed information than this book is able to afford concerning any of the events here outlined. And in conclusion I have taken the liberty of drawing some economic and political deductions from the facts as they have impressed themselves upon my judgment. These, however, are only matters of personal conviction, set purposely apart from the historical narrative, to be taken for what they are worth.

My thanks are due to Mr. J. W. Miller, Secretary of the Nicaragua Canal Construction Company, for his kindness in providing me with recent canal company data, and I am also under obligations to the Maritime Canal Company for permission to reproduce the panorama map of the proposed canal route, in connection with my account of the present technical situation of the project. I owe an especial debt

of gratitude, besides, to my brother, Mr. Frederick W. Keasbey, who has rendered me invaluable assistance in the preparation of this book for the press, by going over the entire manuscript, in correcting the proof, and in making up the index.

BRYN MAWR, PENNSYLVANIA,
September, 1896.



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THE NICARAGUA CANAL.

INTRODUCTION.

THE people of the United States have long been convinced that, of all the varied schemes of isthmus transit, the Nicaragua canal project is the only one worthy of their permanent consideration. It is now over twenty years since their government officially confirmed them in this conclusion; the transient glory of Panama was unable to shake them in their faith, and to-day the best technical authorities of the world are only grounding them the more firmly in their convictions. The Nicaragua canal has thus come, as it were, to be identified in the people's mind with the manifest economic destiny of their country.

§ 1. The
Central
American
Isthmus.

The settled foreign policy of the United States has also worn for itself a deep groove in the popular consciousness, and, in the light of their manifest political destiny, the American people are equally determined to hold this continent for the Americans, and leave Europe to fight it out for herself.

Thus from both the economic and the political

points of view, *The Nicaragua Canal and the Monroe Doctrine* may well be taken to typify our present attitude toward the more general question of inter-oceanic communication.

As soon as we regard the problem from an historical standpoint, however, our horizon is at once extended to include the whole length and breadth of the American isthmus. Every deflection in the crest of its mountains and all the sinuosities of its shores have been carefully examined in the long search for the most favorable route, and the governments of both Europe and the United States have also had their diplomatic dealings with all the states of this isthmus in their rival efforts to secure political control over the transit-way. The American isthmus as a whole, must, therefore, be taken as the geographical and political basis of the present enquiry; for it is only through a process of historical elimination and contraction that the more immediate problem of the Nicaragua canal and the Monroe doctrine has at last been set forth in its true light.

The political divisions of these isthmian lands are familiar enough to every one as they appear on all our ordinary maps. But nature's transit-ways across the isthmus are not so readily discernible. Thus, by way of introduction,—though not indeed without some trepidation, as geographical descriptions, however essential to a proper understanding of the subject in hand, are unavoidably tiresome,—a brief description of these several routes of interoceanic

communication may be permitted at the outset, in order that the historical narrative to follow may not be broken into unnecessarily by further topographical explanations.

Our ends are not technical, however, and, therefore a simple method of reconnaissance must here suffice to locate the lines in question. For this purpose we have first to follow along the crest of the great Cordillera range, from its emergence in the table-lands of Mexico to its ultimate union with the Andes of South America. This ridge has well been named "the backbone of the American isthmus"; for in all its snake-like windings it continues to present a persistent barrier between the two seas. As no genuine break occurs in all the length of this baffling mountain wall, we must mark, instead, the several depressions which here and there indent its crest.

With a sketch of the orographic profile thus before us, our next office will be to consider the hydrographic features of the lands on either side. Suitable harbors, lying in a favorable position on the opposite shores of the isthmus, should be noted in this connection, and the rivers emptying into each must then be traced to their head-waters in the ridge. Should one of our depressions perchance be found to lie in the immediate vicinity of the sources of these streams, then, through this pass in the mountains, and down each valley to the harbors on either shore, a route of transit may, at least provisionally, be drawn.

According to this method of enquiry, we had best begin our examination of the isthmus in the north.

§ 2. The Tehuantepec Route. Among the southern plateaux of Mexico, the Cordillera gradually assume the form of a dividing ridge, and extend southeast through the isthmus of Tehuantepec, keeping close to the Pacific shore. In the crest of this range, midway along the isthmus and exactly at its narrowest point, lie two mountain passes, Tarifa and Chivela, in close proximity to each other. Just north of these depressions are the head-waters of the Rio Coatzacoalcos, and from this point the winding river may be traced, down the gradual but continuous descent of the mountains, until it empties finally into the Bay of Campechy on the Atlantic side. The Pacific slope of the range is far more precipitous at this point, but it, too, is furrowed by numerous mountain streams, which discharge themselves abruptly into the lagoons of the southern shore. Under such orographic and hydrographic conditions, therefore, a provisional transit-way may be laid out directly across the isthmus of Tehuantepec at this point. After the isthmus, this route has been named the *Tehuantepec Route*.

The main ridge of the Cordillera, after traversing the isthmus of Tehuantepec, still continues to run parallel to the Pacific coast, forming an unbroken mountain wall facing the sea, down as far as the Gulf of Fonseca. Transverse ranges radiate from the Atlantic slope of this main ridge, intersecting Guatemala in almost

§ 3. The Honduras Route.

every direction, and stretching out northward and eastward through Honduras to the Caribbean Sea. At the Gulf of Fonseca the mountainous sea-wall terminates rather abruptly in a group of detached peaks around whose base the Rio Goascoran finds its way to the southern ocean. This little stream has its sources in the lofty plain of Comayagua, high up between the transverse ranges of central Honduras, whence it has carved out its valley line to the Pacific. In the northern extremity of this plateau rises the Rio Humuya. Winding down between the mountains this river merges at their foot in the broader Rio Ulua, which in turn empties finally into the Caribbean Sea at the Bay of Honduras. Between these two points, therefore,—from the Bay of Fonseca on the Pacific to the Bay of Honduras on the Atlantic side,—a line might be drawn along the two river valleys, which would at least fulfil the general conditions necessary for the location of an interoceanic railway. This is generally spoken of as the *Honduras Route*.

The plateau formation of central Honduras is continued along the left bank of the Goascoran and around the southerly shores of the Gulf of Fonseca, in the lower plains of Conejo and Leon. It is from amid these latter table-lands that the main range of the Cordillera now bifurcates; one branch continuing along the Pacific coast to unite in the south with the higher volcanic peaks of Costa Rica, the other cutting Nicaragua in a southeasterly direction and terminating finally on

the Caribbean coast just north of the outlet of the Rio San Juan. From this latter branch again great wooded spurs stretch out toward the eastern sea-coast, leaving between them but narrow defiles, through which countless streams flow down to mingle in the lagoons of the Mosquito shore. Esconced, as it were, between these two great branches of the Cordillera, lies a truly remarkable depression, about seventy miles wide, which slopes off gradually from the plains of Conejo and Leon in the extreme northwest to the level of the sea along the lower valley of the San Juan. Through this depression runs a series of isolated volcanic peaks, while in its centre, and for the most part filling it up, lie the two great inland seas of the district,—Lake Managua and Lake Nicaragua,—which are united by a narrow channel. Thus a natural water-course extends through Nicaragua in a northwesterly direction, from the Atlantic on the one side to within a few miles of the Pacific on the other; but here again the Cordillera interpose their persistent barrier between the seas. Lake Managua is cut off from the Gulf of Fonseca by the plains of Leon and Conejo; while along the narrow strip of land separating Lake Nicaragua from the Pacific there extends the western branch of the Cordillera, commonly designated as the Coast range.

Inasmuch as the elevation of the northwestern plateaux is comparatively slight, and as the ridge of the low coast range is indented here and there with easy passes, numerous opportunities are here afforded

for extending this natural water-way of Nicaragua to the Pacific by the excavation of a canal through the remaining strip of land. From the northwestern shores of Lake Managua, for example, a canal might be cut through the plain of Copejo and thence downward along the valley of the Estero Real to the Gulf of Fonseca. Or, to take a shorter course, an excavation could be made from Lake Managua directly across the plain of Leon, to emerge upon the Pacific shore, either along the valley of the tiny rivulet Tamarindo, or else farther north in the harbor of Corinto. Or again, having located the depressions in the Coast range, and having selected those from among them whose concomitant hydrographic features seem favorable, other canal lines could be drawn through these points from the western shores of Lake Nicaragua to the Pacific. Of the several routes that might be laid out according to this last method, the three following are those most worthy of consideration: (1) Up the Rio Lajas, across the very lowest divide of all the great Cordillera range from the Arctic Ocean to the Straits of Magellan, and thence down the Rio Grande to Brito on the Pacific; (2) leaving the lake level at Virgin Bay, across the next lowest depression to the south, to reach the Pacific by the very shortest line of all at San Juan del Sur; (3) up the valley of the Rio Sapoa and across the more elevated divide at this point, to descend again to the Pacific at the Bay of Salinas. Such are the varied possibilities of what in general may be called the *Nicaragua Routes*.

South of Lake Nicaragua the Cordillera again assume the form of a single dividing range which cuts northern Costa Rica completely in twain by its continuous ridge and its lofty volcanic peaks. About in the centre of the country this ridge-like contour of the mountains is once more varied by the appearance of another elevated tableland; but almost immediately the range reunites and then branches out again east and southeast, completely filling up the southern section of the land between Chiriqui and Veragua. Though singularly rich in harbors, this section of the main isthmus possesses no rivers of importance, as the mountains are too near the shore. On this account, and owing to the continuous elevation of the range, it must be deemed impracticable to locate a canal route anywhere within the region just described. The relative position of the two superb harbors, Golfo Dulce and the Chiriqui Lagoon, on either side, would naturally lead one, nevertheless, to choose some pass in the dividing ridges, however elevated, through which to lay out the route of another interoceanic railway at this point. Such is the *Chiriqui Route*.

After rounding out the peninsula of Veragua, the isthmus becomes but the barest strip of land, hardly broad enough, indeed, to contain the mountain range itself, which now becomes even more attenuated in its ridge-like form in order to adapt itself to its closer quarters. But the summit of the dividing ridge is correspondingly lower

§ 5. The
Chiriqui
Route.

§ 6. The
Panama
Route.

in these parts, and it is intercepted, moreover, by frequent depressions. The first of these, Culebra, is the lowest and the most favorably situated, from a hydrographic point of view, for the location of another canal route. From its northern slope the intermittent Rio Chagres in some seasons trickles, and in others rushes, into the Caribbean Sea at Colon. On the southern side of the divide a more steady stream, the Rio Grande, flows down into the Bay of Panama on the Pacific. Across this narrow isthmus, between the cities of Colon and Panama, still another line of possible transit may therefore be drawn and called again after the isthmus, the *Panama Route*.

The Central American isthmus is narrowest just at the point where it makes its final bend to the south to join the South American continent. § 7. The San Blas Route. Here on the Atlantic side is the excellent harbor of San Blas, while on the Pacific the waters of the Rio Chepo flow down into the sea. No very favorable depression indents the crest of the mountains just here, it is true; still, allowing hydrographic conditions to turn the scales, a route, called the *San Blas Route*, may be run across the isthmus at this point from the Gulf of San Blas on the Atlantic to the mouth of the Chepo on the Pacific.

The last section of the isthmus, that contained between the Gulf of San Blas and the Atrato River, is known geographically as the isthmus of § 8. The Darien. It is a region well provided with Caledonian both rivers and harbors, and, on this account at least, seemingly well adapted to the location Route.

of further canal routes. But here again orographic conditions intervene. All along the length of this last isthmus no real depression in the mountain ridge is to be found. Hydrographically the region is so admirably endowed, however, that, by ignoring mountain obstacles once more, a canal line might be run from Caledonian Bay, the most favorable harbor on the Atlantic side, across a lofty divide, to the Gulf of San Miguel on the Pacific. This could be done either directly, by descending along the valley of the Savannah, or, again, by describing a bend to the south and following along the more favorable valley of the Chucunagua to the Tuyra, and thence to the sea. This more or less doubtful route for a canal is called the *Caledonian Route*.

In Darien the Cordillera describe an abrupt turn to the south, following the general trend of the land, and sweep across the narrow isthmus to form henceforth one continuous range with the Andes of South America. The western slopes of these mountains still continue to drain directly into the Pacific. But the countless streams which rush down the narrower eastern defiles do not empty as before into the Caribbean, but flow one and all into the Rio Atrato. From its sources in the Andes to its outlet in the broad Atlantic at the Gulf of Darien, this great river flows due north directly under the eastern base of the range. To locate the several canal routes of this region the Atrato river must therefore be taken as the base of operations. From its confluence in the Atrato each eastern mountain stream should be followed up to

§ 9. The
Atrato
Routes.

its head-waters in the dividing ridge. If in the close vicinity of its sources a favorable mountain pass exists, and if from the other side of such divide another river bed may be traced down the western mountain slopes to the Pacific, there an Atrato canal route may be located. In some few cases such conditions are fulfilled, and by using the Atrato river as a common outlet to the Atlantic, the possible canal routes of this section may be laid out as follows: (1) From the Atrato up the Cacarica to the divide and thence down the Tuyra to the Gulf of San Miguel; (2) up the Truando from its confluence with the Atrato, over the range which skirts directly along the coast at this point, and down a more precipitous descent to Kelly's Inlet on the Pacific; (3) up the Napipi or the Doguado and over the mountains, to emerge on the western sea-board either at Cupica or Chiri-Chiri Bay; (4) up the Atrato itself to its head-waters in the Raspadura ridge, and thence down the Rio San Juan to the sea at Chirambira, considerably farther south. In detail these several Atrato routes are spoken of as the *Atrato-Tuyra*, the *Atrato-Truando*, the *Atrato-Napipi-Doguado*, and the *Atrato-San-Juan Routes*.

Having thus located the routes geographically from north to south through the isthmus, we have now to judge of their comparative feasibility from a technical point of view. To this end we had best group the transit-ways now into three classes: The first to include those lines which have only been regarded with a view toward railroad construction; the second

§ 10. A
Comparison
of the Sev-
eral Routes.

to comprehend such as modern scientific investigation has removed beyond the range of comparative feasibility for a canal; and the last to be made up of the canal routes still open to technical discussion.

In the first class are to be placed the Honduras and Chiriqui routes. Magnificent harbors indent the shores at either terminus of both these routes, and from a hydrographic standpoint there is little room for a choice between them. The distance between the seas is longer across Honduras, but the ascent is gradual over the divide. True, the plain of Comayagua rises to the height of from two to three thousand feet, but well-defined river beds mark the way along almost the entire length of the route, and a railway in this region would have few serious grades to encounter. Between the Chiriqui Lagoon and the Golfo Dulce the distance is only eighty miles, but the range rises here to the height of five thousand feet. By proper curves and tunnelling an ordinary railroad line could be constructed without very serious difficulty, however, to connect the two shores of the isthmus at this point.

Our second class contains a whole history of blighted hopes, but with our present knowledge of the isthmus, we may dispose of these routes with a word.

The Tehuan-
tepec, San
Blas, Caledon-
ian, and
Atrato Routes.

There is first the Tehuantepec route, so attractive to American promoters, lying as it does directly in the path of the Gulf Stream, and within easy access to the great Mississippi basin of

our country. The climatic conditions of the region are also favorable, but neither geography nor climatology can weigh in the balance against the unfavorable orographic and hydrographic features of this section. In the list of disadvantages there is first the distance across this isthmus to be considered, which would involve about one hundred and fifty miles of actual excavation in digging the trench of the canal. Then, again, a great number of locks would in any event be necessary in order to cross the divide, and at such an elevation—over seven hundred feet at Tarifa, the lowest point,—no adequate supply of water could be procured to flood them from above. Lastly, there is no suitable harbor to be found at the northern terminus of the proposed canal, while toward the south the numerous little streams are continually disgoring the detritus of the mountains into the lagoons of the Pacific shore. In the face of such obstacles to canal construction, the isthmus of Tehuantepec has at last been relegated to the class of railroad routes, though its advocates have long maintained that the line should be used as a ship-railway at the very least.

At San Blas and Caledonia, where the isthmus is so narrow and the harbors are so good, it was confidently expected that straight sea-level canals could easily be built to join the two seas. But here again the mountains intervened to dash the high hopes of enthusiasts. A lock system would in both cases prove impossible, both on account of the breadth of the isthmus and the lack of sufficient water supply.

Tunnelling might indeed be resorted to, but, comparatively speaking at least, this would prove too costly an expedient.

From a hydrographic point of view, again, the Atrato routes appear even more attractive than those we have just been considering. It would seem so easy a matter to enter this stream from the magnificent Gulf of Darien on the Atlantic, and then only the merest strip of land would still cut us off from the Pacific. But this belt of land contains the Cordillera, and though, indeed, numerous river valleys furrow both the mountain slopes, still nowhere along the range is the persistency of the dividing ridge more marked than just here. At no one point, in fact, does there occur just that coincidence of orographic and hydrographic conditions so essential to the location of a canal route. Moreover, the climatic conditions of this really tropical country, with its constant rainfall through so many months of the year, would necessarily militate against the construction and maintenance of a canal in this region, even though topographic obstacles were overcome. Thus the Atrato section also has proved to be a region of disappointments, as we shall see, and its promises likewise have vanished.

Thus the lesson of engineering science is the lesson of history as well, and for our third class we are left with only the Nicaragua and Panama routes. These are the two great competitors of our day for the fulfilment of inter-oceanic transit, and between the two the issue has

already been sharply drawn regarding a lock or a sea-level canal.

Admitting the necessity of locks and all their commercial disadvantages, it is through the Nicaraguan depression that nature seems to have made most of her concessions for the construction of an inter-oceanic canal. The distance requiring actual excavation through this region is comparatively short; the divides to be crossed are the lowest of all the isthmus; the supply of water in the lakes is both steady and abundant; the character of the rock and soil to be cut away is in the main favorable; and along the greater part of the route, at least, the climatic conditions are equable. Besides the drawback involved in the locks, the only other serious disadvantages of this route would seem to lie in the volcanic nature of the region traversed, and in the absence of suitable harbors at either terminus of the proposed canal. Already engineering science is remedying the latter difficulty by artificial means, and as to the former objection, nature herself is assuring us, by her long continued acquiescence in our plans.

Still the advantages to commerce of a direct sea-level canal are so signal, that we would hesitate to pronounce in favor of the Nicaragua route, so long as Panama can offer us any hope of its ultimate achievement. It would certainly be infinitely preferable thus to mingle the waters of the Atlantic directly with those of the Pacific without having to resort to locks; and across the isthmus of Panama,

if anywhere, is the opportunity afforded. The distance requiring excavation in order to accomplish this purpose is here the shortest of all. The mountain barrier to be cut through is also comparatively narrow, and at its highest point along the line it only rises 284 feet above the mean level of the sea. At the termini of the proposed canal nature has, moreover, provided suitable harbors, affording easy ingress and egress from either sea. But here the list of Panama's advantages must close. On the other hand, the climate of this region is extremely unhealthful, so much so, indeed, as to interfere very seriously with the construction of the canal, to say nothing of its maintenance and operation. Then, above all, there remains the still unsolved problem of the Rio Chagres. The flow of this little stream is most uncertain, in the dry seasons making it appear little more than a rivulet, and during the wet seasons actually flooding the entire valley. As the river itself persistently crosses and recrosses the only possible canal route, and as both their levels must be the same if the oceans are to be joined directly, it becomes thus imperative that the waters of the Chagres be diverted in some way and kept clear of the bed of the canal. True, the difficulty could easily be avoided if the canal were raised above the river by locks; but the moment that locks enter into the comparison, the advantages turn again in favor of the Nicaragua route.

As between the lock canal through Nicaragua and the sea-level canal across Panama, it is still an open

question, with the balance of scientific opinion now in favor of the former. But this is a technical question, and the aim of this book is political. In this introduction we have only attempted to tabulate in a general way, the conclusions that science has thus far reached in the problem of isthmus transit. We must bear in mind, however, that these very conclusions are the results of a long historical process, which in its turn has had its influence upon the political and economic evolution of the nations most intimately concerned. And it is primarily with this phase of the story that these pages have to do.





PART ONE.

THE MERCANTILE PERIOD AND THE ABSOLUTE MON-
ARCHY—THE CANAL PROJECT A ROYAL
MONOPOLY. 1492–1815.

CHAPTER I.

THE DISCOVERY OF AMERICA.

BISHOP BERKELEY'S oft-quoted lines—
“Westward the course of Empires takes its
way”—would seem to tell but half the
story. From Asia successive waves of Aryan migra-
tion have, indeed, broken over the shores of
both Europe and America, but just as each § 2. The
ocean breaker is followed immediately by Movement
of the
an undertow movement sweeping back World's
toward the centre of disturbance; so too Commerce.
have these waves of Western civilization been suc-
ceeded in each case by a return current of trade and
commerce setting in toward the lands of the East.
Thus, on the one hand, our advance has been steadily
westward, through the European peninsulas to the
Atlantic, over the seas to the New World, and
across the American continent toward the countries

of the Orient; while, on the other hand, our easterly trade lines with Asia have all the while been multiplying in number and gaining in stability.

In our day the circle of the globe is all but completed. On the western shores of America, Canada and the United States now stand covetously regarding the neighboring islands of the Pacific. In the opposite direction the Suez canal has already brought the Europeans in close touch with their Asiatic colonies and dependencies, Africa has at last become circum-colonized, and Russia is even now busily engaged in establishing commercial connections with the Pacific through Siberia. The Oriental nations themselves, surrounded thus on every side, have begun to feel the impetus of this twofold movement of Western civilization, and are waking up at last to the demands of its economic life.

The construction of an interoceanic canal joining the waters of the Atlantic directly with those of the Pacific must, therefore, owing to the sphericity of the earth, merge these two great channels of trade into one. The course of the world's commerce will thus in the end assume a rotary motion, and commercial advance can then no longer be likened to the breakers of a rising tide with their back-rushing undertow currents, but rather to the waves of the deep-flowing sea itself, where no shore obstructs its course.

Speaking generally it may be true enough to say that production is carried on in order to satisfy the ever-increasing wants of man. Since the institution

of reproductive capital, however, the immediate cause of western economic advance is rather to be found in that insatiable desire of gain that has ever since actuated those in control of the means of production. Such is the force which has gradually extended the zone of our commercial activity ever farther westward, and at the same time, bound the trade of Europe more and more closely to the lands of the East. This self-same sociological factor has also long been operating upon the solution of the isthmian transit problem, whose history we have here to record and whose ultimate fulfilment we may confidently look forward to.

§ 12. The Forces Back of this Movement.

The owning classes of Greece and Rome secured their profits from the land by directing the labors of slaves. As the slave system is technically far from productive, however, it could not be relied upon to afford an indefinitely increasing return, unless applied to an ever expanding area of land. Thus after the southern peninsulas of Europe had been more or less superficially exploited in this way, the rich countries of the East had perforce to be conquered and made to give up their wealth. With Rome as its centre, this twofold movement of trade and commerce came thus to include the British Isles on its westward advance, and the furthestmost confines of Persia within its eastern connections. Competition among the several owners of Rome for the largest share in these profits of conquest, resulted at the same time

§ 13. An Historical Retrospect of the Movement.

in the downfall of the smaller proprietors and the concentration of all the wealth thus acquired in the hands of the few. Individual initiative had no further outlet in consequence, and, after all available land had been taken up, the labor of rebellious slaves and the tribute of conquered peoples no longer sufficed to satisfy the growing demands of the Roman monopolists and support their idle clients. Diminishing returns set in, and not being able to support itself financially, the Empire was bound in the end to fall.

The barbarians of Northern Europe thereupon assumed control of the economic advance of the West. Still more strenuous conditions confronted them, however, and, in order to acquire any profits at all from such an environment, some more efficient system of production than slavery had necessarily to be evolved. Now the Roman proprietor owned not only the land but also the laborer himself, and was thus in a position to absorb the entire surplus value of industry. What was gained thus in profits was ultimately lost, however, in the energy of the actual producers. The feudal owners of the Middle Ages were obliged, therefore, to content themselves with control of the land alone, binding their serfs to the soil, it is true, but leaving them for the time, masters of their own personality. Additional productive energy was thus acquired, and from the land element at least, profits were still assured to the proprietary classes.

The continent now became the centre of economic

activity, and on the basis of serfdom the agricultural lands of Western Europe began to be redeemed. Coincident with this western advance, a back-draft also set in again toward the Orient. In order to gratify a growing demand for luxuries among the feudal lords, efforts came to be made at this time through the arms of the crusaders and their mercantile allies to reëstablish trade connections with India; while travellers and Christian missionaries also penetrated into the very heart of the lands of the far East, where the liberal and magnificent Mongols now held sway. These first attempts were not altogether successful; for, by the time the proprietors of the West had really begun to feel the need of Oriental products, the ports of Asia Minor began one by one to be closed upon them by the Ottoman Turks, while the Tartar hordes of China, less hospitable than the Mongols whom they had overthrown, now shut them off by land. The merchants of Venice and Genoa, nevertheless, still managed to maintain an indirect and precarious trade with the East;—just enough, in fact, to keep the European appetite whetted for Oriental treasure.

As a result of this partial failure, articles of luxury had now for the most part to be produced at home. This was now possible, as the growth of her mediæval towns had already raised handicraft in Europe to the dignity of an independent calling. Serfdom soon proved itself utterly inadequate for work of this kind, as a high degree of individual initiative was here essential to immediate success. Feudal

control, in consequence, became merely nominal over the towns, where a system of industrial partnership between gildmasters, journeymen, and apprentices gradually came to take the place of serf labor. After a routine had once been established, however, and handicraft too become systematized, individual incentive on the part of the industrial laborers was no longer of such paramount importance. Seeing therein an opportunity for gain, the gildmasters then gradually put a stop to these co-operative methods of production, and in the end succeeded in becoming owners and controllers themselves, directing the labor of their former partners, the journeymen and apprentices, and producing more directly for the market.

Cut off from all further activity in the East, the feudal lords spent their energies, in the meantime, competing and fighting with each other for the largest share of Europe's agricultural profits. The result of the contest was here the same as in Rome. The weaker were dispossessed and their fiefs added to the domain of the stronger, until finally the lands of the West came for the most part under the control of a number of territorial lords,—the absolute monarchs of Europe. The burgher aristocrats of the towns were naturally loth to be absorbed in this landed monopoly, but as they had begun to produce for the market, and as the market was now controlled by the monarch, they were forced in the end to submit. The Church with her immense territorial possessions lent her aid to the ambitions of these

monarchs of the West in order to have them all under her spiritual dictation from Rome, and the evolution of the national states on the Atlantic was thus rendered possible, where the Empire of the Germans had failed.¹

At the outset the earlier monarchs had relied upon the support of the discontented peasants and the ambitious burghers of the towns to aid them in their designs against their rival feudal lords. Once in control, however, it was necessary to provide for a centralized economic system. Agricultural and industrial labor had still to be performed by a disenfranchised class, but the profits must now be controlled by the monarch himself. To this end the quondam feudal lords, though deprived of the economic and political independence they had before enjoyed, were left upon their estates and still allowed to acquire an income from their serfs, provided they supported the Crown. The burgher aristocrats, likewise, were left in nominal control, and industrial labor continued to be performed by journeymen and apprentices, now working for a wage. The formerly independent guilds thus became governmental affairs in like manner, and their masters too had now to support the monarch both economically and politically.

§ 14.
The Mercantile System.

¹ Achille Loria, "Les Bases Économiques de la Constitution Sociale." Paris, 1889.

Henry Dyer, "The Evolution of Industry." New York, 1895.

H. de B. Gibbins, "The History of Commerce in Europe." London, 1891.

John Kells Ingram, "A History of Slavery and Serfdom." London, 1895.

Under this centralized system profits were acquired from the land by the labor of agriculturists and mechanics and controlled by the sovereign; to be distributed again in part among courtiers, city magistrates, and privileged companies, in return for their support. The real incentive to production, the individual initiative of the actual producer, was thus, it is true, eliminated, but improved methods of production under a centralized control allowed increasing profits for a time from a widely extendable market, before diminishing returns set in.

The continual circulation of coined money was, however, absolutely essential for the smoothworking of this new industrial system. Coins of the precious metals had thus been used in the classic world, and as their value and usefulness for this purpose had long been known among the Teutons through the merchants of Rome and the Saracens, this form of money was naturally adopted by the nations of the North to serve as their standard of value and medium of exchange. Division of labor had now become territorial as well as personal. The agricultural fiefs provided food-stuffs and raw materials for the whole nation, and also produced for the market. These products had largely to be transported to the towns, the food-stuffs to support the industrial population there, and the raw materials to be worked up into articles of luxury and sold abroad for a profit. Money was necessary for such exchanges, and as the market expanded, the demand for the precious metals to be turned into coin grew

in like measure. An immense military and civil service was likewise necessary to manage and defend the realm, and as these could no longer be paid for in kind, as before, the monarch also needed ready money to carry on the government and keep up his expensive court.

The maintenance and continued growth of the rival monarchies came thus to depend largely on the supply of money each sovereign was able to amass within his borders. Europe was not plentifully endowed with natural supplies of the precious metals, and thus competition between the monarchs became severe. Their peasants had still their feudal rents to pay to their reinstated lords, and could not be heavily taxed in addition by the central government, without weakening their productive force and thus diminishing the supply of raw materials so essential for industrial advance. It was to industry, therefore, that the monarchs had to look for their supply of the precious metals and extra profits. By having the raw materials of the land worked up into articles of luxury in the towns, these could be shipped abroad in ships of the producing nation, and sold there at a profit for ready money. When pursued consistently by each of the several rival monarchs the efficiency of this policy was neutralized. Nor, on the other hand, could the discontented, heavily burdened peasant-labor be indefinitely relied upon to supply the necessary food-stuffs and raw materials for such an industrial régime. The expenses of court and government kept all the while increasing, money

and raw materials were becoming scarce, and profits could no longer keep pace with the demands of the proprietary classes, as disenfranchised labor failed adequately to respond. The tide of prosperity was turning and an era of diminishing returns seemed on the point of setting in.

It was then, as the wave was about to break, that a fresh under-current set in toward the lands of the East. The indirect trade with the Indies from the Mediterranean ports of Europe was still possible, and during the fifteenth century this had increased enormously in response to the growing demand of the monarchs and their courts. Transportation along these lines was difficult, dangerous, and expensive, however, by reason of Mohammedan interference, and, as European products could not well be transported so far on account of their bulk, the precious metals had necessarily to be shipped to pay for these importations. Instead of adding to her scanty store of gold and silver this indirect trade with the Orient thus only tended to diminish Europe's supply, until, by the middle of the fifteenth century, the purchasing power of money had doubled, and her products correspondingly depreciated. It became thus evident to the monarchs of the West that some more direct connections must be made with the Orient if her treasures were to be absorbed. The marvellous accounts of these riches, given by the travellers and missionaries on their return from the lands of the Grand Khan, had long since been made public, and now, as the necessity was more urgent, the writings

of Marco Polo, Conti, and Mandeville, scarcely credited before, received the closest attention, and their glowing descriptions only added fresh fuel to the flame of western commercial desire.¹

Great inducements came thus to be held out by the powerful reigning families of the West to explorers and adventurers who would brave the dangers of the unknown seas and discover a direct water-route to the Indies. The mercantile policy had already paved the way for this enterprise by building up a merchant marine and training skilled navigators during the days of the maritime revolution. Each of the absolute monarchies on the Atlantic had fleets of its own to keep the balance of trade in its favor, while their demands for Eastern products had had the further effect of improving the navigation of the Mediterranean. Vessels and navigators there were, and now that the mariner's compass was invented, all was ready for the great voyages of discovery of the fifteenth century.

All but the northern coast line of Africa was wrapt in mystery to the Europeans of that day. Geographers were now agreed, however, that this

¹ J. K. Ingram, "History of Political Economy." London, 1888.

Julius Kautz, "Die Geschichtliche Entwicklung der Nationalökonomik und ihrer Litteratur." Third edition, Berlin, 1879.

Luigi Cossa, "Introduction to the Study of Political Economy," Translated by Louis Dyer, pp. 193-210, London, 1893.

R. H. Inglis Palgrave, "Dictionary of Political Economy," Vol. I, pp. 85-88. London, 1894.

J. Conrad *et al.*, "Handwörterbuch der Staatswissenschaften," Vol. IV., pp. 1168-1173. Jena, 1890.

great continent must have an end, and could one but round its southernmost cape, he must of necessity come upon the southern shores of India, and thus execute a flank movement on the Mohammedan and Tartar alike. Thus the Infant Henry of Portugal—the Navigator—argued, and ultimately his point was proved, though it took some fifty years of cautious sailing along the mighty stretch of western sea-board to the south, before Bartholomeu Dias finally, in 1487, peered around the southern cape. In the meantime other explorers in the employ of Spain and England, with the same end in view of establishing direct connections by sea with the Indies, were unwittingly being borne on the crest of the last wave of western advance to the shores the New World.¹

The conception of the sphericity of the earth, hit upon by some nameless Greek and discussed by Aristotle and Strabo in the days of the classic world, had already been revived during the middle ages by Albertus Magnus and Roger Bacon, and was now gaining ground through its popularization in the "Imago Mundi" of Alliacus. Columbus at last determined to demonstrate the theory in practice, and, while Portugal was continuing her search for an easterly route to the Indies, he was finally able to persuade the Spanish monarchs to

¹ C. R. Markham, "The Sea Fathers," Chapters I. and II. London and New York, 1884.

C. Raymond Beazley, "Henry the Navigator and the Age of Discovery in Europe." New York, 1895.

§ 16. The Discoveries of Columbus and his Contemporaries.

allow him to seek a more direct route to these self-same Eastern lands by sailing due west.

The trade-winds carried his vessels to the Bahamas, and as, according to the ideas of those days, "whatever land was not Africa nor Europe was Asia," Columbus naturally thought he had reached the lands of his desires. In all his voyages of discovery, therefore, Columbus busied himself identifying these new shores with the countries of the far East. Cuba he considered to be part of the mainland of Asia, and Hayti, he was sure, must be the island of Cipango (Japan), described by Marco Polo. The other islands of the group belonged thus, in his fancy, to the Indian Archipelago. So when Columbus sighted the mainland of South America, off the delta of the Orinoco, on his third voyage of discovery in 1498, he was doubly sure he had again come upon the eastern shores of Asia. He accordingly spoke of this land as the "Tierra Firma," and, skirting the coast to the westward, he believed he had found the Terrestrial Paradise so glowingly depicted by Mandeville.

Columbus's success encouraged his monarchs and spurred on other ambitious explorers. In the following year Hojedo and Vespucci came also to the shores of South America and continued the discovery of its northern coast line westward to the Gulf of Venezuela. Vincent Pinzon followed, being the first to cross the equator in these parts. He landed at about the eighth degree south latitude, and then cruised northwest along the shore, crossing the mouth of the

Amazon, to the island of Trinidad and the lands that Columbus had discovered before. In the year 1500 Bastidas further developed the line of this northern shore from Cape Vela, where Hojedo and Vespucci had left off, to the Gulf of Darien and the isthmus of Panama.

Thus a considerable stretch of unbroken coast line had already been developed when Columbus set out again in 1502, on his fourth and last voyage of discovery, with the avowed purpose of connecting the supposed mainland of Cuba with that of Paria (South America), or of finding the strait between them leading to the Indian Ocean. He mistook his bearings, however, and landed this time on the northern shores of Honduras, August 17th, where the little town of Truxillo afterwards grew up. Returning eastward he entered what has since been named the Black river, and took possession in the name of the Crown of Castile, calling the stream in witness thereof, the Rio Possession. He then rounded the point, calling it Cape Gracias à Dios, in gratitude for the deliverance it afforded him from the fury of the storm, and again took possession for his sovereigns. Skirting along the coast from this point toward the south, Columbus landed again at Bluefields Lagoon and at the mouth of the San Juan, holding intercourse with the natives at both points and trying to learn from them the nature of the country. Seeing that these savages possessed ornaments of gold, Columbus was now convinced he had reached at last the Golden Chersonesus, and eagerly continued his

search to the south, that he might pass through the Straits of Malacca and, coming upon the mouths of the Ganges, so fulfil his dream. He was soon forced to put back, however, and, disappointed in his ambition, he returned to Spain to die.¹

The Pope, as we know, favored the ambitions of the absolute monarchs of the West so long as they continued to regard him as their feudal over-lord. In the voyages of discovery and conquest, now well under way, there was as yet no source of conflict between the temporal and spiritual powers. The sovereigns wanted the wealth of the Indies, while the Church desired to bring their teeming populations within her fold. Thus conqueror and priest went hand in hand and mutually aided each other. Already the Portuguese had received Papal grants of the lands they had discovered, including the islands of the Atlantic off the west coast of Africa; and now the Spanish sovereigns also became suitors for like favors. To avoid future disputes between his two vassals, the Pope then drew a line of demarkation between their respective fields of enterprise, running along an imaginary meridian a hundred leagues to the west of the Azores and the Cape Verde islands. King Emanuel of Portugal was not satisfied with the rights thus saved, however, and after some dispute, an agreement was reached by

§ 17. The
Pope's Bull
and the
Treaty of
Tordesillas.

¹ Edward John Payne, "History of the New World Called America," Vol. I., pp. 117-196. Oxford and New York, 1892.

John Fiske, "The Discovery of America," Vol. I., Chapters V. and VI. Boston, 1894.

the two monarchs in the treaty of Tordesillas,—ratified June 7, 1494,—wherein the line of demarkation was removed to a point three hundred and seventy leagues west of the Cape Verde islands. The mainland of South America thus far opened up by the Spaniards, thus became legally part of Portugal's domain, while the east coast of Central America and the West Indian islands remained under the crown of Spain.¹

In the meantime Portugal made good her legal claim to the eastern peninsula of South America by § 18. The actual discovery and conquest, though her New World explorers came upon the shores of the Thought New World as unwittingly as Columbus to be an Island. himself. In the year 1500 a Portuguese sea-captain, Peter Cabral, following the course of the famous da Gama, who two years before had completed the work of Dias and reached the Indies by circumnavigating Africa, was driven off the coast by adverse winds and, getting caught in the great equatorial current, came finally to the shores of Brazil at modern Santa Cruz, near the spot where Pinzon had landed shortly before. Finding this newly discovered land to lie within the sphere of his dominion, King Emanuel lost no time in press-

¹ M. Creighton, "History of the Papacy during the Reformation," Bk. V., Chap. VI., London, 1892-94.

E. G. Bourne, "The Demarkation Line of Pope Alexander VI.," *Yale Review*, May, 1892.

L. L. Dominguez, "The Conquest of the River Plate," Hakluyt Soc. Pubs., No. 81.

John Fiske, *loc. cit.*, Vol. I., pp. 454-460.

ing his claim, and as a result of the expeditions he at once sent out, the coast line of South America was still further developed toward the south to the thirty-second degree.

Thus during the years that had elapsed between the first land-fall of Columbus in 1492 to his death in 1506, a continuous coast line of what he had supposed to be Asia, was opened up for 7000 miles, extending from the northern shores of Honduras eastward and southward to the southern extremity of Brazil as we know the land to-day. This was a staggering blow to the earlier Columbian Hypothesis, and ideas had now to be fitted in with the facts as thus revealed. Peter Martyr as early as 1494 had spoken of the islands of the West Indies discovered by Columbus, as the "New World," and now Vespucci, in the account of his voyages published in 1503, again concluded from the extent of coast line then developed on the mainland, that "we are justified in calling this a 'New World.'" In the eyes of the Europeans of that day, this "New World," called "America," after him who had thus dignified it as an independent land-mass, was not a great continent as we know it now; but rather was it a huge island lying diagonally across the equator, with an unknown extent to the north and south, and divided longitudinally between the crowns of Spain and Portugal.¹

¹ E. J. Payne, *loc. cit.*, Vol. I., pp. 198-212.
John Fiske, *loc. cit.*, Vol. II., Chap. VII.

Two incentives now led discoverers and explorers on: one the desire to round the island of the New World either to the north or to the south and thus reach the Indies beyond; and the other the hopes of finding gold in the New World itself. It was the latter impulse which led to most of the expeditions to the north now undertaken by the Spanish colonists in the West Indies. Their early settlements in these islands, and on the shores of the mainland opposite, had proven somewhat disappointing and were soon exploited of their meagre supply of gold and slaves. Rumors of rich lands farther west continually reached their ears and induced them to undertake further discoveries in this direction. Cuba was first proved to be an island¹ in 1508 and almost immediately colonized by the Spaniards. Ponce de Leon in the same year opened up the island of Porto Rico to Spanish colonization, and subsequently fitted out an expedition there for further discovery to the northwest in the Florida Sea. On Easter day of 1512 he sighted the peninsula of Florida, and, having landed at modern St. Augustine, he then made a survey of the entire coast to the south. Rounding the cape and seeing the broad waters of the gulf beyond, de Leon thought his newly discovered land of Florida to be but another island of the group, and now the belief gained credence that, from the main island across the equator, groups of smaller islands dotted the seas to the northwest, including

§ 19. Spanish Colonial Expeditions to the Northwest.

¹ By Sebastian de Campo.

those discovered by the English and Portuguese farther north, and ending with Iceland and the British Isles.

King Ferdinand in the meantime had provided for the further conquest and colonization of that part of the main island lying within the sphere of his dominion, and discovered by Columbus, Bastidas, Hojedo, Vespucci, and Pinzon. The district lying to the north of the Gulf of Darien he assigned, in 1508, to Diego de Nicuesa, one of his courtiers and colonial agents, as the Province of Castilla del Oro. All south of the gulf, and within the line of demarkation, he granted at the same time to Alonzo de Hojedo, the discoverer, as Nueva Andalucia. Through shipwreck and starvation Nicuesa's colony was reduced to a mere handful of forlorn wretches settled at Nombre de Dios; and, indeed, Hojedo's colony, on the southern shores of the Gulf of Darien, fared not much better for the time. Unable to cope with the natives, Hojeda sailed away for aid, leaving his little colony to shift for themselves. It was then that Vasco Nuñez Balboa, the adventurer and companion of Bastidas on his early voyage to these parts, assumed control. Being familiar with this region, Balboa easily persuaded the colonists to emigrate across the gulf to the northern shore on account of its greater fertility and salubrity. He then calmly informed the new governor, Encisco, that they were in Nicuesa's province now and no longer under Hojedo's or his control. Nicuesa's authority was next disposed of by a rebellion on the part of his

new subjects, and Balboa was unanimously elected Alcade of Santa Maria de la Antigua, the new city now founded there. From the King's Treasurer at Santo Domingo Balboa then received a commission to act as governor of Castilla del Oro, and at once set about his plans of further discovery. Hearing from the natives of a great sea to the south of him, and, still farther to the south, of a country rich in gold, Balboa determined to learn the truth for himself. Having organized an expedition for the purpose, he accordingly set sail from Antigua on September 1, 1513, and soon after landed at Caledonian Bay. Thence, with a party of one hundred and ninety men and a number of fierce dogs, Balboa pushed over the dividing range, beset by swamps, jungles, and hostile natives. On the 25th his labors were rewarded by the first glimpse of the Pacific, and on the 29th he reached the coast at Gulf San Miguel.¹ Balboa took possession at once in the name of the Crown of Castile, but the real significance of his discovery could not be duly appreciated at that time, as America was still thought to be an island. The shores of Honduras were then regarded as the northern limits of this great island, and this other sea, discovered by Balboa, would therefore seem to be but part of that same body of water which washed it, and the other smaller islands to the northwest.

This fallacy was soon to be exposed, however, and the magnitude of Balboa's discovery revealed. A

¹ Cf. Map, frontispiece.

few years after this, another expedition, under Francisco Hernandez de Cordova, set sail from Cuba in search of other auriferous isles to the west. What was supposed to be the island of Yucatan had already been sighted ten years before by Pinzon and de Solis from the northern shores of Honduras, but of this Cordova was ignorant. Coming upon the northerly shores of this peninsula, Cordova and his men coasted along toward the northwest, landing from time to time and gaining gold from the more civilized natives of this region, until they had passed the Gulf of Campechy and come to the river Champoton, when they put back, delighted with their unexpected treasure, but still under the delusion that they had come upon but another of the supposed chain of islands. In the following year, 1518, Juan de Grijalva continued these explorations along the shores of the Gulf of Mexico toward the north as far as the river Tampico, and in his wake came Hernando Cortez, the conqueror, who revealed the great wealth of the interior to the astonished colonists and Europe. The land was still supposed to be an island, however, so in the year of Cortez's conquest, Francisco de Garay, the Spanish governor of Jamaica, despatched an expedition, under Alvarez de Pineda, with the avowed purpose of finding the strait which was supposed to flow between Mexico and America toward the east. Instead of discovering a water-way the land was found to be continuous from Honduras in the south, to Florida in the north, and the presence of the South Sea, discovered by

Balboa only a few miles from the Atlantic shore, now became the mystery of the day.¹

While the colonists were thus opening up rich lands of gold in the New World, and at the same time gradually extending the coast line of America to the north, the Spanish monarch, Ferdinand, had his eyes still fixed on the Indies. As yet Spain's new colonies had not proved to be particularly rich in the precious metals, nor could the American natives be profitably sold as slaves. Portugal, on the other hand, had not only reached the East by sailing around the Cape of Good Hope and gained the rich Moluccas or Spice islands at last; but had long supplied her markets with the best of slaves from her African possessions on the way. It was no wonder then, that the Spanish sovereign was now spurred on to renew his efforts to discover the strait leading to the Indian Ocean, and still reach the East by sailing west. In 1515 he accordingly despatched his admiral, Juan Diaz de Solis, for this purpose. De Solis crept along the coast of America farther south than any had gone before, and came at last to the mouth of the Plate river. Thinking this to be the long looked for strait, he explored its banks, but there lost his life, in the same year that his sovereign passed away.

¹ E. J. Payne, *loc. cit.*, Vol. I., pp. 214-229.

H. H. Bancroft, "History of the Pacific States," Vol. I., Chap. VIII.-XII. San Francisco, 1882-90.

Sir A. Helps, "Spanish Conquest in America," Vol. I., Bk. VI. New York, 1867.

As Charles now ascended the throne, a little incident occurred in the Portuguese navy which aided Spain in solving at last the secret of the strait. Magalhaens, a Portuguese navigator, disgruntled with his master on account of a matter of pay, sought his revenge by going to the Spanish court and offering to reach the Moluccas by sailing west, and also prove them to lie within Charles's moiety of the globe. Cortez, it is true, was at this time revealing the wealth of Mexico in the New World, but Charles, like his father, still had his heart set on the more distant Indies, and Magalhaens was thus allowed to fulfil his bold promise. Familiar with the results of the explorations of the Spanish colonists in the Florida Sea and along the shores of the Gulf of Mexico, Magalhaens deemed it bootless to seek for a northwest passage; so, leaving this district to Spain's new rival, the French monarch, he set out in August, 1519, for the shores of South America, touching at Rio de Janeiro and then pushing on to the Plate. Finding this great estuary to be after all but a river, Magalhaens continued his search along the long stretch of coast to the south, wintering along the shore, and in the spring he was at last rewarded by the discovery of the strait which still bears his name. Terra del Fuego to the south of him, Magalhaens thought to be still another continent,—the Terra Australis of the Greek imagination. Crossing the sea stretching out beyond, which he called the Pacific, Magalhaens did indeed reach the East Indies at last, but there fell a victim to

native jealousy. His reduced little band continued on its way, nevertheless, and, by rounding the African continent, finally reached Spain. After a voyage covering some 14,000 leagues and lasting all but three years, the old Columbian Hypothesis was thus vindicated in the end. The East had been reached by sailing west, and therewith an unbroken coast line of America was finally opened up, from Florida in the north to the straits of Magellan in the south.¹

In the meantime an entirely different process of discovery was being worked out along the eastern shores of North America, which only now began to be connected with the ambition of the absolute monarchs to reach the wealth of the Indies. Long before the dawn of the Mercantile Era, the Arctic Ocean current had carried Norse sailors to Iceland, and thence to Greenland and the northern coasts of America. These earliest European settlements in the New World had long since been abandoned, but their memory lived on in the Sagas, and English traders and fishermen, being in the habit of visiting Iceland during the fifteenth century, heard the legends of these Western isles. Although the Tudor monarchs of England refused to consider themselves bound by any papal bulls parcelling out the non-Christian lands of the globe among the pontiff's beneficiaries, still Henry VII. had reason to be well disposed toward Spain at this time, and did not care to inter-

¹ E. J. Payne, *loc. cit.*, Vol. I., pp. 247-256.
John Fiske, *loc. cit.*, Vol. II., pp. 184-210.

ferre directly with his plans. He was jealous of the success of Columbus, however, and resolved to send out a like expedition from his own ports to discover other islands in the northwest, and perchance reach the East in this way. So in 1496, John Cabot, the captain chosen for the purpose, set sail from Bristol. He wintered in Iceland and in the following year continued his way, making land in America somewhere in modern Labrador or Newfoundland. According to his own account, Cabot cruised thence three hundred leagues to the south, but nothing more is known of this voyage, nor of the second one which he is supposed to have undertaken. His discovery spurred on Portugal, ever eager to fasten on the islands of the Atlantic, and in 1500, one of her navigators, Gaspar de Cortereal, came to these same shores, leaving the name of Labrador¹ to survive to this day. Neither gold nor marketable slaves were to be found in this northern region, and so the lands were abandoned for the time by the rapacious monarchs of Europe and their greedy band of adventurers. The discoverers had shown the way to the fishermen, however, and after this Norman and Breton fishers continued to visit the Newfoundland Banks for cod.

As these men were French subjects, their early fishing voyages to the shores of the New World served as a basis for the claims soon to be made by the King of France. Portugal had already reached the Orient by sailing southeast, and Spain had just

¹ Terra de Lavradores—the land of laborers or slaves.

discovered the southwest passage to the Indies. Charles, moreover, had now been elected Emperor, over the head of his rival Francis, and had also enormously added to his European possessions. It was high time accordingly, for the King of France to bestir himself if his prestige was to be maintained. Spain by this time had practically abandoned the coasts of Florida for the richer gold fields farther south, and so, in default of a better, this district now became the centre of Francis's colonial activity. Giovanni da Verrazzano and Jacques Cartier were accordingly despatched in turn by the French monarch under orders, "to compete with other powers for a share in the New World and find for France a shorter route to Cathay." Verrazzano set out in the autumn of 1523 and came first to the shores of North Carolina. After landing and taking possession in his sovereign's name, he sailed on toward the north along the shore, stopping here and there and ascending the rivers of the eastern seaboard, until he reached the coast of Maine. Cartier, following some years later, further developed the coast-line to the north, and continued the fruitless search for the northwest passage far up the St. Lawrence river. The immediate result of these voyages was thus to prove what had long been suspected; namely, the continuity of the eastern seaboard of America from Florida far into the north, and to dispel the illusion of a navigable northwest passage.¹

The New World was thus at last proved to be a

¹ E. J. Payne, *loc. cit.*, Vol. I., pp. 74-85, 230-237, 257-266.

John Fiske, *loc. cit.*, Vol. I., pp. 151-213; Vol. II., pp. 2-24, 493-95.

continent of enormous extent, stretching in an apparently unbroken line from the frigid zone in the north, across the equator and far into the Antarctic regions. Balboa's South Sea and the Pacific of Magalhaens must therefore be the same, and the coasts of Asia, it was now known, lay far beyond. And what of the breadth of this new continent, now that its length was known? Only a narrow strip of land separated the Atlantic from the Pacific at Panama, but this could not be the case all along. The mystery of the continent thus invited further discovery along its western shores. Nor was this all. These Central American lands had already proved themselves rich in gold, and there were promises of much more to the north and to the south of them. The isthmus thus became the centre of attraction as the natural point of departure for further exploration, and here Spain was already in undisputed control. Voyages to the south must bring one again to the strait cutting off America from the Terra Australis, and by sailing northward perhaps this seemingly great continent of America might be found to be after all but a huge peninsula of Asia.

It was the desire for gold which led Balboa to cross the isthmus, as we know, and though his rivals prevented him from continuing his voyages of South Sea discovery, others were eager to take his place and prove the truth of the current rumors of rich lands farther south. Pascual de Andagova made the first attempt in 1522 and, after a seven days' jour-

§ 22. The New World Known to be a Continent.

§ 23. The Discovery of the West Coast of South America.

ney, succeeded in reaching the province of Birú, on the west coast of South America. Francisco Pizarro was meantime maturing his plans for the conquest of Peru, and by 1535 he had opened up both the interior and the coast to the European world. His ally, and at the same time bitter rival, Diego Amalgro, pushed on the conquest into Chile, while from the south through the straits of Magellan came Alonzo de Camargo in 1540 to share in the wealth of the Incas. Thus by the middle of the century the outline of the South American continent from Panama to the straits of Magellan¹ was known, and Spain was thus placed both legally and actually in control of its richer half.²

As Humboldt remarked, the men of that day "could not accustom themselves to the idea that the continent extended uninterruptedly from such a high northern to such a high southern latitude," and, now that the isthmus was found to be so very narrow at Panama, what more natural than that the Atlantic outlet of the strait, which must connect the two oceans in these parts, had been overlooked in

¹ The fiction of the Terra Australis was not exploded until 1616, when Lemaire and Schouten rounded the Horn, though Drake guessed the true nature of the situation in his voyage of 1578. Cf. Nancy Globe of about 1550.

² W. H. Prescott, "History of the Conquest of Peru," Bk. II., Ch. II.-IV. Philadelphia.

R. G. Watson, "Spanish and Portuguese South America," Vol. I., Ch. XII.-XIV. London, 1884.

Walter B. Scaife, "America: Its Geographical History," Ch. II. Baltimore, 1892.

the more or less cursory examination of the eastern coast. The idea was inspiring, and as the configuration of the continent south of Darien offered no hope of a passage, the attention of explorers was soon turned to the north, along the Pacific shores of the isthmus.

When the magnitude of Balboa's discovery became apparent, Encisco, whom he had so cleverly ousted from command, secured his desired revenge. He did not regain control himself, it is true, but succeeded in persuading Ferdinand that Balboa the adventurer was no fit person to act as the governor of a province of such importance as Castilla del Oro had now turned out to be. So Balboa's colonial commission was never ratified by the Crown, but instead, the two provinces, Nueva Andalucia and Castilla del Oro, were merged into one, called Tierra Firma, and Pedro Arias de Avila, generally spoken of as Pedrarias, was installed as royal governor in 1514. In Mr. Bancroft's words, Pedrarias was "by far the worst man who came officially to the New World during its early government."¹ On his arrival he at once cut short Balboa's further plans of exploration, and soon had him arrested, brought in chains before him, and beheaded. In spite of his evil reputation, Pedrarias brought many colonists with him, and, in order to further the work of South Sea discovery, he now changed the seat of his administration to the Pacific coast and there founded

¹ H. H. Bancroft, "History of the Pacific States," Vol. I., p. 458, footnote.

the town of Panama. His lieutenants, Fernando Ponce and Bartolomé Furtado, then made their way along the coast as far as the Gulf of Nicoya in the north, but failed to find any outlet toward the Atlantic.

Charles, who had by this time succeeded to the throne of Spain, grew impatient at the delay, and despatched Gil Gonzales Davila, Contador of Española, to hasten on the work of South Sea discovery, and open up the strait. Jealous of this intrusion, Pedrarias refused to furnish the newcomer with Balboa's vessels for the voyage, as he had been commanded by his sovereign to do. Nothing daunted, Davila then took his own two little caravels apart on the Atlantic, transported them in pieces across the narrow isthmus, and put them together again in Panama. Launching his reconstructed vessels on the Pacific, Davila then set sail, in 1522, for the north. Coming to the Gulf of Nicoya his party was obliged to separate, owing to the unseaworthy condition of one of the ships, which had naturally suffered somewhat in the process of transportation over the range. Thus obliged to abandon his own vessel, Davila and his crew pushed on into Nicaragua by land. The Aztec caziques he met along the way were at first quite well disposed toward the bearded strangers, and Davila was allowed to proceed unmolested till the great inland sea of Nicaragua lay stretched out before him. The Spaniards at once took possession of this wonderful lake for their sovereign, Charles, but before they could ex-

plore its shores, and discover the water-way to the Atlantic,—which here if anywhere on the isthmus they naturally hoped to find,—the once friendly Nicaraguans arose in anger and drove the intruders from the land. On the Pacific coast Davila was fortunate enough to rejoin his sea-force, which meanwhile had skirted the western shores of Nicaragua, and searched along the banks of the Bay of Fonseca in the vain hopes of discovering some outlet to the Atlantic. Together they then returned to Panama, whence the news of their discovery of the existence of a great sea but a few miles from the Pacific, was soon heralded abroad.

As soon as Davila had departed to Española to reorganize his force, Pedrarias determined to seize this opportunity to outdo his rival and cheat him of his new-found possessions. He accordingly sent his lieutenant, Francisco Hernandez de Cordova, in 1524, with a land force to the north, under secret orders to seize the whole country about the inland sea in the name of the governor, Pedrarias, and discover if possible the strait to the Atlantic. After a trying march through the wilds of Costa Rica, Cordova came upon the lake, or “Freshwater Sea,” as he called it, and with the greatest care explored its shores. Coming at length upon the San Juan he proceeded some way down the stream but, being obstructed by rocks and rapids, it is said he was unable to reach the Atlantic coast.

Meanwhile Cortez had also been instructed by his master, Charles, to push through Mexico to the South

Sea coast and search diligently north and south "for the passage which would connect the eastern and western shores of the New World and shorten by two thirds the route from Cadiz to Cathay." Montezuma had already informed Cortez of the close proximity of the South Sea, and also of the existence of a narrow isthmus just to the south of him; so he, too, ever as anxious as the King himself to discover the fabled strait, at once despatched his lieutenants Diego de Ordaz and Gonzalo de Sandoval to explore this unknown region. They soon found that no strait existed across the isthmus of Tehuantepec, but at once recognized the value of the route for the transportation of ship-building materials from Vera Cruz to the Pacific. The forests about the pass of Tarifa, they also discovered to be rich in the timber necessary, and so reported. Cortez, delighted at the success of the expedition, at once ordered vessels to be constructed at Tehuantepec on the Pacific, and determined to undertake his voyages of South Sea discovery from this point. Fearing lest the French discoverers in the north might succeed in forestalling him there, Cortez also decided to send out vessels from Vera Cruz on the Atlantic in search of the northwest passage as well. With his plans thus matured he wrote to his imperial master as follows:

"As I am ever desirous, so am I continually intent upon using every means to put into execution and carry out my wishes for the advancement of the service of Your Majesty,—and seeing that nothing more remained for this object than to discover the secrets of the coast still unexplored between the

river Panuco and Florida toward the north as far as Baccalaos (Newfoundland),—because it is asserted that on that coast there is a strait which passes into the South Sea,—I have resolved to send three caravels and two brigantines for this purpose. In this same manner I am about to send the ships which I have constructed in the South Sea to explore the lower coast in search of said strait ; because if there be one, it can not escape the observation of either those in the South Sea, or those going north. It would render the King of Spain master of so many kingdoms that he might call himself lord of the world.”

The old saying that while Columbus was successful on the sea and unsuccessful on land, so Cortez was ever successful by land, but ever unsuccessful on the sea, proved true enough in this case. The caravels sent out on the Atlantic in search of the northwest passage, returned with nothing new to report. Through the voyages of South Sea discovery, the still unexplored coast-line of Central America from Tehuantepec to the Gulf of Fonseca, was indeed opened up, but instead of inlets and estuaries of the sea to tempt the explorers, an unbroken mountain wall presented itself to the disappointed mariners all along the way.

Meanwhile news of Davila's discovery of the Freshwater Sea in Nicaragua came to Cortez's ears. Determined as ever to let no man get ahead of him in solving the baffling secret of the strait, Cortez forthwith sent still another expedition south, under his lieutenant, Christoval de Olid, to oust Davila, intercept Cordova on his march, and annex the entire isthmus as far south as Panama, to his fast-growing Mexican possessions.

Davila with his re-enforcements had in the meantime sailed from Española intending to come upon his Freshwater Sea this time from the Atlantic side direct, and so avoid further trouble with Pedrarias. He lost his bearings, however, and like Columbus before, landed on the north coast of Honduras. Cordova sent his lieutenant, Hernando de Soto, to prevent Davila's party from pushing south, and, with the arrival of Olid, confusion reigned supreme. No one knew which was lawful master, so each began scheming to shake off all control and gain the land for himself. Cortez, moreover, had had cause to become suspicious of his emissary Olid, and accordingly sent out another of his lieutenants, Francisco de Las Casas, to make sure of his rights, and upon the arrival of the latter the situation became still more complicated.

Cortez then, fearing treachery on all sides, decided to go to the scene of action himself; so, gathering a large land force about him, in October, 1524, he marched down through the forest of the eastern coast, intent on becoming master of the Freshwater Sea and its promising transit route. Overcoming with his indomitable energy obstacles which would have seemed insurmountable to any but the conqueror of Mexico, Cortez arrived at last with a very reduced force on the coast of Honduras. Finding Davila and Las Casas had already disposed of the traitor Olid, Cortez then won over Cordova from his master, Pedrarias, and was about to make his descent on the lake, when news of a serious uprising in

Mexico reached him and he was obliged to hurry back in April, 1525, leaving his followers, under his lieutenant, Saavedra, to establish a colony in his name at Truxillo.

Pedrarias in the south, having heard of Cortez's triumphant march and of Cordova's defection, hastily gathered together a land force in Panama, and proceeded by forced marches to guard the lake from Cortez's threatened attack. Finding on his arrival no Mexican force to oppose him, Pedrarias soon settled matters to his own satisfaction. Cordova was executed for his treachery, and Davila, now forced to abandon his claim, retired disgruntled to Mexico.

Pedrarias knew of the outlet to the Atlantic along the San Juan, but now, for the first time, was it positively proved that the two lakes were definitely cut off from the western ocean.¹ All hopes of discovering a direct westerly route to the Indies had therewith to be abandoned, for the Spanish

¹ There were legends current among the primitive Americans that this had not always been the case, but that formerly there had existed a natural waterway from Lake Managua to the Bay of Fonseca. The natives attributed the closing of the passage to supernatural agencies. Volcanic action may have accomplished the result in prehistoric times.

H. H. Bancroft, "History of Central America," Vols. I. and II.; San Francisco, 1882-90.

E. G. Squier, "History of the Central American States," and "History Nicaragua." New York, 1854.

Justin Winsor, "Narrative and Critical History of America," Vol. I.

W. Grimm, "Die Staaten Central-Amerikas." Berlin, 1871.

Brasseur de Bourbourg, "Histoire des Nations Civilisées du Mexique et de l'Amérique Centrale." Paris, 1857-59.

John T. Sullivan, "Report on Historical and Technical Information Relating to the Problem of Interoceanic Communication by Way of the American Isthmus," pp. 10 ff. Govt. Print, 1883.

explorers had pinned their last faith in the existence of such a water-way on the country about the Fresh-water Seas.

Voyages of discovery henceforth to be undertaken by the Spaniards must consequently have for their sole purpose, the opening up of fresh gold fields in America. The west coast of Mexico was known to bear off to the northwest, but little was known of the country beyond. In 1532 Hurtado de Mendoza had reached Sinaloa along these shores just opposite the southern point of the peninsula of California, and in the following year Gonzalo Ximenes came to the peninsula itself and thought it to be an island. Rumors of great quantities of gold in this direction as well, then led Cortez, baffled in his search for the strait and balked in his designs on the Freshwater Sea, to send out an expedition in 1539 under his captain, Francisco de Ulloa, to explore these northern shores. Ulloa reached the head-waters of the Gulf of California and examined the coasts of the peninsula on both sides, but brought back no gold. Being greatly hampered by his enemies in Mexico, in his attempts to explore this northwest coast, Cortez then returned to Spain to seek redress, before continuing the work. While Cortez was vainly pleading with his monarch for justice, his enemies pursued the task of discovery in America. In 1542 an expedition under Juan Cabrillo pushed its way along the rock-bound coast to the north in search of California's hidden treasures.

Fogs, storms, and adverse winds delayed his course, and soon after landing at Conception, in latitude $34^{\circ} 26'$, Cabrillo died. Ferrelo, his successor in command, continued the search along the shore for a suitable harbor, to about the 43d parallel and then put back disheartened to Mexico. Cortez died soon after in Spain, and without his indomitable energy the explorations were abandoned, and California's secrets lay buried for three centuries to come.

At the time of the death of Cortez, however, enough was known of the shores of North America, to convince the monarchs of Spain that they must henceforth rest content with the southwest passage to the Indies, or such mode of transit as they might be able to provide across the narrow isthmus connecting the two land masses of the New World. The discovery of the northwest passage, such as it is, was therefore left to other hands.¹

¹ Walter B. Scaife, *loc. cit.* pp. 27-30.

H. H. Bancroft, "History of the Pacific States," Vol. XIII. ("California," Vol. I.). San Francisco, 1882-90.

Josiah Royce, "California," Ch. I., sect. 2. Boston, 1886.





CHAPTER II.

THE COLONIZATION OF THE ISTHMUS.

THOUGH Spain had ultimately proved the truth of the Columbian Hypothesis, for which she had stood sponsor, she gained but a slight hold thereby upon the countries of the far East. The lands of the New World which had fallen to her lot, as it were in passing, proved themselves an adequate compensation for her loss, however; and now that their hopes of a natural westerly route to the Indies were also dispelled, the Spanish monarchs, still true to their Mercantile policy, henceforth devoted their energies to exploiting their American possessions, and holding them fast in their control. The discoverers had had their day; and thus it became the era of the conqueror and colonist now. In their train came royal governors and viceroys, and henceforth the precious metals and rich colonial products of Spanish America were relied upon to increase the treasure and maintain the European prestige of the Home government.

The ancient Empire of Peru, so rich in gold and silver, and conquered, as we know, by Pizarro and Amalgro, was now, to this end, brought directly

under the control of the Home government and placed in the hands of an obedient Spanish viceroy. This systematic exploitation of the lands of the Incas had the further effect of stimulating anew the settlements along the isthmus of Panama, which up to this had languished, for across this narrow strip of land the products of South America's western coast could best be shipped home to Spain.

§ 27. The
Opening
of the
Panama
Route.

As soon as Spain assumed exclusive control of these Peruvian lands, she accordingly made arrangements to open up communications with this new source of supply across the lower isthmus. The Panama colony in consequence at once began to revive. A port of entry and departure was now established at Panama on the Pacific for the galleons sailing from Peru. A wagon road was next laid out across the mountains to Porto Bello on the Atlantic, and in this way a more or less direct route of commerce was opened up between Spain and the west coast of South America.

At stated times during the year, vessels laden with Spanish manufactured articles for the colonists were wont, in these early days, to congregate at Carthagena, on the northern coast of South America, as the climate was better there, and await the arrival at Porto Bello of the caravans from Panama. Then gorgeous fairs were held at this point under the auspices of the Governor of Panama and the General of the Galleons, which were attended by all the merchants of the Spanish Main. Home wares were

there exchanged for colonial products, and as the Spanish vessels sailed away eastward, laden down with the precious metals of Peru, the ox-carts wended their way back across the range to Panama, there to reship such manufactured products as were not needed on the isthmus to the Spanish colonists farther south.

To make her monopoly in this early transit from sea to sea doubly secure, Spain then brought the provinces of the lower isthmus also under her own governmental control. To this end the Kingdom or Presidency of New Granada was established in 1542, comprising the country to the north and south of the Rio Atrato, and made subject to the Viceroy of Peru. Then, fearing lest a competing route of transit might be opened up the still unexplored Atrato, special laws were enacted for the new Presidency, imposing the penalty of death upon anyone who should attempt to navigate this stream beyond the shores of the Gulf of Darien.¹ All this was in harmony with Spain's mercantile policy, and, for the time at least, afforded her increasing returns for her pains.²

Meantime the colonization of the province of Nicaragua to the north was going on with rapid strides. This section of the Central American isthmus, it will be remembered,³ is bisected diagonally

¹ By Royal *Cédula* of Philip II.

² Sullivan, *loc cit.*, p. 12.

R. G. Watson, "Spanish and Portuguese South America," Vol. II., Ch. IX. London, 1884.

Engineering Magazine, Feb. 24, 1893. London.

"Encyclopedia Britannica," "Colombia."

³ Cf. Introduction, § 4.

from northwest to southeast by the eastern branch of the Cordillera. To the west of these mountains lies, as we know, the remarkable Nicaraguan depression, containing the two inland seas. The eastern slopes of the range, on the other hand, are covered with dense forests; while the Caribbean sea-coast is both low and marshy, and indented all along by cays or lagoons formed by the countless little streams flowing down the mountain sides and met by the coral reefs along the shore. Coincident with this line of orographic demarkation, there runs a distinct line of division, also, in the climatic conditions of the country. The northeast trade-winds, redolent with the moisture of the Atlantic, blow continually over this Caribbean coast of Nicaragua and upon the eastern slopes of the Cordillera. The moisture is thus caught by the dense forests of the mountains and precipitated upon the land. Consequently, this whole eastern section of Nicaragua is damp and very unwholesome, agriculture is practically out of the question, the mountain slopes are destitute of minerals on this side, and so the only occupations open to the still half-savage inhabitants of this country are hunting, fishing, and the growing of tropical fruits.

By the time the trade-winds reach the crest of the Cordillera, however, they have left the greater part of their moisture behind them in the forests of the eastern slopes. As a result climatic conditions throughout the Nicaraguan depression are essen-

§ 28. The Conquest and Colonization of Nicaragua.

tially different from those prevailing in the eastern sea-coast section. The two lakes receive all the surplus drainage of the mountains which encircle them, and even during the wet season, lasting from May to November, the rainfall is not excessive. All through this district, moreover, the temperature is moderate,¹ and the climate comparatively healthful. The western slopes of the mountains are rich in gold and silver and other valuable minerals; along the uplands of Chontales, Segovia, and Matagalpa, stretch out the richest kind of pasture lands, while the plains below around the lakes are fertile and well adapted to the cultivation of sugar, cotton, tobacco, cacao, coffee, rice, and maize.

Under such conditions it was but natural that the early Aztec colonists—supposed to have migrated from Anahuac in Mexico—should have chosen these fertile lands around the lakes for their new abode, and left the wilder natives—Chontales,² or Barbarians as they called them—to wander still in savagery as they would, through the forests of the eastern mountains and along the Caribbean sea-coast. Protected thus on the east by the mountains and their savage inhabitants, these primitive people were first disturbed by Gonzales Davila and his band, who, as we know, came upon them from the west. Thus Pedrarias found them soon after, an agricultural

¹ Ranging from 70° to 90° Fahr. throughout the year.

² This word "Chontales" the Spaniards translated into "Bravos," meaning also barbarians, and used henceforth to designate the wilder hunting tribes of the mountainous regions of the isthmus in contradistinction to the more tractable fisher-folk who dwelt along the eastern sea-coast.

people, for the most part, tilling the rich soil around their villages; while some of their number were engaged in handicraft, fashioning implements of gold and silver, weaving cotton cloth, and shaping and decorating vessels of pottery.

By dint of his cruel war of extermination, Pedrarias and his followers soon destroyed all vestiges of this early Aztec civilization, killing or enslaving most of these primitive Americans and driving those who escaped, far back into the mountains to join their more savage neighbors there. As a reward for such laudable energy, Pedrarias was in 1527 duly commissioned by the Crown of Spain, to rule as Governor over this new province, which was henceforth to be separated from Tierra Firma and called Nicaragua.¹ With the fertile lands of the district thus placed legally under his control, Pedrarias then introduced cattle, horses, asses, pigs, goats, and fowls from Spain and turned his colonists to cultivating the soil. The rich mines of the eastern Cordillera, which Pedrarias now began to work by the labor of the slaves he had captured, also added great quantities of gold to the large supply already collected from the demolished Aztec cities.

The great problem which then confronted Pedrarias was, to open up an eastern outlet for his products, that his thriving colony might be placed in direct connection with Spain, and that he might

¹ This was originally the name given to the lake, called by the Aztecs "Cici-bola," but christened by the Spaniards "Nicaragua," *i. e.*, Nicarao-agua, the "Waters of Nicarao," Nicarao being the name of the cazique in these parts.

not have to sue for the favors of transit across Panama from his successor and rival, the Governor of Tierra Firma. This was only possible by controlling the outlet of the San Juan, which still remained in the hands of the savages of the eastern seaboard. Pedrarias accordingly swept this Caribbean slope with a slave hunting band, from the banks of the San Juan even to Cape Gracias, enslaving the wretched savages as he went with fetters and the branding iron. But their ranks closed up behind him, and the mouth of the river still remained in the possession of the Indians during his lifetime.

Pedrarias died in 1531, and his successor, Contreras, recognizing the futility of his predecessor's forcible methods, began at once on a policy of conciliation, and, as a result, in a few months he was able to open up navigation along the San Juan to the Atlantic. Having obtained this favor, however, Contreras forbore from antagonizing the Indians further, and allowed them to roam unmolested along the coast from the Bluefield's lagoon to the north, till they were met again in Honduras by the cruelties of Alverado, now Governor of that province. Ecclesiastics then appeared upon the scene, to see what they could accomplish in rendering the savages more tractable, by converting them to the Christian faith. A Dominican convent had already been established at Leon, in Nicaragua, and Bartolomé de Las Casas, the grand old "Apostle of the Indies," after his arduous labors in Mexico, now arrived to take up the cause of what remained of

the Nicaraguan aborigines. The monks fell out with the civil authorities, however, and seeing the designs of the Governor, they soon quitted the country in a body.

It was Contreras's ambition, indeed, to throw off the Spanish yoke entirely and rule his province to his own advantage. This was exactly what Spain had feared of her ambitious conquerors and colonizers in the New World, and had already taken means, as we know, to defeat their ends by absorbing the heretofore semi-independent provinces under her own governmental régime. Contreras was accordingly deposed from his governorship with the rest, and his province became merged in the Presidency of Guatemala now established.¹

This new kingdom,—or Chancery of Guatemala, as it was called,—was set up with the other vice-royalties and presidencies in the general reorganization of 1542. Its capital was established in

¹ J. F. Bransford, "Climatic and Sanitary Notes on the Nicaragua Canal Route," see "Nicaragua Canal: Discussion before the American Association for the Advancement of Science," Thirty-sixth meeting, New York, 1887.

Klöden, "Handbuch der Landes-und Staatenkunde," 3te. Auflage, 1877, IV., p. 1122.

Herrera, Dec. III., Lib. II., Cap. III. Dec. VI., Lib. VII., Cap. IV.

Brasseur de Bourbourg, *loc. cit.*, I., 37, 150.

H. H. Bancroft, "Native Races of the Pacific," Vol. II., pp. 117, 543-553, 684-747; Vol. III., p. 450; Vol. V., pp. 24, 164, 231.

Ibid., "History of Central America," Vols. I. and II. San Francisco, 1882-90.

E. G. Squier, "Central American States," pp. 223-227. New York, 1854.

Justin Winsor, *loc. cit.*, Vol. I., pp. 134-207. Boston, 1889.

Max Müller, "Chips from a German Workshop." "Popul Vul."

Las Casas, "Destruction of the Indies."

the bishopric of Guatemala, but its out-lying frontiers were very indefinite. As laid down in the Spanish statutes, the kingdom extended from **Kingdom of sea to sea**, and from the northerly confines **Guatemala.** of New Granada in the south, to include the province of Chiapas¹ in the north. As a matter of fact, however, the Spanish colonists only held possession of Guatemala, Honduras, San Salvador, and the lake basin of Nicaragua; while the eastern coast of that province, as well as all the land to the south, or modern Costa Rica, still remained unconquered and uncolonized. Spain's claims to this eastern seaboard rested, first upon Pope Alexander's Bulls of 1493-'94 as ratified by the subsequent treaty of Tordesillas with Portugal, and then upon Columbus's formal acts of possession on the coast in 1502. As for Costa Rica, both her coast lines had been explored by Spanish voyagers, and Cordova and Pedrarias had each marched through the interior. But in the face of the growing opposition of her rivals, Spain felt it now incumbent upon her to substantiate these claims by some more tangible acts of conquest and colonization. While framing laws for the new kingdoms, the Spanish government, therefore, sent out one Diego Guiterez to subdue the savages of the east coast of Nicaragua and conquer the country to the south. He and his followers were attacked by the Indians, however, soon after their arrival in Costa Rica, and only six returned to tell the tale. In 1560, after the kingdoms on either side were well established, another

¹ In modern Mexico.

attempt was made to colonize this country south of the San Juan. This time a governor was appointed, and after a few colonies had been planted, the province was formally added to the Chancery of Guatemala as the Intendancy of Costa Rica, in 1574. At the same time the district lying along the east coast, from the San Juan north to Cape Gracias, was conveyed to Diego Lopez and Señor Palacios, to be conquered and governed by them also under the Chancery. But their failure was likewise complete, and after this the eastern shore was practically given over to the savages until the coming of the Franciscan monks in the next century. Still the Spanish authorities continued to claim dominion to the Atlantic, and as yet, indeed, their title had not been questioned.¹

Under the Chancery, the prosperity of the Intendancy of Nicaragua continued to increase. The colonial cities of Leon and Granada founded by Cordova, grew in importance, and not only were the products of this fertile depression now shipped across the lakes and thence down the San Juan to the sea, but in time

§ 30. The Nicaraguan Transit Route.

¹ Royal Decrees of 1526, 1533, 1536. Royal Charters of November 29, 1540, and February 18, 1574. Royal *Cédula* dated October 30, 1547, August 31, 1560, July 2, 1594.

"Recopilacion des Indias," II., pp. 192, 194, 201, 277, 288.

Soc. Mex. Geog., Boletin V., pp. 326-331.

New Laws for the Kingdom of the Indies (1542-44). Bk. II., Tit. XV. Laws 6 and 8. Madrid, 1744.

British Accounts and Papers, Vol. LXV. Doc. 966, No. 5, Enclosure

II.

U. S. Sen. Ex. Doc. No. 25. 34th Cong., 1st Sess. Docs. 10 and 12.

"Calvo Traités," VI., pp. 196-203.

the products of Peru as well came to be landed at Porto Realjo or Corinto on the Pacific coast, and carried thence across the low coast range to Lake Nicaragua. Here they were reshipped and transported in small vessels to the Atlantic, and, at the San Juan's mouth, they were loaded, together with Nicaragua's own products, on the galleons bound for Spain. This change in the route of transit was due to the fact that transportation across Nicaragua was found to be easier than that via Panama, and the climatic conditions of the region far more favorable. Thus the transient glory of Panama began to die away, and in the end the whole district relapsed once more into barbarism, and was practically given over to its original savage inhabitants.¹

As long as Cortez ruled in Mexico, the route of transit from sea to sea, which he had established across the isthmus of Tehuantepec, was still kept open. During these years of South Sea explorations, this route was continually in use for the transportation of ship-building materials from coast to coast, and for keeping the fleets of the Atlantic in close touch with those he had built on the Pacific. It was then Cortez's further ambition to open up a regular trade route across Tehuantepec, and thus connect the Spanish ports more directly with the Moluccas. When Spain de-

§ 31. The
Abandon-
ment of the
Tehuante-
pec Route.

¹ *Engineering Magazine*, Feb. 24, 1893.

Squier, *loc. cit.*, "Nicaragua."

Bancroft, *loc. cit.*, "Central American States," Appendix.

Juarros, "History of Guatemala," pp. 346-359.

"Constable's Miscellany," Vol. XVII.

cided to bring all her American colonies under her centralized system, however, even the mighty Cortez had to submit to the new laws, and abandon all his later schemes.

Soon after his death, Mexico, too, was made a vice-royalty, and developed from now on in accordance with Spain's governmental monopoly. As the trade with Peru was already provided for, and inasmuch as the Spice islands had by this time been abandoned to Portugal, the Spanish authorities recognized no immediate necessity of keeping open another route of interoceanic transit. Mexico came, therefore, to be exploited for itself alone, and was no longer used as a point of departure for further trade to the west, as Cortez had planned. The new Viceroy accordingly took up his abode in the City of Mexico, and began to ship the rich products of the country direct to Spain from Vera Cruz. It was henceforth to be Spain's invariable policy, moreover, to allow but one port of entry on either sea for each of her isthmian colonies. Acapulco had already been chosen as Mexico's Pacific port, and with Vera Cruz now on the Atlantic, the isthmus of Tehuantepec was of no further use and was accordingly abandoned for good and all. Nicaraguan transit was deemed sufficient for all purposes, so Tehuantepec, like Panama, was now turned over again to its native inhabitants to rule as they would.¹

¹ *Engineering Magazine*, *loc. cit.*, Feb. 24, 1893.

Sullivan, *loc. cit.*, pp. 70 ff.

Simon Stevens, "The New Route of Commerce by the Isthmus of Tehuantepec," London, 1871.

Having thus thoroughly reorganized her American colonies, and so arranged everything in harmony with her Mercantile policy, that she was now receiving all the imports of gold and silver and other colonial products of her possessions in the New World, Spain began to look covetously once more toward the lands of the Orient beyond. Her engineers came to the front, at this juncture, and pointed out to the sovereigns that by cutting a water-way through the narrow isthmus, not only would they be able to import the products of Peru more easily, but furthermore, they might then successfully compete with their rivals, for the trade of the far East as well. The narrow belt of land separating the two oceans seemed to the enthusiasts of this age of great ideas but an insignificant barrier, which might readily be pierced by a canal.

Even during the reign of Charles, plans were formulated and explorations actually undertaken along the Chagres river, with the idea of substituting a water-way for the wagon road which was still in operation across the isthmus of Panama, but which was already proving unsatisfactory.

Later on, when Nicaraguan transit had superseded the earlier Panama route, Philip II. had one of his engineers, Batista Antonelli, conduct a survey along the narrow strip of land that cut off the lakes from the Pacific, in the hopes of being able to connect the two bodies of water by a canal, and thus avoid the inconvenient transportation by wagon across the Coast range.

§ 32. Early
Canal
Projects.

These practical attempts of course came to nothing, but still the subject of interoceanic transit by means of an artificial water-way continued for many years to be discussed in print, from a purely theoretical point of view. In the year 1550 a significant monograph on the question appeared, written by the Portuguese sea captain and navigator, Antonio Galveo, which attracted considerable attention at the time. From his knowledge of the country, Galveo maintained that four routes were possible; but among these he seemed to be most favorably impressed with the one which would pass through Nicaragua. In the following year the Spanish historian, Lopez Gomara, thoroughly convinced of the immediate importance of the project, addressed a special plea to his master, Philip, urging him to undertake the work for the further glory of Spain. Three routes he declared to be feasible for this purpose—Tehuantepec, Nicaragua, and Panama. "It is true," he wrote, "that mountains bar the passes,—but if there are mountains, there are also arms,—take but the resolve, and the means to do it will not be lacking; the Indies toward which the passage will be opened will furnish them. To a King of Spain, with the riches of the Indies at his doorway, when the end to be obtained is the commerce in its products, the barely possible becomes easy."

But Philip, by this time, had become too deeply involved with affairs in Europe to undertake a project of such magnitude in distant America. Then, too, he was beginning to realize at last the growing

power of his rivals. He deemed it wiser, therefore, to cling fast to what he already had in America, rather than run the risk of losing all, by cutting a direct path to the East through his isthmus, only to tempt the naval forces of England or Holland to seize upon it for themselves. By the end of the century, if we may judge from the tone taken by the later Spanish historian, José de Aosta, these conservative views seem to have gained the upper hand, for he condemned the project as foolish, and even went so far as to oppose it on religious grounds, saying that it would be contrary to the Divine will to pierce the isthmus, as God had evidently placed the mountains there to check any such attempt.

The real truth of the matter was, that Spain had already pursued her policy of colonial aggrandizement as far as she dared in the face of her powerful competitors. She had been obliged, in short, to adopt an attitude of defence over against her rivals, and still it was with difficulty that she continued to hold her own. All dreams of Eastern dominion had now perforce to be abandoned for good and all, and her every endeavor was henceforth to be centred on retaining intact that rich monopoly in America she had so successfully secured.¹

¹ Sullivan, *loc. cit.*, pp. 60-74.

Lopez Gomara, "History of the Indies," Pt. II., "Mexico."



CHAPTER III.

THE ENGLISH FREEBOOTERS.

BY her high-handed policy and her domineering ways, Spain had by this time made an enemy of nearly every nation of Europe. As yet no monarch dared oppose her openly; but this did not prevent private citizens of the different countries from leagu-
ing together against their com- § 33. The
mon enemy the Spaniards, and endeavoring Freebooter
to wrest from them at least a share of their Republic.
wealth. The might of Spanish arms was still too powerful to be opposed in Europe, and so these allies,—buccaneers or freebooters they were called,—chose the West Indies and the Spanish Main as their base of operations. Adventurers of England, France, and Holland, under the connivance of their respective governments, accordingly fitted themselves out in swift, well-armed vessels, and lay in wait among the West Indian islands to pounce upon the Spanish merchantmen, homeward bound with the rich products of Mexico, Central America, and Peru.

The Spanish monopoly of the mainland was still complete at this time, but her European rivals had already succeeded in laying claim to some few of the smaller islands of the West Indies, that the Span-

iards had passed over in their eager search for gold. The freebooters now took it upon themselves to increase the number of these accessions. About the year 1630 the little island of Tortugas, off the north-west of Española, was pounced upon by the band and this became, for the time, the assembling place of the marauders and their point of departure for further attack.¹

Emboldened by their success thus far, the buccaneers soon began to inaugurate raids on the main-
 § 34. Buc- land colonies themselves, the sources of
 caneering Spain's richest supplies. Sir Francis Drake,
 Raids and the daring adventurers of the Eliza-
 along the bethan age, had confined their attacks to
 Isthmus. the undefended coasts of Peru and Central America ;
 but the Englishmen of this later freebooting frater-
 nity directed their operations primarily to the eastern
 shores of the isthmus.

Both nature and history aided the English in their designs upon this Caribbean seaboard. Spain had never made good her theoretical claim of dominion over this shore, except along the coasts of Honduras, and at the mouth of the San Juan. True, the Franciscan monks had already begun their work of conversion in the mountains of Nicaragua, but as yet their influence had not been felt along the coast. Among the lagoons of this shore, the buccaneers came thus upon a harmless, good-for-nothing band of

¹ Bancroft, *loc. cit.*, "History of Central America," Vol. II., pp. 595 ff.

Squier, *loc. cit.*, "Central American States," pp. 630 ff.

C. P. Lucas, "A Historical Geography of the British Colonies," Vol. II., p. 56. Oxford, 1890.

Indians, called the Moscoes, who supported life, precariously enough, by fishing in the cays. Cut off entirely from the interior by mountain barriers and their more warlike brothers, the Chontales or Bravos, this primitive fisher-folk had come but little in contact with the Spaniards, and knew them only from the marauding expeditions of their slave hunters.

Finding the coast thus uninhabited by colonists, and caring naught for Spain's theoretical rights, the freebooters, upon their arrival, took pains to cultivate the friendship of these Moscoe Indians. They made their permanent headquarters in the home of the Moscoe chief at the mouth of the Segovia or Wanks river, and established freebooter rendezvous also in the Bluefields and Pearl lagoons. They gave the natives rum in abundance, then taught them the rudiments of the English language, and easily induced them to join in the attacks on their common enemies the Spaniards.

It was during these early years of freebooter aggression that the Earl of Warwick, sailing under letters of reprisal granted him by his sovereign, Charles I., against the subjects of Spain, seized upon the little island of St. Catalina, or Old Providence island, as the English called it, lying just off the coast of Nicaragua. The noble Earl soon grasped the situation on the shore, and entered heartily into the freebooters' schemes for planting the seeds of British dominion in these parts. To further the cause the Earl's company then established a trading station at Cape Gracias, and eventually induced the

chief of the Moscoes to send his son the crown prince to England on a three years' visit, that he might receive a liberal education there.

Having thus secured the good will of the natives, the English freebooters could now use their new position to great advantage. Within the lagoons of this eastern coast, sheltered from the elements by the outlying coral reefs, and secure from attack by the heavier Spanish war vessels, the lighter draught buccaneering craft could safely lie in wait, ready on a moment's notice to swoop down on the richly laden colonial galleons homeward bound from the San Juan. To these same sheltered harbors, they could then return and find a welcome after every successful raid, and there divide their plunder in peace, and plan their further expeditions.

Nor were these the only buccaneering settlements of the British along the coast. The shores of Honduras were indeed still held by the Spaniards, but farther north in Yucatan the seaboard was practically uninhabited. Here the hardy old Scotch buccaneer, Peter Wallace, established his band in 1638, and thus laid the foundations of the future English settlement of Belize.¹ The Bay islands just off the coast of Honduras had up to this time also been governed from the Spanish colony of Truxillo. Owing to the attacks of the freebooters, the Spanish authorities were obliged to depopulate these islands, however, and leave them to the mercy of the in-

¹ Some say after Wallace, or Willis, as he was also called; others derive the name from the French, *balise*, "a beacon."

vaders, having all they could do to defend the shore. The sea-rovers lost no time in seizing upon the group, and in this forcible allotment, the largest two islands, Roatan and Guanaja, fell into English hands.¹

All this time the Spanish ambassador at the Court of St. James kept vainly protesting against these unwarranted acts of the English freebooters. But the British government simply refused to consider the pirates as subjects of the Crown, and thus avoided all responsibility, one way or the other, by disavowing their acts. England did not offer to interfere, however, and at this juncture Oliver Cromwell came into power. In accordance with his vigorous foreign policy, the Protector then decided to make use of the buccaneers to break down Spain's monopoly in the West Indies before lifting a finger against them.

§ 35. The English Occupation of Jamaica and Attack upon the San Juan.

To this end an expedition was secretly despatched in December, 1654, to attack the island of Cuba and wrest it from Spain. Cromwell's band of adventurers detailed for this purpose—"a sad miscellany of distempered unruly persons," as Carlyle dubbed them—failed in their original mission, it is true, but

¹ British Accounts and Papers, Vol. LXV., Doc. 966, Appendix B.

Sir Hans Sloane, "History of Jamaica," 1st ed., 1707; Vol. I., p. 76.

"Churchill's Voyages," 3d ed., 1746, Vol. VI., pp. 297-302.

Courtney De Kalb, "Nicaragua: Studies on the Mosquito Shore," Bull. Amer. Geog. Soc., Vol. XXV., No. 2.

Bancroft, *loc. cit.*, "History of Central America," Vol. II., pp. 598 and 648

Squier, *loc. cit.*, "Central American States," pp. 604-615 and 632.

they succeeded nevertheless in gaining a foothold on the island of Jamaica in May, 1655. Another five years of struggle was, however, necessary before English authority was fully recognized in the land.

This encouraged the English freebooters along the shores of the mainland, for they now saw that their government was openly supporting them, and they felt more secure in consequence, with Jamaica behind them to fall back upon in case of defeat. The Spanish authorities, finding diplomatic methods of no avail, had already tried to meet force with force, but their expedition, fitted out in San Domingo in 1650, succeeded only in dislodging the English for the time from the Bay islands. To avenge this assault, the buccaneers along the shore then determined to push up the San Juan itself and attack the inland colonies.

The English missionary, Gage, in his book¹ on the West Indies, published just at this time, described this Nicaraguan depression as "so pleasing to the eye, and abounding in all things necessary, that the Spaniards call it Mahomet's paradise." This glowing account stimulated the freebooters' enthusiasm, and their frequent sallies up the stream were repulsed by the Spanish colonists with more and more difficulty. Finally, in 1655, one band of these Englishmen, under Edward Davis, actually succeeded in sacking and looting the city of Granada itself.

After this, seeing their monopoly of interoceanic

¹Cf. Thomas Gage, "English American New Survey of the West Indies." London, 1648.

transit so seriously threatened, the Spanish fortified the San Juan more strongly, establishing a garrison in San Carlos at its junction with the lake, and erecting a powerful fort, Castilla Viejo, farther down the stream. The freebooters still guarded the mouth of the river, however, and it is said the Spaniards even went so far as to divert the course of the stream itself by artificial dams, that it might debouch hereafter farther south, through the Colorado mouth.¹ Thus, for the time at least, they hoped to elude the vigilance of their tormentors, and allow their galleons to pursue their way unmolested to Spain.²

Once firmly established in the West Indies, the English government could no longer shirk the responsibility of the doings of the freebooters along the Spanish Main. In fact, these piratical raids had now become obnoxious to England as well, in her new position. The British authorities, therefore, resolved to break up the freebooter republic entirely, but if

§ 36. The
Treaty
of 1670
between
Spain and
England.

¹ It is impossible to determine the truth of this report. On the one hand, we have it on good authority that the Crown commissioned an engineer, Fernando de Escobedo, in 1670, to undertake the work, and that, after the stream was thus diverted, the San Juan was no longer navigable. Before this we have constant mention of vessels sailing up the San Juan to Granada, but, on the other hand, in Herrera's account of Cordova's conquest, the author speaks of "great rocks and falls" in the stream cutting off access to the Atlantic.

² Courtney De Kalb, *loc. cit.*

Engineering Magazine, loc. cit., March 3, 1893.

Thomas Gage, "English American New Survey of the West Indies." London, 1648.

Orlando W. Roberts, "Narrative of Voyages and Excursions on the East Coast and in the Interior of Central America." Edinburgh, 1827.

Bancroft, *loc. cit.*, "History of Central America," Vol. II., p. 623.

Squier, *loc. cit.*, "Central American States," p. 576.

possible to retain all rights thus far secured by Englishmen on the shore.

It was a delicate task, but matters had gone so far with Spain that the English found her quite ready to come to terms on a basis satisfactory to themselves. It was Spain's idea, now, to secure her monopoly on the mainland by acknowledging British rights thus far secured in the West Indies, and so free herself from further encroachments on the part of the freebooters. England apparently agreed to these terms, and a convention was accordingly concluded between the two powers in 1670,—called indifferently the American treaty, or the treaty of Madrid,—in which their respective rights in the New World were defined.

By the seventh article of this famous instrument it was agreed :

“ that the most serene King of Great Britain, his heirs and successors shall have, hold, keep, and enjoy forever, with plenary right of sovereignty, dominion, possession and propriety, all those lands, regions, islands, colonies and places whatsoever, being or situated in the West Indies, or any part of America, which the said King of Great Britain, or his subjects, do at present hold and possess.”

The last clause was a clever piece of diplomacy on the part of Sir William Godolphin, the English ambassador to Spain, who negotiated the treaty, and was intended to secure English rights on the mainland, if possible, under the terms of the agreement. It all depended upon whether English freebooters, whose acts had up to this been persistently dis-

avowed by their own government, could now be regarded as British subjects; and if so, whether they could be said to "hold or possess" their points of advantage on the eastern shore.¹

The English freebooters had by this time come to recognize that their government was in earnest, and had lost no time, accordingly, in doffing their piratical garb. They never thought of abandoning their positions along the shores of Central America, however, but, now that their more exciting occupation had to be abandoned, they transformed themselves into peaceful lumbermen, and soon built up a fine trade in the mahoganies and rich dye woods which grow in such profusion on this coast.

§ 37. English Settlements along the East Coast of Central America.

Concerning this log-cutting trade Sir T. Modyford, Governor of Jamaica, reported in 1670, that :

"about a dozen vessels ply only this trade and make great profit, selling the wood at £25 to £30 a ton ; they were privateers, but will not leave the trade again ; they go to places either inhabited by Indians or void, and trespass not at all upon the Spaniards, and if encouraged the whole log-wood trade will be English and very considerable to His Majesty, paying £5 per ton customs. The places they now trade at are Cape Gracias à Dios, Darien, Mosquito, and many deserted places in Campeché, Cuba and Hispaniola."

This report practically decided the Home government in its course, and Lord Arlington, then Secretary of State under Charles II., accordingly wrote

¹ Treaty of Madrid, 1670, Article VII.

U. S. Sen. Ex. Doc., No. 194, p. 72 ; 47th Cong., 1st Sess.

to Godolphin about the matter in order to learn how Spain would regard a fresh claim to the shore. Sir William, anxious as he was to secure the rights of his countrymen under the treaty he himself had negotiated in their behalf, was still not very encouraging as to their immediate success, as his reply to Lord Arlington shows. He admitted therein:

“the Crown of Spain to have as well too much right as advantage in these woods, not to assert the propriety of them, for though, perhaps, they are not all inhabited (which is not to be admired) or distinguished into particular tenements, but remain in common, yet they are in general possessed by these people, who may as justly pretend to make use of our rivers, mountains, and other commons, for not being inhabited or owned by individual proprietors, as we can to enjoy any benefit of those woods. And this is the sense of all the Spaniards, who esteem themselves in full possession of every part of that Province (Yucatan), notwithstanding that it containeth much territory unpeopled, since, as I have said, to inhabit and possess are distinct, neither is the former essential to the latter.”¹

Goldolphin's opinion was soon justified; for in 1672 the Spanish government issued a *cédula* to the effect that “such as should make invasion or trade without license in the ports of the Indies should be proceeded against as pirates.” Acting upon this decree the naval forces of Spain then made a vigorous assault upon the woodcutters, and succeeded so far as to confine them in their future operations, to the district of Belize and the eastern shores of Nicaragua. The English government, on the other hand,

¹ Sir William Godolphin to Lord Arlington, May 1^o/₁₆, 1672.

still persisted in maintaining the rights of the woodcutters under the treaty of 1670, and openly lent them its support. The Spanish ambassador thereupon laid a formal complaint before the Court of St. James, and the matter was finally turned over by the Crown to His Majesty's Commissioners for Trade and Plantations, for further examination.¹

In the meantime, other strangers had come to the eastern seaboard of Nicaragua and found a welcome among the Moscoes. About the year 1650 a Dutch slave ship, homeward bound from Senegambia and freighted down with negroes, had, it appears, been driven from her course and finally wrecked on the Costa Rican coast. Many of the poor blacks, thus liberated by chance from their bonds, escaped to the shore on the breaking up of the vessel, and, after wandering north in search of food, they came finally to the abode of the Moscoes. Here they were taken in by the good-natured aborigines, and given a tract of land for their own, along the Sandy river.

§ 38. The Origin of the Mosquito Indians, and the First Steps toward the English Protectorate over their Shore.

The Moscoe tribe had already received a vein of Caucasion blood, through its intercourse with the English freebooters. The Indians now began to amalgamate very freely with the negroes who had thus come to their shores, and, from this strange mixture of races,

¹ U. S. Sen. Ex. Doc. 194, *loc. cit.*, p. 72.

British Accounts and Papers, *loc. cit.*, Appendix B.

Sir Hans Sloane, *loc. cit.*, p. 76.

Lucas, *loc. cit.*, pp. 304-305.

De Kalb, *loc. cit.*

there sprang a mongrel people who have ever since been known as the Mosquito Indians. With the more permanent settlement of the English in the character of peaceful settlers, fresh Indo-European strains were added to the hybrid race, and from this time on, the negro element was also continually augmented by blacks coming from Jamaica, until in the end the negroid became the prevailing type. As a result of these accessions and interminglings, the Mosquito Indians increased very rapidly in numbers, and e'er long came to spread over the whole shore from Cape Honduras in the north, to the Bluefields lagoon in the south, where the Cordillera slope off to the sea,—a strip of coast which henceforth came to be rather indefinitely known as the Mosquito shore, or Mosquito land.

From the outset the whites had been determined to assert and maintain their supremacy over the natives, and upon settling definitely in the land, the English took further steps to establish their prestige.

Upon the death of the Moscoe chief, Oldman, his heir had, it appears, been brought back from England and invested by the settlers with royal dignities shortly after the British conquest of Jamaica. This done, the new monarch was easily persuaded to abdicate his sovereignty over the country in favor of Charles II., and become an ally of England. In return the English settlers then conferred upon King Oldman a crown and a royal commission, which was supposed to have come direct from King Charles. True, the crown was but an old cocked hat, and the

commission only a bit of paper drawn up by the settlers themselves, setting forth that the Mosquito chief would treat well all Englishmen coming that way. Oldman and his people were thoroughly satisfied with the arrangement, however, and seemed to prize very highly these marks of royal condescension from the brother monarch across the seas.

Their diplomacy had thus far succeeded in securing for the English the real power over the Mosquito shore and nation, but it had not as yet brought them officially under the protection of their own government, nor secured for them its formal approval of their acts. This was the next card to be played, and the settlers were prepared. Oldman having died, his son Jeremy succeeded to the crown, and this young monarch the settlers now bundled off to Jamaica, in 1687, to beg from the Earl of Albemarle, the English Governor there, that he, like his father Oldman, be taken under the protection of His Majesty's government. In the suite of the Mosquito monarch came a committee of the English settlers, and in the memorial they had drawn up for him to present to His Lordship, the Governor, it was set forth how the Earl of Warwick had come to these shores during the reign of King Charles I. of ever blessed memory, and how on Oldman's return from England he had abdicated in favor of King Charles II., and received a crown and commission from His Majesty's own hand. But Jeremy failed to play his royal part with proper dignity, for, becoming frightened in the midst of the scene, he stripped off

the British major's uniform in which he had been dressed by his mentors, and scrambled up a tree out of harm's way.

Sir Hans Sloane, the historian of Jamaica, who was at this time in the Earl of Albemarle's household as his family physician, was present on this occasion, and declared the Governor "did nothing in this matter, being afraid it might be a trick of some people to set up a government for Bucaniers or Pirats."¹ Later English authorities² maintain, on the contrary, that the request of the Mosquito chief was granted by the Earl of Albemarle, and the English Mosquito protectorate then and there established. Strange to say these subsequent historians refer to Sir Hans Sloane as their authority.

Whatever may have been the fate of Jeremy's first mission to Jamaica, it is certain that the settlers were in no way disheartened, for by 1701 they had established a regular English factory on the Mosquito shore, in order to advance their trade relations with the merchants of the Spanish Main. Not long after this, Governor Lawes succeeded the Earl of Albemarle in Jamaica, and hoping to find him more favorably disposed to their cause, the English guardians of Mosquitoland once more sent Jeremy across the main to sue for recognition and protection. This time the Mosquito chief was more successful, for the new Governor did unbend so far as to enter into a private compact with Jeremy, wherein it was

¹ Sir Hans Sloane, *loc. cit.*, p. 76.

² Bryan Edwards, "History of the West Indies, including Some Accounts of the British Settlements on the Mosquito Shore." London, 1819. Also, Bridges, "Annals of Jamaica."

agreed that in return for money and arms, the Mosquito chief was to provide Governor Lawes with fifty men to hunt down runaway slaves on his island.

This so-called treaty was indeed formally ratified by the Assembly of Jamaica, June 25, 1720, and Jeremy was sent back on a British sloop-of-war, provided, by order of the Governor, with plenty of rum for the voyage. The captain of the sloop returned to Jamaica soon after with Jeremy's fifty warriors according to the contract, and with this agreement fulfilled, the third step in the formal adoption of the Mosquito protectorate was supposed to have been taken.¹

A significant, though transitory, dominion on the isthmus, was acquired during these early years by other British subjects operating farther south. The isthmus of Panama had, as we know, been to all intents and purposes abandoned by the Spanish after the final adoption of the Nicaraguan route for the products of Peru. In 1671, the Welsh buccaneer, Morgan, then

¹ Brasseur, *loc. cit.*, Tom. II., pp. 79, 110-111.

Bancroft, *loc. cit.*, "Native Races of the Pacific," Vol. I., pp. 713 and 794.

Sir Hans Sloane, *loc. cit.*, Introduction, Vol. I., p. 76.

"Churchill's Voyages," Vol. VI., pp. 297-302, 3d ed. London, 1746.

Bryan Edwards, *loc. cit.*, "Accounts of Mosquito Shore Drawn up for British Government, 1773."

Bridges, "Annals of Jamaica," *loc. cit.*

Long, "History of Jamaica." London, 1774. First ed.

British Accounts and Papers, Vol. lxx., Docs. 13 and 966, with Appendix.

Journals of House of Assembly of Jamaica, June, 1720, Vol. II., p. 330.

U. S. Sen. Ex. Doc., No. 27, 32d Cong., 2d Sess.

De Kalb, *loc. cit.*, "The Mosquito Race."

"The Mosquito Indian and his Golden Rule," By M. W., 1699, printed for Henry Lintot and John Osborne at the Golden Ball, Paternoster Row, London.

pushed across this isthmus with his band and sacked the little town of Panama. Thinking to find gold in this region, an English freebooter, Captain Sharpe, aided by the Darien Indians, next led a party of his countrymen over the range from Caledonian Bay, in 1680, and attacked the struggling Spanish settlement of Villa Maria on the Tuyra river.

This last expedition brought back no wealth to speak of, but the description of the route as given by Captain Sharpe's companion, Lionel Wafer, produced unlooked-for and long-drawn-out effects. According to Mr. Wafer's account, the mountains of this region were not in the shape of a ridge nor of a solid dividing range, but consisted in a row of isolated hills with broad valleys running transversely between.

William Paterson, a noted Scotchman and one of the founders of the Bank of England, read this account with the greatest interest, and thereupon evolved his grand plan of establishing a distributing centre at this point, for the commerce of the world, and thus join the trade of the two Indies. The possession of this isthmus, Paterson maintained, would give to England "the keys of the world," and in his enthusiasm he added, "this door of the seas, this key of the universe, with anything of a reasonable management will enable its proprietors to give laws to both oceans, and become arbitrators of the commercial world."

Bent on establishing the truth of his predictions, Paterson at once gathered together a band of over a

thousand Scotch colonists, and established his settlement at Caledonian Bay, in 1698. The failure of this bold enterprise can never be laid to the door of Paterson or his hardy Scotch followers. Had the little band received the slightest aid or encouragement from their government, they might easily have driven off the insignificant force of Spanish marines sent out to dislodge them, and with a few supplies would have succeeded in gaining a solid foothold in the land.

The English government, on the plea of having just concluded a treaty of peace with Spain, did everything to discourage these colonists, however, and practically left them to their fate. The real cause of this strange inaction on the part of those heretofore so eager for every advantage, must be attributed to the powerful English East India Company, which feared its monopoly would be broken if Paterson's plans were successful. The magnates of this great company gained the ears of the King, and Paterson was forced to abandon his dream after the most heroic effort to prove his point against all odds. England thus lost one of her finest opportunities of controlling the isthmus from sea to sea, and never since has she interested herself seriously in these lower routes.¹

¹ Sullivan, *loc. cit.*, pp. 13-16.

Engineering Magazine, loc. cit., March 3, 1893.



CHAPTER IV.

THE STRUGGLE BETWEEN ENGLAND AND SPAIN.

FEELING secure under the American treaty in her legal dominion over the isthmian colonies from sea to sea, Spain did nothing further to enforce her shadowy rights in practice. The English, on the other hand, looked upon this treaty of 1670 simply as a legal recognition on the part of Spain, of the rights they had thus far acquired in the New World, and did not consider themselves in the least deterred thereby from continuing their policy of encroachment, as soon as the opportunity should present itself. The English woodcutters in Central America, in the meantime, continued to extend their holdings along the coast with the tacit approval of the Home authorities, who were only waiting for a suitable time to arrive when they might openly lend their aid in transforming these doubtful holdings into regular colonial possessions.

As soon as war with Spain became imminent, in 1739, Governor Trelawney of Jamaica evolved a plan whereby the English settlers on the mainland should

§ 40. English Encroachments on the Isthmus during the Maritime War.

unite into one colony, and, having stirred up the Indians to a general revolt, either cut the Spanish colonists off entirely from the eastern coast, or perhaps drive them from the isthmus altogether. Admiral Vernon, then in command of the West Indian station, entered most heartily into the scheme, and wrote to his chief, Sir William Pultney, Lord of the English Admiralty, most urgently in its favor, calling his attention to the fact that "great advantage might be made of the friendly disposition of this people (the Mosquitos) in case of war with Spain." "And it is not to be doubted," he continued, "but in case of a rupture the government will improve so fair an opportunity of advancing the interests of the British Nation and its Colonies."

All this, moreover, was directly in accord with the general plan of campaign as decided upon by the Home government. England recognized the futility of attacking the Spanish peninsula itself, for, even if successful, she could gain no material advantage in the terms of the peace, from such a course; while, on the other hand, should the West Indies be made the centre of conflict, the island of Cuba might be wrested from Spain, and English dominion also extended to the mainland itself. With this latter end in view, as soon as hostilities had been declared, Admiral Lord Anson blockaded the commerce of the Spanish colonies on the west coast of South America, and Commodore Handyside laid siege to Corinto and Porto Realejo on the Pacific; while English agents were also sent to the eastern

shores in order to unite the settlers there and stir up the Indians to revolt, as Trelawney had suggested.

Captain Lee, the agent detailed to prepare the way in Belize, was given command of a British sloop of war, and soon had the Indians of Guatemala and the English woodcutters there organized for attack, and ready to join with the Mosquitos in their revolt against Spanish rule. Another adventurer, one Robert Hodgson by name, was sent to the Mosquito shore. The English settlers gathered around him, and by the use of bribes and favors he was soon enabled to acquire the further good will of the natives, and enlist them in his cause. Hodgson on his arrival authoritatively reaffirmed the British protectorate over the coast and promised His Majesty's aid in their proposed revolt against the Spaniards. The standard of Great Britain was then for the first time formally raised over the land, and the long-sought-for alliance with Jamaica ratified by both parties.¹

¹ Hodgson's letter to his chief, retailing the events of these proceedings in Mosquitoland, is so graphic and significant that it may be quoted here in full as follows :

SANDY BAY, April 8, 1740.

MAY IT PLEASE YOUR EXCELLENCY . . .

King Edward, being informed of my arrival, sent me word that he would see me the next day, which he did, attended by several of his captains. I read to him Your Excellency's letter and my own commission, and when I had explained them by an interpreter, told my errand, and recommended to them to seek all opportunities of cultivating friendship and union with the neighboring Indian nations, and especially such as were under subjection to the Spaniards, and of helping them to recover their freedom. They approved everything I said, and appointed the 16th to meet the governor, John Briton, and his captains, at the same place, to hear what I had further to say. On the 16th they all came, except Admiral Dilly and Colonel Morgan, who were sick. General Hobby and his captains were at too great a distance to be sent for, but their presence not being material, I proceeded

English forts were thereupon erected in the land, troops were sent over from Jamaica, and further im-

to acquaint them that, as they had long acknowledged themselves subjects of Great Britain, the Governor of Jamaica had sent me to take possession of their country in His Majesty's name; then asked if they had anything to object. They answered they had nothing to say against it, but were very glad I was come for that purpose; so I immediately set up the standard, and reducing the sum of what I had said into articles, I asked them jointly and separately, if they approved and would abide by them. They unanimously declared they would; so I had them read over again, in a solemn manner, under the colors, at the end of every article fired a gun, and concluded with cutting up a turf, and promising to defend their country and to procure them all the assistance and instruction from England in my power.

The formality all this was done with seemed to have a good influence upon them, for they often repeated their desire of learning to read, and said they must now mind their kings more than they had done, and do all they could to help themselves and hurt the Spaniards, to whom I recommended all the mercy that was consistent with their own safety; but they seemed not to understand me rightly, saying if they fight they must kill. The articles I enclose, and hope Your Excellency will excuse so much ceremony, for, as I had no certain information whether the country was ever taken possession of before or ever claimed otherwise than by sending them down commissions, I thought the more voluntary and clear the cession of it was the better. The governor came, attended with a numerous guard, who behaved to him with much respect and silence. He is a sensible old man and carries a good command. The king being very young, I believe, not twenty, is not much observed, but was he to be awhile in Jamaica or England, 't is thought he would make a hopeful monarch enough. . . .

The same day Admiral Dilly and Colonel Morgan sent me word they were coming to wait on me. I immediately crossed the lagune to meet them, hearing they were sensible, clever fellows, and such I found them. They had despatched a messenger to the governor to meet them the next day, to hold a general and decisive council.

They all met on Sunday, the 23d, at Senock Dawkra (Mr. Whitehead's house). The governor, being sick, tried our patience by making us wait till the afternoon, but when he came made ample amends by the justness of his sentiments.

He told the king and his captains, it was plain they had got a name and the good opinion of the governor of Jamaica (whose success against the rebellious negroes they had all heard of), and if they did not keep it up what would the world say of them?

There was an officer now sent down by Your Excellency to observe their

migration encouraged. The Mosquito chief, it is true, was still left in nominal control with all the

manner of fighting, and if they did not do their best they should lose the favor of the English. It is true they were but a small number of people, compared to us, who had men to spare for sickness and the sword, but if they showed themselves worthy, no doubt the king of Britain would send a force sufficient to get them all they wanted, besides teachers to instruct them in what is right and good. He said General Hobby had often talked about taking towns in time of peace, and called the English cowards. Now it was war, they must show they were not such themselves; then the English were the best judges when war or peace was proper; and none of them had any business to act otherwise than they were directed by the governor of Jamaica. . . .

I find my counsel about sobriety had some weight with the old men, but the young ones are got together there since with the women into drinking bouts. They intoxicate themselves with a liquor made of honey, pine apples, and cassada, and if they avoid quarrels, which often happen, they are sure to have fine promiscuous doings among the girls. The old women, I am told, have the liberty of chewing the cassada before it is put in, that they may have a chance in the general rape as the young ones.

I fell into one of them by accident last Monday, when I found Admiral Dilly and Colonel Morgan retailing my advice among them, to little effect, for most of them were too drunk to mind it, and so hideously painted that I quickly left them to avoid being daubed all over, which is the compliment they usually pay their visitors on those occasions.

Those two captains complain much of their drinking, but say it has been taught them by the English; others say not, for how should the English invent the pine and cassada drink? Their resentment of adultery has lost its edge, too, more than among other Indians; that, I make no doubt, they are obliged to us for. Their breach of promises in their bargains I take to be a good deal owing to a sense of being defrauded by traders, but through their ignorance of numbers and value, not being able to tell how, they are apt to make improper reprisals. As for their laziness, the grand promoter of the rest, I really think it must have been owing to their discontent at the usage they have received from privateers and others, because I don't find it has been epidemical amongst them till lately. . . .

I have disposed of several presents, but their returns being chiefly in visits to get more, or to drink punch, I have stopped my hand. The Lu-beck duck, osnaburgs, powder, ball, flints, and shot I shall divide among them at setting out, with a promise that they shall pay me according to their behavior or their plunder. . . .

ROBERT HODGSON.

Cf. Vernon Wager MSS.

outward emblems of sovereignty, but Hodgson, with his title of Superintendent, conferred upon him by the authorities in Jamaica, practically ruled over the shore.

Truxillo, the Spanish colony on the coast of Honduras, had been attacked and razed to the ground by Dutch buccaneers some time before, and the Spaniards had never had the courage to rebuild the town, open, as it had proved to be, to every attack from the sea. Wishing to connect the settlement in Belize more closely with the Mosquito colony, the English, therefore, established a post on the undefended coast at the Black river, between Cape Gracias and Cape Honduras, and also seized upon Roatan in the Bay islands, once more, and fortified it strongly against any attack.

All was then in readiness for the final raid upon the Spanish colonies in the interior. From Gage's work on the West Indies, and from the subsequent accounts of the freebooters, the English government was fully aware of the great value of the fertile Nicaraguan depression, not only as a route of transit between the two oceans, but also as a source of natural wealth. The word was therefore given, and Hodgson and Lee, supported by troops from Jamaica, and accompanied by the Indians and English settlers, made ready to push up the San Juan, and seize the land about the lakes, even to the Pacific. In accordance with this plan of campaign, the forts along the river were successfully invested by the English and their Indian allies in 1748; but Hodgson's offensive

operations were at this point cut short by England's coming to final terms with Spain in the treaty of Aix-la-Chapelle, which brought the more general war of the Austrian Succession to a close, as well as this more special maritime struggle between Spain and England.

This treaty was signed on the basis of a mutual restitution of conquests, but it in no way undertook to define the respective rights of the two parties in Central America, and so, though Hodgson was at once given notice to desist from further warlike movements along the San Juan, he was still allowed by the English authorities to remain in Mosquitoland, as Superintendent of the shore, under orders from the Governor of Jamaica. Spain, it is true, entered protest after protest to the English government against Hodgson's continued presence among the Indians, but, instead of sending a force to dislodge him, she contented herself, as before, by requesting a Franciscan missionary to go down to the shore and try by religious means to neutralize English influence among the Mosquitos. In reply to their protests, the English government assured the Spanish authorities that Hodgson was only kept there now to restrain the Indians from attacking the Spanish colonists and interfering with their trade with the mother country. Acting under orders from Governor Trelawney, Hodgson then arrested the poor Franciscan as an impostor, and bundled him off to Jamaica. This aroused the Spanish colonists at last, and they prepared for an attack. The English in

Mosquitoland called upon Jamaica for re-enforcements, and war again seemed imminent.

At this juncture (1752), Governor Knowles succeeded the more enthusiastic Trelawney in Jamaica, and the English policy toward the settlers on the shore was, for the time at least, radically changed. Governor Knowles, in short, looked upon the whole Mosquito settlement as a "job," and not worth a quarrel with Spain. So the missionary was sent back, and the eager Hodgson kept in close check during the new Governor's brief incumbency in office.

The Spanish now thought the opportunity favorable to rid the isthmian colonies entirely of English interference. To this end an attack was begun, in 1754, upon the woodcutters of Belize, the idea being to push south and drive the settlers also from the Bay islands and the Mosquito shore. This attempt was a dismal failure, however, and Spain having thus taken the initiative and attacked them in times of peace, the English settlers after this felt no longer any scruples in extending their settlements as they would. Governor Knowles was then recalled from Jamaica, and under his successor's rule the old vigorous policy of encroachment was again supported from headquarters.

The Spanish authorities then seemed to resign themselves, for the time, to the inevitable, and so from the Rio Hondo in the north to the Bluefields lagoon in the south, the entire eastern coast of Central America, including its littoral islands, continued

under English supremacy. In the opinion of His Majesty's Commissioners for Trade and Plantations, whose report had since been handed in, these claims were not, however, to be regarded in the light of regular English settlements, but simply as including limited usufructuary rights to cut timber along the shore.¹

Such was the rather doubtful condition of affairs in 1756, at the outbreak of the Seven Years' war in Europe. Seeing that England would of necessity be led into the general continental struggle, William Pitt, the elder, then Secretary of State in the Newcastle government, which he had just brought into power, endeavored by diplomatic means to league Spain on his side against France, who was already assuming the offensive again in America. To sooth Spain's anger and win her over to the English cause, Pitt magnanimously offered to evacuate all the settlements along the mainland of Central America, and leave

¹ British Accounts and Papers, *loc. cit.*, Vol. LXV., "Mosquito Correspondence," App. A.

U. S. Sen. Ex. Doc., No. 194, *loc. cit.*, pp. 73 ff.

Reports of Lords of Trade on the Mosquito Shore, Dec. 2, 1763. Plant. Gen. M., p. 311.

De Kalb, *loc. cit.*

Engineering Magazine, loc. cit., March 3, 1893.

Vernon Wager MSS., as follows:

Sir Charles Wager to Admiral Vernon, May 23 and August 18, 1741; Sir William Pultney to Admiral Vernon, August 17, 1740; Governor Knowles to Secy. of State of English Govt., March 26, 1753.

Bancroft, *loc. cit.*, "History of Central America," Vol. II., pp. 602, 628-29, and 648.

Squier, *loc. cit.*, pp. 576-615, 636-638, and App. D.

the Spanish colonists free once more to extend their control to the eastern coast as they desired. Spain would not listen to these proposals, but ranged herself instead on the side of France, in the vain hopes of dislodging England entirely from her possessions in the New World.

Great Britain's naval forces, and the indomitable energy of her North American colonists, proved too strong for this Franco-Spanish alliance, however, and, in the end, Spain was even forced to give up Florida to England for the part she had chosen to play in the struggle.

As North America had been the scene of the American phase of this continental struggle, the respective claims of England and Spain on the isthmus were in consequence but little affected thereby. Still, by the treaty of Paris,—which in 1763 put an end to the French and Indian wars,—it was provided that, in return for Florida, Havana should be restored to the Spanish, and it was further agreed that:

“His Britannic Majesty shall cause to be demolished all fortifications which his subjects shall have erected in the Bay of Honduras and other places in the territory of Spain in that part of the world.”¹

With this nominal concession, England then took pains to re-establish her former rights by the addition of another clause in the treaty, allowing her subjects to cut wood henceforth unmolested *anywhere* along the eastern shore.

¹ Treaty of Paris, Art. XVII.,—signed February 10, 1763.

Now that a peace had been secured, in general so advantageous to British claims, the English government was ready to adopt a more regular and peaceful *régime* in Central America. Not so Hodgson and his followers, however;—for, seeing Spain thus humbled, they thought the opportunity ripe to seize upon the San Juan. An expedition was accordingly organized in an irregular sort of a way and the attack was made in 1769. The Spanish Governor, Herrera, learned of Hodgson's plans, however, and his secret attack met with a resistance which he was utterly unable to overcome. This war-like spirit was no longer in keeping with British plans, so, having played his part and outlived his usefulness, Hodgson was immediately recalled after this last escapade, and the English authorities, with scrupulous exactness, straightway caused the temporary fortifications along the shore to be demolished, and the garrisons to be withdrawn.

Mosquitoland had by this time grown to be a settlement of considerable size. The English, of pure and mixed origin, now numbered some four hundred or more souls, and under them worked about nine hundred slaves in the cotton, indigo, and cocoa fields which they had lately planted along the shore. It was high time, therefore, since military operations were suspended, that some more regular administration should be introduced in their midst. Accordingly, in 1775, Lord Dartmouth, of the Colonial Office, drew up a system of government for the settlement, and attached it to Jamaica as a

dependency. Colonel Lawrie was then despatched to supersede Hodgson as Superintendent of the shore, and with him was sent a Council of Government, a Court of Common Pleas, and a Bench of Justices of the Peace. A garrison was also asked for by the settlers, but this last request was refused on diplomatic grounds.

In Belize, the log-cutters had already organized a government of their own, with its headquarters in the islet of St. George's Bay, just off the shore, and had successfully resisted all attempts on the part of the Spanish to dislodge them. There were British subjects, white and black, to the number of some three hundred living here, with about eight hundred slaves; and a few years before this, Admiral Burnaby, and the famous Captain Cook had visited the settlement officially to confirm the settlers in their rights and constitution.

Sir Basil Keith, then Governor of Jamaica, was, therefore, instructed by the colonial authorities to watch over these young settlements on the shore; and the conservative Lords of Trade even went so far as to describe them now as "districts ruled over by the Home government wherein Englishmen possessed certain usufructuary rights."¹

The Spanish Home government apparently acqui-

¹ British Accounts and Papers, *loc. cit.*, Vol. LXV., App. A.

George Chalmers, Notes for the Board of Trade.

Squier, *loc. cit.*, "Central American States," App. D.

Bancroft, *loc. cit.*, "History of Central America," Vol. II., p. 630.

De Kalb, *loc. cit.*

Bedford C. T. Pim, "Dottings in Panama, Nicaragua, and Mosquito." London, 1869.

esced in these later moves, and looked on with evident unconcern, while the English colonial authorities quietly took these final steps necessary to transform the precarious holdings of the British woodcutters into legally authorized settlements. The Spanish colonists in Central America were not so submissive. Seeing that their government evidently did not intend to take any further action against the continued encroachments of the English settlers, they finally took matters into their own hands, and had actually come to blows with the woodcutters and their Indian allies, when the war of the American Revolution broke out, and treaty rights were once more rendered nugatory.

According to the terms of the Bourbon Alliance,¹ framed during the years of the Seven Years' war, Spain at once took sides again with France and the colonies, in this renewed struggle with England over America. War was finally declared again between the two powers in 1779, and, aroused at last from her former lethargy, Spain at once sent troops into Yucatan to dislodge the woodcutters from Belize. Anticipating this attack British war-ships had already been despatched from Jamaica, and the Spanish soldiery found itself obliged to retreat before the settlers thus supported by the marines.

Having gained this primary advantage the English now determined to renew their attack upon the San Juan, hoping this time to realize the plan formulated

¹ Cf. The Family Compact of 1761.

so many years before. The campaign as planned by Governor Dalling of Jamaica for the reduction of the Spanish Main, was almost identical with that evolved by Governor Trelawney before. The forts along the San Juan were to be invested, the lakes seized, and Leon and Granada reduced to British control. Then the forces were to push over the Coast range and capture the port of Realejo on the Pacific. Thus the Spanish mainland colonies were to be severed, and the natural route of interoceanic transit at last placed in England's hands.

Governor Dalling presented his plan in detail before the ministry of Lord North, and, as soon as the Cabinet had approved, he fitted out a powerful expedition in Jamaica to undertake the work. Captain John Polson of the army was given command of the troops; while Lord Nelson, then a young post-captain on board the British frigate *Hichinbroke*, was put in charge of the convoy fleet, and entrusted with the entire naval operations of the campaign. The expedition set out from Jamaica and on March 24, 1780, reached the Mosquito shore, where the troops were joined by the English settlers and a band of their faithful Mosquito allies. Nelson having volunteered to accompany Polson on his inland attack, the entire party then pushed south, followed by the convoys, and having reached the mouth of the San Juan, commenced the ascent of the stream in small boats. They met with no resistance from the Spaniards until they reached the Castillo Viejo. This the English invested on the eleventh

of April, and, after a stubborn siege, forced the garrison to surrender on the twenty-ninth. Nelson was here taken down with the fever, and was forced to return to his ship to be carried back to Jamaica. But Governor Dalling had sent out a large body of re-enforcements, in the meanwhile, under General Kemble, and upon his arrival the campaign was resumed from this point.

The fever contracted on the eastern shore, now spread with such alarming rapidity among the unacclimated English troops, however, that it was reluctantly determined to abandon, for the time, the attack on the inland colonies; and, indeed, it was high time, for, as it was, only three hundred men reached the coast, out of the force of eighteen hundred that had pushed up the stream.

England's designs upon the Nicaraguan canal route were thus once more defeated, and little was now left of Governor Dalling's plans for the reduction of the Spanish Main. The larger contest in the north had also begun to turn against the British by this time, and matters were going hard with them in the West Indies as well. Taking heart from these misfortunes of the enemy, the Spanish Governor of Guatemala thereupon organized a considerable colonial force and made one last determined effort to dislodge the English settlers from the shore. Left to their fate for the time, the woodcutters were obliged to retreat, and take up a new position behind the Spanish fort at Omoa on the Honduras coast, and across the bay in the island of Roatan, with the

rest of the settlers and a remnant of the British force. The colonists finally dislodged them from these vantage grounds as well, and compelled them all to retreat still farther south below Cape Gracias.

In their memorable sea-fight off Dominica, the British, under the gallant Admiral Rodney, just then succeeded in dispersing the French fleet, and thus at a blow regained their West Indian prestige. Dalling was again in a position to send re-enforcements to the beleaguered settlers on the mainland, and the whole force, now numbering over a thousand men, then marched north to take revenge on the colonists who had since entrenched themselves along the Black river. Here the English gained an easy victory and forced the Spanish commander to capitulate on August 28, 1782.¹

The varied struggles of the Revolutionary war were now drawing to a close. Her sturdy colonists—the very factor that had made England so successful in her former contest with France—had this time fought against her, aided by the Bourbon allies. With young America behind them, France and Spain were at last in a position to dictate terms to their colonial rival, and England was thus forced to recede from many long cherished rights in the New World.

§ 43.
The
Treaty of
Versailles,
1783.

¹ Admiral Nelson, "Autobiography."

Kemble Papers, Vol. II., N. Y. Hist. Soc. Collections, 1884.

Bancroft, *loc. cit.*, "History of Central America," Vol. II., pp. 604-612, 632.

Squier, *loc. cit.*, "Central American States," pp. 577-581, 616-618, 638-640.

In the famous treaty of Versailles, which was supposed to settle all these matters, the long disputed rights of the English settlers and woodcutters in Central America were also adjudicated, in a way that was thought to be final. By Article VI. of the treaty between England and Spain, Great Britain was forced to abandon the claim she had fought so long and so hard to uphold, and admit Spain's paramount right of sovereignty over the entire isthmus from sea to sea. In return, the Spanish authorities were compelled, on their side, to grant "His Britannic Majesty's subjects the right of cutting, loading, and carrying away log-wood in the district lying between the rivers Wallis, or Belize, and Rio Hondo," and extending inland as far as the Rio Nueva.¹ His Catholic Majesty assured to the English the enjoyment of these rights, however, only on the condition "that these stipulations shall not be considered as derogating in any wise from his rights of sovereignty."

By this convention Great Britain was indeed confirmed in her possession of the Bahamas, but in return for this the settlements in the Bay islands and her protectorate over the Mosquito shore were unconditionally abandoned. In order to provide for the English settlers in these parts who had been thus abandoned by the government, it was also agreed between the two powers that :

"All the English who may be dispersed in any other parts, whether on the Spanish continent, or in any of the islands

¹ Cf. Map at end of volume.

whatsoever dependent on the aforesaid Spanish continent, and for whatever reason it might be without exception, shall retire within the district which has been above described, in the space of 18 months, to be computed from the exchange of the ratifications.”¹

In spite of these express stipulations, the English settlers in Mosquitoland and Roatan made no pretence of retiring to Belize, and, in truth, the British government took no special pains to require them to do so. The Spanish colonial authorities, not being able at this time to force the settlers to comply with the terms of the convention, simply waited for the necessary eighteen months to elapse, and then entered a formal protest before the English government. Thus Great Britain really gained by her procrastination, for she was now in a far better position to treat with Spain than she had been in 1783.

§ 44.
Supple-
mentary
Treaty of
1786.

After some further delay England agreed to enter into a supplementary treaty with Spain to meet all contingencies, provided the boundaries of Belize should be considerably extended thereby, and the rights of her settlers enlarged. Spain was obliged to accept these conditions,—though indeed the fault had not been hers,—and it was thereupon once more agreed that :

“ His Britannic Majesty’s subjects, and other colonists who have hitherto enjoyed the protection of England, shall evacuate the country of the Mosquitos as well as the continent in general and the islands adjacent, without exception, situated beyond

¹ “ Definitive Treaty of Peace between England and Spain ” ; signed at Versailles Sept. 3, 1783, Art. VI.

the line hereinafter described, as what ought to be the frontier of the extent of territory granted by His Catholic Majesty to the English."

To allow of no doubt concerning the sincerity of his intentions on this occasion, His Britannic Majesty further engaged :

"To give the most positive orders for the evacuation of the countries above mentioned, by all his subjects, of whatever denomination ; but if contrary to such Declaration, there should still remain any persons so daring as to presume, by retiring to the interior country, to endeavor to obstruct the entire evacuation already agreed upon, His Britannic Majesty, so far from affording them the least succour, or even protection, will disavow them in the most solemn manner, as he will equally do those who may hereafter attempt to settle upon the territory belonging to the Spanish Dominion."

According to this new agreement the boundaries of Belize were extended in the south to the river Siboon or Jabon, and inland from the sources of that stream in a straight line to a point where the western boundary of the Belize of 1783 intersected the Rio Wallis.¹ The rights that England had obtained in the treaty of Versailles were thus extended over a considerably larger territory, and besides this, Spain now granted the English settlers not only the right to all kinds of woods growing within the limits laid down, but also permission to gather all other natural products of the earth there, provided this grant should not be used as a pretext "for establishing in that country any plantation of sugar, coffee, cocoa, or other like articles; or any fabric or

¹ Cf. Map at end of volume.

manufacture by means of mills or other machines whatsoever, since all the lands in question being indisputably acknowledged to belong of right to the Crown of Spain, no settlement of that kind, or the population which would follow, could be allowed."

When this treaty of 1786 came up for final ratification it met with great antagonism in the English House of Lords. William Pitt the younger was then at the head of the government and his ministry was at the zenith of its power. On this point the opposition held together, however, and declared that by ratifying the convention, England was giving up a settlement of great value and importance, to which she had as good a claim as to the island of Jamaica, and was taking in exchange a mere slip of land in Yucatan, and in thus deserting her Mosquito allies, she was hanging up her degradation in every court of Europe. Pitt, with his liberal ideas and his friendship for France and Spain, considered his government bound by the treaty of Versailles, and so to this tirade of the opposition the ministry replied, that "Great Britain was abandoning nothing, as there never had been a regular government in Mosquito, and that whatever rights Englishmen had acquired there had already been abandoned by former conventions with Spain." As for Belize, the government declared that this was merely a settlement "for certain purposes under the protection of His Majesty, but not within the territory and dominion of His Majesty."

Liberal ideas and individualistic conceptions of

society were gaining ground rapidly in England at this time, and the will of ambitious monarchs no longer sufficed for national aggrandizement. The Whig ministry was supported by a bare party majority, and the treaty was finally ratified on July 14, 1786. Thus, in its declining years, the once powerful Spanish monarchy was able to assert a sovereignty over the isthmus that was ever denied it during the days of its real greatness.¹

Recognizing, at last, that their government would no longer support them in their old policy of encroachment, some of the English settlers of Roatan and the Mosquito shore abandoned the scenes of their former conquests and retired within the confines of Belize, —being adequately indemnified for their lost holdings, however, out of the British governmental exchequer, —while others preferred to stay on, in the hopes of a new turn of affairs. The Spanish colonial authorities then made a last effort to substantiate in fact the legal dominion they had just acquired over the Caribbean sea-coast. To this end the mouth of the San Juan was again constituted a regular port of entry, and a Spanish custom house was established there in 1791.

§ 45. Events in Central America during the Period of the Great Continental Struggle in Europe.

¹ Convention between Great Britain and Spain Relative to America, concluded at London, July 14, 1786, Articles I., II., III., VII., XI., and XIV. Parliamentary Register, 1887, Vol. XXII.

57 George III., p. 183.

British Accounts and Papers, *loc. cit.*, Vol. LXV., Doc. 18, Enclosure No. 6.

Acting under the advice of the settlers who had remained, and of the British traders coming to their shores from Jamaica and Belize, the Mosquito Indians remained loyal to the friends who had deserted them, and still refused to recognize Spanish authority over their shore. The Spaniards then used force, but the Indians, entrenching themselves within the ruins of the old English forts, frustrated every endeavor to reduce them to control.

By the year 1796 England and Spain were again in open conflict over European affairs on the continent, and for the time the conventions of 1783 and 1786 were held in abeyance. In the following year the naval forces of Great Britain shattered the fleet of the Spaniards off Cape St. Vincent, and thus opened the way to further encroachments in the West Indies, and along the Spanish Main. Resolved to make the most of this advantage, the settlers of Belize, who had already begun to feel cramped in their more confined quarters, began again to encroach upon the surrounding country, and finally succeeded in extending their boundaries to the west and south across the rivers Nueva, Wallis, and Siboon.¹ The English government also showed, by its fresh acts of aggression, that it no longer considered the treaty of 1786 binding; for, finding the Carib Indians of the island of St. Vincent in the West Indies growing too closely attached to French interests, the British authorities had them deported in a body, and landed,—to the number of

¹ Cf. Map at end of volume.

about four thousand,—on the still uninhabited Bay islands.

The Spanish government was now in an almost helpless condition, but fearing English contentions in the West Indies and Central America, it resolved to take some means to protect the colonies there from further attack. The Mosquito shore still lay open to encroachment, and having learned from long and bitter experience that the Guatemalan authorities were utterly unable to cope with this problem, the Committee on Fortifications of the Indies, to whom the matter was entrusted, now advised that the entire shore from the Chagres river in Panama to Cape Gracias, be turned over to the Vice-Royalty of New Granada¹ to conquer and defend. A royal order to this effect was accordingly issued on November 20, 1803, but the actual transfer seems never to have been undertaken. The threatened attack on the coast did not take place, as England made peace with Spain soon after, and in the confusion of the Peninsula war which followed even the royal order was forgotten.

Left to themselves again, the colonists of Guatemala, led by their Governor, Colonel O'Neil, with a naval force of some two thousand men, attempted to drive the English from Belize; but the Jamaican authorities, ever watchful of these settlements on the mainland, at once sent a warship to the scene, and again the Spanish were driven back. As the

¹ The Presidency of New Granada had since been raised to the rank of a Vice-Royalty.

colonists had taken the initiative in the matter, and broken the treaty of 1786 themselves by their unauthorized attack on the now legal settlement of Belize, the woodcutters also considered themselves no longer bound by the terms of the convention, and continued to pursue their encroachment far into the interior and down to the Rio Sarstoon in the south. Having appropriated all this land, they maintained, moreover, that it was theirs henceforth, by right of conquest; for, by force of arms and in time of war, they had driven back the Spaniards who had unlawfully attacked them.

Unfortunately, the Napoleonic *régime* had, in the meantime, so involved governmental affairs in Spain, that at the close of the Peninsula war, this point of sovereignty, brought up by the English woodcutters, was never formally passed upon. In 1814 the treaty of Madrid was concluded between England and Spain, who were really allies in the last campaign. By this treaty, and as if by an afterthought, the conventions of 1783 and 1786 between the same two powers were without further question reaffirmed *in toto*. Thus, in theory, the events which had transpired on the isthmus after 1786, were disregarded entirely and the *status quo* maintained. As a matter of fact, however, a horde of Carib Indians now occupied the Bay islands, the Mosquitos still controlled their shore, while the settlers in Belize, under a Superintendent duly authorized by the colonial authorities, continued in possession of the tract of land they had seized upon, and ruled over it henceforth as they would.

Thus the close of this long and varied struggle left the Nicaraguan canal route still in the hands of Spain. But the once formidable Spanish monopoly in the West Indies and the Spanish Main, was broken forever, and the line of Great Britain's insular possessions now extended in a semicircle, starting from Belize in the north and running through Jamaica, the Bahamas, the Leeward and Windward islands, the Barbadoes, and Trinidad, to join the mainland once more at British Guiana in the south, and thus enclose the Caribbean Sea.¹

¹ British Accounts and Papers, *loc. cit.*, Vol. LXV. Doc. 966, No. 5, Enclosures 1-7. No. 18, Enclosure 6.

U. S. Foreign Affairs, 39th Cong., 1st Sess. Pt. I., pp. 65, 66; Pt. III., pp. 360, 361.

U. S. Foreign Relations, 43d Cong., 1st Sess. Pt. I., pp. 356-361. Treaty of Madrid, signed August 28, 1814. Additional Article.

Hertslet's State Papers, Vol. XL., p. 953; Vol. XLI., p. 757; Vol. XLII., p. 153; Vol. XLIV., p. 244; Vol. XLVII., p. 661; Vol. XLVIII., p. 630; Vol. L., p. 126.

Ancona, "History of Yucatan," IV., p. 223.

George Henderson, "British Honduras," p. 75. London.

R. M. Martin, "History of the West Indies." London, 1836.

Bancroft, *loc. cit.*, "Native Races," pp. 713 and 793. "History of Central America," Vol. II., p. 607.

Squier, *loc. cit.*, "Central American States," pp. 241-247, 582-584.





CHAPTER V.

EIGHTEENTH CENTURY CANAL PROJECTS.

DURING the years of this protracted struggle between England and Spain for the political mastery of the isthmus, the more practical question of connecting the two seas by an artificial water-way almost sank out of sight.

§ 46. Scientific Interest in the Transit Problem.

Scientific interest in the transit problem was, however, revived at the very outset of the conflict, by La Condamine, the famous French astronomer. He and his *confrères*, Bouguer and Godin, were sent out by their government in 1735, to take part in an international scientific expedition to measure an arc of the meridian on the plain of Quito. During the years of his sojourn in Central and South America, La Condamine thus had ample opportunity to make instrumental surveys along the isthmus, and, as a result of his investigations, he came to the conclusion that a canal might be opened up through Nicaragua to join the two oceans. In 1740 La Condamine presented an admirable paper on the subject, embodying these conclusions, before the Academy of Sciences at Paris, and called for some action on the matter of interoceanic transit.

Antonio de Ulloa, the renowned Spanish scientist, and his companion Jorge Juan, a young naval officer well versed even then in mathematics and physics, were also members of this same scientific expedition. They too made reconnaissances along the isthmus, and added a goodly quota to the scanty knowledge of the day concerning the real topography of the country.

The nations of Europe were then engaged in war, as we know, and the isthmian colonies being attacked on both sides by the English, nothing of a practical nature could possibly come from these reports. Science was benefited thereby, however, for in this way were the first stones placed for the foundation of the exact knowledge of the isthmus which has since been reared.¹

During the short lull in hostilities, which ensued between the close of the Seven Years' war and the outbreak of the Revolutionary struggle, Spanish interest in the transit problem re-
 § 47. Span-
 ish Govern-
 mental Sur-
 veys across
 Tehuan-
 tepec.
 survived. By the terms of the treaty of Paris, Spain considered herself secure in the possession of her mainland colonies, at least. Thus, in order to make this control more effective, and also to reap larger material advantages from

¹ Charles Marie de la Condamine, "Relation Abregée d'un Voyage fait dans l'Intérieur de l'Amérique Méridionale," Paris, 1745; "Journal d'un Voyage fait par Ordre du Roi," Paris, 1751.

Antonio de Ulloa, "Relacion Histórica del Viage a la América Meridional," 2 Vols., 1748; "Noticias Americanas," 1772.

Moritz Wagner, "Ueber die Naturverhältnisse der verschiedenen Linien welche für einen Durchstich des centralamerikanischen Isthmus in Vorschlag sind," München, 1869.

these isthmian lands, that thoroughly enlightened monarch, Charles III., deemed it wise now, to provide for some more adequate means of communication between the Atlantic and Pacific ports.

To this end, Antonio Bucarelli, Viceroy of Mexico, was instructed by the Home government, in 1771, to lay out a route for a canal across the isthmus of Tehuantepec. Ever since the abandonment of this transit route on Cortez's death, the topography of this isthmus had remained wrapped in mystery. Legends and traditions of the active transit carried on in these parts by the original Spanish settlers moreover had in the meantime given rise to the most exaggerated accounts of a continuous river basin extending from sea to sea, through a wonderful pass in the mountains. It was these rumors which now induced the Spanish government to act. Two competent engineers, Antonio Cramer and Miguel del Corral, were accordingly sent out by Bucarelli from Mexico, according to royal orders, to explore the region and make a survey of this route.

They had not gone far before they discovered that a mountain barrier interposed itself between the sources of the Coatzacoalcos and, the Pacific; but, having no means of determining the elevation of the passes, they stopped here and confidently reported to the Viceroy that a canal of small dimensions could readily be built across the isthmus, requiring neither locks nor inclined planes.

This naïve plan was somewhat further developed after Bucarelli's death, which occurred soon after the

report had been handed in, by his successor in office; but upon the decease of the latter the plan was lost sight of, and the Spanish authorities, disappointed at the results, turned their attention farther south.¹

Having learned enough of the real topography of Tehuantepec, Charles III. of Spain henceforth confined his interest to the more familiar Nicaraguan route of transit, hoping at least to be able to connect the lakes with the Pacific by an artificial water-way. Surveys were accordingly instituted under his orders in 1779 by the Spanish engineers, Cramer, Ysasi, and Muestro, and other explorations were also undertaken in the following year by Don Manuel Galisteo. In 1781 Galisteo made his final report, and the results were indeed discouraging. Mountains everywhere barred the way, and the lakes themselves were found to be 133 feet above the level of the sea. The mechanism of locks was then but little understood, and with this difference of altitude between the two bodies of water, the royal engineer saw no practicable way of cutting a canal to connect them.

Hodgson and Lee, the English agents at Mosquitoland and Belize, being by this time relieved of their governmental duties through the institution of Lord Dartmouth's more regular colonial *régime* in the country, took pains to accompany in a private capacity the first of these Spanish surveying parties. They had long been eager to lay hold of this fertile

¹ Sullivan, *loc. cit.*, p. 74.

Engineering Magazine, loc. cit., March 3, 1893.

Simon Stevens, *loc. cit.*

depression of Nicaragua for the Crown, and, on their return to England after this, they gave a most glowing account of the region and its magnificent facilities for interoceanic transit. Their reports interested the English authorities immensely and led at least indirectly to the attack upon the San Juan, undertaken by Nelson in the following year.

In spite of the discouraging reports of the royal engineers, Spanish interest in the proposed canal was still active at the close of the war. The details of these surveys were then published and a company was formed by Martin de la Bastide, under the patronage of the Crown, to connect Lake Nicaragua with the Pacific at the Gulf of Nicoya along the Sapoa river. The Spanish fleet in the Pacific was also instructed by Charles to make further surveys of this route, but, though the war of the American Revolution had terminated so favorably for the Spanish, the political volcano in France had already begun its ominous rumblings, and in the confusion which followed, this canal project was forgotten.¹

The Spanish under Charles IV. were engaged after this in defensive operations on the lower isthmus as well. Paterson's unsuccessful colony at Caledonian Bay had taught them a lesson. If this district were really "the key of the universe," why had they been so foolish as to allow it to revert again into the hands of the natives after they had once conquered the land? Even now it might not be too

§ 49. The Spanish Military Road across the Caledonian Route.

¹ Sullivan, *loc. cit.*, pp. 75, ff.

Engineering Magazine, loc. cit., March 3, 1893.

late, and so in the year 1788, having secured all their rights farther north, the Spanish authorities began to make up for their errors of omission in the south. Military posts and missions were accordingly established at Acla in Caledonian Bay, on the Atlantic, and at San Miguel, on the Pacific. The plan then was to connect these two by a military road over the range. Manuel Milla, the officer entrusted with the work, proceeded with his corps of engineers from Caledonian Bay, crossed the divide, and came finally to Puerto Principi, an old Spanish fort on the Savannah river, from which point a trail, called the Ariza's Road,¹ led down to the sea. Milla must have possessed a hardy constitution, and an imaginative mind, for in his report he said that, in crossing the "Montana Grande," he found no difficult pass "with the exception of a ravine at the commencement, which four men could level off with spades in less than an hour." Here was more proof of the advantages of the Caledonian route and Lionel Wafer's former description of the country was thus more than corroborated.²

The delusion was allowed to live on, however, for though the mountains seemed no obstacle to Milla, their inhabitants, the Bravos, were more than a match for both him and the military of Spain. The Bravos, in short, objected to the road being cut through their country, and compelled Charles to sign a treaty with them, agreeing to abandon their country for ever. Thus another failure was added to the long list of

¹ After a governor of Darien. Cf. Map frontispiece.

² Cf., *Ante*, § 39.

futile endeavors which characterized the reign of this unfortunate monarch.¹

After this all Europe was convulsed with the Napoleonic wars, and schemes of political preponderance on the isthmus were, for the time at least, abandoned. It was during these very years, however, that the real foundation of our knowledge of the topography of these lands was laid. This was due to the work of Alexander von Humboldt, the celebrated German scientist, who spent these years travelling as best he could through the length and breadth of Spanish America, collecting scientific data of the land for future publication.

§ 50. Von Humboldt's Investigations along the Isthmus.

Von Humboldt made as careful an examination of the topography of these isthmian countries as the circumstances would permit, and came to the conclusion that a canal to connect the two oceans was practicable somewhere along the isthmus. The difficulties in the way of scientific investigation in these parts was then enormous, and in no section more so than along the forbidden Atrato river. Von Humboldt recognized the evident advantages of these Darien routes, but being unable to examine them in detail, was obliged to base his conclusions on surmises and his general knowledge of the topography of the district. With the Nicaraguan route it was different, and here von Humboldt was able to examine each of the proposed routes in detail.

As a result of his studies, and the knowledge he

¹ Sullivan, *loc. cit.*, p. 19.

Engineering Magazine, loc. cit., March 3, 1893.

was able to glean from the natives, von Humboldt finally gave his opinion on the transit problem as follows:

“The Isthmus of Nicaragua and that of Cupica¹ have always appeared to me the most favorable for the formation of canals of large dimensions.”²

Von Humboldt's conclusions in regard to the practicability of an interoceanic water-way across the American isthmus, were published in Paris, just as the Peninsula campaign was drawing to a close. Soon after, with the aid of the British allies, Ferdinand VII. was reinstated, and recommenced his reign under a constitution in opposition to the threatened despotism of Bonaparte. The ambitious young Cortes, assembled at Cadiz, was imbued with liberal ideas, and bent on making the rejuvenated Spain outshine even the ancient monarchy in the glory of its works. With confidence in the truth of von Humboldt's assertions, one of the first—and there-with also one of the last—acts of this enthusiastic legislature was, therefore, to pass a formal decree providing for the construction of a canal for the largest vessels through the Central American colonies, and calling for the formation of a company to undertake the work.

Despotism soon cast its pall again over this first

¹ Atrato-Napipi Route. Cf. Intro., § 9.

² Cf. Alexander von Humboldt, “Personal Narrative of Travels,” Vol. VI., pp. 239-300.

Also his “Essai Politique sur la Nouvelle Espagne.” Paris, 1811.

brief outburst of Spanish liberalism, however, and no further attention was paid to this decree of the erstwhile Cortes. The monarchy was, indeed, re-established, but only the shell of Spain's pristine glory now remained. The country was vacillating between the dawning constitutional age and the absolutism of the past, and, naturally, from the events that had occurred, was in no position either politically or financially to undertake a work of such magnitude.

The day had passed when the absolute monarchs of Europe could with a word order the execution of this or that great enterprise, nor had the time yet come when republican governments should take upon themselves the responsibility of public undertakings. The era of private capitalistic enterprise was now being ushered in, and, as Spain had not bred capitalists of sufficient courage and energy to enter on a work of this kind, the canal project then and there passed away from the Spanish, to be taken up by other hands.¹

¹ Sullivan, *loc. cit.*, p. 76.





PART TWO.

THE PERIOD OF LIBERALISM AND INDIVIDUAL INITIATIVE
—THE CANAL PROJECT A PRIVATE INTERNATIONAL
UNDERTAKING UNDER GOVERNMENTAL GUARAN-
TIES. 1815-1865.

CHAPTER VI.

THE MONROE DOCTRINE.

DURING all these years of competitive struggle between the absolute monarchs of the West, for the largest share in the wealth of the Indies and America, social forces were continuously active in Europe, working toward still another change in her political and economic relations. The monopolistic system that had been evolved by the sovereigns, in spite of its admirable organization, was, nevertheless increasingly expensive. The frequent wars that were necessary to maintain the monarch's government proved in the end a constant drain on both his land and his labor resources. Home industries, however exploited, were unable to stand the strain, and thus, in order to exist, each sovereign had

§ 52. The
Growth of
Individual-
ism in
Europe.

perforce to keep adding to his domain fresh sources of colonial supply. Geographic limitations and the strength of competitors rendered this ever more difficult, and the time was, therefore, bound to come when the absolute monarchy, like the empire of Rome before, could no longer support itself.

Peasants and artisans, who from the first had been obliged to labor for the profit of the King and his court, became more and more dissatisfied. They had stood alone, however, so long as the safety-valve of colonial enterprise continued to draw off the energy of that large body of middle-class citizens, who were willing to support the existing *régime* so long as it paid them to do so. But in the end the monarchs of Europe began to absorb the colonies also under their monopolistic system, and to exploit them and their settlers for the profit of the court. As governmental expenses increased, therefore, so the circle of those excluded from what they deemed a fair share in the profits of industry expanded, and therewith also the area of discontent.

The land at the disposal of the people of each nation was both extensive and rich enough for all their needs; their natural labor force still remained unimpaired; and yet the profits continued to be absorbed by an all-greedy few. Free access to the land, and freedom to labor as they would for themselves being still denied them, the discontent of the masses was therefore but natural. Could this iniquitous governmental system be but broken down,—so the people argued,—and the surplus value

created by their own industry diverted from the use of an idle and spendthrift class into the pockets of the actual producers, all would again be well. The ablest thinkers and writers of the time, moreover, began to analyze the situation in much the same way, until finally the disenfranchised came generally to the conclusion that the royal governments of the day, with their forced labor and monopolistic tendencies, were really at fault.

In short, production on the basis of serfdom had run its full course, and, like slavery before, had resulted in the concentration of wealth, once more, in the hands of a few. Profits having begun to fall off, the owners were no longer able to pay for the support that their numerical minority demanded. Diminishing returns finally set in, and there being no more land immediately available, some more productive system of labor had necessarily to be evolved before anything like general economic satisfaction could again be attained.

Now the wage system had long since been instituted in the handicrafts, and might, indeed, have proved satisfactory, had it not been that the governmental taxes and restraints laid on industry absorbed too large a share of the surplus value. In agriculture, on the other hand, the relics of the old serf system still lingered on, and here again royal taxes only increased the burden of feudal dues. With the wholesale removal of these oppressive governmental and feudal restrictions, the wage system might therefore be allowed to establish itself more freely, and

prove its own efficiency. Such then was the ultimate demand of the age, that individuals should be left free to hire their own laborers, or work for a wage themselves, as their economic circumstances might allow.

It was in England that this doctrine of individual freedom in all branches of industrial activity was earliest applied in practice. Her people were the first to break down those galling restrictions encompassing both agriculture and trade, to make room for a more liberal system of individual labor and capital. Under the new *régime*, therefore, the centre of economic activity took another step westward, from the European continent to the British Isles. But the Netherlands were working contemporaneously toward the same end, and France also broke the chains of the past soon after by the more sudden upheaval of her bourgeoisie in 1789. Thus before the first quarter of our century had passed away the phenomenon of individual freedom and individual ownership was quite common among the nations of Western Europe. Constitutional monarchies and republics came gradually to take the place of the absolutism of the past, governmental functions were now reduced to a minimum, and individuals were left free to exploit the land as they saw fit and make what they could of their economic opportunities.

Freed almost entirely from governmental fetters, and no longer hampered by either feudal or guild restrictions, both agriculture and industry began to expand very rapidly. This again resulted in an accumulation of capital in the hands of private

individuals, whose sole aim it was to reinvest the same with profit. An age of individual projects and undertakings was thus ushered in, and the westward and eastward movements of the world's commerce received fresh impetus accordingly.

It came about in this way that, among the countless schemes for material advancement which characterized the beginnings of this new century, there cropped out also a rejuvenated interest in the interoceanic canal project. But the complexion of the transit problem was now completely changed. Whereas in the earlier days it had been the dream of the national monarchs of Europe to pierce the newly discovered continent in their search for Asiatic treasure, we have henceforth to deal with individual capitalists, who hoped to increase their private incomes by developing new lands and providing a shorter route for their Western American and flourishing East Indian trade.

A new factor was, moreover, now added to the canal controversy; for the people of the United States had by this time entered into the arena of political and economic competition with the older states of Europe, and from their geographic position alone, interoceanic transit must of necessity prove a matter of the utmost importance to them.

§ 53. The United States as a New Factor in the Canal Problem.

While still colonies of Great Britain, both our land and our labor had long been systematically exploited for the benefit of the English monarchy. Feeling ourselves thus oppressed, we too had joined in the

general revolutionary movement of the last century, —not to change matters in Europe, however, but rather to free ourselves entirely from the restrictions of the Home government, and allow our people to develop their own land with their own labor to their own individual advantage.

The doctrine of individual liberty and private ownership became, accordingly, the corner-stone of our Constitution, and being thus—theoretically, at least—on the same plane of industrial evolution, we stood ready also to rival the Europeans henceforth in the more practical struggle for individual wealth. We then possessed one great advantage over the capitalists of Europe which, for the time at least, stood us in admirable stead. Being a new people, on a new land, there was ample individual opportunity for all. As long as this was the case, it was impossible for class spirit to develop, and, while each could freely pursue his own individual ends, we could still stand together as a compact whole,—a nation of freemen,—with the exception of course of our negro population.

As colonists, we had paid but little attention to the struggle above described between England and Spain for possession of the canal route in Central America; on the one hand because we were still loyal to the mother land, and again because we were too much absorbed in our own settlements, warfares, and economic issues. The case was altogether different, however, after we had broken definitely with Great Britain, and become the first independent state

in the New World. America we came then to regard as the destined home of the free, and, having taken the initiative ourselves, it seemed now incumbent upon us to defend this new continent from any further encroachments on the part of the rapacious monarchs of Europe.

In Spanish America the colonial adventurers of early days had, as we know, fought hard to preserve their rights of conquest from the encroachment of the governmental Viceroy. Failing in this, and therefore rebellious at heart, these men and their descendants came gradually to mingle their blood with the down-trodden natives themselves, and finally went so far as to take up their cause against the exactions of the royal Spanish taskmasters. A dissatisfied Spanish-American population as well became in consequence widespread, from the southern boundaries of our land, through the isthmus, and southwestwards along the Pacific coast of South America. As the power of the Spanish monarchy began to decline, these provinces of Spain in the New World were ready and anxious, therefore, to seize a favorable opportunity to revolt. This came while their government was futilely engaged at home in resisting the encroachments of Napoleon. Then, under the leadership of a handful of patriots of their own blood, aided by English, French, and even North American volunteers, one by one the colonies began to break away from Spanish control, and after many vicissitudes established a precarious independence.

§ 54. Spanish-American Independence.

The New Granadans were the first to raise the standard of revolt. Under the leadership of Miranda and Simon Bolivar, the people of this viceroyalty began their successful struggle with the Spanish colonial authorities in 1811, and after a varied conflict of some years' duration they were finally able, in 1821, to establish the independent republic of Colombia, consisting of the former Spanish provinces of New Granada, Venezuela, and Ecuador. The cohesion of this young confederacy was, indeed, very slight, as events soon proved. During its brief existence, it accomplished one good act, however, in abolishing the institution of slavery, thus advancing one step farther toward the theoretical freedom of man, than even its northern brother the United States.

The Central American Chancellorate was not long in following New Granada's rebellious example. After one or more tentative efforts which miscarried, the city of Guatemala finally declared its independence on September 15th, 1821, and invited the other provinces to join her in the revolutionary cause. The others were willing enough to enter in, but on January 5, 1822, before the steps necessary for an independent union could be effected, the Mexicans interfered. Now this northern viceroyalty after an earlier unsuccessful effort under Hidalgo, had also, by this time, achieved its complete independence under Iturbide. But this patriot was striving to establish an empire in the New World, and was bent upon adding the Central American

states to his domain. In this he was, indeed, successful for a time, and on November 4th, the Mexican power was fully established in Guatemala. The Emperor Iturbide's plans, besides meeting with disfavor in Spain, also called forth great opposition from the Spanish Americans in Mexico, and on April 23, 1823 he was forced to resign his control before Santa Anna and his insurgents. The Central Americans thereupon seized the opportunity and expelled Iturbide's forces from their land. Under pressure of this double danger from without the former intendancies of Guatemala, Honduras, San Salvador, Nicaragua, and Costa Rica then joined together in the independent Federal Republic of the United Provinces of Central America, under their leader General Filisola, thus leaving the province of Chiapas to adhere still to the then uncertain destinies of Mexico.

Among the Spanish American provinces—and herein they differed from English America—slavery had always been part and parcel of the royal *régime*, and, as an institution, it was in consequence ever identified with the evils of the whole colonial system of the monarchy. In the new Central American constitution, therefore, slavery was formally abolished, as it had already been forbidden by the republic of Colombia two years before.

Spanish America came thus, in theory at least, to stand for the complete freedom of man; though subsequent events can hardly be said to have justified this claim. In North America, this theoretical free-

dom, was marred from the outset by the Constitution's tacit approval of negro slavery; but here on the contrary, later events wiped out this stain. In this original difference lay a pregnant cause of misunderstanding, which was soon to separate for many years the republic of the North from those of the Centre and the South. This divergence in views was at first hardly manifest, however, and patriots of both English and Spanish America chose for the time to ignore its presence entirely.¹

Acting in our chosen capacity of guardian of the liberties of America, we straightway acknowledged the complete independence of these Spanish-American republics. Then, to demonstrate even more explicitly our sympathy with their cause, it was proposed in Congress that a mission be appointed to visit the countries and consult with their leaders in regard to future action.

The friendship we thus offered was soon put to a more serious test. In Eastern Europe the principles of the absolute monarchy still survived, and the sovereigns of these inland states, together with the temporarily restored dynasties of France and Spain, now began to show a disposition to crush out liberal ideas wherever possible, by means of what was termed their "Holy Alliance." The Czar of Russia was already encroaching upon our own northwest

¹ E. J. Payne, *loc. cit.*, "History of European Colonies," Ch. XVI.

"Encyclopedia Britannica"; "Colombia."

Bancroft, *loc. cit.*, "History of Central America," Vol. III., Ch. II., III., IV., V.

London *Daily News*, October, 1849.

boundaries, and now it was even rumored that the Alliance intended to stamp out the revolutionary spirit in South and Central America and to restore these colonies to the lately re-established Spanish monarchy.

The mere rumor was enough. Our principles were now at stake, and with enthusiasm we took up the gauntlet which Europe was apparently casting at our feet. With us this was the "era of good feeling," and the question of slavery had not as yet come up to divide our people in twain. We were a united nation, with a fixed purpose, and thus in the presidential election of 1820, which put Mr. Monroe once more in office, there was no division in the popular vote, north or south, east or west. In answer to Russia's pretensions and the intrigues of the Holy Alliance it was quite possible, therefore, for John Quincy Adams, then President Monroe's Secretary of State, to boldly declare, that "with the exception of the British establishments north of the United States, the remainder of both the American continents must henceforth be left to the management of American hands."

Bolivar the patriot had in the meantime made himself a military dictator in South America and was aiming at the founding of an empire there, such as Iturbide had all but established in Mexico. The restored Bourbons of France were, moreover, already evolving a plan whereby, by making use of the work of these dictators, they might place princes of their own blood over the Spanish-American empires so

formed. This was sure to arouse Great Britain's suspicions, however, and induce her to side with us in the coming dispute. Lord Castlereagh had, indeed, up to this, rather favored the policy of the Alliance abroad,—at least in its hatred of the Bonapartes,—but upon his sudden death at this juncture, Mr. Canning again took charge of the Foreign Office, and at once began to make overtures to Mr. Rush, our minister in London, suggesting that the two governments henceforth co-operate in opposing the designs of France and Spain in South America. Mr. Canning frankly told Mr. Rush that England now “conceived the recovery of the colonies by Spain to be hopeless,” and that time and circumstances alone would determine her recognition of their independence. He then added significantly, that though Great Britain “aimed at no possession of them herself,” and though she would “throw no impediment in the way of an arrangement between them and the mother country by amicable negotiation,” she “could not see any portion of them transferred to any other power with indifference.”

Mr. Adams was astute enough to recognize that England was actuated in her offer of co-operation rather by fear of France than by any real sympathy with our own national policy, and he could not see why Great Britain should alone be made the exception to our protest against further European interference in America. The President, however, was not so decided in his convictions. He was anxious to avoid an “entangling alliance” with England, and yet, to

proceed alone in the matter would be contrary to his oft reiterated policy of non-interference in the affairs of the revolted colonies. In his dilemma President Monroe appealed by letter to Mr. Jefferson, who was then living in retirement at Monticello, and received the following reply :

“ The question presented by the letters you have sent me is the most momentous which has ever been offered to my contemplation since that of Independence. That made us a nation ; this sets our compass and points the course which we are to steer through the ocean of time opening on us. And never could we embark upon it under circumstances more auspicious. Our first and fundamental maxim should be, never to entangle ourselves in the broils of Europe ; our second, never to suffer Europe to intermeddle with cisatlantic affairs. America, North and South, has a set of interests distinct from those of Europe, and peculiarly her own. She should, therefore, have a system of her own, separate and apart from that of Europe. While the last is laboring to become the domicile of despotism, our endeavor should surely be to make our hemisphere that of freedom.”

This letter from so high an authority went far to convince the President of the wisdom of Mr. Adams's plan, and practically decided his course. In his annual message of 1823 he accordingly placed our young government on record before the world as follows :

The occasion has been judged proper for asserting as a principle in which the rights and interests of the United States are involved, that the American continents by the free and independent condition which they have assumed and maintain are henceforth not to be considered as subjects for future

colonization by any European power. . . . We owe it therefore to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European power we have not interfered, and shall not interfere. But with the governments who have declared their independence and maintained it and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power, in any other light than as a manifestation of an unfriendly disposition towards the United States." ¹

Our ultimatum to Europe was thus proclaimed, and, in the light of a general principle, the people of the United States enthusiastically supported the Monroe doctrine. Divergence was soon to arise, however, over the more practical question as to the time, manner, and means of its enforcement.

The period of the presidential election soon came around again, and out of the midst of the single political party of the day, a number of candidates appeared for the place. In "the scrub race for the presidency"

¹ President Monroe's Seventh Annual Message, December 3, 1823.

Edwin Williams, "President's Messages," 1789-1846, New York, 1846. Vol. I., pp. 541-562.

President Monroe's Special Message, February 22, 1822, and Seventh Annual Message, December 3, 1823.

Francis Wharton, "Digest of International Law," § 137a.

U. S. Ex. Doc. No. 75, 31st Cong., 1st Sess., p. 94.

U. S. Sen. Ex. Doc. No. 194, 47th Cong., 1st Sess., p. 36.

Thomas H. Benton, "Thirty Years in the United States Senate," Vol. I., pp. 65-70, New York, 1856.

which followed, a good deal of political feeling was consequently engendered, and the "era of good feeling" which had characterized the last election became part of our past history. No one of the candidates received the necessary number of votes for election, and so the duty of choosing Mr. Monroe's successor devolved ultimately upon the House of Representatives. Mr. Adams was finally chosen, and, as he was now known to have been the real instigator of the Monroe doctrine, he naturally enough regarded his selection, as a vindication of his national policy, at least by the House. And yet, when Mr. Clay brought the matter up before Congress in the same year, and endeavored to bring the House to pass a resolution embodying the Monroe doctrine in due form, he was met with a flat refusal. The Senate was also divided on the question along both partisan and personal lines, and, indeed, for the most part antagonistic to the new administration then about to take office. All this naturally had an effect on Mr. Adams, and somewhat modified his views as chief executive.

England, having failed to secure our co-operation in the matter of the Spanish-American republics, had already solved her present diplomatic problem along radically different lines. Finding his government also included in our threat against Europe, Mr. Canning at once came to an understanding with the French Cabinet directly, and then recognized the independence of the southern republics for Great Britain. All Europe was thus ranged tacitly against

our pretensions, and, to emphasize the matter, Mr. Canning then politely informed our minister, Mr. Rush, that "Great Britain considered the whole of the unoccupied parts of America as being open to her future settlements in like manner as heretofore."

Under these changed conditions an opportunity was soon afforded for a thorough discussion of the whole question of our relations toward the revolted provinces of Spanish-America. Mexico, Central America, Colombia, Buenos Ayres, Peru, and Chile were the states which had up to this established their independence, but their political situation was still far from secure. They had one and all modelled their republican institutions after the pattern of the United States, and, as we had so magnanimously put ourselves on record in their behalf, they now, naturally enough, looked to us for continued support. A plan was accordingly evolved by Bolivar, and eagerly taken up by the several states, for a "Congress of American Nations" to meet in Panama in June, 1826,—or as Mr. Benton then described it, an "assembly of the American States of Spanish origin, counselling for their safety and independence, and presenting the natural wish for the United States to place herself at their head, as the eldest sister of the new republics, and the one whose example and institutions the others have followed."

President Adams at once accepted the invitation on behalf of the United States, and nominated envoys to the congress, as the whole scheme fitted in exactly with his original policy. In his message to

the Senate, announcing his nominations, Mr. Adams took great care to say, however, that there was no attempt in the plan to form alliances or to engage in any project of hostility to any nation, but that the intention rather was to establish liberal principles of commercial intercourse and maritime neutrality, and also possibly to come to an agreement for the adoption of the Monroe doctrine. In even more guarded terms the President then proceeded: "An agreement between all the parties represented at the meeting, that each will guard, by its own means, against the establishment of any future European colony within its borders, may be found advisable. This was, more than two years since, announced by my predecessor to the world, as a principle resulting from the emancipation of both the American continents. It may be so developed to the new southern nations that they may feel it as an essential appendage to their independence."

This was the Monroe doctrine reduced to a mere phrase, and exhibited a woeful lack of foresight regarding the future exigencies of Spanish-American politics. The idea of the assembly itself, however, was inspiring to our young democracy, and the papers were full of the scheme, likening this congress of the American states on their isthmus to the old Amphictyonic Council, that was wont in classic days to come together on the isthmus of Corinth to counsel for the safety of the Grecian states. It was a popular administration plan, in short, and the House, which had made the President, naturally enough

supported it; but this meant little, considering the altogether indefinite nature of the diplomatic proposals.

But a majority in the Senate was opposed to the idea; not indeed because the congress was in any way to emphasize the Monroe doctrine over against the powers of Europe, but rather because the proposed convention at Panama was evidently intent upon taking up the question of slavery, upon which the States of the North and South were already divided. The institution of slavery, had, as we know, already been abolished by Spanish America, and now it was proposed that the Panama congress should deliberate in regard to taking joint action in giving status to the young negro republic of Hayti. This could never be. As one of our senators hotly remarked, "No, this is a question which has been *determined* HERE for three and thirty years; one which has never been open for discussion, at home or abroad. . . . It is one which cannot be discussed in *this* chamber, on *this* day; and shall we go to Panama to discuss it?"

The upshot of it all was that the Senate Committee reported adversely on the President's recommendation, and the following resolution was thereupon spread upon the journal of the House :

"It is therefore the opinion of this House that the government of the United States ought not to be represented at the Congress of Panama except in a diplomatic character, nor ought they to form any alliance, offensive or defensive, or negotiate respecting such an alliance with all or any of the

South American republics ; nor ought they to become parties with them, or either of them, to any joint declaration for the purpose of preventing the interference of any of the European powers with their independence or form of government, or to any compact for the purpose of preventing colonization upon the continents of America, but that the people of the United States should be left free to act, in any crisis, in such a manner as their feelings of friendship toward these republics and as their honour and policy may at the time dictate."

By these words the last traces of any Monroe doctrine sting were extracted from the President's plan, and, though the invitation of our southern neighbors was indeed, formally accepted, the primary objects of the mission were at the same time totally defeated by the conditions and restrictions that were loaded upon our envoys on their departure.¹

The question of interoceanic transit had, in the meanwhile, been brought up in this connection before the Federal Congress of the young Central American confederacy, and, at the very time that our Senate was discussing the objects of the Panama mission with such warmth, the minister of this new republic, Don Antonio José Canaz, arrived in Washington, and at once addressed a note to the

§ 57. The
United
States Be-
come
Interested
in the Canal
Project.

¹ Thomas Benton, *loc. cit.*, Vol. I., Ch. XXV.

Ibid., "Abridgment of the Debates of Congress," Vol. VII., pp. 470, ff.
Thomas V. Cooper, "American Politics," Bk. I., p. 27. 7th ed., Chicago, 1884.

Joseph West Moore, "The American Congress," pp. 232-233. New York, 1895.

State Department calling the attention of the United State's government to the importance of the subject of the proposed canal. "The republic of the Centre," he wrote, "was in the first moments of its existence, and nothing would be more grateful to it than a co-operation by this generous nation, whose noble conduct has been a model and a protection to all the Americas; and that it would be highly satisfactory to have it a participator not only of the merit of the enterprise, but of the great advantages which that canal of communication must produce, by means of a treaty which may perpetually secure the possession of it to the two nations."

Henry Clay, who had lately been appointed Secretary of State by President Adams, was himself a warm advocate of a vigorous American policy. He was also personally interested in the canal project itself, and foreseeing the temper of the people in the matter, he now resolved to strengthen the popular support of the administration's course, by making this transit scheme part and parcel of the Panama mission. Clay was unable, of course, to commit his government at once to Central America's proposition, but, after consulting with the President, he informed Señor Canaz, "of the deep interest which is taken by the government of the United States in the execution of an undertaking which is so highly calculated to diffuse an extensive influence on the affairs of mankind," and further expressed to him "the acknowledgments which were justly due to the friendly overture" he had made for his government.

Leaving the matter of the treaty of co-operation thus open, Mr. Clay then gave detailed instructions to Mr. Williams, our *chargé d'affaires* to Central America, who was just about to start for his post, ordering him to collect all the data possible as to the feasibility of the proposed canal through Nicaragua, and as to its probable cost.

Having worked out his plan thus far, Mr. Clay then turned to the Panama envoys, who were now waiting on the action of the Senate before departing, and informed them officially that "a canal for navigation between the Atlantic and Pacific oceans will prove a proper subject for consideration at the congress," adding further that "that vast object, if it ever should be accomplished, will be interesting in a greater or less degree to all parts of the world, but especially to this continent will accrue its greatest benefits."

Mr. Clay had not miscalculated the popular interest in the canal project. It soon became part of the Monroe doctrine, and readily allied itself to the more particular question of the Panama mission still being discussed. The papers took it up and the people were enthusiastic. Business men saw in the project an opportunity of economic gain, and looked with confidence to President Adams's administration for national aid in the undertaking. The prospect of international rivalry only aroused popular enthusiasm the more. Already a party of English capitalists, guaranteed by Barclay, Richardson, and Company, the London bankers, had

formulated a plan for the construction of a canal through the western seaboard strip of Nicaragua to connect with the lakes and the San Juan. A competent civil engineer, Mr. John Bailey, had also been sent out the year before with a reconnoitring party in an armed brig to Central America, and was even then in Nicaragua making surveys and arranging for the proper concessions. News of this expedition spurred on our capitalists to more practical activity, a preliminary company was thereupon formed in New York, and an agent soon after sent off to the isthmus, under instructions to make surveys for the company and to secure a concession if possible in advance of the English.

All this activity naturally heightened the confidence of the Central American republic in the immediate execution of the work, and the Federal Congress straightway passed an act formally providing for the construction of a canal for the largest vessels through the territory of Nicaragua, and granting very liberal concessions to any company that should undertake the work.

Both the English and the American projectors put in their bids, and, under authority of the act of the Federal Congress, permission was accorded to the latter capitalists to construct a canal "for vessels of the largest burden possible," and on June 14, 1826, a contract to that effect was formally ratified by both parties. A canal company was then definitely formed in the United States called "The Central American and United States Atlantic and

Pacific Canal Company,"¹ but not being able to go much further by themselves, the projectors then appealed to Congress for aid.²

In Spanish America also, all was enthusiasm, the power of the Viceroy's had everywhere been broken down, and now a congress of the independent states was about to meet in Panama, to take counsel for Pan-American needs.

§ 58. The
Bursting
of the Pan-
American
Bubble.

Believing now that the canal question was likely to be one of the main centres of discussion at the convention, and seeing that both England and the United States were interesting themselves in the project, the other states of the isthmus resolved not to be outdone in the matter by the republic of the Centre. Don Guadalupe de Vittoria, President of the lately established Mexican confederation, accordingly ordered one of his army engineers, General Orbegozo, to make a reconnaissance across the isthmus of Tehuantepec; and the state of Vera Cruz, feeling itself more directly concerned in this project than any of the other states of the confederation, instituted further surveys in these parts under the direction of Don Orteo Ortiz.

General Bolivar, now President of Colombia, and

¹ This company was organized by the following well known gentlemen of the day: A. H. Palmer of New York; De Witt Clinton, Governor of the State, and builder of the Erie Canal; Stephen Van Rensselaer of New York, Monroe Robinson, President of the Bank of the United States, and others. Their agent in Nicaragua was a Mr. Beneski.

² John A. Rockwell, Chairman;—"Report of Select Committee on Canals or Railroads between the Atlantic and Pacific Oceans." House Report No. 145, 30th Cong., 2d sess., pp. 244-246, 374.

Sullivan, *loc. cit.*, pp. 16-19.

practically dictator of Peru and Bolivia, had still larger plans in view. Having freed the country from the rule of the Viceroy, it was evidently his idea to use the congress of Panama for his own ends and secure, if possible, a military dictatorship over all Spanish America. In pursuance of this general plan, Bolivar felt it essential to provide for an adequate route of transit across the isthmus, which, from the outset, should be under his exclusive control. He confined his attention, therefore, to Panama, and arranged for surveys to be undertaken along this route by a British engineer, Mr. Lloyd, and Mr. Falckmar, a Swedish captain in his service.

On June 22, 1826, according to appointment, the congress came together in Panama. Neither of our envoys appeared,¹ however, and indeed, lacking the hearty co-operation of the United States, the whole convention was bound to be a flat failure. The Spanish-American delegates soon realized this, and after some general discussion they all decided to adjourn to Mexico, in search of better climatic conditions. In this change of venue, however, the congress became disintegrated, and seems never to have reassembled as a body. Bolivar was, therefore, unable to carry out his scheme; and, fearing him no longer, both Peru and Bolivia freed themselves from his dictatorship. Without the aid of the northern republic, upon whom they had all

¹ On account of the long debate in the Senate, one of the envoys, Mr. John Sergeant, of Pennsylvania, did not receive his instructions in time to reach Panama from the United States; the other, Mr. Anderson, then United States Minister to Colombia, died at Carthagena on his way.

relied, the independent states were left to their own devices again, and the high hopes of the Pan-Americans now, one after the other, fell to the ground.

The results of the Tehuantepec surveys amounted to nothing, General Orbegozo reporting that "the canalization of the isthmus was problematic and gigantic," and the opportunity now being gone, they were never further elaborated. In 1828, Messrs. Lloyd and Falcmar also completed their reconnaissance along the Rio Chagres, and reported a break in the mountains here between Panama and Porto Bello. Bolivar was no longer in a position to carry out his ideas of interoceanic transit, however, and so the report of these surveys was taken to England instead, and there presented before the Royal Geographical Society in London.

The results of these surveys, as well as of those undertaken by the American company across Nicaragua, while immensely under-estimating the difficulties to be met with in each case, could hardly be said to have been encouraging to the enthusiasts of the day. No money could be raised from private sources to prosecute the canal project in Nicaragua, and the company's appeal to Congress for aid stuck fast in an early committee stage. The Senate had had its way in regard to the Panama mission, and the failure of the congress could only be regarded as a defeat for the administration. Monroe, in his famous message had indeed set forth with keen perspicacity the attitude our government would in the end be forced to assume toward our uncertain

southern neighbors ; but events could not be forestalled. The question of slavery had first to be settled at home, and that was still a long way off. Even then, necessity alone could drive us on to take the stand advocated by the Monroe administration, and such necessity was to be slow in maturing.¹

¹ Moritz Wagner, *loc. cit.*, pp. 19-20.

Sullivan, *loc. cit.*, p. 19.

North American Review, January, 1830.

E. G. Squier, *loc. cit.*, "Nicaragua," Revised Edition, 1860 ; Appendix, Chapter III.





CHAPTER VII.

SOME INEFFECTUAL CANAL PROJECTS.

THE abortive Panama congress was the cause of one rather unexpected event. The King of Holland, with a lively concern in Spanish-American affairs on account of his colonial possessions in Guiana, sent a representative, General Werweer, to be present during the sittings of the convention, and keep an eye on the best interests of the Netherlands. While on the isthmus the General became deeply interested in the canal project. Upon his return, he enlisted the favor of his sovereign in his plans, and finally induced him to embark upon the undertaking, at least in his private capacity. A Holland company was then formed, with the King at its head, for the construction of a canal through Nicaragua, and General Werweer was at once sent back to Central America to secure a suitable contract from the Federal government. The people of the United States having failed them, and the English appearing to have lost all interest in their project, the Central American authorities eagerly grasped at this new opportunity. A very liberal concession was accordingly drawn up and ratified by

§ 59. The
King of
Holland's
Canal
Project.

both parties on December 18, 1830, granting to the Dutch not only an exclusive right of way across the territory of Central America, but also a monopoly of the coasting trade.

After the failure of our first efforts, we in this country had abandoned all thought of the canal project for ourselves; but the liberality of this concession to the Dutch aroused our government from its apathy, and led us again to at least a negative assertion of the Monroe doctrine. Mr. Adams had failed to secure his second term, and the Democrats were now in full control under President Jackson. The foreign policy of the new administration was still uncertain, and the vigorous tone of the despatches now addressed to the Dutch government by Mr. Livingston, Jackson's Secretary of State, was rather a surprise to the defeated Republicans, who hardly expected such warmth from their Democratic opponents. Our minister to the Netherlands, Mr. Jeffrey, was first instructed to inform the proper authorities there, that we were the most interested party in the transit question, and must therefore enjoy all the advantages conceded to other nations. Mr. Jeffrey was further told to secure for either the people or the government of the United States the majority of the stock of the Holland Company, and a share in its monopoly.

There was no occasion for pushing the matter so far, however, for in the confusion of the Belgian revolution, which broke out just then, the King and his company were compelled to forego their

canal project and abandon their rights in Central America.¹

The vigorous policy of the new administration, revived the hopes of the Central American states. They recognized now that no further action could be expected from the Dutch promoters, but, at the same time, saw with delight that interest in the United States was still alive. "All concur here," our consul to Central America, Mr. Henry Savage, then wrote, "and every one seems tacitly to look forward to the United States for the completion of this grand project. They say that the United States, identified in her institutions with this government, is the only power that ought to have the preference."

§ 60. President Jackson's Policy towards the Transit Question.

In answer to this popular demand, the Federal Congress of the confederacy, again took action in the matter, and by an act of the legislature, formally offered the United States the prior right, before all other nations, in the construction of a canal, laying special emphasis once more upon the good-will and political sympathy which had so long existed between the two republics.

Having gone so far in our opposition to the Dutch, our government now thought the opportunity good to reassert our own position in regard to the transit question. We still desired no exclusive control, but, whatever might be our positive action

¹ Rockwell, *loc. cit.*, pp. 259-269.

Sullivan, *loc. cit.*, p. 20.

Squier, *loc. cit.*, "Nicaragua," Appendix.

in the matter, we wanted all foreign governments to understand that we would brook no interference on their part with the rights we claimed on the isthmus. In reply to this generous proposition of the Central American republic, the Senate, therefore, passed a resolution on March 3, 1835, couched, it is true, in very general terms, but still going so far as to request the President to open negotiations with the governments of Central America and New Granada,¹ to protect by treaty stipulations any company which should undertake the construction of the canal, and secure the free and equal right of navigation of such canal to all nations.

Though opposed to all plans for national improvements at home, Jackson was still bent upon maintaining the American policy on the isthmus. Upon his re-election, therefore, he at once despatched a special agent, Mr. Charles Biddle, to consult with the authorities there, to make inquiries as to the plans proposed, and to collect data of surveys and estimates on the canal project, both in Nicaragua and Panama. Contrary to instructions, Mr. Biddle went first to Panama and there acted in a way hardly calculated to advance the President's plans.

Some time before this, a shrewd adventurer calling himself Baron Thierry, while an usher in Cambridge had been elected sovereign of the islands of New Zealand by a party of Maoris visiting England.

¹ The Republic of Colombia was broken up in 1831 by the withdrawal of Venezuela and Ecuador, and New Granada thus became an independent republic. Cf. §§ 52, 62.

In this capacity, while on his way to the islands, he had been able to secure from the government of New Granada in Bogota, an exclusive right to construct a canal across Panama to connect the rivers Chagres and Grande. The English government, in the meantime, had taken measures to frustrate the plans of this would-be monarch, however, and upon his arrival, he was not only refused permission to land on his own (?) domain, but furthermore declared a public enemy by the assembled New Zealand chiefs. Without further friends or resources for the moment, and deprived of his rank, Thierry was consequently obliged to forego his acquired interests in Panama as well, and his canal concession was about to lapse.

Biddle reached Panama at this time, and, thinking to make a good thing of it, he took up the Thierry concession for himself and his friends, and henceforth abandoned the public interests of the United States, for his own private gain. Having collected all the information he could on the Panama route, Biddle then hurried home on his own business, never even stopping off at Nicaragua. He died however, before he could mature his plans, and our government hastened to disavow his acts.

Jackson's canal policy had thus nothing more substantial to show for itself than a vague resolution by the Senate, and a partial report on the Panama route submitted by Biddle just before his death.¹

¹ Rockwell, *loc. cit.*, pp. 249 *ff.*, 268-341.

Sullivan, *loc. cit.*, pp. 20-22.

Squier, *loc. cit.*, "Central American States," Vol., II., p. 259.

Left to themselves once more and not knowing which way to turn, now that neither the United States nor Europe seemed able to furnish any serious aid in solving their transit problem, the Central American states boldly resolved to undertake the work themselves. Mr. John Bailey, the engineer sent over from England by the Barclay, Richardson Company some years before,¹ had remained on in Nicaragua interesting himself in the canal project. To him the government of the republic then turned during the last days of its existence, but still sanguine of the success of its plans. In 1837 Mr. Bailey began his surveys for the confederacy on the Pacific side of the lake, and decided upon a route to run from Lajas to San Juan del Sur on the Pacific.² The results of this survey were then sent to England and the United States and received considerable attention in both countries.

Mr. Horatio Allen, the engineer of the Croton Aqueduct, then being built, brought the matter up in New York, and this report, taken together with the action of the Central American republic, at once stirred up the canal enthusiasts of our country to fresh exertions in behalf of their pet project. The Mayor of New York, Aaron Clark, and a number of prominent citizens of that city and Philadelphia,³ accordingly came together and evolved an elaborate

¹ Cf., *ante*, § 57.

² Cf. Map, frontispiece.

³ Aaron Clark, W. A. Duer, H. Radcliff, and Herman LeRoy of New York, and Matthew Casey and others of Philadelphia.

scheme for a canal through Nicaragua, and for American colonization of the isthmus on a large scale. These promoters then drew up a petition which they presented to Congress in January, 1838, asking that all the great powers of the world, and also the Central American states be invited by the United States to join in "opening a navigable communication between the Atlantic and Pacific oceans by means of a ship-canal across the isthmus which connects North and South America"; and that the United States now undertake surveys as a preliminary step.

Congress referred the memorial to its Committee on Roads and Canals, and the result was a voluminous report on the entire subject of isthmian transit, presented soon after by Mr. Mercer the chairman of this Committee. The gist of this governmental document was expressed in these words: "The United States, whose territory extends from the Atlantic to the Pacific, cannot but regard with solicitude, any enterprise which, if practicable, will so greatly approximate their eastern and western frontiers." In accepting this report, Congress then took occasion to pass another resolution on March 2, 1839, couched in about the same indefinite terms as the Senate resolution of four years before.

The *status quo* of the Jackson administration was thus re-established in regard to the transit question. President Van Buren, of the same political faith as his predecessor, followed also in the footsteps of his canal policy. Another agent, Mr. John L. Stephens,

was accordingly sent off to Central America to collect the data on the project, which Biddle had neglected, report on the general feasibility of the plan, and give his opinion as to the best route. Unlike his predecessor, Mr. Stephens was thoroughly conscientious and in earnest, and entered on the work with great zest. After as careful an examination of the country as the circumstances would permit, Mr. Stephens recommended the Nicaraguan route in strong terms, and advised the continuation of Mr. Bailey's surveys in this region. As to the project then in hand, Mr. Stephens was not so enthusiastic. True, he estimated the cost of a canal across Nicaragua at only twenty-five millions of dollars; but he added significantly, "capitalists will not sink their money in an unsettled and revolutionary country."¹

It was all true enough,—the American isthmus certainly had degenerated into an "unsettled and revolutionary country" by this time. In all the states of Central America there was the *Nacionalista*, or Liberal party, which had brought about the original union in 1823, and had fought hard to maintain the confederacy ever since. This party was always enthusiastic over the Monroe doctrine, and advocated the Pan-American idea under the guidance of the United States. Opposed to the Liberals stood the Conservative, or Clerical, party. These Conserva-

§ 62. The
Breaking
up of the
Central
American
and
Colombian
Republics.

¹ Rockwell, *loc. cit.*, p. 236.

John L. Stephens, "Incidents of Travel in Central America, Chiapas and Yucatan," Vol. II., Ch. XIX., New York, 1841.

tives, on the contrary, had never been in favor of a union of the states, and had done all they could to break up the confederacy on every occasion.

In 1826 the Clericals had, indeed, succeeded in effecting the dissolution they desired, but three years later the Liberal leader, Morazan, was able to set the wheels of federal administration once more in motion. Thereupon the Conservatives, disgruntled, withdrew from the government entirely, and actually went so far as to raise the Spanish flag again. This was only playing into their adversaries' hands, however, and, backed by the mass of the people, Morazan changed the seat of federal power from Guatemala to San Salvador, and kept the southern states at any rate for a short time true to his cause. In 1838 Carrera the Conservative raised a revolt against the federal government, and from this time on it was open war between Guatemala on the one hand, and a Liberal confederacy, consisting of Honduras, San Salvador, and Nicaragua, on the other—Costa Rica in the south, devoted more especially to commerce, and cut off from the other states by mountains, taking little part in this political struggle. The Clerical cause gradually gained ground after this; Morazan was obliged to escape from the country, and of the original confederacy nothing was now left but a group of detached and warring little republics.

A similar political evolution was going on, also, farther south, in the republic of Colombia. On Bolivar's death in 1830 this unstable confederacy had also broken apart. Venezuela and Equador

withdrew, and New Granada became a separate republic under Bolivar's rival, the Liberal leader, Santander. But like Morazan, Santander was unable to maintain his party in power, and in 1836 he was defeated and driven from the country. The Clericals then gained control, and what is known as the "Twelve Years" ensued. This was a period of ceaseless conflict between the Clerical party, on the one hand, made up of Oligarchs, Absolutists, and Jesuits and the disenfranchised Liberals on the other.¹

These independent states of the isthmus were thus left in sole authority over their respective canal routes, and, like Spain and the Central American confederacy before, each was still bent on exploiting its special natural monopoly to its own advantage. The Conservatives were now pretty generally in control throughout the isthmus, and, as they had never been accustomed to look for support either from the government or the people of the United States, each state began now to send its agents to the Catholic countries abroad, in the hopes of interesting European companies in its special enterprise.

Guatemala accordingly despatched one of her bishops to Rome on this errand, while New Granada offered liberal concessions to a bubble French

¹ Bancroft, *loc. cit.*, "History of Central America," Vol. III., pp. 187, 210.

Squier, *loc. cit.*, "Central American States," Vol. II., p. 135.

Payne, *loc. cit.*, "History of European Colonies," Ch. XVI. and XXI.

scheme launched by Messrs. Salomon and Company, for the construction of either macadamized roads, railways, or canals across the isthmus of Panama. Under this all-inclusive grant surveys were instituted by a French engineer, M. Morel, with the most startling results. After making some sort of a reconnaissance, this visionary reported the discovery of a depression of only ten and a half metres between Porto Bello and Panama, and on this fictitious basis worked out an elaborate canal plan for his company, giving mathematically exact, and yet entirely imaginary, figures and profiles.

Nicaragua and Honduras then bestirred themselves as well, and together authorized another promoter, a M. Rouchoud, to conclude some agreement with other French capitalists for the construction of a transit-way within their territory.¹

Louis Philippe was at this time at the zenith of his power, and, being himself personally interested in the canal project, he was regarded by all promoters as an ideal patron for the great undertaking. The Salomon Company first enlisted the monarch's attention, with its dazzling promises of a sea-level canal across the isthmus of Panama, at a ridiculously low cost. On the advice of his famous minister, Guizot, Louis Philippe at once sent one of his engineers, Napoleon Garella, to Panama, to prove or disprove the correctness of Morel's remarkable report. Garella, unlike

§ 64. Louis
Philippe's
Canal
Project.

¹ Moritz Wagner, *loc. cit.*, p. 21.

Squier, *loc. cit.*, "Nicaragua," Chap. III., Appendix.

most of the French engineers who have examined the isthmus, was thoroughly conscientious in his work, and the results of his surveys effectually quenched his monarch's former enthusiasm for the canal project. Morel's wonderful depression, Garella found to be 128 metres, 72 centimetres, above the level of the sea, instead of the paltry ten and a half metres reported; and the lowest pass he could find in this region measured 115 metres, 20 centimetres. Garella admitted, indeed, the possibility of a canal across Panama, but insisted that its construction would necessitate twenty-five locks and a tunnel of 5350 metres in length, involving in all, according to his lowest estimate, a cost of 200,000,000 francs, and this, for a small canal to accommodate vessels of not over 600 tons' burden. No wonder Louis was disheartened and lost interest in the project!

Thinking the opportunity now fit to interest the French monarch in the more favorable Nicaraguan route, Don Francisco de Castellon, Nicaragua's minister to France, not only offered Louis Philippe an exclusive right to construct a canal through the country, but furthermore proposed a French protectorate over the route. But Louis would have none of it, though Guizot, ever watchful over French interests, strongly admonished him against refusing the offer, lest Great Britain should step in and forestall him in the control of both Central America and the canal.¹

¹ Moritz Wagner, *loc. cit.*, pp. 21, 22.

Squier, *loc. cit.*

J. C. Rodrigues, "The Panama Canal," p. 8, New York, 1885.

Don Castellon then turned to Belgian promoters, and by liberal concessions succeeded at last in forming a company there, and enlisting the patronage of their King. No money was forthcoming, however, and so the Nicaraguan conservatives, through another of their agents, M. Marcoleta, Nicaragua's *chargé d'affaires* in Belgium, began to lay plans for enlisting the attention of Louis Napoleon Bonaparte, the rising star of European politics, who was then a political prisoner in the fortress of Ham. This enthusiast became at once mightily interested in the canal project, and it was soon arranged that he should be allowed to organize a canal company in Europe to be called *La Canale Napoleone de Nicaragua*. Upon his escape from Ham on May 25, 1846, Napoleon proceeded at once to London, and there wrote his famous pamphlet on the canal question, in which he advocated the Nicaraguan route. The canal, as he laid it out, was to go up the bed of the San Juan, across both lakes, over the plains in the north, and down the valley of the Estero Real to the Gulf of Fonseca.¹ Napoleon had grand ideas on the transit question, and a keen perception of the part it was destined to play in European and American politics. It may not be out of place, therefore, to quote his own words here.

“The geographical position of Constantinople is such as rendered her the queen of the ancient world. Occupying, as she does, the central point between Europe, Asia, and Africa,

¹ Cf. Map, frontispiece.

she could become the *entrepôt* of the commerce of all these countries, and obtain over them an immense preponderance; for in politics, as in strategy, a central position always commands the circumference. This is what the proud city of Constantine could be, and this is what she is not, because, as Montesquieu says, 'God permitted that Turks should exist on earth, a people most fit to possess uselessly a great empire.' There exists in the New World a state as admirably situated as Constantinople, and we must say up to this time as uselessly occupied. We allude to the state of Nicaragua. As Constantinople is the centre of the ancient world, so is the town of Leon the centre of the new, and if the tongue of land which separates its two lakes from the Pacific Ocean were cut through, she would command by virtue of her central position the entire coast of North and South America.

"The State of Nicaragua can become, better than Constantinople, the necessary route of the great commerce of the world, and is destined to attain an *extraordinary degree of prosperity and grandeur*.

"France, England, and Holland have a great commercial interest in the establishment of a communication between the two oceans, but England has, more than the other powers, a political interest in the execution of this project. England will see with pleasure Central America becoming a powerful and flourishing state, which will establish a balance of power by creating in Spanish America a new centre of active enterprise, powerful enough to give rise to a great feeling of *nationality*, and to prevent, by backing Mexico, *any further encroachments from the north*."

This monograph of Napoleon's attracted widespread attention in Europe, and nowhere more particularly than in England. The Royal Geographical Society there had kept itself informed all along in regard to the surveys thus far made on the isthmus, but in every case had been disappointed in the re-

ports. As a result of these surveys the English were at least convinced in their own minds,—and, in fact, Lord Palmerston had already so declared before Parliament,—that a canal across the isthmus of Panama was impossible. But when Napoleon's plans were now presented to Admiral Fitzroy, Her Majesty's hydrographer, for detailed examination, he was more favorably impressed with this route, and reported favorably to the government.

From this time on, the British capitalists and their government persistently kept their attention fixed upon the Nicaraguan route, and were never afterwards to be seriously influenced by either French or American schemes in Tehuantepec, Panama, or Darien.

English interest in Nicaraguan affairs had, in the meantime, become aroused in quite a different but in a much more practical way, as we have now to see. All canal projects up to this had been but dreams of enthusiasts, or schemes of irresponsible speculators. Politics now began to enter into the question again, and its evolution became at once the more interesting.¹

¹ N. L. B. (Napoleon Louis Bonaparte), "Canal of Nicaragua, or a Project to Connect the Atlantic and Pacific Oceans by Means of a Canal." London, 1846.

H. C. Taylor, "The Nicaragua Canal," Pub. Amer. Geog. Soc., 1886, pp. 26-30.

Sullivan, *loc. cit.*, p. 75.

Engineering Magazine, *loc. cit.*, March 3, 1893.



CHAPTER VIII.

THE BRITISH SEIZURE OF THE SAN JUAN.

SLOWLY but surely were the two great Anglo-Saxon powers, Great Britain and the United States, being driven to the verge of another controversy over territorial affairs in America; and events now began to point toward the isthmus as the centre of the next conflict.

Having demonstrated her naval strength in Europe during her struggle with Napoleon, England after this was left practically unmolested in her eastern advance toward the Pacific. **§ 66. Great Britain's Position on the Isthmus after Spanish-American Independence.** Nor, indeed, had her career in the west by any means been cut short by the revolt of her American colonies. After her attempt in 1812, Great Britain, it is true, ceased to interfere directly with the affairs of the United States, but she was determined, none the less, to parallel our westward advance toward the Pacific, both on the north and to the south, and thus shut us in on either side. Canada was, therefore, thoroughly propitiated, and American citizens soon found they could raise no revolt among its inhabitants. In the far Northwest English fur-traders occupied the still undefined "Oregon country," and

there held their own against the pretensions of their American rivals.

In Mexico the English could gain no foothold, but still farther south, among the West Indies, and on the Spanish-American mainland, their position was still secure. There were weak points in Great Britain's claims in this region, however, and it was these links which she now set about to strengthen.

According to the terms of the treaty of Madrid, which reaffirmed the convention of 1786, it will be remembered that Englishmen simply possessed certain well-defined usufructuary rights to the natural products of the soil within the territory of Belize, marked off by metes and bounds. But, as a matter of fact, we know that the settlers had worsted the Spanish colonists in battle, and were already in control of a much larger strip of land than that laid down in the treaties, and were ruling it as they chose.

In the meantime the Spanish-American colonies had broken away from the motherland to establish an independence of their own, and this *coup* must necessarily have changed the legal aspect of affairs as well. England no longer considered the treaties she had made with Spain as binding between her and the now independent Spanish-American states. There was nothing now to invalidate the claim of the English settlers to all the land they had occupied, therefore, unless Great Britain herself should do so, by agreeing with the independent states to re-enact with them the treaties she had made with Spain.

This England did with Mexico, when she acknowledged the independence of that state, and in the treaty of recognition, signed December 26, 1826,—the provisions of the convention of 1786 between Great Britain and Spain in regard to Belize, were re-enacted word for word. Only a portion of Belize now lay within Mexican territory, however, and the encroachments of the British settlers had all been toward the south into the territory of Guatemala.¹ But Guatemala had become part of the short-lived Central American confederacy, and, in acknowledging the independence of this republic England took great care to make no mention of the older treaties with Spain, and so left the question of her settlers' rights in Belize still open.

Still another doubtful point introduced upon the occasion of Spanish-American independence, was the question concerning the future status of the Mosquito Indians. The Central American authorities maintained that these natives and their shore belonged to Nicaragua, and that they had come into the confederacy as part of that state. Neither Spain, Nicaragua, nor the Central American republic had ever exercised any permanent control over this eastern coast, however, and, as the Spanish-American provinces had freed themselves, not jointly, but severally from the mother country, why could not the Mosquito Indians, who had all along remained unconquered, now set themselves up, in law as well as in fact, as an independent nation, and

¹ Cf. Map at end of volume.

beyond the jurisdiction of both Nicaragua and the Central American confederacy?¹

This claim, which the Mosquito Indians themselves had neither the sense nor the inclination to set up, the English settlers now made in their behalf according to their old accustomed ways.

§. 67. The English Settlers and the Mosquito Indians.

Early in the century these Britishers began to resume their old-standing friendship with the Indians along the shore, whose numbers were now considerably augmented by the accession of numbers of Caribs coming from the Bay islands. The Crown Prince of the tribe, George Frederick, and his half-brother Robert,² were first carried off to Belize by the settlers in 1816, and then sent over to Jamaica to complete their English education. Upon the death of the Mosquito chief his father, George Frederick was brought back to Belize and there crowned with imposing honors and mock solemnity, "King of the Mosquito Shore and Nation." After the ceremony, His Majesty was transported in a British war-ship to the land of his fathers, with all the honors due to a savage half-breed monarch.

But the young King's inherited taste for alco-

¹ Treaty of Amity, Commerce, and Navigation, between Great Britain and Mexico. Dec. 26, 1826. Art. XIV.

U.S. Diplt. Corr., 1865-66., Pt. I., p. 65; Pt. III., p. 360.

U.S. For. Rels., I., pp. 656-61; 43d Cong., 1st Sess.

U.S. Sen. Ex. Doc., No. 27; Docs. 2 and 3, pp. 3-10, 32d Cong., 2d Sess.

Brit. Accts. and Papers, *loc. cit.*, Vol. lxx. App. C. Docs. 5 and 14.

² Since the first days of their intercourse with the British, these Indians had come to adopt these high-sounding English names.

holic stimulants seemed only to have become intensified by his liberal English education, and he was killed not long after in some drunken brawl among his subjects. George Frederick was succeeded by his half-brother Robert, but this monarch became rather too well disposed toward the Spanish-Americans of the interior, to suit his English mentors. Robert was therefore deposed by the settlers, and a pure Sambo negro, christened also George Frederick, was raised to the throne in his stead.

What became of this first sovereign of the Sambo line does not appear from the chronicles of the Mosquito kingdom. His reign was brief, at all events, for he was succeeded in a few months by a second Sambo king, called Robert Charles Frederick. That he might be the more impressed with the dignity of his position than were his immediate predecessors, this monarch was also taken to Belize, and there crowned in royal pomp on April 23, 1825,—dressed it is said in the uniform of a British major, and surrounded by his court of noble lords.

Upon his return to Mosquitoland, His Highness was found, indeed, to be rather too much impressed with his royal dignity, for he soon considered himself justified in granting away great stretches of his domain to foreign traders who came to his shores, in return for gay pieces of cotton stuffs, in which he loved to dress his person in true kingly style. This generosity was fatal to the English plans, so poor Robert Charles Frederick was forthwith deported from the land of temptation, and kept a close prisoner in Belize for the remainder of his life.

In his last will and testament,—which bears the date of February 25, 1826,—this exiled monarch, generous to the last, appointed Colonel Macdonald, the English Superintendent at Belize, regent over Mosquitoland during the minority of his children, in recognition of all the favors heaped upon him and his people by the English; and, as a last request, he begged that the Church of England and Ireland might be established in his country.

Macdonald delegated his private secretary, Patrick Walker, to act in his place as regent of Mosquitoland, as his larger duties made it imperative that he himself should remain in Belize. Under orders from his chief, Walker thereupon set about reorganizing the administration at Bluefields. The name of the land was now changed to "Mosquitia," though all the emblems of half-breed royalty were carefully maintained, and the so-called hereditary monarchy preserved. Walker then gathered around him a Council of State, which was English to the core, and from behind this screen he was henceforth enabled to control the destinies of the land.¹

In the meantime other Englishmen were operat-

¹ Brit. Accts. and Papers, *loc. cit.*, Vol. LXV., "Mosquito Correspondence."

De Kalb, *loc. cit.*

Robt. F. Stout, "Nicaragua," pp. 168-171.

Dumis, "Central America," pp. 26-27.

Squier, *loc. cit.*, "Central American States," pp. 582-584, 618-623, 641-645.

Bancroft, *loc. cit.*, "History of Central America," Vol. III., p. 315.

E. Bedford Pim, *loc. cit.*, "Dottings in Panama, Nicaragua, and Mosquito." London, 1868.

Thomas Strangeway, "Sketch of the Mosquito Shore," pp. 4-6. Edinburgh, 1822.

ing in much the same way, in order to gain a foothold farther south along the eastern seaboard of Costa Rica. The Mosquito chief, it seems, claimed jurisdiction over this coast as well, through alliances with the Poya natives there. On his return from a voyage to Carthagena, Sir John MacGregor had, it appears, stopped off long enough at Mosquitia to obtain from King George Frederick a large grant of land south of the San Juan, including the little island of Boca del Toro. This grant he sold to a company of English merchants, who then arranged for a colonization scheme on a large scale.

Costa Rica was, indeed, rather favorably disposed toward the plan, seeing in it an opportunity to develop her land and commerce, and under such favorable auspices the colony was formally inaugurated.¹

With their power again established along the Mosquito shore, and an English colony now planted south of the San Juan, the next concern of Macdonald and his settlers was for dominion over the Bay islands, as these were strategically necessary in order to connect Belize with the outlying regency of Mosqui-

¹ John MacGregor, "My Note-Book." London, 1835. "Commercial Statistics of all Nations." London, 1844-50.

Brit. Accts. and Papers, *loc. cit.*, Vol. LXV., Doc. 966, Enclosures 5-10. De Kalb, *loc. cit.*

Constable's "Miscellany," Vol. XVII.

Orlando W. Roberts, "Narrative of Voyages and Excursions on the East Coast and in the Interior of Central America." Edinburgh, 1827.

The Daily News. London, 1849.

tia and the British settlement beyond. Roatan was accordingly seized upon and resettled by the English, with no resistance on the part of the Caribs, and practically without the knowledge of Honduras, as this state was then in the throes of her civil strife between the Liberals and Conservatives.

The Central American republic, moreover, was now rapidly going to pieces, and Macdonald was thus the more resolved to have a thoroughly organized English state, appear among the rest in independent form upon its final dissolution. The Belize Superintendency consisted, in these later days, of a town—or rather a commercial agency—now established at the mouth of the Belize river, where a small detachment of English artillery, and a few companies of negro infantry, recruited for the most part in Jamaica, were stationed. The entire population of the settlement numbered about 5,000, but of these only 300 were whites, the remainder being made up of half-breed Indians, and negro slaves from Jamaica, who had lately been set free. Wood-cutting was still the main industry of the land, agriculture not having as yet become profitable. Out of such material Macdonald then determined to constitute a regular British colony. To this end he called together a legislative assembly of the white settlers on the 14th of March, 1835, in order to take the necessary steps toward formal independence from Spanish-America.

As a result of these deliberations, the name of Belize was changed to British Honduras, and the

now independent state of Guatemala was duly informed that the English claimed as theirs all the land they had held since the days of Spanish-American independence, to wit: from the Rio Hondo in the north to the Rio Sarstoon in the south, and westward to a line running parallel with the coast through the Garbutt Falls in the Belize river.¹ Macdonald, then, in November, 1840, proclaimed the laws of England to rule henceforth in British Honduras, Roatan, and Mosquitia; and agents were sent out to the Home government to petition Her Majesty to recognize British Honduras and its dependencies as regular colonies of the Crown.

No formal action was taken in the matter by the English government before special agents could be despatched to Central America to enquire into the true nature of the situation. In the meantime war-ships of the West Indian station were ordered to look after British interests in these parts, and support the settlers in their claims if need should arise. With the aid of this naval force, Macdonald formally occupied the island of Roatan in the spring of 1841, and proceeded thence in the British frigate *Tweed* to force Nicaragua to recognize the independence of Mosquitia. From Bluefields the English vessel, accompanied now by a sloop of war carrying the Mosquito flag sailed south, and on the 19th of August appeared in the harbor of the San Juan. A demand was there made of the Nicaraguan officer of the port,—a Lieutenant

¹ Cf. Map at end of volume.

Quijano,—that he formally recognize the Mosquito King as an independent ally of Great Britain. This, Quijano indignantly refused to do, and, not having as yet the proper sanction of their government to enforce compliance with their request, the English contented themselves with seizing upon the person of the stubborn custom-house officer, and, having carried him away to a lonely point of the coast, they put him ashore, and left him to make his own way back to the port as best he could.¹

To these various acts of encroachment on their domain by the English, the states of the isthmus, naturally enough, objected. Colonel Gu- § 70. Objec-
lindo, the Central American minister ac- tions on the
credited to the United States, first brought Part of the
the matter up before our government Spanish-
during the Jackson administration. The American
President was but ill-informed as to the situation in States.
Central America, however, on account of Mr. Bid-
dle's never having gone there, and he therefore in-
formed Colonel Gulindo that his government did
not then deem it expedient to interfere. Later on,
under the Harrison administration, after Macdonald
had set up the new government in British Hon-
duras and made his demands upon the Central
American states, a special agent, Mr. William S.

¹ Brit. Accts. and Papers, *loc. cit.*, Vol. LXV., Doc. 966, Enclosures 5 and 14.

U. S. Sen. Ex. Doc., No. 27, 32d Cong., 2d Sess.

George Henderson, "British Honduras." London, 1811.

United Service Magazine, August, 1850, "Statistical Account and Description of the Island of Roatan."

De Kalb, *loc. cit.*

Murphy, was indeed sent down to the isthmus to enquire into the affair. He was somewhat vaguely instructed by Daniel Webster, Harrison's Secretary of State at this time, to insist that the United States considered independent Central America to have succeeded to all the rights of Spain on the isthmus; but beyond this Murphy received no orders entitling him to act against the British, and so nothing was really done to enforce the Monroe doctrine while there was yet time.

After the breaking up of the confederacy, Colonel Gulindo, now representing Guatemala as an independent state, proceeded to London to lay the matter directly before the British government, in the hopes of obtaining redress. But Gulindo being an Irishman by birth, and thus a British subject still, the Foreign Office on this ground refused to receive him as an accredited minister from another state, and thus the British government was enabled still to avoid all official responsibility for the acts of her enthusiastic settlers.

Costa Rica, it is true, had made no objection to the English colony on her shores; but the republic of New Granada was not so complaisant. Referring to the royal order of 1803 transferring this entire strip of coast, lying between Cape Gracias and the Rio Chagres, from the Chancery of Guatemala to the Vice-royalty of New Granada,¹ the government of the republic, having succeeded to the right of Spain, now claimed jurisdiction over this whole

¹ Cf. *ante*, § 45.

shore, including even Mosquitia itself. Already the President of New Granada had issued a decree forbidding the landing of the English colonists; and now the authorities of the republic began to press their claims most vigorously, both against Costa Rica for countenancing the scheme, and against Great Britain, on the other hand, for encroaching on their domain.

It was an easy matter for England to ignore these several protests from disunited Spanish-America so long as the United States remained passive in the matter; and we were too much engaged in our own advance toward the west to trouble ourselves about the affairs of our southern neighbors. The British agents were thus given free rein on the isthmus, and, with definite instructions from the Home government, their energies were, indeed, well directed and wonderfully fruitful in results.¹

Meanwhile the English Foreign Office was watching with jealous attention the territorial expansion of the United States that was still going on apace. In 1842 the northeast boundary dispute had been settled by the Ashburton treaty, and, from this fresh starting-point, the rivals in the New World were now making their final race to the Pacific. Along the northwest frontier the English were still able to hold the Americans in check, and pursue their own

§ 71. The
Seizure
of the
San Juan.

¹ M. Alvarez to Mr. Webster, December 30, 1834.

Col. Gulindo to Mr. Webster, June 1st and 3d, 1835.

U. S. Sen. Ex. Doc., No. 27, 32d Cong., 2d Sess., Docs. 1-9.

Brit. Accts. and Papers, *loc. cit.*, Vol. LXV., Doc. 966, No. 5.

westward course unmolested; but toward the southwest there was nothing but Mexico to block the way of our frontiersmen. Florida was already ours by right, and American squatters in Texas had long been pursuing a policy of encroachment against Spanish-American claims, similar to that already carried out to such good effect by the English settlers farther south.

At this juncture the United States government again took a hand, and in 1845 boldly annexed the independent state of Texas to her fast-growing domain. This advance in the south called for some concession to our competitor in the north, if war was still to be averted. To avoid an immediate struggle, we therefore allowed our northwest boundary line to be run out to the Pacific along the forty-ninth parallel, though there were many Democrats of the day who would have preferred to force the issue at once on the "fifty-four forty or fight."

As it was, each of the rivals had now gained a foothold on the Pacific, but this was but the turning-point in the race, and the course now lay toward the southwest. There was but one path open to the United States, and this stretched out directly before them through California to the coast. But England had already run her course in the north, and, in order to emerge once more on the western seaboard, she had now to make a wide *détour* to the south. There was the longer way, by sea, around the Horn, and, in order to provide for all contingencies, Great Britain now took care to make good her rather shad-

owly claim to the Falkland islands, and thus secure the key to this route. The short cut across the isthmus also lay open before her. British settlers and agents had already blazed the way, and the troops had only to follow.

The time was now ripe, and the English Home government accordingly took matters entirely into its own hands, and was prepared to act with decision. Macdonald, the irresponsible filibuster,—who, like Hodgson of old, had played his part in the comedy, and was now of no further use,—was thereupon recalled, and in his place a regular Governor was sent out to Belize, accompanied by a Chief Justice, a Queen's Advocate, and all the paraphernalia of a legitimate British colony. Guatemala was then informed officially by the English Secretary of State for the Colonies, that Belize was henceforth to be known as the colony of British Honduras, and that Her Majesty considered its boundaries to extend to the Rio Sarstoon. Honduras was next told in the same way, that Macdonald's act in seizing upon the island of Roatan had been recognized by the Crown, and that the island must now be considered as officially under British control.

Everything was thus placed in readiness for the contemplated move on the Nicaraguan canal route. It was at this juncture that Lord Palmerston, who had rendered such yeoman's service to Great Britain's eastern advance toward the Pacific in the ministry of Lord Grey and under the Melbourne administration, was now once more called upon to

take the reins of England's foreign policy in the Lord John Russell cabinet. Palmerston was thoroughly conversant with the course of events on the isthmus, and no longer had any doubts as to the successful outcome of the war that we were still waging with Mexico. He felt, therefore, that his own government must lose no more time if Great Britain were to gain equal rights with the United States on the Pacific, and he resolved to act accordingly.

In January, 1847, Palmerston instructed the British agents on the isthmus to hand in their reports, and inform the Home government, first, in regard to the exact boundaries of Mosquitia, and, secondly, concerning the rights of English settlers there. Mr. Chatfield answered from Guatemala that the Mosquito territory properly extended from the Roman river in Honduras to the mid-course of the San Juan, and westwards to the highest crest of the Eastern Cordillera. Mr. Walker, writing from Bluefields, concurred in these boundaries, but suggested, further, that a claim might well be made as far south as the Chiriqui lagoon, considering the former grants to MacGregor's colony along this shore. Mr. O'Leary, in Bogota, finally called the attention of his government to New Granada's claim to all this eastern shore, and proposed that, by supporting Costa Rica in her rights, Great Britain might well gain a foothold south of the San Juan in much the same way as she had already acquired her dominion farther north.

But the Costa Rican colony had since proved a disastrous failure, and Palmerston deemed it imprudent to found any governmental claims on the rights thus originally acquired. So he decided to disregard New Granada's protests, and substantiate British rights indirectly by supporting the Mosquitos in their demands. He therefore instructed the agents to inform the Central American states that "the right of the King of the Mosquitos should be maintained as extending from Cape Honduras down to the mouth of the San Juan," and that this Mosquito kingdom be henceforth recognized as an independent power under the protection of Great Britain, who would not look with indifference upon any encroachments on the rights as thus defined. Chatfield, in carrying out these instructions, took pains to add, on his own account, that the boundaries so laid out were announced "without prejudice to any rights of the Mosquito King south of the San Juan," and thus all the preliminaries were completed for the final descent upon the Atlantic outlet of the proposed canal.

As might have been expected, the states of Central America raised a great hue and cry against this sweeping British claim, and, naturally enough, Nicaragua was loudest in her protests. This was precisely what Lord Palmerston had looked for, and indeed what he most desired. An informal campaign was thereupon decided on to enforce Great Britain's rights; Governor Sir Charles Grey of Jamaica was duly instructed by the Home government

to execute the plans, and war-ships were detailed by the Admiralty to act in conjunction with the Jamaican authorities. According to orders the vessels arrived off the Mosquito shore on October 23, 1847, and, in accordance with the decision of a formal council of the Mosquito nation held at Bluefields under English auspices, Nicaragua was then informed that on January 1, 1848, the Mosquito King intended, with Great Britain's assistance, to re-assume his lawful control over the San Juan.

At the same time Walker took his charge, the Mosquito monarch, with him on the British war-ship, *Alarm*, to the port itself, and again informed the Nicaraguan commandant that His Royal Highness, the Mosquito King, was on board, and that the Mosquito emblem must therefore be run up instead of Nicaragua's flag, and that His Majesty must be saluted. Once more the Nicaraguan officer refused to comply with this request, so the English landed a small force and performed the proper offices themselves.

After this preliminary feint, another council of the Mosquito nation was held, on the 8th of December, and resolutions were adopted ordering Nicaragua to evacuate the port at once. Chatfield carried these orders to the proper authorities in the interior, and refused from the outset to listen to any offers of arbitration proposed by Nicaragua and Guatemala. Driven thus to extremities, Nicaragua hastily mobilized her little military force and prepared to defend the port. But the British were

there before them, and when the troops saw three formidable war-ships in the harbor,—the *Alarm*, the *Vixen*, and the Mosquito sloop,—they retreated up the stream again to Serapiqui. True to their word, on the first day of January, 1848, English marines were landed, and the port invested. The Mosquito flag was first raised and duly saluted. The Nicaraguan officials of the port were then driven out, and an Anglo-Mosquito administration installed in their places. At a banquet held in the evening by the victors, to which the vanquished were cordially invited, the name of the port was formally re-christened “Greytown,” in honor of His Excellency the Governor, whose plans had now been so auspiciously carried out.

The victory was as yet but an empty one, however, and the English were not perfectly satisfied. Force was necessary to clinch their claim. Leaving but a meagre guard behind, the war-ships, therefore, sailed away. The Nicaraguan forces could not resist the temptation thus prepared for them, and as soon as the vessels were out of gunshot range, they came down the stream and drove the Anglo-Mosquito officials and their guard from the town. On January 10th, the Nicaraguans then re-assumed control of the port and ran up their flag once more.

This flagrant violation of Great Britain’s rights was of course reported at once to the Home government, and Lord Palmerston, now acting in the defence of English subjects, was able to be much more peremptory in his demands. The war-ships were

ordered to invest the port again, and Chatfield was now instructed to inform the Central American states "that Her Majesty's government considers that the claim of the Mosquito nation extends as far as the southern branch of the St. John, which bears the name of the Colorado, but which is just as much a portion of the St. John as either of the other two outlets of that river." The *Vixen* and the *Alarm* reappeared in the harbor of Greytown on February 8th, and the English again took possession of the port. Captain Loch of the *Alarm*, with a force of two hundred and sixty marines, then followed the fleeing Nicaraguan troops up the stream in the ship's boats, and captured their stronghold at Serapiqui.¹

The English then followed the Nicaraguans to Granada and besieged the town. Unable to offer further resistance the Nicaraguan government was there forced, at the point of the bayonet to agree to the terms of peace submitted by Captain Loch. Hostilities thereupon ceased, and on March 7th a treaty was concluded whereby Nicaragua relinquished to the Mosquito King forever, all the rights she had heretofore claimed over Greytown and the custom house there. An English commandant was thereupon installed in the port, and the war-ships sailed away.

On receipt of the news in London of the favor-

¹ Walker was unfortunately drowned at this point in the campaign, and, after this, Captain Loch was obliged to assume diplomatic, as well as military, duties.

able outcome of the campaign, Captain Loch was highly complimented by the Right Hon. E. J. Stanley, Secretary of the Admiralty, on the important part he had played in the conclusion of the affair, and Lord Palmerston then made haste to assure Nicaragua of Great Britain's future good will, offering now, under the changed conditions, to receive her accredited minister. In this way the English Secretary having demonstrated his force, now hoped to secure the desired right of way through Nicaragua's territory by peaceful negotiation.¹

New Granada's feeble claim to the eastern seaboard was then summarily dismissed, and plans were laid at once by the English Foreign Office to secure control of the Pacific outlet of the proposed canal as well. This last scheme involved dealings with Nicaragua's northern neighbor, Honduras, as, according to Napoleon's plans, on which the English were then relying, the canal was to debouch into the Bay of Fonseca which was practically en-

¹ British Accts. and Papers, *loc. cit.*, Vol. LXV., "Mosquito Correspondence," Docs. 1-14 with enclosures.

U. S. Ex. Doc., No. 75, 31st Cong., 1st Sess., Vol. X., pp. 1-118.

U. S. Sen. Ex. Doc., No. 27, 32d Cong., 2d Sess., Docs. 1-9.

U. S. Sen. Ex. Doc., No. 194, 47th Cong., 1st Sess., p. 111.

Young, "Narrative of a Residence on the Mosquito Shore," p. 147. New York.

E. Bedford Pim, "Dottings in Panama, Nicaragua and Mosquito." London, 1868.

Squier, *loc. cit.*, "Nicaragua," Ch. III., p. 679. "Central American States," pp. 621, 641-647.

Bancroft, *loc. cit.*, "History of Central America," Vol. III., pp. 314-316.

closed by that land. Means were, indeed, not wanting to obtain this end, but at this juncture the United States began to interfere with England's plans, and henceforth the struggle over the canal route was to be between these two great rivals for western prestige.





CHAPTER IX.

THE CONFLICT ON THE ISTHMUS.

IT was the strong stand taken by the Democrats in their convention of 1844 which really brought about the annexation of Texas, though Tyler, the Whig President, signed the necessary resolution. Having thus practically courted a war with Mexico, its prosecution was left entirely in the hands of the incoming Democratic administration. President Polk, moreover, proved thoroughly capable of the immediate task thus set before him, and received due credit for the victory gained over our antagonist.

§ 72. The Acquisition of California and its Effect on our Transit Problem.

Indeed, where Spanish-America alone was concerned, the President appeared more than eager to establish our national prestige. A dispute arose at this time between the Indians and whites in Yucatan, and, though there was no immediate question of European interference on the peninsula, still Polk took occasion to call the attention of Congress to the matter, and indulged in a vigorous expression of the Monroe doctrine to further emphasize his policy towards the Americas.

Withal the British kept us down to the forty-ninth parallel in the Northwest, in spite of previous Democratic protests to the contrary; and, as for England's endeavors to checkmate us on the isthmus as well,—to these Polk paid not the slightest attention. Later on, when it was too late, he pleaded ignorance of the British plans; but this excuse showed "culpable negligence" at the very least. Our State Department had all along been fully cognizant of the doings of Macdonald and his band, and as early as November 12, 1847, Mr. Buchanan, Polk's Secretary of State, had received notice from the Nicaraguan government, of Lord Palmerston's threat against the San Juan. Receiving no reply to this first diplomatic note, the Supreme Director of Nicaragua, Don José Querra, then appealed directly to the President for aid. Still no action was taken in the matter despite the earnest solicitations of our consul in Nicaragua, Mr. J. W. Livingston, who was enabled to furnish his chief at Washington with a detailed exposition of the British plans fully a month before their final execution.

Thus Polk lost his signal opportunity of asserting the Monroe doctrine in the face of actual British aggression on the isthmus; and only after matters had gone too far, did the American people begin to appreciate the true significance of such pusillanimity. California was now ours, to be sure, with all its magnificent extent of western seaboard; but was it not after all but an out-post, and extremely

difficult to defend? The "great American desert" running through our new lands, and flanked all along by the rugged Rocky Mountain range, was then deemed impossible for ordinary travel; and this difficulty was rendered the more aggravating by the untoward political and economic conditions of the time.

Serious trouble was already brewing between the Northern and Southern States of the Union, and it was thus doubly important for the Democratic government at Washington to ally this newly acquired western territory more closely to its strongholds in the South and its late conquests in the Southwest.

The discovery of gold in California, furthermore, induced an immense tide of immigration from the East, to these rich fields of new wealth, and the stream continued to increase alarmingly. Inconvenience and danger attended both the toilsome journey across the plains, and the perilous voyage around the Horn; and thus the people, too, began to clamor for some better means of transit to the West.

Some visionaries in Congress suggested camels, but, to the practical men of the day, isthmian transit of some kind seemed the only adequate solution of the problem. Thus all eyes were once more turned toward the American isthmus. Capitalists of the North, imbued with the quick commercial instinct, saw in the new conditions an opportunity of reaping rich profits by establishing immediate lines of transit across this narrow strip of land between the seas.

Our Democratic statesmen also made haste to renew the country's old-standing friendship for the Spanish-American states of the isthmus, in the hopes of securing political control along the routes that were to be adopted.

Deeming it best not to test matters on the Central American isthmus, at least until other routes of transit had proved inadequate, both our government and our capitalists turned their first attention toward the Tehuantepec route. We had nothing to fear there, at any rate, as we had just defeated Mexico, and, consequently, might well expect to acquire valuable transit rights across her territory under the terms of the treaty of peace we were just about to conclude.

The topography of this isthmus had come to be much better known of late through the surveys undertaken by an Italian engineer, Don Gaetano Moro, who had been sent out some time before by a Mexican promoter, Don José de Garay. Garay had received valuable concessions for the construction of an interoceanic railway across Tehuantepec from Santa Anna's government, and in 1842 had proceeded to take advantage of his rights by instituting these surveys. Instruments of precision were used by Moro and his party, and, as a result, a seemingly favorable route was laid out over Tarifa pass, for either a railway as proposed, or for a canal of small dimensions with many locks.¹

¹ The proposed canal was to be 50 miles long and to have 161 locks. Estimated cost \$17,000,000.

In the meantime President Polk had instructed our agent in Mexico, Mr. Trist, who was arranging matters there on the conclusion of the war, to offer to double the indemnity of \$15,000,000 we were about to pay for the land we had already acquired, in return for an exclusive right of way across Tehuantepec. But the Mexican authorities, smarting under their late defeat, and looking toward Garay himself for the completion of the transit-way, refused this first offer of ours. Some New York capitalists, under the leadership of P. A. Hargous, nevertheless went ahead, formed the Tehuantepec Railway Company, and succeeded finally in buying out all the rights and concessions of Garay and his associates. Meanwhile our government, by pushing matters against Mexico, had gained still further territorial grants toward the southwest. In the Gadsen treaty, therefore, Mexico, seeing Garay's rights already in American hands, resolved to make the best of it, and reluctantly granted the United States the right to construct a railroad, at least, across her isthmus.

At the request of the Tehuantepec company the government also sent out a surveying party in December, 1850, under Brevet-Major J. B. Barnard, of the Engineer Corps, and elaborated detailed plans for the immediate construction of an interoceanic railway to provide for the western trade. The Mexicans continued to vent their ill-will, however, by throwing every obstacle in the way of the American surveying party, and thus delayed the work. Other Americans, in the meantime, had been more successful in Panama, and in the face of

opposition and competition the Tehuantepec company abandoned its project for the time.¹

After Mexico's first refusal to grant a right of way across Tehuantepec, Polk's administration turned at once to New Granada, as other American capitalists already had in mind the construction of a railroad across the narrower isthmus of Panama.

§ 74. The Treaty with New Granada and the Panama Railway.

The English government, we know, had never deemed this district worthy of its serious consideration; and, after learning the results of Garella's surveys, the French, too, seemed to have abandoned this route for the time. The Democrats were therefore given free rein on the lower isthmus to carry out their chosen policy in the transit question, and they certainly made good use of their opportunity.

The twelve years of political strife had by this time reduced the republic of New Granada to the last extremities, and both Clericals and Liberals were glad enough to seize this opportunity of United States support in order to save their country from ruin. Our government, having no immediate foreign intervention to fear in this case, was also very liberal in its offers of protection, and an agreement was

¹ U. S. Ex. Doc., No. 69, 30th Cong., 1st Sess.

Rodrigues, *loc. cit.*, p. 9.

Sullivan, *loc. cit.*, p. 23.

"Encyclopedia Britannica," "Tehuantepec."

"An Account of the Isthmus of Tehuantepec, with Proposals for Establishing a Communication between the Atlantic and Pacific Oceans Based upon Surveys and Reports of a Scientific Commission Appointed by Don José de Garay." London, 1846.

thus soon reached between the two parties. In the treaty then concluded we secured what we desired,—an exclusive right of transit across that part of the isthmus which lay within New Granada's domain,—and thus, at one stroke, acquired political control over the Panama, San Blas, Caledonian, and Atrato routes. In return for these favors the United States government then formally recognized New Granada's rights of sovereignty over this entire territory from sea to sea, and furthermore undertook to guarantee "positively and efficaciously," to New Granada, that it would defend such sovereignty from all attacks, and also the absolute neutrality of every route of transit within the territory so specified.¹

This was indeed a positive assertion of the Monroe doctrine! In return for an exclusive right of transit, Polk had now actually guaranteed the indivisibility of a foreign country, and that, too, a Spanish-American republic. Such a policy, if vigorously pursued elsewhere along the isthmus, and backed, if need should arise, by force, would soon have placed us in control of the entire situation. We must bear in mind, however, that no one had seriously opposed us as yet. The policy of our government toward New Granada cannot, therefore, well be taken as a criterion, as we were not put to a test on the lower isthmus.

This comprehensive treaty with New Granada became a law on June 10, 1848, and under its terms the Panama Railway Company at once completed its

¹ For full text of these articles *vid.* Appendix A.

arrangements for the construction of an immediate system of transit. A contract was signed with New Granada, and a surveying party sent out under the direction of Colonel George W. Hughes of the United States Topographical Corps, to locate the most favorable line. Colonel Hughes discovered a depression in the range of only 287 feet, lying between Navy Bay on the Atlantic, and Panama on the Pacific, and along this route the road-bed was accordingly laid out, to extend $47\frac{3}{4}$ miles from sea to sea, and to have a maximum elevation of 263 feet.¹

There was plenty of capital ready to embark on the venture,—the Northern States providing the majority, and Englishmen subscribing for the rest,—and actual operations on the construction of the road were soon after commenced under the supervision of Colonel Totten and Mr. Trautwine. In this altogether exceptional scheme of interoceanic transit, promoters had nothing more serious to contend against, than a very insalubrious climate. The mortality during the work was indeed enormous, but as there were always plenty of laborers to take the place of those who succumbed, the undertaking was never seriously retarded.²

Whatever the prudence of the government's political policy toward Central America, the economic advantages of the Nicaraguan route proved too great in the end to be any longer resisted by enterprising

¹ Cf. Map, frontispiece.

² U. S. Senate Ex. Doc., No. 194, 47th Cong., 1st Sess., p. 40.

Sullivan, *loc. cit.*, pp. 23-24.

Rodrigues, *loc. cit.*, pp. 10 and 29.

American capitalists of the North. The results of Lieutenant Bailey's surveys were by this time well known through Mr. Allen's report,¹ and Mr. Stephen's account of the region had, moreover, lately been published in book form.² Thinking to make use of this natural water-way across the isthmus, and thus compete with the other promoters in providing a quick route of transit to the West, a company was then organized in Nicaragua by some Northern capitalists, under the leadership of Messrs. Brown and Company of New York, to be called the *Compania de Transito de Nicaragua*, and on March 17, 1849, a contract was signed with the Nicaraguan authorities for the prosecution of the work.

Nicaragua had already refused to meet Lord Palmerston's friendly overtures and was now induced to take this bold step in derogation of treaty obligations with Great Britain, hoping, with the support of our government, to regain her control over the San Juan. In following up their contract rights the American promoters soon became aware of the immense practical advantages already acquired by the English along the route. They immediately spread the news at home of the British seizure of the San Juan, and a storm of indignation arose throughout the United States against such unwarranted British aggressions. The Monroe doctrine again became the talk of the day, and Polk's administration at

¹ Cf., *ante*, § 61.

² Cf. J. L. Stephen's, *loc. cit.*, "Incidents of Travel in Central America, Chiapas, and Yucatan." London and New York, 1842.

Washington could no longer avoid the inevitable issue.

A special agent, Mr. Elijah Hise, was, therefore, hurriedly appointed by the President to visit the scene, and in his letter of instructions to our envoy, Mr. Buchanan at this late date took the ground that: "The object of Great Britain in this seizure is evident from the policy which she has uniformly pursued throughout her history, of seizing upon every available commercial point in the world whenever circumstances have placed it in her power; and now it seemed her evident purpose, by assuming the title of protector over a miserable, degraded, and insignificant tribe of Indians, to acquire an absolute dominion over the vast extent of sea-coast in Nicaragua, and to obtain control of the route for a railroad and canal between the Atlantic and Pacific Oceans." Withal Mr. Hise was given no definite instructions to proceed against the British. He was even told not to negotiate a treaty with Nicaragua, as, according to Mr. Buchanan, "The government of the United States has not as yet determined what course it will pursue in regard to the encroachments of the British government." So once more our agent was sent off to the isthmus with the trite and indefinite phrase that "The United States would not look with indifference on encroachments of European powers in the domestic affairs of the American republics."

Upon his arrival, Mr. Hise at once grasped the true nature of the situation, and was thoroughly carried away by his enthusiasm for the American cause. Believing he was but carrying out the true

policy of his government as originally expressed in the Monroe doctrine, and lately substantiated in connection with the transit question by the treaty just concluded with New Granada, Hise went straightway to the capital of Nicaragua and requested the authorities there to authorize a commissioner to treat with him on the question. Don Beneventura Selva was immediately appointed by the eager Nicaraguan government in answer to this request, and with him Hise drew up an all-comprehensive treaty on June 21, 1849—entirely upon his own responsibility, it is true, but thoroughly convinced that his government would support him when the facts were made known.

By the terms of this instrument the United States or "a company of the citizens thereof," were granted the exclusive right of constructing and exploiting a transit-way across Nicaragua, and permission was further accorded them to take without compensation all the land necessary for the work or its dependencies. The government of the United States was moreover to be allowed to erect its fortifications all along the route and at the free ports to be established at either end. In return for such monopoly privileges, however, our government was not only to guarantee the neutrality of the transit-way, but also to formally recognize Nicaragua's right of sovereignty over the territory she claimed from sea to sea; and Mr. Hise further promised that we would forever "protect and defend" Nicaragua in these "sovereign rights and dominion over the coasts, ports, lakes, rivers, and territory justly within her jurisdiction."

Nearly every word of this treaty traversed the

British claim. By recognizing Nicaragua's sovereignty from sea to sea, we ignored the Mosquito protectorate, and in constituting Greytown a free port to be guarded by American guns, we denied the legality of the British occupation of the town. In this form the treaty was sent on to the United States, and though it was never formally submitted to the Senate for ratification, its contents became broadly known through the press, to be everywhere heartily applauded by the people for its truly American tone. But just at this time President Polk went out of office, and his administration, in consequence, was never brought to account for its negligence in Nicaragua, nor had it to shoulder the responsibility for the unauthorized acts of the special envoy, Mr. Hise.¹

This placed the Whigs once more in control, and their ideas on the transit question differed greatly from those of their Southern opponents. Northern capitalists looked upon the canal project purely as a money-making scheme, and they only desired their government to protect them in their rights. To President Taylor and his colleagues it seemed therefore important that a canal across Nicaragua should be constructed at once, and, as English capital was then necessary for such a work, they saw no reason why the United States should not join with Great Britain in the prosecution of the undertaking. The national interests necessarily in-

§ 76. The
American
Atlantic and
Pacific
Ship-Canal
Company
and the
Squier
Treaty with
Nicaragua.

¹ U. S. Ex. Doc., No. 75, 31st Cong., 1st Sess., Doc. 6, pp. 91-117.
U. S. Sen. Ex. Doc., No. 194, 47th Cong., 1st Sess., pp. 41 ff.

volved, were thus scarcely given a thought, and the private commercial interests of the North alone regarded.

Mr. Hise was, therefore, at once recalled, and the acts of his rather doubtful diplomacy disavowed *in toto*. In his place Mr. E. G. Squier was sent out to the isthmus, with instructions from Mr. Clayton, President Taylor's Secretary of State, to negotiate with Nicaragua for an "equal right of transit for all nations through a canal which should be hampered by no restrictions, either from the local government, or the company which should undertake the work"; but above all things "not to involve this country in any entangling alliances, or any unnecessary controversy."

In the meantime the *Compania de Transito de Nicaragua* had become absorbed in the larger American Atlantic and Pacific Ship-Canal Company, organized in New York under the auspices of Messrs. Cornelius Vanderbilt, Joseph L. White, Nathaniel H. Wolfe, and others; and their agent was already in Nicaragua working for a favorable concession.

But upon his arrival Mr. Squier too became imbued with the spirit of the Monroe doctrine, and began at once to oppose the British claims with fully as much zest, but with considerably more judgment, than his predecessor, Mr. Hise. Through his efforts the Canal Company's agent was enabled, on September 23, 1849, to secure a very favorable concession from Nicaragua for the construction of the canal. Under the terms of this contract the American company secured the right to construct a canal from

Greytown, or any other feasible point on the Atlantic, to Estero Real, or any other point in Nicaraguan territory on the Pacific. Land was also granted them for the purposes of American colonization, as well as for the canal itself, and the promoters were also to have the monopoly of steam navigation on Nicaragua's lakes and rivers. Nicaragua thereupon granted the American company a charter, formally incorporating it a juristic personality under her laws.

Simultaneously with the negotiation of this instrument Mr. Squier also signed a treaty in his diplomatic capacity with the Nicaraguan authorities, assuring the company in its right of way from sea to sea. In return for this favor he engaged his government to guarantee the neutrality of the canal route, and promised that the United States would recognize and defend Nicaragua's rights of sovereignty between the two oceans, at least along the line of the proposed canal and at either port. In order to do away with the exclusive nature of this guaranty, a clause was then inserted in the treaty, offering like rights to such other nations as might care to negotiate with Nicaragua on the same terms as the United States. Thus Mr. Squier rather sanguinely hoped he had secured American rights on the isthmus without binding his government to any exclusive control.¹

¹ British and Foreign State Papers, London Government Print, 1850-51, Vol. XL., Doc. 62, p. 953.

U. S. Ex. Doc., No. 75, 31st Cong., 1st Sess., pp. 118-185.

U. S. Sen. Ex. Doc., No. 194, 47th Cong., 1st Sess., p. 49.

Squier, *loc. cit.*, "Nicaragua," Appendix.

Having gained actual possession of the Atlantic outlet of the canal, the British had already begun to apply themselves to securing control over the Pacific port as well, foreseeing, with their characteristic keenness, that the power which dominated both termini of the proposed route would always have the final word to say in the transit question. Napoleon's route formed the basis of the then calculations, and this, it will be remembered, had its western outlet in the Gulf of Fonseca. Thus, though the actual terminus of the canal was to be in Nicaraguan territory, Honduras would still control the port and therefore the canal's real outlet on the Pacific. The islands in the Gulf of Fonseca, became, in consequence, of the utmost strategic importance in the present struggle for the control of the route, as they occupied a position on the Pacific shore similar to that held by Greytown on the Atlantic.

§ 77. The
Seizure of
Tigre
Island.

The British proceeded against these islands in an indirect way at first, by pressing an old claim for debt against Honduras for damages said to be due to Her Majesty's subjects. Thus, while Squier was treating with Nicaragua, British war-ships took their position off Truxillo and threatened the town with their guns, while Chatfield kept pressing the Honduras government for immediate satisfaction of the English claim.

Hearing news of this coercion, and foreseeing its probable outcome, Mr. Squier hurried north after concluding his negotiations with Nicaragua, and,

entirely on his own authority, began to treat with the Honduras government himself, hoping to secure American rights there as well, and thus, if possible, head off the English on this occasion. The Honduras authorities were only too glad to accept this solution of their difficult position, and on September 28, 1849, a treaty was concluded, granting to the United States valuable stretches of land for naval stations on Tigre island in the Gulf of Fonseca, and for fortifications along the shores of the bay. By a protocol the island of Tigre itself was furthermore ceded to the United States for eighteen months pending the ratification of the original treaty. Thus the two rivals were for the moment placed on equal terms. Great Britain held the Atlantic outlet of the canal, while the United States were secure in their control over the Pacific port. The advantage was, indeed, slightly in our favor, for we also held an exclusive right of way through the interior.

When Chatfield heard of this treaty and its all-important protocol, he left the capital and proceeded at once to the Pacific. The fleet then sailed away from Truxillo, after firing a parting shot on the town, and orders were hastily sent to the Pacific squadron to meet Chatfield at the Gulf of Fonseca. Acting in conjunction with this naval force, Chatfield at once seized upon Tigre island for debt, in the name of the Crown, and hoisted the British flag there on October 16th. Squier forthwith notified Mr. Chatfield that he had unlawfully taken posses-

sion of land belonging to the United States, and then ordered the British to evacuate the island. This Chatfield flatly refused to do, whereupon Squier gave him six days more of grace, and said that any further occupation of the island after that date would be regarded by his government as an act of aggression to be dealt with accordingly.

Matters were in this interesting state, when Mr. Clayton's diplomacy interfered, and the whole transit question was taken out of the hands of the belligerent agents in Central America, and amicably adjusted in Washington.¹

¹ Brit. and For. State Papers, *loc. cit.*, Vol. XL., p. 953, Docs. 14-17.

House Journal, U. S., 31st. Cong., 2d Sess., pp. 1739-1801.

U. S. Sen. Doc., No. 43, 31st Cong., 2d Sess., pp. 1-26.

U. S. Sen. Ex. Doc., No. 27, 32d Cong., 2d Sess.

U. S. Sen. Ex. Doc., No. 194, 47th Cong., 1st Sess., p. 156.





CHAPTER X.

THE CLAYTON-BULWER TREATY.

THE doings of British and American agents on the isthmus naturally stimulated diplomatic activity between the two governments. While advancing each in its own way toward the Pacific, Great Britain and the United States had, at the same time, been laying the train for a fresh quarrel, and the unofficial publication of the Hise treaty finally touched off the fuse.

§ 78. Mr. Clayton's Course.

According to this convention, the United States undertook to guarantee Nicaragua's paramount right of sovereignty from sea to sea; but by the terms of the Loch treaty with Nicaragua, the entire eastern coast, including the outlet of the San Juan, was, to all intents and purposes, a British possession. By Hise's act, therefore, the whole question was brought to an issue; involving England's rights of encroachment in America, which we had up to this persistently denied, on the one hand, and our own Monroe doctrine, which we had promised to uphold, on the other.

Instead of preparing for the inevitable explosion, Taylor directed all the energies of his feeble

administration to extinguishing the train that Hise had so recklessly fired. This enthusiast was recalled, as we know, and Squier sent out in his place, with strict and more guarded instructions. The fact was, the Whigs had no majority in the Senate and Taylor thus found himself on the horns of an awkward dilemma. If he backed down now, the anti-administration press was sure to accuse him of pusillanimity in the face of British aggression; and yet he dared not risk an open conflict with England with only a minority support in Congress.

Clayton thought he saw an outlet from the difficulty by coming to an immediate agreement with Great Britain on the basis of mutual aid and cooperation in the transit problem. Fearing popular enthusiasm, on the one side, and senatorial obstruction, on the other, Clayton resolved, however, to keep his plan a secret until everything had been satisfactorily arranged. He therefore frankly explained to the British minister, Mr. Crampton, the dilemma the administration found itself in, and asked him to lend his assistance in helping them out of the difficulty, on a basis agreeable to both parties. In proof of his good intentions, Clayton offered to abandon the Hise treaty unequivocally, and to co-operate with Her Majesty's minister in securing treaties from Nicaragua that should accord exclusive rights to neither power; provided that Great Britain, on her part, would "consent to make arrangements with regard to the Mosquito claim as would prevent its being an obstacle to the design in question."

He then ended by saying that "the United States sought no exclusive advantage in the matter, and rather wished the canal to be a bond of peace between the two countries than a subject for jealousy."

Our new minister to England, Mr. Abbott Lawrence, had not as yet started for his post, so, wishing to avoid any unnecessary delay, Mr. Clayton instructed Mr. Rives, the lately appointed minister to France, to stop off in London long enough to lay the proposition directly before Lord Palmerston and learn his views on the matter. As Mr. Clayton virtually conceded British rights to the Mosquito shore, Lord Palmerston responded very cordially to these liberal offers of co-operation from our government, and insinuated that Her Majesty's government would look with favor on any plan to make the canal the common highway of the world.

Upon his arrival in London, shortly after, Mr. Lawrence also entered very heartily into this plan of co-operation as outlined by his government. He pointed out to Lord Palmerston that English and American capitalists were already working harmoniously in the construction of the Panama railway, and suggested that Great Britain also join in the guaranty which the United States government had lately accorded to New Granada. In regard to the Mosquito protectorate, however, Mr. Lawrence did not share the more generous views of his chief. On the contrary, it was Lawrence's idea that, in return for the right of co-operation in the construction and control

of the canal, Great Britain should definitely abandon all exclusive claims to the eastern seaboard and over the outlet of the San Juan. Finding that Lord Palmerston entertained no thought of any such concessions, Mr. Lawrence accordingly prepared to fight this question out first, along diplomatic lines; for he recognized very clearly that it was after all the Mosquito protectorate and the seizure of the San Juan which constituted the real issue between the powers, and not the matter of the immediate construction of the canal. As Palmerston was obdurate on this point and already had his case well in hand, Lawrence set himself to the task of examining into the history of the British claim, and preparing an American rebuttal. He went through an immense mass of original material on the subject,¹ and, having sifted the historical evidence, he wrote to Mr. Clayton that, "after a careful examination of the Mosquito claim with the protectorate of England, I can see no ground for it to rest upon either in history, public law, or justice."

Any discussion of the Mosquito protectorate was fatal to Mr. Clayton's plan, as it would necessarily involve delay; so, growing impatient and dreading the results of this fresh controversy, he wrote at once to Mr. Lawrence, instructing him to ask Lord Palmerston point blank: Whether her Majesty's government now "intended to occupy or colonize Nicaragua, Costa Rica, the Mosquito coast, or any

¹ The results of Mr. Lawrence's investigations are to be found in Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 67-81.

part of Central America," and "whether Great Britain would unite with the United States in guaranteeing the neutrality of a ship-canal, railway, or other communication to be open to the world and common to all nations." Mr. Lawrence reluctantly did as he was bid, and then washed his hands of all further responsibility in this unfortunate betrayal of our claims.

As Mr. Clayton tacitly admitted the British rights thus far acquired on the isthmus, Lord Palmerston lost no time in replying that Her Majesty's government had no intention of further colonization in Central America, and would gladly co-operate with the United States in the construction and maintenance of a canal that should be open to all nations on equal terms. To make sure of his original position, this astute diplomat then added, however, that, "though there existed a close political connection between the Crown of Great Britain and the *state and territory of Mosquito*,¹ the British government claimed no dominion there, and that, moreover, "Her Majesty's government would freely undertake to *obtain the consent of Mosquito*¹ to such arrangements as would render that port entirely applicable, and on the principles above mentioned, to the purpose of such a sea-to-sea communication."

Mr. Clayton saw no incongruity in the United States obtaining the consent of a half-breed Indian chief indirectly through the British government, to construct a transit-way through the American continent, and so, in expressing himself fully satisfied

¹ The italics are my own.

with Lord Palmerston's assurances, he swallowed the Mosquito protectorate whole, and never appeared to be aware of the fact.

Having scored all his points, thus far, on Mr. Clayton, and wishing to avoid any further risky discussion of British rights in Central America with his more doughty antagonist, Mr. Lawrence, Lord Palmerston then sent a special envoy, Sir Henry Bulwer, to Washington, in the temporary capacity of Her Majesty's accredited minister to the United States, that he might there treat with the Secretary of State directly, and settle matters definitely along the lines laid down.

Seeing that his arguments were no longer of any avail with his government, Mr. Lawrence sorrowfully sent on his bulky historical refutation to Mr. Clayton, only to be buried among the archives of the State Department, adding pathetically in his note of transmittal, that "whenever the history of the conduct of Great Britain shall be published to the world, it will not stand one hour before the bar of public opinion without universal condemnation."¹

Upon his arrival in Washington Sir Henry Bulwer took in the whole situation at a glance, and soon after reported to Lord Palmerston, that he felt sure from his observations, that the interest manifested by the United States in the Nicaragua-Mosquito dispute merely arose from the fact of Nicaragua's having

§ 79. Sir
Henry Bul-
wer's Di-
plomacy.

¹ British and Foreign State Papers, Vol. XL., p. 953, Docs. 1-13.

U. S. Ex. Doc., No. 75, 31st Cong., 1st Sess., pp. 118-130.

U. S. Sen. Ex. Doc., No. 27, 32d Cong., 2d Sess., Doc. 3, pp. 18-23.

U. S. Sen. Ex. Doc., No. 194, 47th Cong., 1st Sess., pp. 56 ff.

granted the charter for the canal to an American company; and, inasmuch as the two countries could never agree on the matter, he deemed it best to keep this Mosquito question entirely aloof from the present discussion, and to arrange instead for a convention with the United States which should "confer upon American commerce all it can desire to obtain, in a manner corresponding with the dignity and honor of Great Britain, and the disinterestedness of her protectorate over the Mosquito territory."

News reached the Senate, at this juncture, of Chatfield's unwarranted seizure of Tigre island, and, in spite of the earnest protestation of the administration forces, the Democratic majority thereupon insisted upon an immediate consideration of the Squier treaty with Nicaragua. The convention was accordingly brought up and referred without debate to the Committee on Foreign Relations for immediate consideration. The Committee then called upon the State Department for all papers bearing upon the question, and Mr. Clayton recognized at once that he must either come to an immediate agreement with Great Britain, or else accept his defeat and turn the whole matter over to popular discussion, after all, for final decision.

On the plea that the question was then being adjusted with the British minister, Mr. Clayton refused to deliver over the correspondence called for, and, in evident agitation of mind, hurried off to Sir Henry Bulwer, and laid his predicament unreservedly before him, with the earnest request that he waive further

formalities and come at once to agreement along the lines previously laid down. Not enough time had as yet elapsed for Bulwer to have received definite instructions from London in answer to his last despatch; but, seeing the trepidation of his antagonist, and recognizing the advantage to his government, he decided to take the responsibility of an unofficial act upon his own shoulders, by proceeding at once to a favorable conclusion while there was yet time.

But there were still important preliminaries to be disposed of before the British claim could be clinched. The Squier treaty, derogating English rights, was up before the Senate, and the American ultimatum to Chatfield had not as yet been disclaimed. Bulwer was quite ready to disavow Chatfield's act in seizing the island of Tigre, could he be convinced that, in return therefor his government would be left undisturbed in its rights along the San Juan, and at the same time secure a half interest in the construction and control of the canal. He had only to suggest this alternative to the eager Clayton to be at once assured that the United States would modify the Squier treaty so as to make it no longer objectionable to Great Britain, if Her Majesty's government, on its side, would promise to keep the Mosquito protectorate from interfering with the construction and maintenance of the transit-way. Bulwer could easily give such assurances, as they were in line with his previous instructions. Both governments then formally disavowed the acts of their respective agents in Honduras, and the two plenipotentiaries thereupon

proceeded to draft a formal treaty settling all difficulties that had arisen and providing for all future contingencies.

Sir Henry Bulwer, nevertheless, insisted that this rough draft must first be laid before Lord Palmerston for approval, before he could proceed to the exchange of final ratifications. In the interim that then occurred, even Clayton's colleagues,—who were half-way in the secret,—besought him to have the objectionable Mosquito protectorate first disposed of before coming to any definite agreement with Great Britain in regard to the canal. Clayton replied that he had arranged this matter satisfactorily in the convention he had just concluded, and was only waiting on Sir Henry Bulwer now to lay the treaty before the Senate for approval.¹

Lord Palmerston's approval of Sir Henry Bulwer's clever diplomacy came duly to hand, and upon the receipt of this note, the vagaries of our unfortunate foreign policy under the Taylor administration, became crystallized in the now famous Clayton-Bulwer treaty, signed April 19, 1850.² The real substance of this convention is contained in Articles I. and VIII.; but the wording of both is so hopelessly ambiguous, that their construction is well-nigh impossible. Without

§ 80. The Clayton-Bulwer Treaty.

¹ Brit. and For. State Papers, Vol. XL., Docs. 5, 7, pp. 14-32.

U. S. Ex. Doc., No. 75, 31st Cong., 1st Sess., pp. 202-339.

U. S. Sen. Ex. Doc., No. 27, 32d Cong., 2d Sess, Docs. 19, 23, 26, and 34.

U. S. Sen. Ex. Doc., No. 194, 47th Cong., 1st Sess., pp. 55-88.

Cong. Globe, Vol. XXVI., p. 250.

² For full text of the treaty *vide* Appendix B.

going into the finer points of distinction, just at present, the important provisions of the treaty may be summarized as follows :

(1) Neither Great Britain nor the United States shall ever obtain or maintain any exclusive control over the canal ; nor shall they build any fortifications along the route of the same.

(2) Neither Great Britain nor the United States shall ever take possession of any part of Central America, nor fortify any part of the same, nor establish any colonies there, nor exert any dominion, nor make any use of any alliance or protectorate either may have there to this end.

(3) Great Britain and the United States promise to mutually guard the safety and neutrality of the canal, and to invite all other nations to do the same.

(4) Great Britain and the United States also promise to extend their joint support and protection to any satisfactory canal company which may undertake the work.

(5) Great Britain and the United States, having not only desired, in entering into this convention, to accomplish a particular object, but also to establish a general principle, hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the isthmus, and especially to the interoceanic communications which are now proposed to be established by the way of Tehuantepec and Panama.

The treaty thus secretly concluded was then rushed through the Senate, and there met with but little debate, as it was generally understood that under the terms of the convention Great Britain had abandoned her policy of encroachment forever, and agreed to co-operate with our government henceforth, in

§ 81. The
English
Reserva-
tions.

the peaceful solution of the transit problem. It was an inspiring idea, this fraternal joining of hands by the two great Anglo-Saxon powers in the interests of international commerce, and Clayton's imagined success was deservedly popular for the time.

Mr. Clayton had, indeed, laid down his hand at the very outset of this diplomatic game, but Sir Henry had preferred to retain his cards and play them in due order, nevertheless. He still held one card, the winning trump, and this he now played with precision. It was simply a note addressed to Mr. Clayton to the effect that Great Britain did not "understand the engagements of the convention to apply to Her Majesty's settlement at Honduras or its dependencies." Now the only possible dependencies of British Honduras that one could then conceive of, consisted in the Bay islands and Mosquitia, and the boundaries of both these were still so unregulated that they might readily be used as the bases of indefinite British encroachment into the territory of Central America. With the addition of this all-important reservation the Clayton-Bulwer treaty, therefore, simply meant that Great Britain was to remain secure in all her claims, while the United States government was forever to keep its hands off the American isthmus.

Bulwer's comprehensive declaration made little or no impression on the still imperturbable Clayton. He was quite sure in his own mind that the treaty was in no way intended to interfere with Her Majesty's rights in British Honduras; but, in order,

as he said "to leave no room for a charge of duplicity against our government," Clayton wrote a personal note to Mr. King, chairman of the Senate Committee on Foreign Relations, asking him to substantiate this conclusion. No mention was made in this note of the phrase "*and its dependencies*," and Mr. King, never having seen the text of the original declaration, was utterly unaware of this far-reaching proviso. He therefore replied to Mr. Clayton, that "the Senate perfectly understood that the treaty did not include British Honduras"; but, he added of his own volition, "you should be careful not to use any expression which would seem to recognize the right of England to any portion of Honduras." Mr. Clayton had already written his note in reply to Sir Henry's declaration, and was only waiting to hear from Mr. King before delivering it. According to his own memorandum of this note Clayton acknowledged therein that "British Honduras was not embraced in the treaty," but he carefully declined either "to affirm or deny the British title to their settlement or its alleged dependencies." This wording was scarcely in accordance with Mr. King's recommendation, but it embodied the Secretary's views, so he signed the note and delivered it on the same evening to Sir Henry Bulwer. The two plenipotentiaries thereupon proceeded "without further or other action to exchange the ratifications of said treaty."

The Clayton-Bulwer treaty as thus amended never came up again before the Senate for approval, but

was turned over at once to the executive. During the short interval that elapsed between the final ratification and promulgation of the treaty, Mr. Clayton filed the British reservations, which he alone had read, among the archives of the State Department, with a brief memorandum¹ of their receipt and the action he had taken thereon.

The President, who had all along respected, but never interfered with, the secrecy of the negotiations carried on by his Secretary of State, evidently knew no more than the Senators of the nature of these subsequent modifications. Naïvely regarding it in the light of a triumph for his administration, he accordingly proclaimed the treaty in its original form, and thus placed the first estoppel on our case against Great Britain under the Monroe doctrine for the control of the American isthmus.²

¹ Mr. Clayton's memorandum reads as follows :

"The within declaration of Sir H. L. Bulwer was received by me on the 29th day of June, 1850. In reply I wrote him my note of the 4th of July, acknowledging that I understood British Honduras was not embraced in the treaty of the 19th day of April last, but at the same time carefully declining to affirm or deny the British title in their settlement or its alleged dependencies. After signing my note last night I delivered it to Sir Henry, and we immediately proceeded, without any further or other action, to exchange the ratifications of said treaty. [The blank in the declaration was never filled up.*] The consent of the Senate to the declaration was not required and the treaty was ratified as it stood when it was made.

"JOHN M. CLAYTON.

"N. B.—The rights of no Central American state have been compromised by the treaty or by any part of the negotiations."

* The words in brackets appear in the original in ink, but are marked out by lead-pencil marks across their face. When they were so marked is not known. The blanks in the original declaration are filled up with "29th" and "June," written with a different kind of ink from the original.

² U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 82-87.

Cong. Globe, Vol. XXVI., pp. 248 ff.

President Taylor died three weeks after his promulgation of the Clayton-Bulwer treaty, and Vice-President Millard Fillmore took his place in the executive chair, calling upon Daniel Webster to once more assume the duties of the State Department. In this sudden change of administration, Sir Henry Bulwer began to fear for the repose of the Squier treaty in its temporary resting-place. He therefore approached the new Secretary on the matter, and told him of his predecessor's promise,—made conditional on the signing of the Clayton-Bulwer treaty,—that certain provisions of the Squier convention should be rendered nugatory. Webster's hands were bound by the policy of the Taylor administration. With the Clayton-Bulwer treaty now in force, the Squier treaty with Nicaragua was no longer of any use, as its essential points could not be pressed. So Webster assured Sir Henry that he would ask the Senate to take no further action in the matter. Congress adjourned soon after, and the diplomatic efforts of both Hise and Squier were then buried past all resurrection.

§ 82. The
Diplomatic
Situation
in 1850.

As a result of our disastrous foreign policy, the American Canal Company was now placed under the joint political protection of the two great powers whose aims on this continent were necessarily antagonistic. From an economic point of view, the company's policy could henceforth be dictated by citizens of each country according to the amount of stock they were able to control; but legally it still

remained under the jurisdiction of a vacillating and insecure little state, whose interests had not been in the least consulted by the parties to this latest diplomatic contract.

As for adjusting the disputed points of international politics involved in the transit question, our government had accomplished less than nothing. The Clayton-Bulwer treaty rested on the unsubstantial bases of compromise and ill-concealed difference of opinion ; and, furthermore, the real issue that had arisen between British rights of encroachment and the American Monroe doctrine were no nearer solution than before.

To what confusion this ideal plan for co-operation in the protection of the canal now led ; to what extent English capital came to the aid of the American company ; in what manner Nicaragua looked after the legal interests of her corporation ; and how the long-standing disagreements between Great Britain and the United States were settled by the Clayton-Bulwer treaty,—all this can best be seen by following the course of subsequent events.¹

¹ "Correspondence with the United States Respecting Central America," pp. 70-71. Printed by order of Parliament, London, 1856.

Brit. and Foreign State Papers, Vol. XL., Docs. 59-62.

U. S. Sen. Ex. Doc., 25, 34th Cong., 1st Sess., Doc. 1, p. 4.





CHAPTER XI.

THE CENTRAL AMERICAN IMBROGLIO.

WITH diplomatic matters still in such an unsatisfactory state, the American promoters were, nevertheless, § 83. Colo- obliged to proceed with their more practi- nel Childs's cal work of providing an immediate means Surveys. of transit through Nicaragua. To this end Colonel O. W. Childs of Philadelphia, who had been the chief engineer of the New York State canals, was sent off to the isthmus to institute further surveys of the route.

There were two routes through Nicaragua then being discussed; Napoleon's, which we know was to pass through both lakes and emerge on the west in the Gulf of Fonseca; and another route surveyed by a Danish engineer, Dr. Andreas Oersted, in 1848, which was to leave Lake Nicaragua at the mouth of the Rio Sapoia and proceed thence across the divide to the Bay of Salinas on the Pacific.¹ With Bailey's previous surveys and these later data to go on, Childs began his reconnaissance at the Pacific end of the canal in August, 1850. After a careful examination of this section of the country, the American

¹ Cf. Map, frontispiece.

engineer decided to discard all previous plans, and run a line of his own across the Coast range from Lajas, on the western shores of Lake Nicaragua, to Brito, on the Pacific, as he found the divide to have an elevation of only forty-six feet above the level of the lake at this point. Having laid out the western section of his route, Childs then proceeded across the lake and continued his surveys along the course of the San Juan, planning there for a series of locks and dams to render navigation possible along this stream to the sea. On the completion of his work Colonel Childs reported to his company a plan for a canal of 194 miles in length, to run from Greytown to Brito, with twenty-eight locks, and to include both river and lake navigation.

The company's officers then forwarded these plans to the War Department for approval, and the Secretary, Mr. Conrad, in turn passed them on, for expert examination, to two officers of the Topographical Survey, Colonel Abert, and Lieutenant-Colonel Turnbull. Their report, handed in on March 20, 1852, confirmed Colonel Childs's conclusions in every particular; but, mindful of our promises of co-operation as set forth in the Clayton-Bulwer treaty, the United States government thought it best, before allowing the company to proceed, to submit this verified report to English authorities for examination. Her Majesty's government accordingly appointed two experts, Colonel Aldrich, of the Royal Engineers, and Mr. James Walker, an English civil engineer of repute, to undertake the investigation;

and they, too, approved the original plan almost without reservation.

Indeed, Colonel Childs's were the first surveys along the isthmus which could really lay claim to any scientific accuracy. It was he who located the very lowest depression in all the great continental range; and this canal route, as laid out under his direction, has remained until to-day, with but slight modifications and improvements, at least the best of the Nicaraguan routes, if not the most advantageous of any along the isthmus.¹

Admirable as Colonel Childs's plans were thus proved to be from a technical point of view, they could hardly promise an immediate solution of the transit problem, and this, after all, was the pressing question of the hour for the Northern capitalists. Thus, in order to reap some present advantage from the tide of Western immigration, the American promoters determined to open up temporary transit facilities at once across Nicaragua; without, however, losing sight of the larger canal project, which they expected would mature more slowly.

§ 84. The
Accessory
Transit
Company.

A subsidiary contract was accordingly concluded with Nicaragua on August 14, 1851, whereby a smaller concern, the Accessory Transit Company, was carved out of the more inclusive American Canal Company, and given the monopoly of steam navigation on all the waters of that state. Having

¹ *English Engineering Magazine, loc. cit.*, March 3, 1893.

U. S. Sen. Ex. Doc., 194., 47th Cong., 1st. Sess., pp. 21 and 97.

secured the formal approval of their plan from the governments of Great Britain and the United States, this exclusively American company then went ahead very rapidly, and soon had a temporary route of transit opened, up the San Juan and across the lake in small steamers, and thence by stage coach over the divide to the Pacific, along a fairly good macadamized road.

The project was an immediate success, and, being the first in operation, it continued to make large profits, until political complications and economic competition came to bear too heavily on the scheme.¹

It was the evil influence of international politics which first cast its shadow over this promising route of transit. Great Britain lost no time, in fact, in demonstrating to the United States and all other interested parties, that she still regarded Mosquitia as a dependency of British Honduras; for hardly had the ink on the Clayton-Bulwer treaty had time to dry, before a British war-ship appeared off Greytown and landed a force of marines.

Her Majesty's government knew full well that this act would involve Great Britain in at least two disputes; so, choosing the weaker antagonist first, Mr. Chatfield was instructed to settle matters with

¹ U. S. Sen. Ex. Doc., 25, 34th Cong., 1st Sess., Doc. 19, p. 56.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 88-97.

American Whig Review, November, 1850, "The Great Ship Canal Question."

United Service Magazine, August, 1850.

§ 85. The
British
Maintain
their Mos-
quito Pro-
tectorate
and Re-
occupy
Greytown.

Nicaragua at once, before that state could again place herself under the protection of her northern neighbor. Chatfield accordingly volunteered the information to the Nicaraguan authorities, that by the terms of the Clayton-Bulwer treaty the United States had recognized the sovereignty of the Mosquito King, and denied Nicaragua's claim to the shore *in toto*. When questioned then in regard to the British occupation of Greytown, he answered, that this question could not possibly concern Nicaragua, as she had promised in the Loch treaty never to interfere in the affairs of this port. Having explained matters thus satisfactorily Chatfield finally informed Nicaragua that his government still considered the boundaries of the Mosquito kingdom to extend "from the southern boundary of Honduras to the borders of Machuca in the river San Juan."

After delivering his government's ultimatum in this somewhat peremptory fashion, Mr. Chatfield then adopted a more conciliatory tone toward the humiliated and astonished Nicaraguans, and offered them some advice on his own account. He told them, in fact, that their insistence on their claims to the Mosquito shore would "not be much longer of any avail," and that their reliance upon "the protestations and assurances on the part of pretended friends" (the United States), was, in his opinion, an incautious proceeding. "Nicaragua would do well," he continued more persuasively, "to come to an understanding without delay with Great Britain, upon whose relations depend not only the commerce

and welfare of the state, but the probability of any positive measures being adopted for establishing an interoceanic communication across her territory, since London is the only place where sufficient capital and spirit of enterprise can be found for carrying out a project of such magnitude." Nicaragua was too bewildered to grasp all this at once, and so Chatfield let the matter rest for the time, and prepared for the larger quarrel which was now brewing.

There is an enormous distinction between upholding a general political principle and fighting for one's own immediate economic rights. Up to this time our people had been practically busy in the north, but at the same time trying to maintain a theoretical proposition in the south. But the theory and the practice of the Monroe doctrine were now merged; for Americans, too, had since acquired rights on the isthmus, and a change in our attitude toward Great Britain was at once obvious. The Accessory Transit Company now had its terminus and offices at the Punta Arenas, just south of Greytown, and this station was also being used by the canal company as their basis of technical operations along the route. In the wake of the company's officers and its contractors and laborers, there had followed a motley line of American emigrants and adventurers, who were expecting great things of Nicaragua now. Thus a typical American town, under a municipal organization and an elected mayor of its own, soon grew up by the side of the Anglo-Mosquito settlement of Greytown, which, since the institution of

transit through this port, had also come to harbor a miscellaneous mob of negroes and foreigners from Europe. As questions of dispute came up between the two great powers under the Monroe doctrine they were therefore very apt to be disposed of, provisionally at least, on the spot, by these two outpost groups.

Matters first reached a crisis when the Anglo-Mosquito custom-house officials of Greytown attempted to exact some port dues from an American vessel, the *Prometheus*. This of course raised a hue and cry among the Americans. The dues were refused, an English man-of-war fired on the American vessel, and the agent of the canal company at once appealed to our government to redress this insult to the flag. Mr. Webster thereupon laid the matter before the British government for an explanation, and an issue was thus drawn again between the two parties to the Clayton-Bulwer treaty, and that too before a year had elapsed since its promulgation.¹

Another element was yet to be added, however, before the dispute could assume its ultimate form. Seeing that his efforts in Nicaragua had produced but little effect on the American proclivities of this republic, Chatfield confined his attention after this to Costa Rica, and found that the seeds he planted there fell on richer

¹ British and Foreign State Papers, Vol. XL., Docs. 61-63, 85-87.
U. S. Sen. Ex. Doc., 25, 34th Cong., 1st Sess., Docs. 2-9, pp. 5-21, Doc. 40, p. 84.

"Central American Affairs and the Enlistment Question," pp. 90-III.
Printed as a House Document, Washington, 1856.

soil. Costa Rica was always bitterly jealous of her rival across the San Juan, and, furthermore, somewhat anti-American in her policy. By cultivating her friendship, Chatfield saw that Great Britain must gain a useful ally in both her present disputes.

A treaty of amity and commerce was accordingly concluded between the two governments, at this interesting juncture—harmless enough in its published version, but still sufficient in itself to arouse our suspicions. As an immediate result of this innocent convention, Costa Rica suddenly began to assert her claims to a share in the privileges of the transit route. The right bank of the San Juan she now declared to be hers. She therefore demanded indemnity from Nicaragua for the grants of land made to the canal company on this side of the stream, and insisted that the United States should accord her equal partnership with Nicaragua in the transit project.

A boundary dispute was thus opened between these two jealous little republics, which, in spite of a series of "definitive settlements," has never yet admitted of final adjustment. Both countries appealed to old Spanish charters in verification of their respective claims; but, as these royal grants in the New World so frequently overlapped, and as the early colonists in their eager search for gold confined themselves entirely to the richer lands, and never took any pains to verify the true boundaries of their provinces, these conflicting claims of the rivals could cast little light on the question.

It therefore resolved itself into a pure matter of expediency, and the several parties to the dispute took sides in accordance with their respective self-interests. San Salvador and Honduras joined hands with Nicaragua, and together the three states arrogated to themselves the title of "The National Representation of Central America." This union of the independent commonwealths received the hearty approval of the United States government, as it was in the line of American civilization. Guatemala held aloof from the quarrel, and Costa Rica openly opposed the combination, with the tacit support of Great Britain.¹

¹ Costa Rica based her claims on the old charters granted by Spain to her original settlers. The first of these was granted to Diego Guiterez in 1540 (*cf.*, *ante*, § 29), and authorized him to extend the Spanish conquest from Veragua in the south as far as Cape Cameron and the Black river in the north, provided he did not "approach within 15 leagues of Lake Nicaragua, inasmuch as these 15 leagues, together with the said Lake, have to remain and do remain under the government of Nicaragua; but the navigation and fishery of that portion of said river (probably the San Juan) which remains to you and of the said 15 leagues and lake which remain to Nicaragua are to be enjoyed in common." On the failure of this expedition the Chancellorate of Guatemala took the matter up and established the intendency of Costa Rica in 1574 (*cf.*, *ante*, *ibid.*), defining its boundaries as extending "from the north to the south seas in latitude and longitude from the confines of Nicaragua on the side of Nicoya fronting the valleys of Chiriqui as far as the province of Veragua to the south, and to the north from the mouths of the channel, which is in those parts belonging to Nicaragua (the San Juan), all the tract of land as far as the province of Veragua." On the basis of these early grants Costa Rica now claimed, "as frontier the whole course of the river San Juan and the shore of the lake Nicaragua from the place where that river issues from the lake to a point opposite the mouth of the river La Flor, on the Pacific, including of course in this demarkation the district of Guanacaste, otherwise called Nicoya," and further, "an equal right with Nicaragua to the navigation of the aforesaid river San Juan, and of the lake, and to the dominion of port San Juan." In her own constitution, January 21, 1825, Costa Rica, however, only claimed "as far north as the Colorado

With matters in such hopeless confusion again, the diplomats in Washington then went rather § 87. The perfunctorily to work at an attempt to Basis of straighten out the tangle along the lines laid Settlement. down in the Clayton-Bulwer treaty. Mr. Webster refused, however, to take any steps toward the adjustment of the questions pertaining to Central America before he obtained from the British government a distinct disavowal both of the unwarranted act of the Greytown officials in detaining an American vessel and of the open hostility of the English naval commander. Lord Granville, who had now succeeded Lord Palmerston as Foreign Secretary, did not choose to rest his government's case on this minor point, involving as it did a direct

river, on the Atlantic, to the mountains which in those parts drain northward into the San Juan and Lake Nicaragua, and to the Rio Salto (also called Alverado) on the Pacific." Article VII. of the constitution of the short-lived Central American Confederation provided for the definite demarkation of disputed boundaries between the states, but the arrangement was never completed.

Nicaragua, on the other hand, based her rights to the lower courses of the San Juan, upon Contreras's original seizure of the stream in 1531 (*cf.*, *ante*, § 28), and upon her subsequent occupation of the same down to the time of the adverse occupation by the British. She, therefore, now claimed as her own "as far south as a line drawn from a point on the Atlantic, midway between the port of San Juan and port Mathina, to the Rio Salto on the Pacific."

Royal Charters dated Nov. 29, 1540, and Feb. 18, 1574, copies to be found in U. S. Sen. Ex. Doc., 25, 34th Cong., 1st Sess., Doc. 10, pp. 28, 32-35, and 38-40.

U. S. Sen. Ex. Doc., 27, 32d Cong., 2d Sess., Doc. 39, p. 102, and Doc. 40, p. 105.

Costa Rica Constitution, June 21, 1825, Ch. II., Art. 15.

Foreign Relations of the U. S., 1888, p. 461.

Squier, *loc. cit.* "Central American States," p. 446.

Bancroft, *loc. cit.* "History of Central America," Vol. III., p. 252.

conflict with citizens of the United States; so he informed the American minister that the British officer in question had acted without orders, and that the government would not support the demands of the Greytown officials.

Upon the receipt of this assurance, Mr. Webster at once opened up negotiations with the British minister, Mr. Crampton,—who had resumed his old duties at Washington on the departure of Sir Henry Bulwer at the conclusion of his special mission,—for a final settlement of the new disputes that had arisen. Both diplomats listened with patience to the conflicting and wearisome claims, set forth at great length by the envoys from Nicaragua and Costa Rica, and then drew up a so-called Basis of Settlement, which, if accepted by the Central American states in question, was to have adjusted all existing difficulties.

According to the terms of this tentative arrangement, a reserve was to be set apart for the Mosquito Indians along the eastern shore, and, though Nicaragua was to have no word in the local government of this section, she was still to pay the Indians a tribute for three years. Municipal authority over Greytown was to be given back to Nicaragua, it is true, but as a port of entry the town was to be turned over to the canal company and thus come under the joint protection of Great Britain and the United States. Costa Rica, on the other hand, was now to secure about all she had ever claimed. Her northern boundary line was to begin on the Atlantic

at the Colorado mouth of the San Juan, and run up this branch to its confluence with the main stream, thence along the same to the lake, around its southern shores, and across to the Pacific at the Rio la Flor. Equal rights of navigation with Nicaragua were also to be given her in both the river and the lake, provided she too would respect the monopoly of steam navigation in these waters already accorded to the Transit Company.

Of course Costa Rica readily accepted the terms thus secured for her by her powerful British advocate; but when the American agent, Mr. J. B. Kerr, sent out for the special purpose, approached Nicaragua on the question, he was met with a storm of abuse. The Nicaraguan officials at last began to realize that there was after all some truth in what Chatfield had said. They had clung to the American alliance, and spurned all advances from Great Britain, in the positive conviction that the United States government would free their territory from British encroachment, and guarantee them in their paramount rights of sovereignty from sea to sea. All this was plainly set forth in the Monroe doctrine, and substantiated by a long line of diplomatic notes, Senate resolutions, and the like. But instead of this expected support from her self-constituted protector, Nicaragua now found to her chagrin, that the United States had actually entered into an alliance with her arch-enemy, the British, to deprive her of her long-recognized rights, and was even preparing now to foist her bitter rival, Costa Rica, in her place.

To reject the basis of settlement seemed no adequate expression of her feelings on this occasion, so Nicaragua then went further and issued a formal decree protesting against all foreign interference in her domestic affairs.¹

The British authorities must have foreseen the downfall of this altogether unsubstantial basis of settlement, if we may judge, that is, from the preparations they had already made to forestall us upon its final collapse.

§ 88. The
British
Seizure of
the Bay
Islands.

With British rights still secure along the Nicaraguan coast, the controversy between England and the United States now broke out again farther north among the Bay islands. English capitalists had secured no share in the profits of the Accessory Transit Company, and they, too, saw little prospect of an immediate income from the larger canal project to which their government had succeeded in admitting them. Also wishing to take advantage of the present influx of trade toward the west, these English promoters then conceived the idea of opening up temporary transit facilities by laying an interoceanic railway along the Honduras route, and thus compete with Panama and Nicaragua.

This scheme necessitated some further governmental control over the Bay islands, as Honduras was in no way friendly to British enterprise, and, like Nicaragua, always had to be coerced. Her

¹ U. S. Sen. Ex. Doc., 25, 34th Cong., 1st Sess., Docs. 13, 20-26, 27-31, 39-44, 47-48, 51-53, 62-63.

U. S. Sen. Ex. Doc., 27, 32d Cong., 2d Sess., Docs. 39-40.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., p. 97.

Britannic Majesty rarely refuses her subjects governmental support in enterprises of this kind, and this case proved no exception to that admirable rule.

Since Macdonald's last seizure of the Bay islands in 1841, British authority there had not been maintained as it should have been, however, and, indeed, the English settlers in Roatan scarcely knew whether the island still constituted a dependency of British Honduras or not. In the meantime Americans had come to these parts as well, and, turning the tables on the English this time, they had already secured the good-will of the Carib-Negro population, and instigated them against their former masters. One typical American adventurer, William Fitzgibbon by name, had, in fact, already had himself elected chief by the natives, over the heads of the English inhabitants of the island. This *coup* called forth an earnest appeal to Her Majesty's government on the part of the British settlers, and a war-ship was immediately sent out from Jamaica to set matters aright. But poor Fitzgibbon had nothing but his bravado to support him, and American cheek against a British war-ship made a rather unequal contest. So the American chief was deposed after a brief and troubled reign, and the authority of the English settlers over the natives was re-established. But as the Bay islands were now of such importance to the British designs, and as the tentative agreement with the United States had just fallen to the ground, Great Britain considered the opportunity ripe to re-

assume undisputed governmental sway over this island group. A formal declaration was therefore issued from the Colonial Office to this effect, and on July 17, 1852, "The Colony of the Bay Islands" was proclaimed in due form, with a Governor and an Assembly of its own.¹

This last act of British aggression was too much for the people of the United States. Congress took the matter up as soon as it reconvened in § 89. Resolutions in December, and general excitement prevailed. Bit by bit the account of England's Congress. policy of encroachment on the isthmus came out in the course of the debate, and the indignation of the people grew accordingly.

Finally, and almost by chance, Clayton's acceptance of Sir Henry Bulwer's all-inclusive reservations was brought before the Senate, and those who had up to this been arguing for American rights stood bewildered and aghast at the revelation. Senator after Senator rose to his feet, and solemnly declared that this was his very first knowledge of this outrageous betrayal of our claims. Some tried to clear Clayton from a charge of perfidy, and this threw the blame on Mr. King. His friends then attempted to justify

¹ "Central American Affairs and the Enlistment Question," *loc. cit.*, pp. 18-27, 43-46. Govt. Print, Washington, 1856.

Cong. Globe, Vol. XXVI., pp. 158, 199, 204, 226, 235, 237, 246, 259, 265, 330, 338, 392, 403, 420, 502, 529, 609, 849, and Appendix under "Colonization in North America," and "Clayton-Bulwer."

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., p. 97.

Lucas, "Historical Geography of British Colonies," *loc. cit.*, Vol. II., p. 301, note.

his course, and the debate took a personal turn. This led to no good, and Senators who had voted for the Clayton-Bulwer treaty then began to exonerate themselves from blame, by declaring openly that they never would have voted for ratification, had they had an inkling of the true nature of the provision.

But all these excuses and recriminations in no way affected the present diplomatic situation, as the treaty, with its damaging reservation, still held good. There was but one way out of the difficulty, and that was by proving that neither Mosquitia nor the Bay islands could properly be classified as dependencies of British Honduras. After an exhaustive examination of the historical evidence, the Committee on Foreign Relations succeeded in making out some kind of a case to justify this interpretation of the matter, and drafted a resolution to the effect that the establishment of a British colony on the Bay islands, as well as the claims the English still persisted in making to the Mosquito shore, were both in direct violation to the terms of the Clayton-Bulwer treaty. The Senate passed the resolution as reported, and thus placed the United States once again on the basis of the Monroe doctrine. But our old policy was now loaded with certain historical clogs, which seriously encumbered its free movement in the desired direction.¹

Resolutions, even when passed by the Senate of

¹ *Congressional Globe*, as quoted above.

“Central American Affairs, and Enlistment Question,” *loc. cit.*, pp. 18-27.

the United States, are not all-powerful, and this latest reiteration of the Monroe doctrine only had the immediate effect of transferring the burden of the dispute once more to the shoulders of our diplomatic representatives.

The Democrats had won the day in the last election, and President Pierce's administration was just then being installed. Mr. Marcy, the new Secretary of State, was therefore obliged to take the matter in hand without delay. Another agent, Mr. Solon Borland, was thereupon sent off to the isthmus to watch over American interests there during this acute stage of the controversy; and, in the hopes of winning back Nicaragua to our side again, Marcy instructed Borland on his departure, to insist upon the stipulations of the Clayton-Bulwer treaty, and to explain to the authorities there, that he regarded the instrument "as meaning what the American negotiator intended when he entered into it, and what the Senate must have understood it to mean when it was ratified, viz. : that by it Great Britain came under engagements to the United States to recede from her asserted protectorate of the Mosquito Indians and cease to exercise dominion or control in any part of Central America."

The London end of this fresh diplomatic campaign was entrusted to Mr. Buchanan, and he, too, set out for his post soon after with instructions from his chief very similar to those given to Mr. Borland. Lord Clarendon was then Foreign Secretary in Her Majesty's government, and before him Mr. Buchanan

laid our case, saying in substance, that though the United States would not dispute the rights which Great Britain had acquired for certain purposes in Belize or British Honduras, they would insist that, according to the express terms of the Clayton-Bulwer treaty, she should withdraw her protectorate from the people and territory of the Mosquitos and deliver up the Bay islands to Honduras, to whom they rightly belonged, as they were not excepted in the treaty as dependencies of Belize.

Lord Clarendon made a long statement in reply, going very minutely into the history of the English claim, and taking the ground that the Clayton-Bulwer treaty made no provision against the Mosquito protectorate, but merely inhibited further colonization by either power in Central America. Coming to the more particular point at issue, the English Secretary maintained that Belize had never formed part of Central America, but had long been a separate colony owing allegiance to Great Britain; and this fact, he continued, the United States government had fully recognized in 1847 by sending its consul there, and allowing him to carry out his duties under a British exequatur.¹ As for the Bay islands, Lord Clarendon declared they had for some years been a legitimate dependency of Belize and, as such, had been expressly excepted from the operations of the Clayton-Bulwer treaty.

Having thus disposed of each disputed point in

¹ Referring to Mr. Humpstead, the United States Consul to British Honduras, who received his exequatur, March 3, 1847.

turn, His Lordship then laid down the British ultimatum to our government, saying that Her Majesty's government declined to accept the Monroe doctrine as an axiom of international law, and refused to be questioned further by the United States as to her original rights in Central America.

We should then have called for an immediate abrogation of the Clayton-Bulwer treaty, on the ground of mutual misunderstanding between the parties to the contract. According to the Senate's interpretation of the instrument, Great Britain agreed therein to abandon all territorial claims to the isthmus beyond the recognized borders of British Honduras; but, following Lord Clarendon's official statement, Her Majesty's government was secured by the treaty in all the rights it claimed, and the United States was precluded from entering any further protest. No modification of the convention could possibly harmonize such divergent and conflicting views. Abrogation, with a mutual return to the *status quo* of 1850 was therefore the only honorable alternative.¹

We failed to take advantage of our opportunity, however, though we might the more easily have gained our point at this time, as England's best energies were then being diverted toward the East, in checking the pretensions of Russia, her Asiatic rival on the Pacific. We contented ourselves, instead, with the

§ 91. The Bombardment of Greytown.

¹ "Central American Affairs and the Enlistment Question," *loc. cit.*, pp. 43-46.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 99-101.

more innocent but less dignified amusement of twisting the tail of the British lion in Congress. There was enough jealousy and anger among our Senators and Representatives arising from what had gone before to make the debates sufficiently acrimonious as it was; but the feeling against England was rendered still more bitter now, through the policy adopted by the British government of enlisting soldiers and sailors in our land to serve against Russia in the East. A diplomatic rupture seemed imminent, and, as a precautionary measure, Great Britain increased her naval forces in the West Indian station, and we followed her example.

As might have been expected, matters came to a climax first in Greytown. The Anglo-Mosquito authorities there had demanded certain concessions from the Transit Company, which the latter had peremptorily refused to grant; and, upon his arrival, Mr. Borland found feeling running high between the two settlements. In the midst of the excitement, Captain Smith, of one of the Transit Company's steamers, killed a Mosquito negro, and the authorities attempted to arrest him for murder. Smith took refuge in the house of the American consul, Mr. Fabens, where Borland was also lodged. An Anglo-Mosquito mob then attacked the house, and the Americans attempted to defend themselves. An American merchant vessel, *The Northern Light*, was lying in the harbor, and a volunteer corps, made up from the passengers and the crew, then attempted to come to the relief of the besieged. They were

fired upon by the town authorities, however, and dared not land. Under cover of darkness, Borland and Smith succeeded in making their escape to *The Northern Light*, and, after a brief consultation, it was decided to enlist a volunteer guard at the expense of the United States, and leave it in charge of the Transit Company's station until relief could be obtained from Washington.

The Northern Light then sailed north with Borland and Smith on board, and as soon as the matter was reported to the State Department, Captain Hollins, of the United States sloop of war *Cyane* was ordered to take his vessel to the scene of disturbance and protect the Transit Company's interests. Great Britain, still undesirous of forcing the issue in Greytown, had but one war-ship in the harbor at this time, and that but an indifferent schooner. Obtaining no satisfaction from the town authorities, Hollins then turned to the commander of this vessel and informed him that unless the damages his government demanded were paid he intended to bombard the town. The British officer simply protested and would say no more. Having no other alternative, Hollins then notified the inhabitants that he intended on the following day to bombard the town, and offered them all safe transport to the American settlement at Punta Arenas. True to his promise, on July 9, 1854, the *Cyane* shelled the little village, and Hollins afterward landed a force of marines to complete his work of destruction by burning what remained of the town. Such was

the freedom of the port of Greytown that the diplomats had been providing for!¹

Had the United States only been in a position to continue the practical advantage she had thus somewhat forcibly gained, all might have turned out well. As it was the bombardment of Greytown was but the beginning of the mess we now proceeded to make of our once promising transit rights in Nicaragua. The Americans on the spot took a step in the right direction by organizing a provisional municipal government over the port. This was allowed by the Nicaraguan government, and, lacking the immediate support of their old ally, even the Mosquitos were unable to interfere.

In the United States, however, the question of slavery had already disrupted the nation, and prevented the government from pursuing any one policy consistently which required the support of the whole people. Our very race to the Pacific had been run by fits and starts, first the Northerners pushing ahead and then the Southerners taking their turn, and quarrels between the contestants were not infrequent.

After the race had been won over England, the free states of our Union, showed a tendency to increase more rapidly than the slave-holding areas, owing mainly to the action of the California gold-

¹ U. S. Sen. Ex. Doc., 9, 35th Cong., 1st Sess.

Prest. Pierce, Second Annual Message. 1854.

U. S. Sen. Ex. Doc., 8, 33d Cong., 1st Sess.

U. S. Ex. Doc., 85, 33d Cong., 1st Sess.

diggers to whom freedom was an economic necessity. The Gadsen treaty now precluded the acquisition of any further slave territories south of Texas, but fertile Cuba lay temptingly off our coast to the south-east, and the disrupted condition of the Central American states on the isthmus offered exceptional advantages also, for the filibustering expeditions of the Southerners. President Taylor had discountenanced these schemes of national aggrandizement, toward the south, but Fillmore's administration had already made an exception at least in favor of Cuba; and President Pierce now came into office with the material assistance of the "Order of the Lone Star," a secret cabal of Southern adventurers organized with this one end in view. The "Ostend Manifesto" was thereupon issued, wherein we announced to the world, that we were willing to purchase Cuba; but if the island could not be thus acquired, there was a strong probability of our using force to accomplish the end. But Spain would not part with the "Queen of the Antilles," and the force which secretly left our shores to wrest it from her was in no way equal to the task.

Assurance of success on the isthmus was more promising, for sectional designs in this direction must receive additional encouragement from the national distrust of Great Britain's intentions in these parts. Besides, we had already acquired a foothold on these shores, and were even then in possession of valuable rights of transit through Nicaragua, with considerable grants of land in our

name. The internal politics of this now distracted little republic also favored the Southern cause. Matters had reached a crisis between the Liberal and Conservative factions by this time, and the latter party seemed to be gaining ground every day. The Liberals, as we know, were enthusiasts in the American cause, and, finding themselves now in such straits, they decided to appeal to citizens of the United States for aid. The leaders of the party accordingly selected William Walker, a Southerner, who had already gained a name as a filibuster by his recent invasion of Lower California, to undertake their cause.

Walker eagerly accepted this invitation and in June, 1855, entered Nicaragua with a reckless little band of fifty-eight American adventurers. With the aid of the Liberals, the filibusters were almost immediately successful, and by September they had secured control of Granada the capital and stronghold of the Conservatives. A liberal government was then inaugurated in the land, under a native president, Patricio Rivas, but with Walker still in control of the forces.

In the meantime another filibuster, named Kinney, who was supposed to be covertly working in the interests of Great Britain, had landed in Mosquitia with another band of adventurers, and, with the aid of the Indians and blacks, was attempting to dislodge the Americans from the shore. Walker, on news of this inroad, at once proceeded against his rival, and succeeded in driving him from the land. This act

at once secured for Walker the enthusiastic support of the Americans in Nicaragua, regardless of their party affiliations. So, taking the policy of his government toward Texas as his precedent, the United States diplomatic agent, Colonel John H. Wheeler, who had since succeeded Borland in Greytown, straightway recognized the new liberal government of Nicaragua officially. Walker thereupon had one of his followers, another American colonel named Parker H. French, appointed Nicaraguan minister to the United States, and Pierce's government was thus forced to show its hand.

The Democratic administration was thus placed in an awkward position. Under the political tension of the day the President could not well countenance any scheme for the farther extension of the slaveholding power; and yet, in the face of the strong current of popular indignation against the British, he did not want to derogate the American cause on the isthmus by any hostile act of his. In this predicament, Marcy hoped to gain time by politely declining to receive Colonel French as Nicaragua's accredited representative, until he could learn whether the people of that state supported the new government.

But Walker was furious at this rebuff, and, thinking he recognized the machinations of the Northern canal promoters behind this refusal of the President's, he resolved to wreak his revenge on their property in Nicaragua. So he induced his puppet president, Rivas, to issue a decree, on February 18, 1856,

annulling the charter of the American Canal Company, under which the Transit Company operated, and then seized upon the company's steamers and property for debt. The officers and stockholders thereupon called on the United States to fulfil its promises, and protect them in their rights; but the administration was now powerless, having refused all diplomatic connection with the *de facto* government of Nicaragua, and not knowing just how to proceed in a question between its own citizens in a foreign country.

Matters now took an entirely different turn, and there was strong evidence that Great Britain was again secretly taking a hand in the dispute. That is, the Costa Rican president suddenly appeared in Nicaragua at the head of a strong force, and after a severe engagement drove Walker and his followers back into Granada, and then seized upon the transit route and all the company's effects. This made filibustering a national question again, and sectional differences were buried for the time in the face of real or fancied British aggression. Wheeler, the American agent, always a strong partisan of Walker's, had remained at his post despite the severance of diplomatic relations between the two governments, and he now sent on to Washington a detailed report of the Costa Rican invasion, with copies of letters that had fallen into Walker's hands, going to prove that Great Britain was simply using Costa Rica as a cat's-paw to secure forcible possession of the canal route.

Congress once more rang with Monroe doctrine resolutions, the immediate abrogation of the Clayton-Bulwer treaty was again called for, and even the Northern canal company now demanded that Nicaragua's minister be received. With the nation thus united it was easier for the President to proceed as he would; and though in the interim Walker's government cannot be said to have gained any more in favor among the Nicaraguans, still the United States so willed it, and the new envoy, Father Augustin Vigil, was accordingly received at Washington with enthusiasm.

Having thus by a happy chance received the support of his own people, Walker was now ready for his final *coup d'état*—not in behalf of the United States as a whole, however, but only in the interests of her slave-holding states. For his present designs Walker had no further use of his former Liberal allies, so he deposed their president, Rivas, and had himself elected in his stead by the departments still controlled by the army. As chief executive, Walker's first act was then to annul the federal law that had forever abolished slavery in the land, and thus at last demonstrated the ultimate intention of his expedition.

Walker evidently expected the Southerners of his own country to support him in this bold move, but matters had already gone too far in the United States to allow of any further extension of slavery, and this decree of the American dictator only acted as a boomerang to his cause. The Nicaraguans in a body

deserted him, and called upon their Central American neighbors to join with them in driving the filibuster from the land.

As slavery had split the United States, so, *per contra*, was this self-same question able on this one occasion to unite the warring republics of the isthmus. An allied army of Central Americans was soon raised, Costa Rica alone holding aloof from the combination, and Walker and his determined little band soon found themselves penned up in the town of Rivas on the Pacific shore. Meantime, Pierce's cabinet at Washington had decided that its only way out of the present difficulty lay in deporting Walker and his followers from the scene of their escapades, and then endeavoring to patch matters up in some way with the infuriated Central Americans. Acting under these instructions the United States corvette *St. Mary's* was already lying in the harbor of San Juan del Sur, and rather than fall into the hands of his enemies, Walker capitulated with the American commander, Captain Charles H. Davis, and gave himself up. With the consent of the Central American allies, on May 1, 1857, Captain Davis took Walker and his band on board and transported them to Panama, to be taken thence in custody to the United States for trial.

This left Costa Rica in full possession of the transit route and all the company's steamers. Nicaragua protested, Costa Rica claimed the shores of the lake as her rightful boundary line, and a renewal of hostilities was the inevitable result. Walker, it is true,

had by this time given bonds in New Orleans to the amount of two thousand dollars to desist from further unlawful enterprises ; but the vigilance of the authorities of this port was not excessive, and he had little difficulty in organizing another band of Southern adventurers,—numbering this time nearly two hundred men,—and, on November 25th, landed them safely with his military equipment at Punta Arenas. But before he could proceed up the San Juan to take part in the struggle over the canal route, Commodore Paulding, of our navy, compelled him to surrender and brought the entire party back to New York.

Pierce's attitude toward the filibusters was entirely too conservative to suit the hot-heads of the South, so the Democratic convention at Cincinnati, after nominating Buchanan as his successor, unanimously adopted a series of vigorous resolutions to guide the new President in his policy toward the isthmus. In substance these resolutions declared that our foreign policy was then of more importance than our domestic questions ; that the Monroe doctrine must be upheld ; that the transit route must remain under our control, and our ascendancy in the Gulf of Mexico insured ; and "that in view of so commanding an interest, the people of the United States cannot but sympathize with the efforts which are now being made by the people of Central America (meaning Walker and his band) to regenerate that portion of the continent which covers the passage across the interoceanic isthmus." Buchanan endorsed

these sentiments very heartily, but before he could take any action in this direction as President, Paulding's arrest of Walker put a quietus on the whole affair.

Not to be balked in his designs the President refused to hold the filibusters prisoners, and even went so far as to send a special message to Congress openly condemning the Commodore for thus "violating the sovereignty of a foreign country." Walker, thus encouraged, then made a tour through the South and succeeded in organizing still another expedition of so-called "fanatical slavery propagandists," and in June, 1860, set out once more for Central America. This time he landed on the island of Roatan, English territory now, and here ran amuck of a British war-ship. The President of Honduras also took up arms against the filibusters, and although Walker made a brave fight, he was captured at last in trying to escape into Nicaraguan territory. He was then tried by court-martial, condemned, and shot.

A miserable ending this, for a once promising demand for Cuba and the isthmus,—and the slavery question was at the bottom of it all! The Northern Whigs were opposed to any national aggrandizement solely in the interests of the South, and Taylor had acted in their behalf. Pierce's vacillating policy toward the isthmus was worse than no policy at all, and Buchanan came too late to accomplish his designs. So Cuba remained with Spain, and Great Britain held her own in Central America; while the United States, as a power, only compromised herself

unnecessarily by her arbitrary actions. With national and sectional interests involved in the self-same issue, however, no better result could have been expected, and we were perhaps after all fortunate—considering the circumstances of our internal politics—in coming off with as few scars on our Monroe doctrine as we did.¹

- ¹ U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 97-155.
U. S. House Ex. Docs., 24 and 26, 35th Cong., 1st Sess.
U. S. House Journal, pp. 165, 1302, 1368, 35th Cong., 1st Sess.
U. S. Sen. Ex. Docs., 9, 13, and 63, 35th Cong., 1st Sess.
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CHAPTER XII.

ENGLISH VERSUS AMERICAN DIPLOMACY.

HAVING successfully waged her first bitter struggle with Russia for Eastern supremacy, on the conclusion of the Crimean war Great Britain was once more free to turn her attention to her American rival, and make good her dominion in the West. Thanks to our own blundering policy,—and incidentally, also, to the skill of the agents she had left in charge,—England had really lost no ground to speak of on the isthmus during these years that she had been elsewhere engaged. Her diplomatic position, indeed, had considerably improved. It was the United States who had lately been playing the part of the aggressor in Central America, and thus Great Britain was enabled to appear in her rival's old rôle of peacemaker and defender.

Even Honduras seemed to be no longer implacable over the British occupation of the Bay islands, and now showed her willingness to settle the matter with England amicably, on a basis agreeable to both parties. Still another interoceanic transit project was the immediate cause of this *rapprochement*.

§ 93. British
Treaties
with
Honduras.

Taking advantage of the discomfiture of their American competitors in Nicaragua, the English promoters had already advanced their own scheme for an immediate transit system across Honduras, and organized the Honduras Interoceanic Railway Company. On April 28, 1854, Honduras had granted them the requisite concessions, and they were now anxious to proceed with the work as soon as their government could accord them the proper political security.

Negotiations were accordingly opened between the two governments, and in August, 1856, the drafts of two treaties were signed. According to the first of these instruments, the Bay islands were henceforth to constitute a free territory, under a government of their own, distinct from Honduras and yet in some way under her nominal sovereignty. It would be difficult to understand how such sovereignty was to be exerted, however, as Honduras could neither tax the inhabitants nor establish any military posts in the land; while the Bay islanders, though exempted from the Honduras levy, were still allowed to raise a force of their own in their "own exclusive defence." As against the designs of American filibusters, slavery was to be forever prohibited; and thus, with a show of generosity, Great Britain in reality was about to establish her colonists still more securely in their land, and allow them to hold the islands henceforth under treaty rights and no longer in adverse possession. In return for these favors granted, the neutrality of the Honduras

transit route was indeed to be protected by Her Majesty's government; though here again Great Britain was wise enough not to claim any exclusive control. Under the terms of the second treaty Great Britain agreed to abandon her protectorate over the Mosquito Indians in Honduras, provided they were granted a reservation along the shore. Honduras's nominal sovereignty over the reserve was, it is true, to be preserved; but here, again, its practical exercise would have proved difficult, to say the least, as the Indians were accorded complete rights of local self-government within their borders.¹

Such was the condition of affairs when Buchanan entered upon his presidential term, with the firm intention of carrying out in practice the bellicose resolutions of the party that had just placed him in power. Thinking all was at last going well with the American filibusters in Nicaragua, and ignorant, as yet, of the nature of the British treaties with Honduras, the President then appointed Mr. George Mifflin Dallas our minister to the Court of St. James, and instructed him to bring Great Britain to terms along the lines of the American policy.

Still secure in all she had ever possessed on the isthmus, and on the fair way of acquiring new rights from Honduras, Her Majesty's government was perfectly willing to meet Mr. Dallas half-way, and put an end to the long-drawn-out controversy between the two countries. The draft of a treaty was ac-

¹ U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., p. 105.
J. C. Rodrigues, "The Panama Canal," pp. 33, 206, 207. New York, 1885.

§ 94. The
Dallas-
Clarendon
Negotia-
tions.

cordingly drawn up in London, and sent on to the United States Senate for ratification. On the face of it this convention looked like a victory for the American claim. Therein Great Britain consented to withdraw from her protectorate over the Mosquito Indians, whether in Honduras or Nicaragua, and to make some arrangement in their behalf which should be agreeable to the United States. The treaty also set the limits of the Belize settlement, wherein British subjects might lawfully exercise their possessory rights, and finally, provided for Her Majesty's cession of the Bay islands to Honduras. All this was made conditional, however, on Honduras's ratification of the two treaties just signed with Great Britain. England, in short, was endeavoring now to arrange matters satisfactorily with the United States in behalf of the Honduras railway, as, for the present, she had abandoned all hope of the once promising Nicaraguan scheme of transit.

The Senate was shrewd enough to see the meaning of Great Britain's unexpected complaisance, however, and undertook to amend the treaty by dropping the conditional clause entirely. The British government naturally refused to ratify the convention as thus amended, and offered a new basis of settlement to the United States, instead; providing for the recognition of the Bay islands as part of Honduras, "whenever and as soon as the republic of Honduras shall have concluded and ratified a treaty with Great Britain, by which Great Britain shall have ceded, and the republic of Honduras shall have accepted, the said

islands, subject to the provisions and conditions contained in the said treaty." The Senate, of course, rejected this alternative proposition; for as Buchanan rather tersely put it in his message: "After the Senate had refused to recognize the British convention with Honduras of the 27th August, 1856, with full knowledge of its contents, it was impossible for me, necessarily ignorant of the 'provisions and conditions' which might be contained in a future convention between the same parties, to sanction them in advance."

This failure on the part of the United States government to come to terms with Great Britain, also influenced Honduras in her decision, and, after some further dickerings, she too refused to ratify the treaties of 1856. Thus another attempted basis of settlement came to naught and the diplomatic situation remained unchanged.¹

Finding diplomacy of no avail, and at this late date, after our own hands had become soiled with unwarranted encroachment on the isthmus, President Buchanan decided to call upon Congress for the immediate abrogation of the Clayton-Bulwer treaty. Indeed, he made no secret of his intention, for, even before a definite course had been decided upon, Lord Napier, the British minister in Washington, was able to write to his government

§ 95. The
United
States
Threaten
to Abrogate
the Clayton-
Bulwer
Treaty.

¹ Dallas-Clarendon Treaty, signed October 17, 1856, not ratified.

Cf. Wharton's "Digest of International Law," Vol. II., pp. 197-200.

President Buchanan's Message to Congress, December 8, 1857.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., p. 120.

that "an attempt will be made in the next session of Congress to set aside the Clayton-Bulwer treaty. My impression to this effect is constantly deepened by reflection and by the information which reaches me from several quarters. There can be no doubt of the views of the President and Cabinet in this matter."

The President chose, however, to lay the matter before Congress in a tentative way at first, concluding a recital of the unfortunate facts with this significant remark: "The fact is when two nations like Great Britain and the United States, mutually desirous as they are, and I trust ever may be, of maintaining the most friendly relations with each other, have unfortunately concluded a treaty which they understood in senses directly opposite, the wisest course is to abrogate such treaty by mutual consent and to commence anew."¹

Above all things Great Britain desired to avoid the abrogation of this treaty with the United States, which so amply secured her past claims, justified her in her present position in Central America, and assured her of her control over all future schemes of transit across the isthmus. Clever diplomacy was needed, however, as Buchanan was fixed in his determination; but Lord Napier was equal to the occasion, and his government supported him nobly.

¹ President Buchanan's Message to Congress, December 8, 1857.

U. S. House Reports, 1121, 46th Cong., 1st Sess.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 112 and 126.

§ 96. Alternatives Offered by Great Britain.

With Walker's death filibustering came to an end on the isthmus; and, with the exception of the border warfare between Nicaragua and Costa Rica, quiet reigned in Central America. Taking advantage of this cessation of hostilities, Great Britain's first step was to play the part of general peacemaker. A special representative of the Crown, Sir William Gore Ouseley, was accordingly despatched to the isthmus, in order to settle with the Central American states directly all matters of lingering dispute, and thus prevent any further interference with British designs on the part of the United States.

It was Napier's task in Washington to get the President to accept this method of settlement, and thus stave off the abrogation of the Clayton-Bulwer treaty. He was not so stupid, of course, as to lay bare the scheme thus, in all its nakedness; but covered it instead with a mantle of alternatives, and adorned it all with an engaging spirit of frankness and conciliation. Napier informed Buchanan, and his Secretary of State, General Lewis Cass, as it were in passing, of the recent appointment of Sir William Ouseley, and of the general nature of his mission; but, he added, if the President preferred, Her Majesty's government would be quite willing either to submit the disputed points of the Clayton-Bulwer treaty to arbitration, or, indeed, to abrogate it entirely. To both the latter alternatives, Lord Napier attached little barbs, however, which were evidently intended to make our government hesitate before admitting them, for fear of being caught fast.

Arbitration, in short, was only to be consented to in case the United States should allow the matter to go before some *European* power for decision; but the case in hand involved the validity of the Monroe doctrine, and, as we had openly directed this doctrine against all the states of Europe, how could we expect any favorable decision from one of them now in a matter which affected their own national prestige, as well as ours? Abrogation was more in accordance with Buchanan's ideas; but Lord Napier said his government would only consent to this alternative, in the event of the United States' formal recognition of the *status quo* of 1852; or, in other words, in case we officially ratified Great Britain's claims to British Honduras, the Bay islands, and the Mosquito shore.

When put in this way, these alternatives influenced Buchanan's opinions considerably, and somewhat modified his decision in regard to immediate abrogation. Lord Napier evidently saw that his last shots had hit home; for he immediately adopted a conciliatory tone again and told the President that Great Britain was now as anxious as the United States to settle all the difficulties that had so unfortunately arisen between the two powers, along the lines agreed upon in the Clayton-Bulwer treaty; and he only asked as a favor that the President refrain from saying anything further in his next message to Congress that might lead to a resolution demanding the immediate abrogation of that convention; for, Lord Napier continued, with still another veiled

threat, "such a step would not only frustrate the purposes of Sir William Ouseley's mission, but would have a calamitous influence on the future relations of England and America."

Already effectually frightened off from the only other outlets from the controversy, Buchanan then walked squarely into the unsuspecting-looking diplomatic trap that Lord Napier had so cleverly set for him. He naïvely informed Lord Napier that he had indeed fully intended to make an exposition of the whole affair before Congress, and feared his statement would have shown up Great Britain in a rather unfavorable light; but, he added hastily, if Her Majesty's government really intended to carry out the Clayton-Bulwer treaty as the United States interpreted it, and, if His Lordship could definitely assure him of the fact before Congress opened, he would refrain from saying anything further about abrogation. "To him it was indifferent," Buchanan continued, "whether the concession contemplated by Her Majesty's government were consigned to a direct engagement between England and the United States, or to treaties between the former and the Central American republics; the latter method might in some respects be even more agreeable." Should matters be brought to a satisfactory termination through Sir William Ouseley's present mission, "nothing would give him greater pleasure," the President concluded, "than to add the expression of his sincere and ardent wish for the maintenance of friendly relations between the two countries."

Thus His Lordship came out the victor in this first diplomatic skirmish ; and, true to his promise, Buchanan contented himself in his message to Congress, with setting forth the causes of the failure of the Dallas-Clarendon convention, and concluded with the hope that the present overtures would prove more successful.¹

Sir William Ouseley had stopped over in Washington on his way, in order to lay his general instructions before our government for approval, and learn the result of Lord Napier's diplomacy before setting out finally on his mission to Central America. Buchanan having handed our case over into British hands, there was nothing now to hinder Her Majesty's envoy from departing to his post, and arranging matters on the isthmus as he would, in the interests of the Crown.

§ 97. Sir
William
Ouseley's
Mission.

Ouseley found the Central American states in an apathetic condition after the late exciting events. Even Nicaragua and Costa Rica had been induced to patch up their differences, in the so-called Canas-Jerez treaty, signed April 15, 1858, which settled their boundary dispute at least for the time. Strange to say, a bond of sympathy had also begun to draw the jealous little republics closer together ; and this sprang from their mutual indignation against the people of the United States for having attempted to foist their institution of slavery upon the land. This was, of course, to Great Britain's advantage,

¹ U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 112-117, 125-132.

and Sir William found the people, therefore, much more favorably disposed to his cause than he had been led to expect. He still did not hurry matters, however, preferring to wait until the last vestiges of excitement over Central American affairs had died out in the United States, and until the Central Americans, too, had become more thoroughly normal. With the preliminaries finally arranged to his satisfaction, Ouseley then returned to England, leaving Her Majesty's *chargé d'affaires* in Guatemala, Sir Charles Lennox Wyke, to draw up the treaties in form.

As a result of these negotiations Great Britain was enabled to clinch her rights in Central America by three important treaties: one with Guatemala, another with Honduras, and a third with Nicaragua. In each of these conventions England went on the shrewd principle of abandoning certain claims of the present, in order to make sure of her future prestige; and events have since amply demonstrated the wisdom of her course.

The first treaty was concluded with Guatemala on April 30, 1859, and here the British gained pretty nearly all they had ever demanded. Therein it was agreed:

“that the boundary between the republic and the British settlement and possessions in the Bay of Honduras, as they existed previous to and on the first day of January, 1850, and have continued to exist up to the present time, was and is as follows: Beginning at the mouth of the river Sarstoon in the Bay of Honduras and proceeding up the mid-channel thereof to Gracias à Dios Falls, then turning to the right and continu-

ing by a line drawn direct from Gracias à Dios Falls due north until it strikes the Mexican frontier."¹

This gave to Great Britain practically all the land her settlers had encroached upon in derogation of old treaty rights with Spain, and made the British Honduras of 1860 some three times the size of the Belize of 1786. It must be noted, too, that this latest convention speaks of "the British settlement *and possessions* in the Bay of Honduras"; whereas, in his reservations to the Clayton-Bulwer treaty, the English minister had only mentioned "Her Majesty's *settlement* at Honduras." There was foresight in this addition of a word, as it subsequently proved to the detriment of our own diplomatic case.

The next of the three treaties was concluded with Honduras on November 28, 1859, and here Great Britain was most generous with her favors. The fact was, the Honduras railway scheme had also collapsed by this time, probably because the Panama railway was now open to traffic and was showing itself capable of fulfilling all the present requirements of isthmus transit. Thus Great Britain had no immediate need of dominion in these parts, and, as this had proved such a touchy point with the United States, she deemed it wisest not to lose all by precipitating another discussion. Still, Honduras did not gain everything by the treaty. True, she recovered her nominal control over the Bay islands; but only with the proviso that she should never part with them to any other power. Honduras, in

¹ Cf. Map at end of volume.

other words, by thus accepting what she had always claimed to be her own territory from British hands, at once acknowledged Her Majesty's former right of sovereignty over the lands in question; and by promising then never to part with the islands thus acquired to any other power, she still further limited her own sovereignty in favor of Great Britain. Her Britannic Majesty promised, moreover, to abandon her protectorate over such of the Mosquito Indians as dwelt within the borders of Honduras, only stipulating that such grants of lands as the natives had already made to Englishmen along the shore should be respected; and making Honduras further agree to pay these Indians an annual indemnity of five thousand dollars for ten years.

Great Britain reserved to herself more rights as she advanced to the south; and the last of the three conventions, called the treaty of Managua and signed with Nicaragua on January 28, 1860, formed the climax of Ouseley's diplomacy. With a show of magnanimity England consented in this convention to withdraw from her protectorate over the Mosquito Indians, and hand over the shore to Nicaragua; but, in agreeing thereto, Nicaragua also made the fatal mistake of formally acknowledging a claim she had up to this persistently denied. It was in this case, moreover, only Nicaragua's nominal right of sovereignty which was recognized from sea to sea; for Great Britain took particular care to stipulate in this treaty, that a reservation should be set apart for the Indians along the eastern shore, extending from the Rio Hueso in the north to the Rio Rama in the

south, and westward to 84° 15' west longitude.¹ Within the area so set apart for their use, the Indians were to have the right of local self-government, and by formally agreeing with Great Britain never to interfere with administrative matters in Mosquitia, Nicaragua simply traversed the very sovereign rights over the coast which she was supposed to have acquired under the treaty; and thus left England with still the final word to say in matters pertaining to the eastern seaboard. Relying on the continuance of British influence among the Indians, Great Britain did indeed allow that nothing in the treaty should be "construed to prevent the Mosquito Indians at any future time from agreeing to absolute incorporation into the republic of Nicaragua on the same footing as other citizens of the republic, and from subjecting themselves to be governed by the general laws and regulations of the republic instead of by their customs and regulations." Such a contingency seemed very remote at that time, but, in making this admission, British foresight was at fault, as recent events have proved.

Under the terms of the treaty Greytown was henceforth to be constituted a free port with privileges of municipal government, not derogatory to Nicaragua's shadowy rights of sovereignty. The local officers were furthermore authorized to levy custom dues on all imported articles destined for consumption in the interior. The money thus raised was to go toward meeting the annual subvention of five thousand dollars, which Nicaragua promised to

¹ Cf. Map at end of volume.

pay the Indians for the next ten years; but in default of such payment, Great Britain was again to have the right to interfere in behalf of her former charges. Finally, all grants of land, either in Greytown or along the shore, which the Indians had made to Englishmen since January 1, 1848, were to be allowed. Property rights in the vicinity of the canal route acquired by Captain Loch's invasion were thus left undisturbed.

Great Britain's withdrawal from the coast was thus after all but nominal. Nicaragua was indeed assured in her rights of sovereignty to the sea, but any attempt on her part to emphasize such sovereignty, either in Greytown or along the Mosquito shore, would give Great Britain a legal right to interfere. The old British Mosquito protectorate was thus rendered negative and passive for the time, but ready to become active and positive again as soon as the proper moment should arrive.¹

With a punctiliousness worthy of commendation, the British Foreign Office communicated copies of these three treaties to the United States government for approval, expressing the hope that they would "finally set at rest the questions respecting the interpretation of the Clayton-Bulwer treaty which have been the subject of so much controversy between this country and the United States."

§ 98. The United States Express their Satisfaction.

¹ U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 100-105.
 Wheaton's "Digest of International Law," 2d ed., 1887, pp. 197-200.
 Hertslet's State Papers, Vol. XL., p. 953; XLI., p. 757; XLII., p. 153; XLVI., p. 244; XLVII., p. 661; XLVIII., p. 630; L., p. 176.
 "Foreign Relations of the United States," 1888, pp. 460-464.

From a superficial examination of the instruments it would seem as if the Monroe doctrine were finally vindicated; for had not Great Britain therein abandoned all claims both to the Bay islands and the Mosquito shore?—and these indeed were the only points at issue. So it appeared to Buchanan at least, for in his annual message to Congress he announced officially that “the discordant constructions of the Clayton-Bulwer treaty between the two governments, which at different periods of the discussion bore a threatening aspect, have resulted in a final settlement entirely satisfactory to this government.” Thus Whigs and Democrats both had their diplomatic terms, and, as a result, two formidable estoppels were now fastened on our Monroe doctrine. Clayton’s treaty was bad enough, in all conscience, but Buchanan’s satisfaction was worse.

As far as England and the United States were concerned, transit across Central America was a thing of the past and future, and no longer a present necessity. But we lost all rights of the past and made no provision for the future; while Great Britain retained about all she had acquired, and wrung from us besides a good half interest in all transit schemes that were to come. Were it not for the opponents with whom she had to deal, one would be tempted to say, what a triumph of British diplomacy! As it is we can only wonder at our own naïve stupidity.¹

¹ Prest. Buchanan’s Annual Message to Congress, Dec. 3, 1860.
U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., p. 202.



CHAPTER XIII.

OPERATIONS ON THE LOWER ISTHMUS.

BELOW the Panama route, the topography of the American isthmus was practically unknown when the discovery of gold in California made the transit problem a pressing question of the day. Fine harbors were known to indent the shores of this lower isthmus on either side, however, and rumor now had it that at least six feasible canal routes were to be found in these parts. True the Panama railway was all but ready for traffic; but this was not enough for the enthusiasts of the day. Commerce demanded a canal, and a short sea-level canal at that, and no circuitous lock-bound affair, such as Nicaragua promised to provide. So, leaving the United States and Great Britain to fight out the question of political control farther north, English, French, and American enthusiasts began their vain search for a favorable canal route across this lower isthmus.

The Caledonian route was the first to attract attention, and this came about through the reports of a certain Dublin physician, Dr. Edward Cullen, who was then residing at Bogota. Cullen had, it

seems, come across Lionel Wafer's and Manuel Milla's untrustworthy accounts¹ of their respective journeys across the isthmus in the days of Spanish supremacy, from Caledonian Bay to the Pacific, and he determined to verify the truth of these assertions. Apparently satisfied in his own mind that neither Wafer nor Milla had been mistaken in their description of the country, Dr. Cullen then prepared a lengthy and very highly-colored paper on the Caledonian route, which he had presented, in July, 1850, before the Royal Geographical Society in London. The report created considerable excitement, and Lord Palmerston's attention was also called to the plan, in the hopes of interesting the government as well. But Palmerston had never put any faith in these schemes of transit across the lower isthmus, and having just won his victory over the United States in the Clayton-Bulwer treaty, he preferred to confine his political plans entirely to Central America.

The London promoters, Messrs. Fox, Henderson, and Brassey, were then waiting to receive the reports of Colonel Child's surveys in Nicaragua; but, wishing to be prepared for all contingencies, they at once sent out a civil engineer, Mr. Lionel Gisborne, to make a reconnoissance of the route and report. Gisborne's reconnoitring methods were novel, but hardly calculated to inspire much confidence in his results. He first explored the shores of Caledonian Bay, and then made his way for a short distance into the interior until he was driven back by the hostility

¹ Cf., *ante*, §§ 39 and 49.

of the native Bravos. This decided him to cross the isthmus along the more beaten track at Panama. He then ascended the Rio Savannah¹ from San Miguel on the Pacific, until fear of the Indians again induced him to return to the coast. The great divide still remained unexplored, so, following the scientific methods of his precursor, Dr. Cullen, Gisborne guessed this to be one hundred and fifty feet in height. He then returned to London and reported to his employers most favorably on the route. Thinking to arouse popular interest as well in the plan, Gisborne then published his remarkable pamphlet on "The Isthmus of Darien," wherein he described the hydrographic features of the country in the most glowing terms, and again made light of the enormous dividing ridge that intervened.²

Gisborne's report attracted immediate attention, not only in England, but in France and our country § 100. Lieu- as well. Dr. Cullen, in the meantime, had tenant secured a very favorable concession from Strain's the New Granadan authorities for the con- Exposure of the Fallacy. struction of a canal along the route he had discovered, and European capitalists now became eager to share in his rights. A French company organized for the purpose, called the *Société d'Études*, approached the doctor on the subject, begging to be taken in; but the shrewd Irishman offered instead

¹ Cf. Map, frontispiece.

² Rodrigues, *loc. cit.*, pp. 11-26.

Moritz Wagner, "Ueber die Naturverhältnisse der verschiedenen Linien welche für einen Durchstich des centralamerikanischen Isthmus in Vorschlag sind." München, 1869.

to sell them the secret of his route for 60,000 francs. The company refused the offer, however, and determined, instead, to send out an expedition of its own, to learn the truth of the matter before risking any money in the undertaking.

The English contractors were equally enthusiastic and at once placed Mr. Gisborne at the head of a well-equipped surveying party to lay out his route in detail. They were also enabled to interest their government so far in the new scheme of transit, as to induce the Admiralty to convey Gisborne and his party to the scene in a British war-ship, and even to send a small naval expedition of its own to reconnoitre the Pacific coast in the vicinity.

Buchanan was at this time our minister in London, and catching the general enthusiasm for the Caledonian scheme, he communicated it to his administration at home. Lieutenant Isaac C. Strain of the Navy had little difficulty, therefore, in inducing President Pierce and Secretary of the Navy Dobbin, to grant him the requisite authority to organize a volunteer expedition of Americans to explore the route. Captain Hollins of the *Cyane* was accordingly detailed to convey the party to the grounds, and on January 17, 1854, Strain and his little band of volunteers were landed at Caledonian Bay.

The British naval officers were already making their way over the divide from the Pacific side, so Strain started at once for the interior, hoping to meet them on the ridge; but to his surprise he soon found himself confronted by an apparently impassable

mountain barrier, rising everywhere before him, from 1000 to 3500 feet in height. The majority of his party then returned to the coast, leaving Strain and a few of the more adventurous to make their way over the divide as best they could.

On reaching the shore again the Americans who had put back found quite an international naval demonstration at anchor in the bay; for Gisborne and his party had since arrived, and the French surveyors, sent out by the *Société d'Études*, were also there. The news the Americans brought of the real character of the mountain range, was received with consternation, and neither the English nor the French would believe it. Gisborne's professional reputation was at stake, so he determined to cross the divide at any risk. Fearful of the fate of Strain and his followers, Captain Hollins also sent a relief expedition into the mountains; but the French preferred to stay behind and examine the hydrographic features of the bay.

Strain, and his little band, after terrible hardship and some loss of life, succeeded at last in reaching the Pacific at Yvisa. Thence they proceeded to Panama and crossed the isthmus to Colon, where they were finally picked up by the *Cyane* after the relief party had been recalled. Gisborne also succeeded in crossing the divide; but he reached the coast at last less of an enthusiast than before. The English naval expedition on the west returned to their vessel with nothing better to report, and all parties had now to confess that they had found no depression in the range lower than 1000 feet.

On his return to this country Strain said: "We claim to have clearly dispersed a magnificent and dangerous fallacy, which has already cost many lives and swallowed up a large amount of capital." After this neither the English nor the Americans could be induced to interest themselves further in Dr. Cullen's visionary canal project; but the French *Société* was not to be put off, and, not having examined the route, they still persisted in believing in its feasibility.¹

With the exposure of the Caledonian fallacy, rumor began to busy herself with the Atrato routes² still farther south, and here again legend supplied the deficiency in facts. It was now related how a Spanish monk in 1788 had built a canal along the Raspadura ravine, connecting the Rio Atrato with the Pacific, along the San Juan, and how, in 1799, a Biscayan pilot had called the attention of the French government to the existence of this artificial channel. It was also noted that the careful Humboldt had been convinced, from what he had been able to gather of the nature of this then inaccessible country, that there were "no chains of mountains, nor even a ridge of partition, nor any sensible line of demarkation between the Bay of Cupica on the coast of the South Sea and the Rio Naipa (Napipi) which empties into the Atrato

§ 101. Mr. Frederick Kelly's Investigations along the Atrato and San Blas Routes.

¹ Rodrigues, *loc. cit.*; Moritz Wagner, *loc. cit.*

Lieutenant John T. Sullivan, "Report on Historical and Technical Information Relating to the Problem of Interoceanic Communication by way of the American Isthmus," U. S. Govt. Print, 1883, pp. 25-28.

² Cf. Map, frontispiece.

fifteen leagues above its mouth." It was further affirmed that, in 1803, a merchant of Carthagena, Don Ignacio Pombo, had written to von Humboldt fully corroborating his presumption that the whole country along the Napipi was a plain. In support of this theory of a break in the Cordillera at Cupica it was also averred that a Spanish merchant in the olden days had opened up a road for the transportation of merchandise from the head of the Napipi to the Pacific. Finally it was stated, on good authority, that, as late as 1820 a ship's boat from the Chilean cruiser *Andes* had been hauled from the Pacific to a navigable point on the Atrato side of this divide in ten hours.

The truth was King Philip of Spain had forbidden the exploration of the Atrato under penalty of death, and the Indians and the climate of the region had ever since maintained the sanction of his edict, so nothing was really known of the topography of the district. A wealthy American, Mr. Frederick Kelly, having collected all the evidence that rumor had to afford, now took it upon himself to prove or disprove the truth of these reports in the interest of science and for the benefit of the still increasing Western trade of his country. He first sent out, at his own expense, Mr. J. C. Trautwine, who, it will be remembered, was one of the constructing engineers of the Panama Railway, with a party of surveyors, in 1851, to learn the nature of the fabled Rapsadura ravine, and determine if a sea-level canal could be located along its bed. On reach-

ing the head-waters of the Atrato after considerable difficulty, Trautwine found the ravine of legend to be a hill in reality,—or more properly a dividing-ridge cutting off the Atrato entirely from the San Juan. But before abandoning all hope of the Atrato-San Juan route, Mr. Kelly sent out two further expeditions in 1853, again at his own cost, to discover the lowest elevation at which the divide might be pierced by a canal. The reports were again so unsatisfactory, however, that he reluctantly gave up his original plan, and turned his next attention to the Atrato-Truando route. His Atrato party was still to operate on that side, and another expedition was sent out in 1854 under Captain Kennish to work up toward the Truando from the Pacific. Only the latter surveys were carried out, to be sure, but from such meagre data Kennish reported that a canal was quite feasible in this region.

Mr. Kelly was elated over this imagined success, and, eager to lay the results of his discovery before the scientific and commercial worlds, which were both so wrought up over the canal project at this time, he at once set out for London and there reported his results to the Royal Geographical Society and the British Institute of Civil Engineers. British statesmen, geographers, and scientists,—Lord Clarendon, Sir Richard Murchison, Robert Stephenson, and Admiral Fitzroy,—all listened to Mr. Kelly's plans with marked attention, and once more, widespread interest was aroused. From England Mr. Kelly proceeded to France and laid the matter before the

Emperor and his scientists; but Napoleon had a plan of his own, and the French geographers still had faith in the Caledonian route, so the American enthusiast could arouse but little interest there. Finally Mr. Kelly went on to Berlin and reported to the aged von Humboldt the true nature of the country he had described from hearsay so many years before.

Finding European interest again alive over the canal project of the lower isthmus, and this time through the efforts of an American citizen, Mr. Buchanan in London thought it high time that his government should take some action officially in the matter, and continue the investigations so auspiciously begun. He communicated his ideas to the Pierce administration at Washington; but soon after this he returned home to be elected President himself. On taking office Buchanan succeeded in inducing Congress to pass a law authorizing the Secretaries of War and the Navy to co-operate in verifying Kenish's surveys, and to determine whether it were possible to divert the waters of the Atrato into the Pacific.

Lieutenants Nathaniel Michler of the Army, and T. A. Craven of the Navy, were accordingly appointed by their respective chiefs to undertake the task,—the former to go into the interior, while the latter made the necessary hydrographic surveys. Lieutenant Michler, in his report, favored the route, with some modifications; though he estimated the probable cost at \$134,000,000,—which was over

twice the sum that Mr. Kelly had been figuring on. Lieutenant Craven, on the other hand, condemned the plan entirely in his report, as he reckoned the cost and labor necessary for its accomplishment to be incalculable. This disgusted Mr. Kelly with the Truando route as well, and, leaving the Atrato district to others, he devoted what remained of his remarkable enthusiasm for the canal project to the Panama and San Blas routes.

With this idea in mind Mr. Kelly next appealed to Colonel Totten, who had been the chief constructing engineer and was now the general superintendent of the Panama Railway Company, asking his opinion as to the feasibility of constructing a sea-level canal along this route. Totten replied that a canal would be impossible across the isthmus of Panama without ten or twelve locks, and that, even then it was extremely doubtful whether the Chagres river could be diverted from its bed and kept clear of the line. Mr. Kelly's own engineers corroborated this discouraging report; and so the enthusiast turned finally to the San Blas route, still hoping for success in the end.

Little was known of this San Blas region. In 1837 a Mr. Wheelwright had attempted a survey along the route, and a few years after still another reconnaissance had been begun by Mr. Edward Hopkins; but in both cases the Indians interfered, and little of any value had thus been added to the scanty knowledge of the district. So, in 1863, Mr. Kelly sent out another engineer, Mr. Rude, to

make a preliminary barometrical examination of the elevations to be crossed. This proving satisfactory, a regular surveying party was despatched during the following year by Mr. Kelly and his associates. As a result, a partial survey was executed by Messrs. Mc Dougall, Sweet, Forman, and Rude, and a canal line was run from a point opposite Chepillo island off the Pacific coast, across the divide to within two miles of the Atlantic at San Blas. Here the party came in conflict with the natives and were obliged to put back. The surveyors then guessed at the remaining distance and reported a plan for a canal of $27\frac{1}{2}$ miles with a tunnel to make up seven miles of the length. But this offered no satisfactory solution of the transit problem; so, after all the money and labor spent, Mr. Kelly, disheartened, abandoned the lower isthmus and all its delusory canal routes that had once appeared to him so promising.¹

Even after Strain's exposure of its fallacy, the Caledonian route seemed to claim a fatal fascination for the French mind. They had evidence of its unfeasibility besides from one of their own countrymen; for a French physician, Dr. Lebreton, while practising his profession in New Granada made several reconnaissances along the Darien divide in search of gold and a transit-way, but reported no depression in the range.

§ 102. The French Continue in their Delusions concerning the Caledonian Route.

¹ Rodrigues, *loc. cit.*, pp. 11-26.

Sullivan, *loc. cit.*, pp. 27-28, 67 ff.

Rear-Admiral Chas. H. Davis, "Report on Interoceanic Canals and Railroads," Govt. Print, 1869, p. 18 ff.

The *Société d'Études* in Paris was not to be convinced, however, and so, with a determination worthy of a better cause, this company sent out another surveying party in 1861, in charge of a M. Bourdiol, to work its way into the interior, this time from San Miguel on the Pacific. These surveyors, like their predecessors, appear never to have succeeded in crossing the range; but on his return, M. Bourdiol, with that airy enthusiasm and lack of scientific precision so characteristic of all the French surveys on the isthmus, was able to elaborate a canal route out of his own mind. According to his plan a canal was quite feasible along this route, to extend in a straight line from San Miguel to Caledonian Bay, a distance of but 31 miles, with a maximum elevation of only 144 feet, and at total cost of barely \$34,000,000.

This project naturally revived French hopes and induced M. Airiau, another Frenchman then resident in New Granada, to continue M. Bourdiol's surveys, on his own account. Starting in also at San Miguel, Airiau worked his way some distance up the range, but he too seems never to have emerged on the Atlantic side. With such meagre information at his disposal, the eager Frenchman then returned and elaborated the data he had collected in a remarkable monograph on the "Canal Interocéanique par l'Isthme du Darien." This work gave minute details of the route, and contained a collection of very full but hopelessly inexact maps of the proposed line. According to this sanguine authority, there

was no dividing range to be encountered in this region,—which was true as far as he had gone,—but only groups of detached peaks. Thus by following along the route he laid out, M. Airiau declared, the canal would only have an elevation of fifty metres to overcome. Thus Lionel Wafer and Manuel Milla were exonerated from Strain's outrageous calumny, and French enthusiasm over the route was justified.

M. Airiau had a rival, however, in the person of a M. de Puydt, and the rival, moreover, possessed the greater influence at the capitalistic court in Paris. De Puydt claimed to have discovered a still lower depression lying between San Miguel on the Pacific and the Gulf of Darien on the Atlantic, and his plan was to lay out a canal route diagonally across the isthmus between these points, along the valley of the Rio Tuyra. On the basis of this preliminary report a company was formed in Paris by a group of French capitalists, and de Puydt was sent back to the isthmus with a corps of engineers to lay out his proposed route in detail. He there gave evidence of the striking originality of his mind. Wishing to learn the altitude of the range, and not caring to brave the dangers of the interior, de Puydt reached his conclusions by measuring the velocity of the stream at the mountain's base. According to this calculation the divide before him rose some 101 feet above the sea; but, to be on the safe side, de Puydt made it 150 feet, and returned to Paris with this report.

Just at this critical juncture a Spaniard, named Gogorza, came to de Puydt's assistance. In rummaging among some ancient archives in Madrid, Gogorza came upon some old documents and a map, which went to prove the existence of a very low pass in the vicinity of de Puydt's explorations and directly in the line of his canal route. The French promoters were elated over their success, and even prevailed upon the more conservative *Compagnie General Transatlantique* to co-operate with them in the final surveys. The French nation, it must be borne in mind, was highly wrought up over American affairs at this time. The United States was surely going to pieces ere long, and the Emperor was soon to re-establish French prestige in the New World. Interoceanic canal projects were, therefore, in the full swing of the tide, and the de Puydt company was being carried along with the rest.

Two surveying parties were accordingly despatched to the lower isthmus; one by the canal company, in charge of another of its willing engineers, a M. Lacharme; and another under the direction of M. Flachat, sent out by the *Compagnie Transatlantique*. Flachat soon discovered that the fabled pass was all a myth, and, without wasting further time on any such fool's errand, he reported almost immediately to his employers, that immense obstacles stood in the way of any canal construction in this region. Lacharme, indeed, was no more fortunate than his colleague in locating the wonderful depression that

de Puydt and the old Spanish map had described; but he had been sent out by a speculative company, and it would never do to return without some ingenious and feasible plan. So he, too, elaborated a scheme for a canal to connect the Gulf of San Miguel with the Atrato by a somewhat longer route of fifty odd miles, giving the maximum level as 190 feet.

But it was the Emperor's turn now, and he, as we know, had a route of his own across Nicaragua. All minor schemes of French enthusiasts were accordingly brushed aside, as we shall presently see, to make way for imperial ambitions.¹

Neither the Spaniards in their search for gold, nor the Americans in their quest for a transit route, had as yet taken any notice of the Chiriqui isthmus. Savages still dwelt unmolested here, and, though both New Granada and Costa Rica claimed the land as theirs, still neither could, by any possibility, have delineated its own frontier in these regions. Captain Barnet, of the English navy, first explored the Chiriqui lagoon in 1839, for his own government,—always on the lookout for coaling stations and the like,—and reported very favorably to the Admiralty. Some years later Golfo Dulce, on the Pacific side, was examined very carefully by Admiral Pelion of the French navy, and he was even more enthusiastic in his report to the Home authorities.

§ 103. The
Chiriqui
Coloniza-
tion
Scheme.

¹ Rodrigues, *loc. cit.*, p. 17.

Moritz Wagner, *loc. cit.*, pp. 13-17.

Sullivan, *loc. cit.*, pp. 28-30.

Citizens of the United States first came to this isthmus after the migratory stream of gold-hunters had found its way across Panama. Prospects of opening up an immediate route of transit along the Chiriqui route, were indeed not promising; but, besides the excellence of the harbors on either side, American promoters now discovered the land to be singularly rich in timber, coal, and mineral wealth. The climate was also found to be salubrious, and the soil very fertile. This district of such surprising hydrographic, orographic, and geognostic advantages, paralleled the Panama railroad, and if improved, could easily be made an *entrepot* and source of supply for the California trade. With this idea in mind, a so-called Chiriqui Improvement Company was organized by Ambrose W. Thompson and his associates, of the United States, and, in May, 1859, the company secured valuable concessions along the route from the New Granadan government.

Being aware of the superb nature of the harbors on either side, and learning now of the rich resources of the interior, President Buchanan conceived the idea of securing control of this route as well, for the government and establishing naval stations there. Surveys were thereupon instituted by the Navy, and still another favorable report was the result. Congress then took the matter up, and on June 22, 1860, a commission was appointed to determine the quantity and quality of the coal to be found in the region, and report upon the character of the harbors on either shore, and the practicability of construct-

ing a railroad line to connect them. A careful exploration was then undertaken under government auspices, and on January 6, 1861, the commission reported that the harbors were excellent and easily fortified; that a railroad across the divide was quite feasible; and that the coal deposits were not only fine in quality, but apparently inexhaustible in quantity.

All seemed to promise well from these reports, both from the economic welfare of the Chiriqui Improvement Company, and for governmental prestige on this isthmus; but our internecine disagreement here again put a check on our national designs, and, with the outbreak of the war, the original scheme fell through. Lincoln revived it, indeed, soon after, but with quite a different purpose in view. What to do with the host of slaves he was about to emancipate, was the question which most puzzled the President at this time, and knowing from the report of the commission the nature of these Chiriqui lands, it occurred to him that he might establish a colony of negroes there. He accordingly instructed Mr. Chase to enquire into the nature of the Improvement Company's title, and also to report on the character of the region for such a colonization scheme. Mr. Chase turned the matter over to Mr. Jordan, then Solicitor of the Treasury, and he reported most enthusiastically. The land lying between the two harbors, Chiriqui lagoon and Golfo Dulce, Jordan said, was most favorably situated for the colony, and the possession of it, he

thought, would be of immense importance to the United States, fixing, as it must, their control over the Gulf of Mexico, the Caribbean Sea, and the Central American states, and assuring to them their proper share in the commerce of South America and the Pacific.

This fixed Lincoln in his determination, and he accordingly instructed the Secretary of the Interior to arrange with the Chiriqui Improvement Company for the purchase by the government of their rights to some 2,000,000 acres of the land of the isthmus. While these negotiations were in progress Lincoln called a delegation of representative colored men before him on August 14, 1862, and laid his plan before them in detail, closing his recital with this simple and characteristic appeal:

“Could I get a number of tolerably intelligent men, with their wives and children, I think I could make a satisfactory commencement. I want you to let me know whether this can be done or not. These subjects are of very great importance, worthy of a month’s study of a speech delivered in an hour. I ask you, then, to consider seriously, for yourselves, for your race, for the good of mankind, things that are not confined to the present generation but as,

“From age to age descends the lay
To millions yet to be,
Till far its echoes roll away
Into eternity.”

On the 12th of September the formal contract with the Improvement Company for the lands in question was approved by the President, and on the 22d of the same month he issued his famous procla-

mation of emancipation. Before the slaves were set free on the first of the following January, however, the exigencies of the war decided Lincoln to employ the freedmen in the armies, and nothing more came of his Chiriqui colonization scheme.¹

The Panama Railway was opened to traffic in 1855, and during the same year the New Granadan province of Panama, across whose territory the line was laid, declared itself an independent state. English and American capital had co-operated in the construction of the road, but the United States alone had assumed full responsibility for the political neutrality of the route. Revolution was now rife in the land, and the very existence of the company was threatened, before any income had been secured. Here was a condition of affairs which again over-taxed the diplomatic resources of our country, already so weakened by troubles of its own.

President Pierce and Secretary of State Marcy did not consider the local government of Panama competent to protect the transit route; and yet the central government at Bogota showed no disposition to interfere in the affairs of this rebellious province. On April 15, 1856, a riot occurred in Panama, causing considerable loss of life and property, and still the

¹ U. S. H. Report, 568, 36th Cong., 1st Sess., pp. 49 ff.

U. S. H. Ex. Doc., 41, 36th Cong., 2d Sess., pp. 45 ff.

Thomas F. Meagher, "A New Route Through Chiriqui," *Harper's Monthly Magazine*, Jan., 1861.

Panama Star, Jan. 9, 1853.

New Granadan government took no action. Our government had undertaken to guarantee the neutrality of this isthmus, and had also promised to protect the rights, property, and privileges of the railroad company; but, under the general terms of the treaty, there did not seem to be any legal way of asserting our control. To strengthen the position of his government, Pierce accordingly despatched a mission at once to Bogota to arrange for a new treaty. The terms of this proposed convention were drawn up by Secretary Marcy beforehand, and provided that the United States government should buy, for cash, all New Granada's reserved rights in the railroad, and also secure control of strategic islands in the harbors at either terminus, for naval stations. Then, in order to provide for the neutralization of the route, in fact as well as in theory, Mr. Marcy also proposed that a belt of land twenty miles broad, lying on both sides of the railway line, and extending from sea to sea, be carved out of the territory of New Granada and handed over to the jurisdiction of two free municipalities to be established in Aspinwall (Colon) and Panama. Finally, if the New Granadan authorities would agree to pay all damages arising from the injuries done in the riot, Mr. Marcy agreed that his government would continue, under this new treaty, to guarantee the neutrality of the isthmus and New Granada's rights of sovereignty, over the same, as before.

But the Jesuits and Conservatives were again in power, and this faction was never favorable to the

American cause on the isthmus. President Ospina thought Pierce was supporting the Liberals in Panama, and refused to accept his terms. Mosquera, the Liberal leader, then precipitated the revolution, and the war of the "hundred fights" raged along the lower isthmus until July, 1861. The Liberals were left in control, but Mosquera, a true disciple of Bolivar, was not content with this, and would have himself proclaimed military dictator of the land. The provisional government then called upon the United States in 1862, to protect their lately established Confederation of Granadina from the designs of the revolutionist, and asked for the interposition of our naval and land forces.

Our only route of transit to the Pacific was indeed in imminent danger of destruction, but Lincoln could not very well spare any land forces to serve on the isthmus, when the very integrity of the Union was threatened at home. Our naval commander in these waters was, it is true, instructed to "guarantee at all hazards and at whatever cost" the safety of the railway transit; but this only introduced fresh complications. Both the English and the French were covertly hostile to the Union cause, and the two powers had agreed in their convention of 1861 to co-operate in their designs upon Spanish-America. Seward, therefore, felt he could go no further without a more adequate force at his disposal to substantiate our claim; so he departed from our long-established policy, and went so far as to suggest to the English and French governments a joint occupa-

tion of the isthmus of Panama. Luckily for us, the two powers saw no necessity of such further interference, and preferred to confine their attention to Mexico; so the matter was dropped and the New Granadans left to work out their own salvation or destruction.

Mosquera soon discovered that the time was not yet ripe for his *coup d'état*, and in 1863 he made peace with his Liberal friends and proclaimed a new constitution for the country. New Granada then reassumed the name of the older and larger confederation of the revolutionary era, and became known as the United States of Colombia. The forty-four provinces of the republic were now fitted into eight practically independent states, each under a president of its own. Panama formed one of these, and thus this truly democratic little state came to rule over the destinies of the transit route for many years to come.

The Panama railway managed to hold its own splendidly through all the confusion, and, in theory at least, our Monroe doctrine policy, as embodied in the treaty of 1848 with New Granada, suffered no diminution. Revolution among the Spanish-Americans, and civil strife within our own borders, left us with but shadowy rights on this lower isthmus, in fact, however; and a deal of patching and mending was necessary before we could really make good our claim to these parts.¹

¹ Rodrigues, *loc. cit.*, pp. 32, 184-185.

Payne, *loc. cit.*, "History of European Colonies," Ch. XVI.

Annals of the American Academy of Political and Social Science. Supplement, Jan., 1893.



CHAPTER XIV.

THE FRENCH IN NICARAGUA.

AS one of the Holy Allies, France was only too eager to place one of her lately restored Bourbon princes over the then doubtful destinies of Spanish-America; but the declaration of our Monroe doctrine, together with England's § 105. The more diplomatic but equally emphatic dis-
French approval, effectually crushed out whatever
Renew their De- life there still remained in the scheme.
signs upon America. During the republican period which fol-
lowed, the French were again too much engrossed with their own affairs to busy themselves much about America; and so, despite Guizot's warning, Louis Philippe's interest in the transit question had, after all, been but passing.

But the political out-cast, Louis Napoleon, had for some time been concerning himself minutely with this technical problem of joining the two seas; and even before he came into power at last, dominion in the New World with control of the interoceanic canal route formed part of his imperial ambitions. Events at home then began to foretell the rise of the third Napoleon, and in America, too, the cast of the political heavens also came to favor his ascendancy.

With the insalubrious lower isthmus Napoleon would have nothing to do, though the field was open and his countrymen were already leading the way. His imperial mind was still fixed on the route through Nicaragua, which he himself had evolved in the days of his misfortune. The United States had staked her Monroe doctrine on this isthmus with Great Britain, and lost the game. The contestants, moreover, had just retired from the scene; the victor in a position to bide her time before claiming the fruits of her triumphs; and the vanquished, now torn by civil strife, was evidently unable to make good the national ground she had lost. Thus the Central American isthmus as well, lay temptingly before the Emperor, and almost courted his advance.

Ground was broken for Napoleon's designs in Nicaragua by another Frenchman, M. Félix Belly, Knight of San Maurice and Lazarus. This enthusiast was working for a company of his own, however, and only indirectly, and after he himself had been forced to step aside, did he really make way for the imperial train which followed.

§ 106. M.
Belly's
Canal
Project.

Belly was interested in Dr. Oersted's route,¹ and thus advanced his first claims to recognition through Costa Rica, within whose territory the Pacific terminus of this canal route lay. It was he, indeed, who induced Costa Rica and Nicaragua to come to terms over their troublesome boundary dispute in the above-mentioned Canas-Jerez treaty of 1858. Costa

¹ Cf., ante, § 83.

Rica was, of course, only too willing to listen to any proposals from Europe which would assure her a share in the transit monopoly; and Nicaragua also, in her righteous indignation against the United States, proved open to persuasion.

Belly made the best of this favorable opportunity to advance the cause of the French in Central America; and, in a public manifesto to the people, he declared that "hitherto all the official agents of the United States in Nicaragua have been accomplices and auxiliaries of filibusters." To preclude further machinations on the part of Americans, the silver-tongued Frenchman then proposed that the canal route henceforth be "placed under the guaranty of the three powers which had guaranteed the Ottoman Empire,—England, France, and Sardinia." It was just at this critical juncture that the irrepressible Walker landed his second force on the eastern shores, and was even then making preparations to ascend the San Juan. Belly had, accordingly, only to point to this last filibustering expedition already in their midst to prove to the Central Americans the truth of the charges he was making against the United States.

Fortunately for Belly and his designs, Walker was deported from the coast before he could interfere, and all was plain sailing for the French after this. Even Nicaragua was persuaded, and, in the end, an all-comprehensive canal contract was drawn up between the three parties concerned, and ratified in May, 1858. This contract was to run for 99

years. Under its provisions M. Belly and his associates were to have the right of constructing and operating a canal along the Oersted route, and, for this purpose, they were at once to step into all the privileges heretofore granted to the American Atlantic and Pacific Ship Canal Company. The French government, moreover, was to be allowed to station two war-ships at the ports of the proposed canal, or in Lake Nicaragua itself "for the entire duration of the works."¹

This contract with the French at once forced the United States government and the American Canal Company into another controversy over the transit route; and that, too, before either one of them had had time to recover from their late struggles with Great Britain and Central America on the same general issue. Both, in fact, were busy patching up their wounded rights in Nicaragua, at the very time that M. Belly appeared upon the scene, to open up the scars afresh.

§ 107. Efforts on the Part of the United States Government and the American Canal Company to Offset Belly's Claims.

In the interim that elapsed between Walker's capitulation on the west coast of Nicaragua and his reappearance on the eastern shore, President Buchanan thought to regain for his government those rights of transit through Nicaragua which were by

¹ Félix Belly, "Le Nicaragua,—Carte d'Étude pour le Tracé, et le Profile du Canal du Nicaragua." Paris, 1858.

Foreign Relations of the United States, 1872, p. 742.

Engineering Magazine, *loc. cit.* London, March, 1893.

Moritz Wagner, *loc. cit.*, pp. 16-17.

this time all but lost. Since the downfall of Walker's administration, Nicaragua had no accredited minister in Washington; so, to accomplish the President's purpose, Secretary of State Cass was obliged to call upon the good offices of the Guatemalan minister, Mr. Yrisarri, in patching up the truce. On November 16, 1857, these two had agreed upon a treaty, which was to be presented to Nicaragua for approval. The wording of this convention was very similar to that of the earlier Squier treaty, which had been side-tracked by Clayton at Bulwer's request; and, though it accorded the United States no exclusive control over the canal route, it would, if ratified by Nicaragua, have amply secured all transit rights we had thus far acquired. Hoping for the success of this governmental arrangement in their behalf, the American Canal Company had also reorganized its forces, and come out in a new form as the Central-American Transit Company, under the direction of Mr. William H. Webb and his associates.

All was thus made ready for the recovery of our lost rights in Nicaragua, when Belly appeared to spoil our best-laid schemes. The Nicaraguan dictator indignantly repudiated the treaty which Yrisarri had made in his behalf with the United States, and then, as we know, as if to emphasize his decision he transferred the former rights of the American Canal Company to the persuasive Frenchman. Our case indeed seemed hopeless, and especially so, since even Walker was no longer there to use force in the matter if need be, to re-establish our lost prestige.

Neither the government nor the Transit Company altogether despaired however, and, by a happy chance, they both held their own for a time. In regard to the contract she had seen fit to conclude with M. Belly, General Cass used very strong words of disapproval to Nicaragua, and informed her dictator that, though the United States sought no exclusive interest in the canal, and though they could not, perhaps, object to Belly and his associates forming contracts for the work, still they did not intend to allow such contracts to interfere with the rights already acquired by American citizens, and that furthermore they must insist that, whoever built the canal, it must remain a free and safe transit for all nations, and controlled by no one. Concerning the proposed stationing of French war-ships at, or in the canal, this, General Cass concluded, the United States government could on no condition tolerate.

Having thus laid down the law to Nicaragua, we naturally expected that state to appeal to Belly, and never doubted for a moment that he in turn would lay the matter before his government at home. It certainly looked as if we were to have another Monroe doctrine struggle on our hands over the canal route, and this time with the French as our opponents; but it was not to come in this way, nor was the time yet ripe. The fact was, neither Belly nor his associates had any governmental support at all; for the Emperor, as we know, had a canal project of his own in his head, to which Belly's schemes were but a let and a hindrance. So Belly's company was

sacrificed, and for once the United States had her own way on the isthmus without having to resort to anything more serious than a diplomatic ultimatum.

Seeing the French promises were but words, Nicaragua then returned to her old allegiance, and consented to come to terms with the new American Transit Company. On March 20, 1861, Webb and his associates secured the former monopoly of steam navigation in Nicaragua's waters, and a year or so later Nicaragua also agreed to revive in their favor all the former rights and privileges of the defunct American Atlantic and Pacific Ship Canal Company which Walker had so ruthlessly destroyed.

Lincoln's administration was in the meantime installed in Washington, and, to cement this renewal of friendly relations, the President despatched a regularly accredited minister to Nicaragua, who was cordially received. In his message of December 4, 1864, Lincoln then concluded the matter with these words :

“At the request of Costa Rica and Nicaragua, a competent engineer has been authorized to make a survey of the river San Juan and the port of San Juan. It is a source of much satisfaction that the difficulties, which for a moment excited some political apprehensions and caused a closing of the inter-oceanic transit route, have been amicably adjusted, and that there is a good prospect that the route will soon be reopened with an increase of capacity and adaptation. We could not exaggerate either the commercial or the political importance of that great improvement.”¹

¹ U. S. Ex. Doc., 56, 32d Cong., 2d Sess.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., p. 21.

U. S. Diplomatic Correspondence, Vol. III., p. 18.

“The American Atlantic and Pacific Ship Canal Company. A Refutation of its Claim to the Nicaragua Route,” New York *Evening Post* Job-Print, Jan. 31, 1888.

But Lincoln's expression of satisfaction was premature, for the French were not to be so easily dislodged from the American isthmus as he had supposed. Belly and his associates formed but the advance guard of their claims, and the van was only betrayed that the Emperor might have a clear road for his own advance from Mexico in the north.

As Mr. McCarthy has well said: "The Emperor Napoleon cared nothing just then about the Monroe doctrine, complacently satisfied that the United States were going to pieces, and that the Southern Confederacy would be his friend and ally." We had made no exception in favor of any European power when we launched this doctrine in our youthful strength; and now that we had become weakened and disrupted, two of the Holy Allies, France and Spain, joined this time by our ever-ready rival, Great Britain, were retaliating against us on the Gulf. Napoleon meant more than his partners, however, and he was soon left to carry out his designs alone. These consisted primarily in the establishment of a monarchy in Mexico, but this meant French dominion of the Gulf, and this in turn involved the control of the Nicaraguan canal route, as the southern boundary of the kingdom thus constituted.

All this could, of course, by no means be accomplished at a stroke, but the Emperor had his plans well laid; so, while his generals were still engaged in settling the affairs of his newly formed empire in Mexico, he sent out one of his most able lieutenants,

Michel Chevalier, who was already familiar with the transit problems of America, to make sure of his rights in Nicaragua. It was an easy matter for this fickle little state to choose between a powerful conquering monarch, who promised much and was bound to have his way at any cost, and a people who had treated her rather badly in the past, and who were now themselves torn by civil strife. Without thinking it at all necessary to annul the charters she had granted but a few years before to the American Transit Company, Nicaragua accordingly accepted Chevalier's proposals with eagerness, and the Emperor's plans, for one brief moment, seemed on the fair road to fulfilment.

But Napoleon's star had reached its zenith, and now began to set. Up to this the Emperor had paid but indifferent attention to the protests of the Washington government against his operations in Mexico; but now that Richmond had fallen and Lee had surrendered, these protests meant something more serious. It was one thing for us to announce our Monroe doctrine on paper,—and we have never accomplished much in this way,—but it was quite another matter to lay down the same law when backed by the force that was then at our disposal. So the Union government gave a last intimation to the French that it would be convenient for them to leave, and at the same time deployed a body of veterans to the southwest, and the result was indeed surprising. Napoleon withdrew, leaving the ill-fated Maximilian to bear the brunt of his de-

sersion, and in a month or more the Mexican Empire was a thing of the past.

The Emperor clung fast, however, to the rights he had acquired in Nicaragua, and still hoped to fulfil his ambitions in America, by using this state henceforth as his vantage ground. But the United States did not have to interfere any further in the matter, for, as we had just emerged from our great struggle, so Napoleon was now advancing steadily toward his own ruin at Sedan, and with his downfall French designs upon the Nicaraguan canal route came to an end.¹

¹ J. McCarthy, "History of Our Own Times," Ch. XLIV.

Bancroft, *loc. cit.*, "History of the Pacific States," Vol. IX., Ch. I-XIV.
Gaceta Oficial, Managua, Nicaragua, Feb. 27, 1887.





PART THREE.

THE PERIOD OF GOVERNMENTAL ACTIVITY—THE CANAL
PROJECT A NATIONAL UNDERTAKING. 1865-1896.

CHAPTER XV.

THE REORGANIZATION OF THE AMERICAN
CANAL PROJECT.

THE era of good feeling which prevailed throughout the land during President Monroe's incumbency, was the outcome of our national spirit and enthusiasm, and for one brief moment the "general will" of the people found expression in the action of the executive. Having neither sectional nor class interests immediately before our eyes, our national vision was clear and we faithfully described the future as it appeared to us. No pressing necessity constrained us to adopt the Monroe doctrine as a policy, however, for plenty of waste land lay directly before us to the west, and at that time we could not well conceive of future exigencies urging us to demand the whole American continent for our own uses. It was a doc-

§ 109. The
Monroe
Doctrine
Before and
After the
War.

trine, nothing more, and its formulation was simply an expression of our national faith.

Individuals of the same sect, holding fast to one creed, are very apt to quarrel among themselves as to the proper interpretation of their dogma and as to its application to particulars;—and so it was with us as a nation. The diversity of our natural environment was sure to divide us into at least two factions imbued with diametrically opposite instincts. Commerce, manufacture, and the small farm were the evolutionary products of the North; plantations, exportation, and negro slavery were the economic necessities of the South;—and yet, as a nation, we were bound to advance toward the west.

The more immediate question of slavery soon came to form the nominal issue between the two contending parties, and it was after all the sectional antagonism between our free States and our slave States, rather than our national rivalry with Great Britain, that goaded us on to the Pacific. Even after we had reached the coast our interests were still divided, as we turned our attention to the isthmus farther south. The Northerners were now capitalists, and the transit project appealed to them primarily as a source of revenue. To the Southerners, on the other hand, interoceanic communication was a means to quite a different end. It was primarily the ambition of the South to extend the area of slavery; and this required the addition of immense stretches of territory toward the southwest. Interoceanic transit facilities were indeed essential

in order to bind these newly acquired possessions with the centres of slavery about the Gulf; but the land of the isthmus was also important of itself, as a new centre of the Southern system.

During all these years we continued to uphold the Monroe doctrine, ostensibly at least, as a nation; but in reality each faction was interpreting it to suit its own immediate needs, and supporting it in its own behalf. But Great Britain, on the contrary, had long since passed through the adolescent stage when internal politics were allowed to interfere with the consistency of her foreign policy. Thus the contest over the canal route was hardly fair, between nations of such unequal age and experience; but we had, of our own volition, somewhat brusquely asserted our majority, and were supposed to know how to take care of ourselves. Besides, there is as yet no tribunal in international law which looks after the interests of diplomatic minors, in order to prevent any injury accruing to them from damaging contracts entered into during their youth. Thus, whatever may have been our excuse, the Clayton-Bulwer treaty, with all its damaging reservations and estoppels, still held good.

The Civil war then followed, marking a period in our national career, and giving still a different turn to the Monroe doctrine. The nation was supposed to be united after this, and as a result, our foreign policy had to be readjusted to the *status quo* of 1823. But force had been used to bring about the new unity, and such methods were hardly calculated to re-

establish an "era of good feeling." The Northern Republicans were left in complete control, at all events, and they were now determined to bring all sections of the country under their modern industrial *régime*. As individuals they were to undertake the development of the young West, and the reconstruction of the old South. In their governmental capacity they represented the nation as a whole, and they were bound accordingly to make its influence felt in the diplomatic world.

California was now a duly constituted State of the reorganized Union; but its inhabitants were still cut off from the industrial life of the East by ranges of mountains and miles of uninhabited prairie. The Union itself was none too firmly established as yet, and it was, therefore, an imperative political necessity for the Republicans that some permanent system of transit be established between our eastern and western seaboard.

A more thorough knowledge of the topography of the Rocky Mountain range had, however, by this time demonstrated the possibility of transcontinental railway lines, and it was, therefore, with this more immediate solution of the transit problem that Congress concerned itself directly after the war. But the North had become a commercial power as well, and the shipping and coasting trade of the country demanded a water-way to the West. The problem was, indeed, not so pressing as before, but still the demands of the near future were not to be lost sight of, and it was, therefore, incumbent on the Republicans to formulate a new canal policy.

Private capitalists of Europe and America had thus far succeeded in establishing some temporary transit facilities and a railway across the isthmus; but then, in all their varied endeavors, they had only secured the political and diplomatic aid of their respective governments. Something more substantial than this was now necessary, but it was still a question how far governmental agencies should commit themselves in the matter. The conception of the *Fiscus*, and the idea of acquiring social profit from rational public expenditure had not yet become developed in the people's mind, and thus the period we are about to describe must be designated as one of transition, from the pure individualism of the past toward the socialistic ideas that are now beginning to prevail in the transit question. The United States government has accordingly contented itself up to the present with instituting surveys on its own account and in planning to lend its credit to some few, instead of to all its citizens. We have thus to deal with a period of governmental aid for private profit—a precursor, perhaps, of a coming era of governmental control for national profit.

Before any further steps could be taken in the matter of isthmus transit, the Republican government at Washington had first to re-establish those ancient bonds of friendship between the United States and Spanish-America which the Democrats, with their semi-official filibustering expeditions had so effectually destroyed. A *rapprochement* was no longer difficult, as the abolition of slavery in

§ 110. Our Rapprochement with the States of the Isthmus.

the United States had practically removed the only source of permanent discord between the two Americas. Great Britain, too, was still holding aloof from isthmian politics, and the French were absorbed, just at this time, with the exigencies of their Empire at home. Mexico had been freed from foreign domination by the threatening attitude of the United States, and all Spanish-America to the south was again open to conviction on the Pan-American idea. The Conservatives also had lost their hold on the isthmus and the Liberals were everywhere coming into power, with high hopes now of establishing a permanent union of the Central American states as well.

Thus everything favored the American cause on the isthmus, and Secretary of State Seward resolved to make the most of the opportunities thus afforded of reasserting our ancient prestige. "Everybody wishes the Spanish-American states well," he wrote to Mr. Dickinson, our minister in Central America, "and yet everyone loses patience with them for not being wiser, more constant, and more stable." But, he continued, the United States still desire to deal with them "justly and fairly and in the most friendly spirit," looking only to their "welfare and prosperity." To these friendly overtures the Liberal governments responded most heartily, and thus assured, Mr. Seward proceeded to elaborate his plans more in detail.

In the meantime the project of constructing an interoceanic railroad line across Honduras had been

revived. Further surveys were then being instituted along the route, and Honduras had already granted a concession for the work to the British Honduras Interoceanic Railway Company.¹ English capital was evidently behind the scheme, but no international question seemed likely to arise, as the matter was no longer of such serious political importance.

§ III. The United States Negotiate a Treaty with Honduras.

Still Seward deemed the project well worthy of his government's attention, and he proceeded at once to enquire into the affair. Squier's treaty with Honduras had long since been disavowed, as we know, and thus the United States possessed no rights of transit through the country, so Seward was obliged to act at once in order to make good this omission of the past. The Liberals, just then coming into power again, responded very cordially to these fresh overtures from their old-time ally of the North; and on July 4, 1864, a treaty was concluded between the two powers, granting to the United States their desired right of way through Honduras territory. In return for this favor our government then undertook to guarantee "positively and efficaciously" the neutrality of the route, and also Honduras's right of sovereignty over the railway line as laid out, promis-

¹ This plan seems to have originated with Captain Bedford Pim, of the British Navy, who had been sent out by his government in 1860 to protect British interests on the isthmus from the attacks of American filibusters. Pim's forces co-operated with Honduras in apprehending Walker on his last raid, and this paved the way to a friendly *entente* on the railway question.

ing further "to protect the same from interruption, seizure, or unjust confiscation."

But Seward could not rest content with such general treaty stipulations, securing for his government only negative rights and assuring it no political control. He desired, if possible, to revive all the rights that Squier had been able to obtain, and again secure the island of Tigre in the Gulf of Fonseca, for a United States naval station. This might involve some difficulties with Great Britain, however, so Seward first wrote to Mr. Adams, our minister in London, instructing him to "sound Lord Clarendon as to the disposition of his government to favor us in acquiring coaling stations in Central America, notwithstanding the stipulation contained in the Clayton-Bulwer treaty."

Adams's soundings soon convinced him that by pursuing Seward's course we would shortly be upon the rocks of another diplomatic controversy with Great Britain, so he warned Mr. Seward that there was "the possibility that the terms of the Clayton-Bulwer treaty might interpose difficulties in the way of securing the most convenient point that we might desire." Mr. Seward took the hint and deemed it wiser to change his course.¹

In Nicaragua also there were a number of ante-bellum tangles to be straightened out before the

¹ Sullivan, *loc. cit.*, p. 79.

Rodrigues, *loc. cit.*, p. 33.

"Foreign Relations of the United States," 1868. Govt. Print.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 155-157.

Captain Bedford Pim, "The Gate of the Pacific." London, 1863.

Republicans could lay the warp of their new canal policy. The Emperor Napoleon had been forced to abandon his projects in America, it is true, but during their short sojourn in Nicaragua his agents had at least succeeded in playing ducks and drakes with the rights of the American Canal Company.

§ 112. The
Dickinson-
Ayon
Treaty with
Nicaragua.

Between Belly's rather ignominious exit and the appearance of M. Chevalier, the Emperor's lieutenant, the Central American Transit Company, it will be remembered, became the lawful successor to the rights and privileges of the unfortunate Accessory Transit Company. Having gained this preliminary advantage, the American promoters then opened negotiations with the Nicaraguan authorities, as we have seen, for the renewal, in their name, of the original concession to the defunct American Atlantic and Pacific Ship Canal Company. A contract to this effect was apparently signed, and at least informally ratified by both parties in 1863; but some trouble arose soon after, and Nicaragua again accused the Americans of bad faith.

In the meantime, however, the Transit Company had induced their government at Washington to appoint a hydrographic expert, Captain P. C. F. West, of the United States Coast Survey, to institute a survey of the river and port of the San Juan, with a view to rendering the stream navigable for light-draught vessels, and the roadstead accessible for ocean steamers. But by the time the work was completed and the report handed in, the French had again inter-

vened, this time in the person of the Emperor's lieutenant, M. Chevalier, and secured monopoly rights in Nicaragua. This put an end to the practical operations of the Transit Company, but, being of so passing a nature, the French occupation did not seriously affect the more general question. After the French had withdrawn the National Academy of Sciences took the matter up, and appointed a committee¹ to inquire into the causes that had led to the deterioration of the harbor of the San Juan, and to suggest plans for its improvement; and this induced Seward to institute fresh efforts toward re-establishing cordial relations with Nicaragua in order that American rights of transit might not suffer in the future from foreign interference.

No further action had to be taken against the French in Nicaragua, but Mr. Andrew B. Dickinson, whom Lincoln had despatched to Central America some time before, as we will remember, in the conviction that everything had already been satisfactorily provided for, soon saw that fresh trouble was brewing along the Mosquito shore. Upon the conclusion of the treaty of Managua, the autonomous Mosquito reserve came naturally enough under the control of a band of Jamaica negroes and half-breed Mosquito Indians, calling themselves British subjects, who at once established English laws in the land. The English settlers on the shore

¹ This committee was composed of the following gentlemen: General A. A. Humphreys, U. S. A.; Rear Admiral C. H. Davis, U. S. N.; and J. E. Hilgard, Acting Superintendent of the U. S. Coast Survey.

supported the new *régime* and really directed its policy. The Americans, on the contrary, ranged themselves in opposition to the local government of the reserve, and openly supported the Nicaraguan authorities in their protests. Thus encouraged, the Nicaraguan government refused to pay its subvention to the Mosquito Indians, and also began to interfere arbitrarily in the internal affairs of the reserve. The British agents thereupon protested, and reported the affair to the Home government.

Before acting officially in the matter, Dickinson sought advice from Secretary Seward, and, after receiving documentary proof of his policy, he informed the Nicaraguan authorities that the United States government was cordially disposed toward their claim of sovereignty over the Mosquitos, and would support them in their present protest to Great Britain. The reinstated Liberals of Nicaragua received these assurances with delight, and promised Mr. Dickinson that they would gladly revive the old transit rights in favor of American citizens.

Mr. Dickinson had been sent out originally to negotiate a new treaty with Nicaragua, and now the opportunity was at last afforded of securing the terms that Lincoln had hoped for. Nicaragua's Minister of Foreign Affairs, Señor Ayon, signified his willingness to negotiate, and in June, 1868, a treaty was finally concluded and ratified by both parties.¹ This convention was very similar in its provisions to the Squier and Cass-Yrisarri treaties,

¹ For full text of important provisions of this treaty *vid.* Appendix C.

both of which had remained unratified. Mindful of the terms of the Clayton-Bulwer treaty, however, the United States took care in this convention not to assume any exclusive control over the canal, but still undertook, as before, to guarantee the neutrality of the route. In return, Nicaragua once more granted us a right of way across her territory; but this again was no exclusive right, for from all such monopoly privileges we were now debarred by our liberal promises to Great Britain. Thus the Dickinson-Ayon treaty was but a general arrangement after all, and was intended to serve as a bond of friendly union with Nicaragua, rather than a guaranty of American dominion along the canal route. It has never been deemed adequate to our needs, but for one reason and another, as we shall see, it has never been superseded by any more exclusive engagement, and so it remains to this day.¹

Our diplomatic and political relations with the states of the lower isthmus were in equally bad shape. In soliciting the co-operation of Great Britain and France for a joint guaranty of the Panama route, Seward had made the best of an unfortunate situation, but he felt he had certainly established an awkward precedent. With the success of the Union cause, the whole diplomatic situation had changed in favor of the United States, and Seward now recog-

§ 113. The
Cushing
Convention
with
Colombia.

¹ Diplomatic Correspondence of the U. S., 1868, Pt. II., p. 643.
Engineering Magazine, loc. cit., March 3, 1893.
De Kalb, *loc. cit.*

nized the necessity of reasserting our original policy of exclusive control over this section of the isthmus.

The Liberal government was no sooner established in the new confederacy of Colombia than it became involved in a dispute with Spain. Spain was then at war with Chile and Peru, and Colombia of course sided with her Spanish-American neighbors. The Spanish military authorities then attempted to force materials of war across Panama *in transitu* to the South Pacific, and Colombia again called upon the United States to maintain the neutrality of the isthmus. This was a test case in international law and involved the strict interpretation of our treaty of 1848. Appreciating the nicety of the legal points involved, Secretary Seward referred the matter to the Attorney-General for decision, and he decided that the United States had the right under the treaty to intervene, if the State Department should at any time consider intervention necessary to maintain the neutrality of the isthmus. The actual necessity did not materialize at this time, but the judicial decision alone went far to strengthen our case under the Monroe doctrine, and bound the Liberals of Colombia still more closely to the American cause.

But the treaty of 1848 was far too general in its terms, and Seward was now the more determined to emphasize American rights of transit and control more in detail, and thus avoid all future question on the subject. So important did he deem the matter to be, that he prevailed upon Caleb Cushing, the proved diplomatist of that day, to proceed to

Bogota in 1868 and open negotiations for a new treaty.

Mr. Cushing's Chinese experience must have prepared him for the condition of affairs he found upon his arrival, for he really conducted matters admirably in the midst of such political confusion as only Spanish-America seems capable of enduring. During the previous year, 1867, Mosquera, the Liberal leader, had again attempted to establish himself as Dictator, but even his own party refused to support this last *coup d'état*. This precipitated a Conservative revolution which was in progress when Cushing arrived. He did not press his point at once, therefore, but took time to impress both parties with the views of his government. For a moment the Conservatives gained the upper hand, and, having banished Mosquera, they elected a new President of their own. But the Liberals were still in the majority, and Cushing saw that they were soon to regain control. This occurred before the year had elapsed, and with the Liberal government once more installed, without the firebrand Mosquera at its head, it was at last possible for Cushing to carry out his plans.

Thus, on January 14, 1869, a treaty was concluded which, if ratified, would amply have secured our rights on the lower isthmus. According to its terms the United States were to have the sole right of constructing a canal within the territory of Colombia, and for this purpose the Colombian government was to reserve a strip of land across the isthmus for the canal route itself, and ten miles on either side. The

land thus appropriated was to be divided into an equal number of lots, half of which were to remain with Colombia, and the other half to be conveyed to the United States. The canal being constructed by the United States, its government and control were also to remain in their hands, and for this purpose they were to be allowed to employ their military forces if the occasion should arise. Colombia, it is true, was still to retain the "political sovereignty and jurisdiction over the canal and territory appertaining thereto," but only with the proviso that she should "not only allow but guarantee to the United States of America the peaceable enjoyment, control, direction, and management of the same"; and in conclusion it was declared that "the political obligations herein assumed by the United States of America and the United States of Colombia are permanent and indefeasible."

This convention in itself was a complete vindication of Seward's previous policy toward the states of the lower isthmus, and must have acted as an effectual bar toward the running of that dangerous international precedent he had established during the war. But internal dissension in our own country again put a quietus on our claims. It was this time the Republicans who were quarrelling among themselves; their Congress had already tried and practically convicted their own President for high crimes and misdemeanors, and an agreement between the executive and the legislature was now out of the question. More as a matter of form than anything

else, Johnson turned the Cushing treaty over to the Senate for ratification on February 15, 1869, but that body found it "inadequate," and thus Seward's best efforts were sacrificed to party exigencies.¹

While Seward was thus engaged in establishing better diplomatic relations with the several states of the isthmus, practical interest in the canal project was again being aroused in the United States through the activity of one of our young naval officers. As early as 1857, Admiral Daniel Ammen, then a young lieutenant, had interested himself in the report of Strain's survey along the Caledonian route, and begged Secretary of the Navy Toucey for the necessary funds and authority to continue the still imperfect surveys of the lower isthmus. It was Ammen's wise axiom, that "the bed of a stream or river furnishes the line of lowest levels in the basin drained," and as Strain was said to have distinctly heard the evening gun of the *Cyane* lying off the Atlantic shore, after he had crossed the divide and was well down on the Pacific side, Ammen felt convinced that there must be some low level in this region which had thus far been overlooked.

Instead of being commissioned to continue the explorations, Ammen was ordered off to the Pacific. On returning from this cruise his vessel, the *Merri-mac*, was stationed for a time in the Bay of Panama,

¹ Rodrigues, *loc. cit.*, pp. 34-36, 184-186.

E. J. Payne, *loc. cit.*, "History of European Colonies," Ch. XVI.

"Appleton's Cyclopædia of American Biography," Vol. II., p. 38.

U. S. Ex. Doc., 112, 46th Cong., 2d Sess.

and Ammen then asked leave of his commander to conduct a volunteer expedition into the interior on his own account. But permission was again refused him, so Ammen returned, practically no wiser than before, but with his theory as to the proper method of conducting further investigations very well worked out in his mind. He then read a paper on the subject before the New York Geographical Society, which immediately awakened interest in his plans.

During the period of the war which followed Ammen's attention was greatly absorbed in his duties as a naval commander, but not entirely to the exclusion of his canal projects. It was at this time that he aroused General Grant's interest in the matter, and it was Grant in turn who finally convinced Secretary Seward of the paramount importance of securing a new treaty with Colombia, in order to be sure of our advantage if Ammen's theory of a low level across the lower isthmus should after all prove correct.

Nor did Grant's activity stop there, for it was at his request that Senator Conness of California introduced a bill into Congress at this time calling upon the Secretary of the Navy to furnish a report of all the surveys thus far conducted on the isthmus, and to give his opinion as to the relative practicability of the several routes. The resolutions were passed, and, under instructions from the Navy Department, Rear Admiral C. H. Davis undertook to look the matter up. His report was, indeed, far

from encouraging. In regard to the lower isthmus, Davis declared that this region had not, as yet, been satisfactorily explored, and as for the more general question of interoceanic communication, he asserted "that there did not exist in the libraries of the world the means of determining, even approximately, the most practicable route for a ship-canal across the isthmus."¹

Such was the condition of affairs when Grant was made President in 1869; and a vigorous American canal policy now became the political order of the day. Grant had no doubts as to the technical feasibility of the project and was only fearful lest the United States should be forestalled in the matter by Europe. "If it is not accomplished by America," he said, "it will undoubtedly be accomplished by some of our rivals in power and influence," and "I regard it as of vast political importance to this country that no European government should hold such a work."

Thus impressed with the immediate necessity of the case, Grant then decided upon a definite course of action regarding the transit question, and subsequently laid his policy before the people with the following recommendation:

"In accordance with the early and later policy of the government, in obedience to the often-expressed will of the

¹ "Report on Interoceanic Canals and Railroads," Rear-Admiral Charles H. Davis, Supt. of Naval Observatory. Govt. Print, 1869.

Sullivan, *loc. cit.*, p. 30.

Rodrigues, *loc. cit.*, pp. 11-36.

American people, with a due regard to our national dignity and power, with a watchful care for the safety and prosperity of our interests and industries on this continent, and with a determination to guard against even the first approach of rival powers, whether friendly or hostile, on these shores, I commend an American canal, on American soil, to the American people."

But much still remained to be done before any such American canal policy could be carried out in detail, and Grant was also fully alive to the more practical exigencies of the occasion. Our diplomatic relations with the uncertain isthmic republics were still in an unsatisfactory condition, and then, in view of the final location of a canal route, the isthmus itself had still to be regarded as an undiscovered country. There were political and technical preliminaries to be arranged, therefore, before anything definite could be decided upon, and the President accordingly at once took steps to provide for their execution.¹

Admiral Davis's report together with Admiral Ammen's theory in the matter left the impression that further surveys along the partially § 116. The explored lower isthmus would result in Hurlbut the location of a favorable canal route in Treaty with this region, despite the statements of Strain, Colombia. Craven, and Flachet to the contrary. It thus seemed to Grant doubly important to secure political control of the country in question. Seward had responded

¹ General Grant to Admiral Davis, July 7, 1866.

Sullivan, *loc. cit.*, p. 29.

North American Review, February, 1881.

very readily to Grant's previous suggestions in regard to securing a more favorable treaty with Colombia, and, as we know, the Cushing convention was the immediate result. But while the negotiations were still pending, the personal relations between the two became strained, owing to the action taken by President Johnson in military matters; and, to quote the words of Lieutenant Sullivan, "the subsequent indifference shown by Mr. Seward, the Secretary of State, caused General Grant to refrain from having anything more to say to him in relation to further examinations of the isthmus."

But Grant's course had since been vindicated by his party, and one of his first acts as President was to call upon his old military companion and trusted friend, General Stephen A. Hurlbut, to continue the diplomatic relations with Colombia which Cushing had been obliged to abandon. General Hurlbut accepted the post of resident minister in Bogota, and began at once to arrange with the Liberal government for the prosecution of further surveys on the lower isthmus, and for the re-enactment of the unratified Cushing convention.

All went well at first, and on January 26, 1870, General Hurlbut signed a treaty with the Colombian authorities, which revived in favor of the United States nearly all the rights which Cushing had previously secured. That is, the United States again secured the exclusive right of constructing and operating a canal within the confines of Colombia; but in regard to the right of military intervention

on their part, and in the matter of an exclusive guaranty of the route, the Colombian plenipotentiaries were not so generously disposed as before. Conservative influences had again become a factor in the problem, and these all tended toward an international system of control.

Neither Grant nor his Secretary of State, Mr. Hamilton Fish, were thoroughly satisfied with the political provisions of the Hurlbut treaty, but submitted it to the Senate, nevertheless, for amendment or ratification. But the Conservatives in the Colombian legislature, on the contrary, thought the treaty granted too much to the United States, and insisted on amending it in such a way as to make it provide, in so many words, for a joint protectorate of the powers. Mr. Fish took strong ground on this matter, and informed the Colombian government that "in the present state of international law, such a joint protectorate would be the source of future trouble, and might probably prove an obstacle to the ratification by the United States Senate of a treaty on the subject."

But this threat had no effect upon the Colombian government. The Clerical minority had confidence in the enthusiasm of the French, and thus refused to commit themselves in advance to the still uncertain American cause. Mr. Fish was right; the United States Senate refused to ratify the treaty as amended, and, as the Colombians could not be coerced into our way of thinking, the Hurlbut convention also remained unratified, and the diplomatic relations be-

tween the two countries still continued to be regulated by the unsatisfactory, and altogether too general, basis of 1848.¹

In the meantime Grant was busily engaged in providing for the technical preliminaries of the work. In this matter of locating the canal route the President had complete confidence in Admiral Ammen, and was particularly anxious that he should now be afforded ample opportunity for carrying out his plans of investigation. To this end Ammen was recalled from the Asiatic station by the Navy Department, and appointed Chief of the Bureau of Navigation, that he might in this capacity organize and direct the surveying expeditions that Grant had in view.

But Congress had first to provide the necessary authority and appropriations, before the work could be begun. At Grant's instigation Senator Conness again took the matter in hand, and in the spring of 1869, succeeded in having a resolution passed by Congress providing for the necessary explorations on the isthmus by officers of the United States Navy. Admiral Ammen was then put in charge of the operations and directed by the Secretary of the Navy "to give special attention to the selection of the most efficient officers for this work; to look closely to the proper supply of articles of subsistence, and for the best instruments found by

¹ Rodrigues, *loc. cit.*, pp. 36 and 186.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 157-162.

experience to be suitable; to formulate orders for his examination and approval; to examine closely the results of surveys; and to supply whatever deficiencies might be found to exist for the full investigation and determination of this question."

Under a further resolution of Congress, the President, on March 13, 1872, also appointed an Interoceanic Canal Commission, consisting of the Chief Engineer of the Army, General A. A. Humphreys, the Superintendent of the Coast Survey, C. P. Patterson, and Admiral Ammen, as Chief of the Bureau of Navigation. This board was instructed to study the results of the several exploring parties, and also to gain all available knowledge regarding the question of interoceanic communication from other reliable sources.

The diplomatic efforts of our State Department had thus far met with but indifferent success, owing to the lack of proper methods in dealing with the Spanish American republics; but the Navy Department had only natural obstacles to contend with, and its duties, as we shall see, were both thoroughly and admirably performed.¹

¹ Sullivan, *loc. cit.*, pp. 29 ff.

Rodrigues, *loc. cit.*, pp. 11-36.

U. S. Sen. Ex. Doc., 15, 46th Cong., 1st Sess.





CHAPTER XVI.

THE UNITED STATES GOVERNMENT SURVEYS.

THE surveying parties organized by the Bureau of Navigation and now sent down to the isthmus under the auspices of the United States government, were detailed solely for the purpose of acquiring exact and scientific information concerning the several canal routes. There was no scheme or concession behind the movement with which the final reports of the surveyors had to be made to coincide in order to assure the success of any preconceived project. In short, the private profit of promoters was for the time at least shut out, and for once the public interest of the American people alone considered.

Admiral Ammen's plan of following up the river valleys in order to come upon the lowest level on the divide, was adopted now as the fundamental principle of all the expeditions. An admirable commissary department was then organized in advance, to mitigate as far as possible the danger and discomforts necessarily attendant upon the surveys along the lower isthmus. Each exploring party was pro-

vided with instruments of precision, and naval discipline was ordered all along the line.

The Darien expedition was the first to start in 1870, in charge of Commander T. O. Selfridge, with orders to examine the San Blas-Chepo regions and all contiguous territory lying south and east.

Operations were begun on the Atlantic side at Caledonian Bay, to determine at the outset if Admiral Ammen's theory of a low level in this divide was after all correct. Selfridge found no depression in the range lower than one thousand feet,—precisely as Strain had previously reported. Lockage was furthermore discovered to be out of the question on account of the lack of an adequate water supply; so Selfridge was forced to conclude that a canal along the Caledonian route was impracticable unless a tunnel of from eight to eleven miles in length be driven through the mountains. The exigencies of isthmus transit could scarcely call for the execution of such a stupendous undertaking, and so Selfridge felt justified in reporting to his chief that he had finally “pricked the bubble of Dr. Cullen's Darien route.”

The expedition then retraced its steps along the isthmus to the Gulf of San Blas. In 1864, it will be remembered, Mr. Kelly's engineers had proceeded from Chepo on the Pacific, across the divide to within a few miles of this point, when they were turned back by the hostile natives. According to their report, a canal could be constructed along the San Blas route, provided a tunnel seven

miles long be cut through the range. It was now Selfridge's plan to fill in the gap in these surveys from the Atlantic side. But the results were again disappointing, for the reconnaissance of the eastern divide only added another three miles to the tunnel, and even then Selfridge deemed the route scarcely practicable, except perhaps as a last resort, in case no more favorable location could be found.

In the following year Selfridge divided his forces and arranged for a systematic survey of the Atrato routes, leaving Captain E. P. Lull in charge of the Atlantic division, while he himself crossed over to the Pacific side.

The Atrato-Tuyra route had been guessed at in a variety of ways by the French, as we have learned, but nothing was really known of the interior. Lull was therefore ordered to work his way up the Cararica from the Rio Atrato to the divide, while Selfridge proceeded from the Gulf San Miguel along the Tuyra to meet him on the summit. Each party made a favorable report upon the harbors they left behind them on the shore, but when they reached the range they found the topographical reality quite at variance with the previous surmises. Lull discovered that the main divide had nowhere an elevation of less than eight hundred feet in the neighborhood of the sources of the stream; and Selfridge on his side was met by a perfect network of hills along the Pacific, rising everywhere from two hundred to four hundred feet, before he even came to the main range. A canal along this route would

require actual excavation for a distance of fifty-five miles, and Selfridge estimated its lowest cost at \$250,000,000. Thus Lacharme's fanciful project went by the board, and there only remained de Puydt's figures to be verified. But the wonderful pass he had described was found to be 638 instead of 150 feet in height, and consequently the whole region of the Tuyra had also to be abandoned as impracticable.

While engaged in these surveys on the west, Selfridge had further divided his forces and despatched a third party to examine the valley of the Napipi farther south. The conditions were found to be more favorable here, and on the basis of the report handed in, Selfridge laid out a provisional canal route to extend for twenty-eight miles from Chiri-Chiri Bay on the Pacific, along the valley of the Napipi to the Atrato; and roughly estimated the cost of construction at \$61,000,000.

Having thus filled in all the gaps that Mr. Kelly had left in the knowledge of the Darien canal routes, Selfridge abandoned his labors in this disappointing region and handed in his report. Through American enterprise the legends of the district that had once held out such high hopes, were now replaced by disagreeable facts, and only a bare possibility of canal construction in this region remained.

The second governmental expedition was sent out in the fall of 1870 in command of Captain R. W. Shufeldt, to determine whether a canal were possible across the isthmus of Tehuantepec. All sur-

veys thus far instituted in this region had been mainly with a view toward railroad construction, but Shufeldt was convinced that a canal could be built anywhere along the isthmus if money enough were forthcoming, and provided that water could be found on the summit.

§ 119. The Tehuantepec Expedition. Moro, we will remember, had laid out a canal route across Tehuantepec in 1843, which was to run through Tarifa pass, and be fed by two or more small streams having their sources near the summit. But Shufeldt found this plan to be impossible, as the junction of the streams in question lay 180 feet below the level of the pass. He then began a search for a more favorable depression in this vicinity, but soon found Tarifa and Chivela to be the lowest of them all. As none of the streams of this region was either high enough or large enough to flood the canal, Shufeldt was obliged to devise a system whereby the Rio Corte should be made to act as a feeder to the canal by means of pumps and a supplementary aqueduct.

Under these disadvantageous conditions a canal route was then laid out, to begin at the head of navigable waters of the Rio Coatzacoalcos and proceed along the valley of this stream to the summit at Tarifa, and from this point down the western slope, to the lagoons on the Pacific shore. The total length of this canal was to be 144 miles. One hundred and forty locks were found to be necessary in order to cross the divide, and to make the waters

of the Corte available, a feeder of 27 miles had to be built. Shufeldt may thus have solved the difficulty of an adequate water supply, but the matter of expense practically eliminated the Tehuantepec route henceforth from the range of comparative feasibility for canal construction.

By this process of elimination, the Nicaraguan routes came thus again to command attention. The conditions were far better known here, and Child's surveys had already demon-
§ 120. The Nicaraguan Expeditions.
 strated the feasibility of at least an advanced lock canal across this section of the isthmus. The first Nicaraguan expedition set out in 1872 under the command of Commander Crossman, but met with a sad misfortune at the start. On landing, the ship's boat was capsized in the surf and Crossman was drowned.

The command thus devolved upon the junior officer of the expedition, Captain Chester Hatfield. After the necessary reorganization had been effected, Hatfield took his men across Nicaragua to the western shores of the lake and there set about a systematic examination of the numerous passes in the Coast range. Dr. Oersted's route along the Rio Sapoa was first studied and found impracticable. The line that Child's had run from Lajas to Brito was next examined, and again his conclusions were verified. In order to shorten this route somewhat and avoid the unsatisfactory valley of the Rio Grande, Hatfield then tried a line from the Rio Medio to the Pacific at Brito, but this was found to

involve a longer cut through the divide. The reconnaissance was then continued at two points farther north along the range, but in neither case was a more favorable depression to be found. The rainy season set in at this juncture, and, on June 12, 1872, Hatfield returned to his ship, leaving a party of midshipmen behind to complete the hydrographic survey of the lake.

Late in the autumn the surveys were resumed by another expedition in command of Captain Lull,—who, as we know, had by this time completed his explorations on the lower isthmus,—with Lieutenant A. G. Menocal as his civil engineer. Taking up the work where Hatfield had left off, Lull continued to examine all the passes to the north of Brito between Lake Nicaragua and the Pacific, but could find none suitable for a canal route. The party then passed on to Lake Managua to examine the route advocated by Napoleon. The harbor facilities at Realejo they found to be excellent, but the route as a whole they could not recommend so strongly. Continued dredging would be required, in their opinion, to keep the narrow channel open between the two lakes, and as Lake Managua was now discovered to be $22\frac{1}{2}$ feet higher than Lake Nicaragua, locks would also have to be provided. Lull thought the level of Lake Managua to be still uncertain on account of volcanic disturbances, and in the face of such a series of disadvantageous conditions, he therefore decided to abandon the route as impracticable.

The line from La Virgen Bay to San Juan del

Sur was next tried, but here the summit was found to rise 605 feet above the Pacific, and so this route was likewise abandoned.

The Lajas and Medio routes, both terminating at Brito on the Pacific, were thus the only ones left, and Child's opinion, given so many years before, was thus again substantiated. The Lajas summit was discovered to be 90 feet lower than that to be crossed along the Medio route, but still in the former case the waters of the Rio Grande had to be diverted, and this went far to equalize the advantages of the two. The Medio route was also discovered to be $1\frac{1}{2}$ miles shorter than the Lajas, and this turned the scale in its favor for Lull and his party.

Having thus succeeded in locating what in their opinion appeared to be the most favorable route across the Coast range, the surveyors then turned their attention to the middle and eastern sections of the canal line. The lake had already been examined by the party of midshipmen detailed for the purpose by Captain Hatfield, and it was now demonstrated that the body of water stood at an equal height, viz., 107.63 feet, above the mean tide level of either sea. This was an important detail and greatly simplified the question of lockage. It was then found that, with a proper system of dams, the Rio San Juan could easily be rendered navigable from the lake down as far as the Castilla rapids, or, indeed, the greater part of the way. Thus the actual excavation required in the eastern section was reduced to a minimum.

The work was all thoroughly done on this Nicaraguan expedition and nothing was taken for granted; for the poor reports from Tehuantepec and the lower isthmus had already convinced the authorities at Washington of the relative importance of these Nicaraguan routes, and they were determined to be sure of their data. A feasible canal line had now been run through the territory, and only the details remained to be elaborated.

The reports of the surveys thus far undertaken on the isthmus were then turned over to Grant's lately-

§ 121. Sup- appointed Interoceanic Canal Commission
plementary for examination. The results were not
Expedi- deemed as yet sufficient, however, to jus-
tions. tify a final decision, so a special committee
was then appointed at the request of the Commission, consisting of Major Walter McFarland and Captain William H. Heuer of the United States Engineers, and Professor Henry Mitchell of the United States Coast Survey, to make a further study of the Darien and Nicaraguan routes and report thereon. Some dissatisfaction had also been expressed at the disparaging account Selfridge gave of Mr. Kelly's San Blas project; and, as the Panama route had not as yet been thoroughly surveyed with the possibility of canal construction in mind, it was thought best to send out another expedition in order to clear up these still doubtful points. Selfridge's provisional canal line along the valley of the Napipi also seemed to hold out some promise, so still a further party

was organized to make a more thorough survey in this region.

Lull and Menocal were detailed for the San Blas and Panama surveys, and after going over the entire length of the San Blas route they fully confirmed Selfridge in his opinion as to its impracticability. After a detailed examination of the Panama route, Lull and Menocal came to the conclusion that a tide-level canal was here out of the question on account of the uncertain flow of the Rio Chagres, the rainfall at times causing the river to rise suddenly from 20 to 50 feet above its normal level. They found a lock canal, however, to be quite possible in this region. In their report, therefore, they elaborated a plan for such a canal, estimating its cost at about \$95,000,000.

The Atrato-Napipi route turned out disappointing. Lieutenant Frederick Collins was put in charge of this survey, and after a careful reconnaissance he was obliged to conclude that the canal would have to extend for some 30 miles, involving a tunnel of $3\frac{1}{2}$ miles, and would cost 98 instead of 61 million dollars as Selfridge had previously estimated.

Thus as a result of all the surveys, only the Nicaragua and Panama routes really remained to be considered, and according to the best American opinion there was to be no distinction between the two in the matter of locks.¹

¹ A detailed account of these United States governmental surveys is to be found in Lieutenant Sullivan's Report, *loc. cit.*

Toward the end of 1875, all the reports of the various surveys, examinations, and enquiries were completed and handed in, and it only remained for the Commission to weigh all the evidence and decide upon the most favorable route. The Commission then went carefully over the entire question of interoceanic transit from the earliest consideration of the problem down to these latest governmental surveys, and on February 7, 1876, finally reported to the President as follows :

§ 122. The Final Report of the Commission.

“ The commission appointed by you to consider the subject of communication by canal between the waters of the Atlantic and Pacific Oceans across, over, or near the isthmus connecting North and South America, have the honor, after a long, careful and minute study of the several surveys of the various routes across the continent, unanimously to report :

“ That the route, known as the ‘ Nicaragua Route,’ beginning on the Atlantic side at or near Greytown ; running by canal to the San Juan River ; thence following its left bank to the mouth of the San Carlos River, at which point navigation of the San Juan River begins, and by the aid of three short canals of the aggregate length of 3.5 miles reaches Lake Nicaragua ; from thence across the lake and through the valleys of the Rio Del Medio and the Rio Grande to what is known as the Port of Brito, on the Pacific coast, possesses, both for the construction and maintenance of a canal, greater advantages, and offers fewer difficulties from engineering, commercial, and economic points of view, than any of the other routes shown to be practicable by surveys sufficiently in detail to enable a judgment to be formed of their relative merits.”

This Commission was made up of men of tried intelligence and probity, and it represented, more-

over, the best expert opinion the country could afford. It had acted from entirely disinterested motives, and based its opinion upon only the most carefully verified data. It is not strange, therefore, that this decision has carried weight in the American mind, nor is it to be wondered at that the nation has never since been seriously diverted from its allegiance to the Nicaragua canal route by other more or less visionary schemes.¹

The decision of the Commission had the immediate result of casting still another diplomatic burden upon the shoulders of the State Department. Technical experts of the Army and Navy might well decide that the Nicaragua route was the best from "engineering, commercial, and economic points of view"; but this was far from saying that the location of a canal across the territory of Nicaragua carried with it any present political advantage to the government. On the contrary, the Nicaragua route had always offered distinct diplomatic disadvantages, to the construction and operation of a canal, and the situation was as yet but little improved.

If the United States were determined to construct a canal across this section of the isthmus, it was absolutely necessary as a political precaution, that the Clayton-Bulwer treaty first be modified to suit the altered circumstances, and then that some more definite rights of transit be gained from Nicaragua for the purpose. Mr. Fish fully appreciated the

¹ U. S. Sen. Ex. Doc., 15, 46th Cong., 1st Sess.

§ 123. Its Effect upon the Immediate Diplomatic Situation.

importance of these diplomatic conditions, and immediately set himself to the task of at least starting them on the road to fulfilment.

Fish was as ardent an advocate of the Monroe doctrine as the President himself, and, finding the Clayton-Bulwer treaty in their way, these two first hunted about to find some cause for its abrogation. Both Nicaragua and Guatemala had already complained to the United States that British settlers in Belize and Mosquitia had overstepped their boundaries and acted in a manner derogatory to the treaties of 1859 and '60. Indeed, the Guatemalan minister went so far as to say, that his government no longer considered itself bound by the treaty of 1859, as the English had continued to encroach beyond the Sarstoon river, with the tacit approval of the boundary commission sent out by the British authorities to adjust matters. Nicaragua, on the other hand, still refused to recognize the local government in Mosquitia, and positively declined to pay the idemnity which the treaty of Managua had called for. Taken together these two complaints might constitute a sufficient cause, Fish thought, to bring the Clayton-Bulwer treaty again up for discussion between the two signatory powers; though he was none too sure of his ground. He therefore instructed General Schenck, the United States minister in London, to look the Guatemalan matter up first, and if he found the facts to be as reported, to remonstrate with Lord Granville "against any trespass by British subjects with the connivance of

their government, upon the territory of Guatemala, as an infringement of the Clayton-Bulwer treaty which will be very unacceptable in this country."

Having thus inserted the wedge of a fresh discussion with England, Fish next turned his attention to Central America, in order to regulate our diplomatic relations with these states in accordance with the new conditions. Matters, he found, had again come to a hopeless pass between Nicaragua and Costa Rica, in spite of the Canas-Jerez treaty which was supposed to have settled their boundary dispute for all time. But since then the Rio San Juan had changed its course and was now debouching its waters through the Colorado mouth farther south. Thus both the channel and the port, Costa Rica now declared to be hers, and would have levied dues upon Nicaraguan imports.

The Nicaraguans had it on good authority that Costa Rica was this time being supported in her claims by a French canal syndicate, represented on the isthmus by a M. Lefevre, and this only added jealousy to their anger. But instead of basing their protests on a principle of international law, lately established by the treaty of Washington, giving riparian owners a natural right to the navigation of the stream which separates them, the Nicaraguan authorities straightway declared the Canas-Jerez treaty to be void on some flimsy technical grounds, and, in retaliation, they then seized upon Costa Rican territory on the west coast. War broke out again between the two states,

and the rest of the Central American republics lent their military support to Nicaragua in the struggle.

Throughout Central America the Liberals were still in control, and there was now a plan on foot to change this armed alliance against Costa Rica into a constitutional union of the states. Mr. Fish was greatly in favor of this scheme, thinking it would strengthen the American cause against French and English rivals. He therefore urged the matter strongly upon Nicaragua, pointing out to her that the Mosquito question had only come up for discussion after the dissolution of the last Central American confederacy. Mr. C. A. Williamson, the United States Minister in Central America, was also instructed to offer the good offices of his government to put an end to the present conflict, and thus render the proposed union possible. As might have been expected, however, the movement came to nothing. General Barrios, President of Guatemala, attempted to use force in the matter, and this only excited the jealousy of the other states, and caused them to hold aloof. The Conservatives everywhere were opposed to the union, and the internal revolutions they fomented in several of the states effectually put an end to the whole scheme.

The decision of the Commission had already given Nicaragua, moreover, an undue impression of her own importance, and this feeling was now increased by further flattering advances being made to her by

another French canal projector, M. Blanchet, who had been for some time looking over the ground, and was now anxious to secure a concession. The Conservatives were desirous of coming to terms at once with the French, while the Liberals still remained loyal to their American alliance; but both parties regarded the technical decision in favor of their canal route as a vindication of Nicaragua's political rights as well, and they all looked with confidence to some sort of foreign intervention that should crush out their rival, Costa Rica, and make their country the leading state on the isthmus.

To be the more sure of their technical premises, the Nicaraguan authorities, therefore, called upon Mr. Menocal to continue his surveys along the lower San Juan. While the work was in progress, the Liberal government also despatched a special commissioner, Señor Cardenas, to Washington to learn what terms the United States were willing to make for the immediate construction of the canal under American auspices.

Mr. Fish entered heartily into the plan and soon had the draft of a new treaty drawn up, providing for such necessary changes in the Dickinson-Ayon convention as would render it possible for a company of American capitalists to undertake the work. The wording of this instrument was very diplomatic, and its tone was conciliatory, for Fish was anxious that no objection should be raised by Great Britain and the other maritime powers of Europe to his

American canal project. But in this case the objections came from Nicaragua herself. Señor Cardenas, in short, refused to consider the question at all unless Mr. Fish would consent to pay Nicaragua an indemnity for the bombardment of Greytown. This was, of course, too absurd, for at the time of the bombardment, Greytown itself was both legally and actually beyond the jurisdiction of the Nicaraguan government, and besides, the United States still considered themselves justified in the course they had pursued.

Mr. Fish could not possibly consent to commit his government to any such stultifying conditions, and, as Cardenas would listen to no other terms, the negotiations were very soon broken off, to the immediate and ultimate disadvantage of both parties. Indeed, it seemed impossible for our State Department to make any progress at all in adjusting the diplomatic difficulties of the transit question, and Fish thus met with no more success in the matter than Seward had done before.

Grant certainly did his utmost during his two presidential terms to place the American canal project on a safe and sound basis. From the purely technical point of view the work of his administrations was crowned with success, but politically the question was now in even a worse condition than before. Grant appreciated this full well, for before setting out on his tour around the world, he made a personal appeal to President Hayes, who was now installed as his successor, urging him to leave no

stone unturned in providing for more adequate arrangements in behalf of the American canal.¹

¹ U. S. Foreign Relations, 1871, p. 683.

U. S. Diplomatic Correspondence, Oct. 7, 1871, and June, 1874.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 157 ff.

U. S. H. Ex. Docs., 732-43, 43d Cong., 1st Sess.; 157 and 168, 44th Cong., 1st Sess.; 59-61, 48th Cong., 1st Sess.





CHAPTER XVII.

THE INTERNATIONAL SCIENTIFIC CONGRESS.

ONE of the greatest monuments to the Bonaparte Emperors of France is the Suez canal, projected by Napoleon I., and successfully carried out to completion under the auspices of his nephew, Napoleon III. To Ferdinand de Lesseps was given the credit for the technical part of the work, and his fame as an engineer suffered no diminution in the minds of the French with the downfall of his political master. De Lesseps thus stood as the connecting link in France between the achievements of the Empire and the possibilities of the Republic. Having joined the two seas in the East for the former, it became naturally enough his ruling ambition to unite the two oceans in the West for the latter. A noble work, indeed, but more than one man could accomplish, to cut through the last dykes which still held back the eastern and western advance of the Aryans, and thus allow a smooth flow for the pent up commerce of the West.

In view of the diplomatic complications attending both the construction and the maintenance of the Suez canal, and in the light of the past and present

controversies over the political control of the American isthmus, de Lesseps confidently looked for an intervention of the powers in regard to the inter-oceanic canal, as Europe, he thought, could never consent to see it pass entirely into American hands. If the states of Europe were thus destined to act in political concert against the Monroe doctrine pretensions of the United States in regard to the canal, it would be well, de Lesseps thought, for the French to take the lead again in providing for the technical details; but with better hopes this time of maintaining their own prestige in the face of European rivals.

But before taking any definite action, the French had first to inform themselves, as the Americans were already doing, in regard to the relative advantages of the several canal routes; and with this end in view de Lesseps induced the Paris Geographical Society, of which he was then the president, to take the question up in the interests of science and the world's commerce. The matter was accordingly referred to the Society's Committee on Commercial Geography, and in 1875 this body reported that "in spite of the great number of explorers, there was no topographical knowledge complete enough on many points of the Darien and on many of the southern valleys of the Cordillera; and that while such gaps existed in that knowledge, it would be premature to pronounce conclusively on the choice of a route."

§ 125.
Resolution
of the Paris
Geographical
Society.

This was indeed true, as far as the French were aware, for the reports of the American surveying expeditions had not yet been published; but the committee did not attempt to say in what manner these "gaps" in science were to be filled in for the Society. It was de Lesseps's idea to have the Society make arrangements for an international congress of experts and laymen interested in the canal project, which should meet in Paris and decide upon the best route; but with the present meagre information concerning the topography of the isthmus this plan seemed to him impossible. To advance matters somewhat the Geographical Society then appointed a special *Comité français* to study the question, but as no funds were available for further surveys this committee was unable to proceed, and de Lesseps's canal project hung fire for the time.

At this critical juncture some gentlemen of the older imperial *régime* stepped forward and offered their assistance to the Republic. The events of 1870 had played havoc with the careers of these men, and they were eager for a chance of retrieving their broken fortunes. The canal project then seemed to offer the fairest opportunity. Their Emperor had always been a firm advocate of the scheme, and now de Lesseps, his ablest lieutenant, was interesting himself in the matter in behalf of the Republic. De Lesseps, moreover, was a relative of the ex-Empress Eugénie, and through the favor of their imperial

§ 126. La
Société
Civile, and
its Original
Conces-
sion.

mistress, these men might well hope to secure the promoter's co-operation in the plans they had in view.

With this idea in mind, a provisional company was organized by these former adherents of the Empire, called *La Société Civile Internationale du Canal Interocéanique*, and placed under the direction of a French naval officer, Lieutenant Lucien Napoleon Bonaparte Wyse, and his brother-in-law, General Etienne Türr, a Hungarian by birth. Being purely speculative in character, the first efforts of this company were directed toward securing a marketable concession from one of the states of the isthmus, and toward acquiring such property rights along the canal route as could be disposed of later on at a profit to some duly organized construction company. The Nicaragua route the imperialists found had already been pre-empted by their compatriots, Lefevre and Blanchet; the isthmus of Tehuantepec they deemed impracticable for canal construction; and an American railroad company was still in control of Panama. So nothing remained for the speculators but to turn their attention to the delusive lower isthmus.

The American experts had by this time pronounced their unfavorable judgment upon these canal routes, so Colombia was very ready to lend her ear to further persuasions from the French. Wyse had no difficulty, therefore, in securing a very favorable concession from the Colombian government for his company, and on May 28, 1876, a

grant was made according the French a right of way anywhere across the isthmus "south and east of the line joining Capes Tiburon and Garachiné." To the north and west of this line the lands were supposed to be under the control of the Panama Railway Company, and as a right of way across this region would have to be bought with something more substantial than the brilliant promises that had satisfied Colombia, Wyse was too prudent to demand any more for his company just then.

De Lesseps, in the meanwhile, was interesting himself in the various canal projects, and endeavoring to determine in his own mind upon the most favorable route. Already he had written to M. Blanchet that he regarded "the project of a canal through Nicaragua as the one which offered the greatest facility in execution and the greatest security in exploitation." De Puydt's route also seemed to afford many advantages, and when presented to him for his approval, de Lesseps spoke of the plans as "realizing his desiderata."

But technical opportunities were not the only factors in the problem, and de Lesseps desired to examine the concessions first, before coming to any final decision. De Puydt had had no dealings with Colombia, but Blanchet already had a bill before the Nicaraguan legislature providing for a concession in his behalf. This might have turned the scale at once in favor of the Nicaragua route, but the political advantages of the lower isthmus

were at this juncture enhanced by Wyse's return to Paris with his concession from Colombia, which included de Puydt's route. Thus Blanchet had a canal route but was not sure of his concession; while Wyse had a concession, but as yet had made no attempt to discover a canal route. So de Lesseps wisely determined to reserve his decision in favor of either party, until one or the other should have completed his claim.

With the interests of the Geographical Society and his proposed International Congress in mind, de Lesseps, therefore strongly advised the Wyse-Türr company to continue the French explorations on the lower isthmus, and thus fill in the "gaps" in science, while locating for themselves a favorable canal route at the same time under the concession. Wyse and his associates at once took the hint, for with de Lesseps's interest aroused in their plans the chain of their speculative canal project was all but completed. It was this company of imperialists, therefore, which finally came to the aid of the Geographical Society and offered to complete, at its own expense, the topographical knowledge of the lower isthmus, and make it possible at last to decide upon the best route,—though just how the most favorable canal line was to be determined upon by surveys instituted within a restricted area, bounded by the terms of a private concession, does not appear.¹

¹ *Revue des Deux Mondes*, August 1, 1879. Paris.

Journal des Débats, August 7, 1879. Paris.

An exploring expedition was accordingly fitted out by the Société Civile, on October 6, 1876, and § 128. The Wyse having volunteered his services, he Wyse Ré-

clus Sur- was put in command of the party.
veys on the The Atrato-Tuyra route being the first
Lower Isth- within the limits of the concession, was
mus and the therefore the first to be examined. Opera-
Company's tions were begun on the Pacific side at
New Con- San Miguel. From this point M. Celler,
cession. one of Wyse's most efficient engineers, ran a canal
line some way up the Tuyra and planned to continue
the route across the range, to descend to the Atrato
along the valley of the Cacarica. The total distance
Celler calculated to be something over 140 miles,
and a canal to connect the navigable waters on
either side, he thought, would require a number of
locks and a tunnel of over two hundred feet in
length.

But Wyse knew that such a plan would never enlist attention, and so he decided to run a line of his own from the head-waters of the Tuyra, by a shorter and more direct route, to Acanti Bay in the Gulf of Darien. There were mountains intervening, but Wyse knew nothing of these, and thus he had no serious difficulty in elaborating his plans for a tide-level canal along this route. No one of the party had as yet succeeded in reaching the Atlantic side of the divide, but early in April, when the rainy season set in, Wyse considered the knowledge he had gained amply sufficient for all his purposes, and he therefore returned with his experts to Paris.

They found de Lesseps was not to be so easily satisfied, however, so fearing to lose his favor, the Société Civile again despatched Wyse and a surveying party to the isthmus in the autumn of 1877, with orders to locate a more favorable route. This was impossible, however, within the restricted area of the original concession, so Wyse was now given authority to negotiate with Colombia for a more extensive grant, and if there seemed no help for it, also to come to some arrangement with the Panama Railway Company for the location of a canal line within the region it claimed.

On this second expedition Wyse was accompanied by another French naval officer, Lieutenant Armand Réclus, and a number of civil engineers. Before applying to the Colombian authorities for a more comprehensive concession, Wyse wished to find how far to the west the limits of his grant would have to extend in order to include a favorable route, and above all things he desired to avoid coming into serious conflict with the American company at Panama. So his first efforts were directed upon the San Blas route, and in December operations were begun again on the west coast. The party spent just two weeks on this exploration, but being unprovided with canoes, and not being able to make much progress by wading up the streams, the results of the expedition cannot be said to have been remarkable.

Wyse was evidently nettled at the reception his Acanti canal plans had met with in Paris, and he

now decided to make a more thorough survey of the region and demonstrate the advantages of the route. He therefore took his party once more to San Miguel, and on January 2, 1878, set them to work again on the line. It was Wyse's intention this time to push on over the divide himself, but the mountains disheartened him and he decided instead to reach the Atlantic by a more roundabout, but withal by an easier way. Leaving Réclus in charge of the main expedition, with orders to continue the surveys across the range, Wyse accordingly took one of his civil engineers, M. Verbrugghe, with him, and proceeded by steamer to Panama. There he and his companion took the train across the isthmus, and on February 4th they were taken on board a French war-ship and conveyed to the Gulf of Darien. Wyse and his companion were there put ashore, and the two then pushed up the Rio Acanti for some distance, just far enough, indeed, to convince Wyse that he had enormously underestimated the length of the Atlantic slope in his guess from the Pacific side. Wyse was now forced to recognize the hopelessness of his original plan, and, without waiting for Réclus to join him on the shore, he embarked again on the war-ship and returned to Panama.

On his way back Wyse had ample time to think the matter over and plan a new scheme. In the light of the past, he was well aware that no capital could be raised on the Caledonian route, the Atrato and San Blas routes had now both been tried and found wanting, so only the Panama route remained.

But the choice of this route would involve not only a considerable extension of the Society's concession, but also some financial arrangement with the Panama Railway Company. Wyse was obliged to recognize this, but seeing no other alternative, he resolved to abandon further surveys and devote himself to carrying out the necessary diplomatic negotiations. He could not act, however, until he had communicated his plans to the main party, and so he was obliged to wait in Panama till the others returned.

Meanwhile, Réclus really did succeed in crossing the range at Acanti, but not falling in with Wyse as he had expected on the Atlantic shore, he soon rejoined his force and started the whole party back to Panama, having spent just twenty-three days in the so-called survey of the Atrato-Tuyra route. Réclus reached Panama on February 25, 1878, and there found Wyse awaiting his arrival. Wyse then announced his intention of going at once to Bogota to secure a new concession, and ordered Réclus, in his absence, to make a survey of the Panama route.

No time was to be lost, so Wyse embarked on the same day for the south. The steamer landed him at Buenaventura, and there he took to horseback and scrambled up over the mountains with what haste he could, reaching the capital on March 12th, after a ride of fifteen days. The trip was made in so short a time, he said, "that the inhabitants of the capital, accustomed to long ridings, were astounded. It is true," he continued, "that I rode sometimes twenty-

two hours in a day, but at any rate I arrived in time to treat with the administration of President Parra, who, well aware of our efforts, had shown himself favorably disposed to discuss the modifications which I was commissioned to ask in the concession of May 28, 1876." The administration in question had indeed but nineteen days to live, but in less than a week Wyse was able to draw up a new concession to suit himself and secure the signature of the executive.

According to the terms of this grant the Société Civile secured an exclusive right of way anywhere within the territory of Colombia, provided due regard should be had to the rights of the Panama Railway Company. The land grants to the company were also more than doubled in this second concession, choice sections of Colombia's public domain being promised, beside all the land necessary for the canal itself and its works. In return for such generous favors, Wyse took it upon himself to provide for the organization of a regular construction company within two years' time, which in turn would complete the canal before twelve more years had elapsed. The Colombian government was to be paid in cash and stock for its grant, and was also to receive a share in the profits of the canal for the next hundred years, and such percentage, Wyse promised, should never be less than \$250,000 a year.

Meanwhile Réclus was having a hard time of it with his surveys along the chosen route. Illness

overtook him first and he was not able to begin operations until March 11, 1878. A week was then spent in fruitless reconnaissances, and March 28th found him once more back again in Panama. It was not until April 2d, therefore, that Réclus really commenced his surveys along the present Panama route. A Colombian engineer, Señor Sosa, accompanied Réclus part of the way, but after the first week he, too, was taken ill and returned. On April 20th Réclus himself contracted an earache, and in the face of this last misfortune he finally abandoned the attempt and went back to Panama. Réclus was frank enough to admit, it is true, that the survey "was not an exploration in the true sense of the word." Mr. Rodrigues, the commissioner who was sent down to the isthmus later on by the *New York World*, describes it more tersely as "a walk, if not a ride over the Panama Railway line." Such as it was, however, this was the survey on which de Lesseps based his Panama canal project, and on this account alone has it been deemed worthy of any description.

Ten days after his return to Panama Réclus set out for Europe, and laid the results of his explorations before the Paris Geographical Society and the company which had sent him out, to be elaborated for the benefit of science and speculation respectively.

It took some time for Wyse to engineer his concession through the uncertain Colombian legislature, but he was successful at last, and on May 18, 1878, after the last amendment had been disposed of, the

new President added his final approval to the grant. Within twenty-four hours Wyse was again on his way, and stopping off at Panama just long enough to learn that Réclus had completed his surveys and returned to Paris, he hurried on to Nicaragua to see what progress his rival Blanchet had made in the interim toward securing his concession.

Upon his arrival Wyse learned that the French canal bill had indeed passed the Nicaraguan Chamber of Deputies, but failed by one vote in the Senate. A motion to reconsider had been entered, however, and so the question was still in doubt. The situation was thus not at all to Wyse's liking, but an interview with the President, Fernando Guzman, soon convinced him that Blanchet's fate was sealed, unless, indeed, he could muster a two-thirds majority in the legislature to pass his bill over an executive veto.¹

Having learned of the President's intention to veto Blanchet's bill, Wyse saw that as far as concessions played any part in the struggle, his company was already far in advance of its French competitors. In the matter of the choice of a canal

¹ Guzman, in fact, was strongly in favor of an American canal, and made no secret of his proclivities. When informed of the result of the vote and of the motion to reconsider, he sent for the Senator who had moved for a reconsideration and frankly told him of his intention to veto the bill. The Senator was surprised and asked Guzman for his reasons. The President replied by jogging the Senator's memory and enquiring "if he remembered the French military occupation of Mexico and their attempt to destroy the Republic there?" He was convinced, he continued, that if the French built the canal, they would control the country and treat Nicaragua as they had already treated Mexico; while the Americans, on the other hand, "want the canal and will not destroy our government."

route, however, he was by no means so sure, so he thought it well worth his while to go over the Nicaragua route, in order to collect evidence against it, and be better prepared to refute its claims when the case came up in Paris. This did not take him a great while, for on July 1st Wyse took the steamer for San Francisco, and in due time arrived in New York. There he came to terms with the Directors of the Panama Railway Company, and soon after took passage for Europe and arrived in Paris on August 11, 1878.¹

Up to the present de Lesseps had, as we know, been standing between two groups of speculators in Paris, one backing Blanchet in his efforts to gain a concession from Nicaragua, and the other supporting Wyse in his schemes on the lower isthmus. But he had thus far refrained from rendering his decision in favor of either syndicate, preferring to wait until the former secured a concession, or the latter discovered a canal route to turn the scale. It was now a comparatively easy matter for de Lesseps to decide, however, between a company with a good route but no concession to cover it, and a company with an extensive concession, and at least the possibility of a number of routes within its range. As a result of the Wyse-Réclus surveys the gaps in

§ 129. De
Lesseps
Decides in
Favor of the
Société
Civile.

¹ "Rapport sur les Études de la Commission Internationale, etc.," Paris, 1879. Lahure, Imprimerie Générale.

Rodrigues, *loc. cit.*, Ch. III. ; Sullivan, *loc. cit.*, Ch. X.

U. S. Sen. Ex. Doc., 194, 47th Cong., 1st Sess., pp. 166-174, for Colombian concession in full.

the topographical knowledge of the lower isthmus were, moreover, filled in for science, and all was thus made ready for the convocation of the proposed canal congress. In the name of the Paris Geographical Society, the governments of Europe and America were accordingly asked to send delegates to an International Scientific Congress, to meet in Paris in May, 1879. Invitations were also sent to foreign geographical societies and other organizations, and de Lesseps took care to have a number of his personal friends in foreign countries included in the list.

In the interim de Lesseps busied himself arranging matters in the interests of the Société Civile and its Panama canal route. In the first place France herself must be well represented at the Congress and by men congenial to de Lesseps's plans. Thus, supporters of the Empire, Suez canal men, and Panama enthusiasts, were exclusively chosen as delegates. Then, too, the committees had to be made up beforehand in order that no hitch should occur in having the proper resolutions presented before the Congress. All this de Lesseps attended to with great care, and ultimately had everything arranged to the satisfaction of himself and his friends.

Much also remained to be done by the Société Civile before the Congress met, in elaborating their surveys and drawing up a choice of plans for the canal. On the basis of the data that Wyse and Réclus had collected, four practicable canal routes were accordingly worked

out in Paris with great care and in considerable detail.

The first plan was for a canal with twenty-two locks, along the Atrato-Tuyra route, stretching some 79 miles in length and overcoming a summit level of but 164 feet. The cost of this undertaking was estimated at \$140,000,000.

The second project provided for a tide-level canal from San Miguel to Acanti in the Gulf of Darien. Only 46 miles of actual excavation were here required, though the plans called for a tunnel of $10\frac{1}{2}$ miles. The cost in this case was figured at \$120,000,000. Such were the brilliant results of Wyse's first surveys, as continued by Réclus, but surely in striking contrast to the topographical facts which had so disconcerted them while on the ground!

In the third project, the abandoned San Blas route was resuscitated. A tide-level canal was now declared feasible here, to extend only $25\frac{1}{2}$ miles between the seas, and involving a tunnel of but $9\frac{1}{2}$ miles, and all at the trifling cost of \$95,000,000. Thus was Selfridge's opinion controverted, and Mr. Kelly's original plan revived; but then wading up a stream to see how far it goes, is hardly considered a safe method of reconnaissance, however productive of attractive canal projects.

But these first three plans were after all only intended as foils, to set off the advantages of the Panama route, and this was, therefore, reserved till the last. Still another tide-level canal was now declared to be quite possible along the valleys of the

Chagres and the Rio Grande, with a length of but 46 miles and only requiring $4\frac{1}{2}$ miles of tunnelling. This came at a somewhat lower price, \$85,400,000. Thus Réclus's outing along the Panama Railway had served some purpose after all, even though the earache had interfered.

Everything was thus in readiness for the final *coup* when the International Scientific Congress finally assembled in Paris on May 15, 1879. The make-up of the convention gave prescience of its final decision. There were 136 delegates in all, and of these, 74, a comfortable majority, were Frenchmen, devoted for the most part to de Lesseps's cause; while the remaining 62 consisted of foreigners from England, the United States, Holland, Switzerland, and Germany, and a goodly number from Spanish America as well. Only 42 of the delegates were engineers, the rest were laymen made up of de Lesseps's personal friends, Suez Canal Company employees, bankers, politicians, speculators, members of geographical societies, army and navy officers, and so on.

There were eleven delegates from the United States. The government commissioned two of these, Admiral Ammen and Mr. Menocal, but carefully instructed them not to allow the United States to become officially committed to any decision the Congress might choose to make. The rest of the American delegation was composed of Mr. N. Appleton, of Boston, a personal friend of de Lesseps, Mr. Kelly,

§ 131. The
Make-up
and Organi-
zation of
the Inter-
national
Scientific
Congress.

Commander Selfridge, Cyrus W. Field, two gentlemen from California, and three others. .

As had been previously arranged, M. de Lesseps took the chair and opened the Congress with a highly ornate speech in which he spoke of the "marriage of the oceans" and the "divorcement of the continents," and concluded by saying that the proceedings were to be conducted "*à l'Américain*," and that he hoped a decision would be reached within eight days. De Lesseps then proceeded at once to divide the Congress up into five grand committees, four of eighteen members each, and one, the famous Fourth Committee. composed of fifty-four delegates whose duty it was to decide upon the route. This was, of course, the only committee of importance, and de Lesseps had accordingly packed it beforehand with supporters of his scheme.

Mr. Menocal and Commander Selfridge figured as the American members of this technical committee, and Admiral Ammen was also called in to give the results of the surveys he had lately had instituted for his government. Selfridge explained the nature of the Atrato-Napipi route, and also gave valuable information concerning the San Blas project. Menocal presented a detailed account of the Nicaragua route, and endeavored to impress upon the committee the difficulties attending the proper control of the Rio Chagres along the Panama route.

The English delegates, Sir John Hawkshaw and Sir John Stokes, both supported Menocal in his

§ 132. The
Resolution
of the
Fourth
Committee.

opinions, and did all in their power to bring some order into the proceedings of the committee.

The French delegation was divided. Blanchet spoke in favor of the Nicaragua route of course, and tried to form a combination with the Americans in favor of his company, but failed. De Puydt tried to gain a hearing, but finding de Lesseps had deserted him, he retired disgruntled and refused to present his plans. Wyse presented the four plans elaborated by the Société Civile, and concluded in favor of the tide-level Panama project. Pointed questions in regard to the control of the Chagres were at once put by Menocal and Hawkshaw, and a heated discussion followed which resulted disastrously for Wyse's original plans.

To put an end to these general discussions that were leading to no results, two sub-committees were then appointed, the one to consider the question of locks, and the other to report on the possibility of a tide-level canal. Both these sub-committees were composed exclusively of Frenchmen, but they both agreed that with the information at their disposal it was impossible to consider a tide-level canal, and they reported unanimously, therefore, in favor of the Nicaragua project, saying that this had been "studied with much care and skill" and that in their opinion "it could be executed without material difficulties."

Things were looking dark for de Lesseps in spite of his careful previsions, and when matters came to this pass he determined to interfere. He therefore

appeared in person before the committee on the following day, May 27th, and told its members that the Congress was waiting impatiently for their report and wanted to be informed as to the relative cost of the several canals. The Congress would also require, he added, a direct yes or no answer from its committee, first as to whether a tide-level canal were possible, and second, if so, whether it could be constructed along the Panama route. There was much objection in the committee to such a categorical procedure, but de Lesseps insisted and, with the help of his henchmen, he carried his points.

Estimates were accordingly drawn up by the sub-committees for all the routes proposed, but only the Nicaragua and Panama figures carried any weight with the main committee. The total cost of the Nicaragua canal was fixed at \$143,000,000, and its time of construction at six years. The Panama canal, on the other hand, was estimated at \$208,000,000, and to this the sub-committee added another \$40,000,000 as a fair compensation to the Panama Railway Company. Twelve years were then given as the minimum period of construction. An animated discussion followed the presentation of these reports. The Fourth Committee then shut out all those who had presented projects and proceeded off-hand to raise the estimate of the Nicaragua plan to \$180,000,000, and the Panama to \$240,000,000. The time of construction of the Nicaragua canal was then increased in the same way to eight years instead of six.

Finding everything still turning against them de Lesseps and the Société Civile then adopted radical measures, the results of which alone are known. At this juncture Wyse appeared before the committee with a new plan to control the Chagres by means of a huge dam and thus render a tide-level canal possible. The project was at once taken up by de Lesseps's supporters and referred to a sub-committee with instructions to work up the estimates and report on the following day.

On May 28th, that is in less than twenty-four hours, the sub-committee succeeded in paring down the previous estimate on the Panama project to \$140,000,000 and reported favorably on the new plans. Mr. Menocal then asked "whether or not the design of such a canal was based on any actual survey or examination of the ground to determine its practicability, and if no surveys had been made for that purpose, on what data the sub-committee had based the estimates," but he could obtain no satisfaction. Seeing that the Nicaragua project was being forcibly put aside to make room for the Panama scheme, the American delegates then offered to supply further information concerning the latter route from the results of their recent surveys. M. Simonin, one of de Lesseps's most ardent supporters, thereupon jumped up and said hotly: "We are not here to register these schemes. Do they propose that we shall set about and examine everything that the Americans have been doing for the last ten

years? We should lose our time." The Americans made no reply, but ceased after this to take any further part in the discussions of either the Congress or its committees, it being their opinion, as expressed by Admiral Ammen before the Congress that "only able engineers can form an opinion, after careful study, of what is actually possible and what is relatively economical in the construction of a ship canal." The committee had evidently ceased to care for any such expert opinion, and the self-respecting engineers of England, France, and the United States, in consequence, withdrew.

Left to themselves the de Lesseps clique accepted the report of the sub-committee in favor of Wyse's project, and at once put a resolution through the committee adopting the Panama route. The vote on this preliminary question showed 20 in the affirmative, with 9 abstentions, and 26 absentees. It was next decided by 16 votes that the canal should be a tide-level one. Finally an inclusive resolution was introduced to the effect that: "the committee, standing on a technical point of view, is of the opinion that a canal such as would satisfy the requirements of commerce is possible across the isthmus of Panama, and recommend especially a canal at the level of the sea." Amid great confusion and excitement among the rival French enthusiasts, this final resolution was ultimately carried by the de Lesseps party, the vote standing 16 to 3 with 11 abstentions and 7 absentees. Thus the deliberations of the

Fourth Committee were brought to a stormy close, and by a seemingly large majority, the persistent de Lesseps carried his point for the Société Civile.

On May 29th a full session of the Congress was convened to listen to and pass upon the report of the Fourth Committee. Few beyond de Lesseps's immediate friends and supporters appeared, however, as the result was already foreseen. The report of the committee was read and a vote taken without further discussion. Out of the 136 delegates only 98 cast their votes. Of these 75 voted in the affirmative and only 8 in the negative. Sixteen abstained, and 37 were reported absent. The analysis of the vote showed that only 19 out of 75 affirmative votes were given by engineers, and 8 of these were to be attributed to the employees of the Suez Canal Company. Of the 19 experts again, only 5 were practical engineers, and only *one*, a young graduate and resident of Panama had ever been on the isthmus. There were originally 5 delegates of the French Society of Engineers, but of these 2 voted No, and the remaining 3 absented themselves from the session.

The galleries were crowded with spectators, however, and great enthusiasm prevailed when the result of the vote was announced. De Lesseps was once more shown to be right, and he became, in consequence, more the favorite than ever. It only remained now for the International Scientific Congress to announce its decision to the world, and this it did

§ 133. The
Final
Decision
of the
Congress
in Favor of
Panama.

at once by the unanimous adoption of the following resolution :

“ Le Congrès estime que le percement d'un canal interocéanique à niveau constant, si désirable dans l'intérêt du commerce et de la navigation, est possible, et que le canal maritime pour répondre aux facilités indispensables d'accès et d'utilisation qui doit offrir avant tout un passage de ce genre devra être dirigé du Golfe de Limon à la baie de Panama.”¹

¹ Paul Leroy-Beaulieu, “Le Panama Canal,” *Économiste Français*, August 8 and 15, 1885.

“Compte Rendu des Séances du Congrès International, etc.” Paris, 1879.

“Interoceanic Canal Congress,” Instructions to the United States Delegates and Reports of the Proceedings. Washington Govt. Print, 1879.

North American Review, August, 1879.

Rodrigues, *loc. cit.*, Ch. IV.

Sullivan, *loc. cit.*, Ch. XI.





CHAPTER XVIII.

THE PANAMA CANAL AND THE MONROE DOCTRINE.

AS soon as it became known in the United States that de Lesseps had lent his name and influence to the Panama project, apprehension seized hold of the minds of the American people. The idea of a foreign corporation building and controlling a transit-way across the American isthmus was in itself not at all agreeable to us, and rumor now had it that de Lesseps was negotiating for a coalition of the European powers to guarantee and defend the neutrality of the route. Governmental action was, therefore, thought to be necessary in order to nip this diplomatic project in the bud.

§ 134. The United States Oppose an International Guaranty of the Panama Route.

General Burnside, then Senator from Rhode Island, and always an ardent American, accordingly introduced a preliminary resolution in the Senate to the effect that the United States viewed "with serious disquietude any attempt by the powers of Europe to establish under their protection and domination a ship canal across the isthmus of Darien." A typical Monroe doctrine discussion followed, and the

Senate came finally to the conclusion that no canal across the isthmus should be opened up to the commerce of the world, which was not placed virtually under the protection of the United States. To be sure of its ground the Senate then called on the President for copies of all the diplomatic correspondence that had passed between the United States and foreign governments since 1869 respecting the canal, together with all treaties proposed or submitted. The Republican canal policy already had a history, as we know, and the idea now was to establish precedents therefrom and formulate it anew.

Nor was the House to be outdone in the matter of the Monroe doctrine. Mr. Frye introduced the first resolution before this body, stating that any form of protectorate by a European nation on the American isthmus was against the settled policy of the United States, and that it was the interest and the right of this government to have exclusive control of any canal to be constructed across said isthmus. This resolution was at once referred to a select committee, which reported unanimously in its favor. Another resolution was then passed appointing a committee to call together an international convention of representatives from this government and the republics of Central and South America to consider the policy and expediency of a canal and report upon the Monroe doctrine. But the House, too, lacked definite information on the subject, and in order to take no false step in furthering the in-

terests of the American canal, it finally appointed a select committee from among its members "to examine all petitions, memorials, resolutions, bills, and reports on the canal, or other mode of facilitating communication between the Atlantic and Pacific oceans."¹

Besides this political opposition in the halls of Congress, de Lesseps's Panama canal project met with economic competition as well among American capitalists. Even before the meeting of the International Scientific Congress there were plans on foot in the United States for the formation of a preliminary Nicaragua canal society, and Admiral Ammen had in fact gone to Paris as a delegate in the hopes of convincing the European authorities of the superior advantages of the route that the Americans had decided upon.

On their return to the United States both Ammen and Menocal reported the character of the proceedings of the Congress to their government, and took care also to let the American people understand the onesidedness of the international decision in favor of Panama. A spirit of economic rivalry was thus aroused against the French, and the American canal project for the time seemed to receive fresh impetus from de Lesseps's competing scheme.

Taking advantage of this trend of public opinion in behalf of the Nicaraguan project, a number of

¹ U. S. House Reports, 1121, 46th Cong., 2d Sess.
U. S. Misc. Doc., 16, 46th Cong., 3d Sess.

prominent capitalists¹ then organized a Provisional Interoceanic Canal Society, with Captain S. L. Phelps as president, for the purpose of arranging all the necessary preliminaries of the work. The route in this case was already determined upon, so the next thing necessary was a concession. Mr. Menocal was accordingly sent off to Nicaragua to obtain the necessary grant, as he was by this time thoroughly familiar with the political as well as the topographical conditions of the country, and might well be relied upon to secure good terms.

A name as prominent among Americans as de Lesseps's in France, was also required to lead the list of the Nicaragua canal promoters, and the Society's choice fell very naturally upon the ex-President. Grant was, indeed, an ideal patron of the project. From the works of his two administrations his deep interest in an American canal was known all over the country. It was Grant's commission, moreover, which had decided in favor of the Nicaragua route, and fixed the American people in their belief of its superior advantages. Furthermore, Grant had no confidence in the Panama project which the French were now favoring, and had distinctly declared that "considering the engineering difficulties attending the diversion of the Chagres river and the necessary construction of an artificial lake to hold its floods, together with the tunnelling or open cuts, the cost

¹ Captain S. L. Phelps, Admiral Daniel Ammen, General George B. McClellan, General Edward F. Beale, Captain E. S. Crowninshield, Captain George W. Davis, Hon. Levi P. Morton, Messrs. George W. Riggs, Howard Potter, Hugh J. Jewett, A. G. Menocal, and others.

of the canal cannot be less than \$400,000,000 and would probably be much more." Thus in every way Grant's association with the present Nicaragua project must inspire confidence in its success. He was still absent on his tour, but being reached by telegraph, he cabled back his approval, and accepted the trust thus imposed upon him by his old associates. Thus in the United States as well, an inter-oceanic canal project was launched before the public with a considerable degree of national enthusiasm.¹

American opposition to his project, coupled with the jealousy of his rivals at home, had a disastrous effect on de Lesseps's original plans, and he very soon discovered that the decision of the Scientific Congress in his favor had not made it all plain sailing after all for the Panama scheme. De Puydt, Blanchet, and the other French speculators, who had been checkmated in the Congress by Wyse and his company, now took their revenge by making much of the American objections, and by pointing out to the French people that even de Lesseps's own friends, Lavalley, Cotard, and other eminent engineers, who were certainly competent to judge, had declared themselves opposed to the Panama route.

De Lesseps at first paid no attention to this opposition at home and abroad, but stoically went ahead with his original plans. He first bought out all the rights of the Société Civile from the Türr-Wyse

¹ "The Interoceanic Canal of Nicaragua," published by the Nicaragua Canal Construction Company, p. 11. New York, 1891.

§ 136 Failure of de Lesseps's First Efforts.

syndicate, for \$2,000,000 in the name of a company to be formed in due course of time, promising \$1,000,000 in cash, and the balance in stock of the new company. Thus the imperialists retrieved their fortunes and that was after all the main interest they had in the scheme. The Colombian government was then promised \$150,000 in part payment for the concession, and this settled all outstanding claims for the time.

Having arranged for the preliminary expenses through some of his banker friends, de Lesseps then appealed to the French people to make good these advances and provide funds for the prosecution of the work. On July 23, 1879, he issued his first prospectus and called for subscriptions, promising five per cent. interest during the period of construction, and insisting that the stock would pay at least eleven per cent. on the opening of the canal to traffic.

But de Lesseps had miscalculated the influence of his enemies. Public opinion in fickle France was already aroused against the scheme, and the first prospectus fell flat. Some few shares only were taken up, and these were sacrificed soon after at a large discount. Instead of discouraging de Lesseps, this failure only aroused his Gallic fighting blood and made him resolve to win success at any cost. To regain public confidence he then recalled the shares he had sold, and paid the first stockholders in full. On August 19th de Lesseps announced to the public that he was about to depart in person

for Panama with his International Technical Commission to verify the Wyse-Réclus surveys and leave no further doubt as to the practicability of the plan. On his return, he said, he would stop over in the United States and explain to the American people that the Panama canal was to be a work of civilization undertaken by private parties in the interests of the peaceful commerce of the world, and in no way intended to interfere with the Monroe doctrine.

Unluckily for de Lesseps's schemes the ubiquitous American correspondent¹ was in Panama to welcome him, and soon the columns of our newspapers and magazines were filled with sarcastic accounts of this remarkable expedition. De Lesseps arrived with his wife and three of his numerous family, in order to prove that the climate of Panama was healthful, as one of the correspondents averred. Another wrote that the expedition had more the air of a "picnic party" than of a scientific survey, and that fishing in the Bay of Panama seemed more attractive to the young engineers than the swamps and rocks of the interior.

Work was to be begun on the first day of the year, de Lesseps had told his compatriots before leaving, so a fête was arranged for the inauguration. A special steamboat was chartered for the occasion, speeches were assigned, and plenty of champagne

¹ Mr. J. C. Rodrigues, the author of "The Panama Canal," was the most active of these, writing articles for the *New York World*, the *Nation*, and the *London Financial News*.

provided. The boat stuck fast in the mud, however, two miles from the mouth of the Rio Grande, and so the gold-tipped pick-axe and shovel, brought all the way from Paris to begin the excavation of the great canal, could not be brought into requisition. But the first stroke was after all but a "*simulacro*," de Lesseps declared, and so the ceremonies were conducted on the stranded steamer instead. The champagne was uncorked, the speeches delivered, the work was blessed by the Bishop of Colombia, and the account of the grand inauguration was at the same time cabled on to Paris from Panama.

In the presence of the American newspaper correspondents, something more serious than this had now to be done, so, as soon as its members could recover from the effects of the *fête*, the International Technical Commission began its official surveys. There were two competent engineers from Europe on this international board, but the remainder of the party consisted of biassed and incompetent men, chosen for de Lesseps's own purposes. In six weeks the survey was completed, and on February 14, 1880, the report was handed in, stating that a tide-level canal was quite feasible along the route laid out by Réclus. The Commission estimated nearly 100,000,000 cubic yards to be excavated, however, instead of the 60,000,000 cubic yards that Wyse had calculated on; but by reducing the contingencies from twenty-five per cent. to ten per cent., it figured out the actual cost of the canal at \$168,000,000, excluding preliminary, banking, and administrative expenses, and in-

terest during the period of construction. But this increase in the financial estimates did not at all please de Lesseps, so he took it upon himself to reduce the figures of the Technical Commission to \$132,000,000, and thus proved his confidence in his own appointees.

Having thus demonstrated the practicability of the Panama route from a technical point of view, de Lesseps set out at once for the United States to silence the political opposition of the Americans, and offset their economic aspirations in regard to the Nicaraguan project.

The inauguration of the French canal project at Panama, with the possibility of a European guaranty in the background, induced the Hayes administration at Washington to take positive action in the matter at once and thus be prepared for a show of force in case diplomatic protests should not prove sufficient.

§ 138.
United States Coaling Stations at Chiriqui and Golfito.

The opening of the Panama railway under American auspices some years before, and the difficulties that arose over the proper guaranty of the route, had, as we know, already shown the government the necessity of establishing naval coaling stations on the isthmus in the immediate vicinity of the termini of the route. Our efforts to secure governmental control of the Panama route itself with naval depots in the harbors at either end had not met with success, but, through Lincoln's contract with the Chiriqui Improvement Company, the government still had the right to establish naval stations

on both the Atlantic and Pacific shores at Chiriqui and Golfito. It rested entirely with the Executive when this right should be exercised ; so as a precautionary measure President Hayes now ordered that the proper steps be taken to establish United States control in this region. The matter was turned over to the Secretary of the Navy, Richard W. Thompson, and under orders from the Department, during the month of February, 1880, Commander Picking of the *Kearsage* landed coal at Boca del Toro, in the Chiriqui Lagoon, and Commander Howell of the *Adams* took formal possession in the same way at Golfito.

Commander Picking reported that "if our government intends to exercise a protectorate over the Central American republics, we should certainly have a coaling station on the coast for our vessels. And no place offers the facilities of this." But funds were at once necessary for the purpose, so the matter was brought to the attention of Congress and referred to the House Committee on Naval Affairs. In May, 1880, the Committee reported in favor of the scheme, and called for an adequate appropriation. "It would be difficult to suggest," the Committee said, "any object of interest more important to the people of the United States than the maintenance of free communication by land and sea, between the Atlantic and Pacific States and Territories of the Union"; and as "experience has shown that the public authorities of the states through the territory of which this communication in the event

of the construction of any ocean water-way or ship canal, must be maintained, are unable to afford adequate protection of the interests of the citizens of other countries"; and as "it seems to be the settled policy of this government . . . to exercise a protectorate and supervision over any such water-way or ship canal, in the equal interests of mankind," it was therefore the Committee's opinion "that as a precautionary measure for the protection of the persons and property of the citizens of the United States, connected with or using the said water-way, and in order to render such protectorate efficient and complete, the Secretary of the Navy should be authorized and instructed to secure adequate coaling stations and harbors for the use of the naval forces of the United States, at proper points on the Atlantic and Pacific coasts of Central America and of the American isthmus."

The Secretary of the Navy asked for \$200,000 to start with, and the President, being "convinced of the wisdom and propriety of the suggestions presented" by the Committee urged upon Congress the necessity of an immediate appropriation. Congress then voted the sum required and left it to the discretion of the Navy Department to act without delay at the moment the necessity should arise.¹

When de Lesseps arrived in Washington early in March, therefore, he found things had gone

¹ U. S. Ex. Doc., 46, 49th Cong., 1st Sess.

U. S. Statutes at Large, XXI., 448. Appropriations under the Navy Department.

much farther than he supposed. Congress had already declared itself politically opposed to his plans, and its committees of enquiry were now bringing to light many disagreeable facts, which de Lesseps would rather have left buried, concerning the proceedings of the International Scientific Congress. Some of the foremost men in the United States were backing the rival Nicaragua canal project, and they seemed sure of gaining a concession where the French had failed. To enforce their opposition to the Panama canal, the naval forces of the United States were also active and ready to maintain their government's political prestige at either terminus of the route. Such untoward activity in the United States, taken together with his failure to arouse enthusiasm at home, was enough to discourage a man of less persistence than de Lesseps; but he had resolved not to be outdone, so he now set about making the best of a bad situation.

§ 139.
President
Hayes's
Message to
Congress
Advocating
American
Control.

De Lesseps's first efforts at conciliation were directed upon the President himself, but he gained but little satisfaction from the interview. Hayes received his distinguished visitor politely, but did not hesitate to inform him that, no matter who might build the canal, the United States were bound to maintain an exclusive political control over the route. In fact the President even then had before him all the diplomatic correspondence that the Senate had called for, and having gone over it very carefully with Mr. Evarts, his Secretary of State, he

had fully made up his mind on the subject, and was at that very time engaged in preparing his message of transmittal. On March 8th, a day or so after this interview, the documents were accordingly laid before the Senate, with a message from the President giving his views on the canal question and the Monroe doctrine, couched in the following unequivocal language :

“ In further compliance with the resolution of the Senate, I deem it proper to state briefly my opinion as to the policy of the United States with respect to the construction of an interoceanic canal by any route across the American Isthmus.

“ The policy of this country is a canal under American control. The United States cannot consent to the surrender of this control to any European powers. If existing treaties between the United States and other nations, or if the rights of sovereignty or property of other nations stand in the way of this policy—a contingency which is not apprehended—suitable steps should be taken by just and liberal negotiations to promote and establish the American policy on this subject, consistently with the rights of the nations to be affected by it.

“ The capital invested by corporations or citizens of other countries in such an enterprise, must, in a great degree, look for protection to one or more of the great powers of the world. No European power can intervene for such protection, without adopting measures on this continent which the United States would deem wholly inadmissible. If the protection of the United States is relied upon, the United States must exercise such control as will enable this country to protect its national interests and maintain the rights of those whose private capital is embarked in the work.

“ An interoceanic canal across the American Isthmus will essentially change the geographical relations between the Atlantic and Pacific coasts of the United States, and between

the United States and the rest of the world. It will be the great ocean thoroughfare between our Atlantic and our Pacific shores, and virtually a part of the coast-line of the United States. Our mere commercial interest in it is greater than that of all other countries, while its relation to our power and our prosperity as a nation, to our means of defence, our unity, peace, and safety, are matters of paramount concern to the people of the United States. No other great power would, under similar circumstances, fail to assert a rightful control over a work so closely and vitally affecting its interest and welfare.

“Without urging further the grounds of my opinion, I repeat, in conclusion, that it is the right and the duty of the United States to assert and maintain such supervision and authority over any interoceanic canal across the isthmus that connects North and South America as will protect our national interests. This, I am quite sure, will be found not only compatible with, but promotive of, the widest and most permanent advantage to commerce and civilization.”

Accompanying this message of the President's there were also some pertinent remarks by Mr. Evarts concerning the more immediate question of Colombia's concession to the French. This contract which Wyse had lately secured, Evarts thought in itself presented “an occasion for a deliberate indication by the government of the United States of its relations to enterprises of this nature, both in its position as an American power, and under its specific treaty rights and obligations toward the United States of Colombia.” To the economic features of the undertaking that de Lesseps had in mind, Evarts did not see that we had any right to object, but he added, “this view of the subject is quite too narrow

and too superficial. It overlooks the direct relations of the other American nations to the contemplated change in the route of water-borne commerce, and the indirect but equally weighty considerations by which the relations of the American nations to the great powers of Europe will be modified by this change. It does not penetrate the formal character of the contract as between private capital and local administration, and appreciate its real and far-reaching operation upon the commercial and political interests of the American continent." The United States "as the great commercial and political power of America" must therefore, Mr. Evarts concluded, be "a principal party" to any project of interoceanic transit, and "the question involved presents itself distinctly to this government as a territorial one, in the administration of which, as such, it must exercise a potential control."¹

After this vigorous expression of American political opinion, de Lesseps wisely decided to abandon his original plan of a European guaranty. The Panama canal had no official connection with the French government at this time; de Lesseps was working for his own personal reputation as an engineer rather than for the political prestige of his country; and the bankers and speculators supporting him were only anxious to make money out of the scheme. It was a prudent move on de Lesseps's

§ 140. De Lesseps's Activity in the United States and the Organization of the Comité Americain.

¹ U. S. Ex. Doc., No. 112, 46th Cong., 2d Sess.

U. S. Sen. Ex. Doc., No. 194, 47th Cong., 1st Sess., p. 165.

part, therefore, to make no point on the political aspects of the canal, in opposition to the Monroe doctrine, and to devote all his energies instead to undermining the economic foundations of the Nicaraguan project.

Knowing that much would be made by his enemies in Paris of this political opposition of the Americans, de Lesseps at once cabled to his son that "the message of the President assures the political security of the canal." This dispatch was printed in both the French and American papers, and was interpreted by the public of each country to suit their preconceived ideas of international or national control.

Thus avoiding the dangerous political issue, de Lesseps then prepared to carry on a secret warfare against his economic antagonist, the Provisional Canal Society. He had many personal friends in this country whom he interested in his Panama project, and most active among them was his old ally, Mr. Appleton. More potent still was the pressure brought to bear in de Lesseps's behalf by the Panama Railway Company, whose influence as we know had already been enlisted in favor of the French scheme by Wyse some time before. The railroad stockholders now had the immediate prospect of disposing of their rights and their plant for \$20,000,000, considerably more than the amount it had cost them,—and their support could thus be relied upon.

Out of such material de Lesseps then constituted

his famous *Comité Américain* to serve in his absence as a militant force against the Nicaraguan project, and in the interests of the Panama canal. According to the terms of the agreement the duties of this American committee were thus specifically defined :

“The Committee shall represent in the United States of America the interests of the company in everything that concerns the observance of the neutrality of the canal as defined in Article V. of the law of the United States of Colombia, granting the concession for the said canal ; and, moreover, the Committee shall represent the company in any other matter for which the company, through the Board of Administration, may request its co-operation, not only during the construction, but also during the working of the canal.”

Being offered a salary of \$25,000 a year, Hayes's Secretary of the Navy, Mr. Thompson, to whom had been entrusted the task of strengthening the position of the United States on the lower isthmus, was now induced by de Lesseps to act as chairman of the committee, and bestir himself henceforth in the interest of the French at Panama. De Lesseps also appointed three great banking firms in New York, J. and W. Seligman, Drexel Morgan and Co., and Winslow Lanier and Co., to act as the financial agents of the Panama Canal Company in the United States, and promised each house very liberal commissions for its services.¹ This was all good business, but the transactions were, to say the least, incongru-

¹ From a subsequent Congressional investigation it appears that these three banks together received \$1,200,000,—practically for the use of their names and nothing more.—*Cf.* Report of Cong. Com. of Investigation, March 2, 1893.

ous and somewhat disparaging withal to the American patriotism that was then being vaunted in the halls of Congress and expressed in the President's message. But it must be borne in mind that de Lesseps then possessed an untarnished reputation as an engineer, and seemed to have unlimited funds at his disposal; while the prospects of revenue from the American canal project were certainly not brilliant. Furthermore, the diplomatic French promoter had apparently accepted the President's condition of American control over his canal, and thus placed the project on a purely commercial basis, open to the capital of the world.

Having thus arranged matters to the smallest detail in America, de Lesseps sailed for Liverpool on April 12, 1880, well pleased with his mission, and determined now to arouse the enthusiasm of Europe in his bold plans.¹

No sooner had de Lesseps departed for Europe than the Nicaragua canal promoters found themselves opposed by still another scheme of inter-oceanic transit. The antagonism this time arose in the United States, and was represented by a company organized by Captain Eads, who had a plan in mind for a ship-railway across the isthmus of Tehuantepec.

§ 141. The
Eads Ship-
Railway
Scheme.

This idea of transporting loaded vessels across the

¹ De Lesseps's Prospectus, November 15, 1880, and Report of January 31, 1881.

The Panama Canal, Report of the U. S. Congressional Committee of Investigation, March 2 and 11, 1893. Washington Govt. Print.

Rodrigues, *loc. cit.*, p. 113.

isthmus by rail was no novelty. It had been suggested by Dr. William F. Channing of Providence, R. I., some years before while the Panama railway project was still being discussed in this country. In 1865 a patent was taken out, and, the railroad having been constructed by this time in Panama, the plan then was to utilize the Honduras route for the purpose. The British-Honduras Interoceanic Railway Company had thus far been unable to accomplish anything definite under its concession of 1864, and the patentees of the ship-railway therefore hoped to engage English and American capital in their scheme, and combine with the railway company for the construction of the work. No funds could be raised, however, and the project was abandoned.

Shortly after this Captain James B. Eads gained his reputation as an engineer of great originality and resource by the construction of his big bridge across the Mississippi at St. Louis. On the completion of this structure Eads further added to his fame by proving to an incredulous public the practicability of his scheme for deepening the channel of the lower Mississippi by means of jetties. Congress appropriated funds for the continuation of the jetty system, and Eads was looked upon as the leading civil engineer of the day.

Surveying his successful work from the last of the finished jetties Eads turned to one of his assistants and said: "We must next discharge the commercial volume of the Mississippi into the Pacific ocean." With this idea in mind he examined into the ques-

tion of interoceanic communication, and of all the schemes of transit thus far put forward, he was most impressed with Dr. Channing's project of a ship-railway. The details of the plan did not seem satisfactory to Eads, however, so he modified them considerably according to his own ideas. As finally set forth the plans provided for a cradle car in which a loaded vessel might be taken bodily from the water and carried across the isthmus on a four-fold steel track, the car to be drawn by four powerful locomotives abreast. But to Eads the Honduras route did not seem at all advantageous for his purposes, either from a technical or from a commercial point of view, and he therefore, endeavored to persuade de Lesseps to adopt his plans at Panama. But the French promoter would have nothing but a sea-level canal, so Eads then determined to apply his scheme for a ship-railway on the Tehuantepec route instead.

The right of way across this isthmus still belonged to an American company. Mr. Hargous and his associates failed, as we know, in their original endeavors to forestall the Panama company and construct the first railroad across the American isthmus; but in 1857 the Tehuantepec railway project had been revived, and a fresh survey of the route had been conducted by Lieutenant-Colonel W. H. Sidell, U. S. A. A definite line was then adopted, but the war intervening soon after, nothing further was attempted until 1870, when a new ^{*}company was formed under the direction of Mr. Simon Stevens. By a decree of the Mexican government of December 20, 1870,

this company gained the additional right to construct a canal as well as a railway across the isthmus, and succeeded in having a committee appointed, to examine the principal artificial water-ways of Europe, with reference to the construction of the Tehuantepec railway and ship-canal.

The project again hung fire at this point, however, and Eads found the Tehuantepec concessionaries very willing to merge their interests with his and arrange for a ship-railway instead of a canal across the isthmus. A company was thereupon organized for the purpose, and on May 6, 1881, the Mexican government granted the promoters a very favorable concession for the work.

Eads estimated the cost of construction at \$18,750,000, and in order to provide for the necessary expenses he and his associates then appealed to Congress to grant them a financial guaranty of \$2,500,000 a year for fifteen years from the opening of the railway, provided that they proved the possibility of transporting a vessel of 3000 tons burden uninjured across the isthmus.¹ The bill was referred to the House Committee which was then engaged in studying the question of interoceanic communication. Eads himself appeared a number of times before the committee, and explained his project in detail. Congressmen had a high respect for Eads's ability as an engineer on account of his successful solution of the

¹ In the concession of 1881 the Mexican government had already granted a similar guaranty of \$1,250,000, on condition that a further guaranty of \$2,500,000 be obtained from foreign nations.

puzzling problem of the Mississippi, and so convincing were his present arguments, that the committee registered its preliminary approval of the project in its report, as follows :

“ It is but proper to say that in the opinion of the most able and well-known engineers, naval architects, and ship-builders of the world, the construction of a ship-railway at Tehuantepec, in accordance with the plans which have been submitted to them by Mr. Eads, is entirely practicable. Indeed, many of these experts go much further than this, and declare that a railway is preferable to a canal ;—first, in the economy with which it can be constructed ; second, in the facility with which it may be enlarged when commerce demands enlargement ; third, in the economy with which it can be operated ; and fourth, in its ability to transport vessels with greater rapidity and less delay.¹

In the meantime Mr. Menocal was busily engaged in Nicaragua prevailing upon that government to grant his company a concession. But Blanchet had also been exerting his influence again upon the Nicaraguan legislature, and had left an impression that the French company, with unlimited funds at its back, would be willing to shift its allegiance to Nicaragua if proper arrangements could be made with

§ 142. Tehuantepec, Nicaragua, and Panama.

¹ Elmer L. Corthell, “ Scientific Solution of the Interoceanic Problem,” New York, 1886.

The Scientific American, January, 1886.

Daniel Ammen, “ The Certainties of the Nicaragua Canal Contrasted with the Uncertainties of the Eads Ship-Railway.” Washington, 1886.

Sullivan, *loc. cit.*

Simon Stevens, “ The New Route of Commerce by the Isthmus of Tehuantepec.” London, 1871.

the government. Menocal had to bestir himself to combat this impression, but managed to convince the Nicaraguan authorities in the end that the American promoters were really in earnest this time and that their government was supporting them in their project. It was therefore finally agreed that Nicaragua should grant the Provisional Society a concession ; but only on the condition that a regular canal company should be organized, and actual work begun on the canal within the space of two years from May 22, 1880.

This was a very short space of time in which to arrange all the necessary preliminaries for the work, and Grant himself was rather doubtful as to the wisdom of making the attempt, but his associates, on the other hand, were still eager to enter the list with their rivals and bid for government aid. Strong influence had already been brought to bear on the House Committee by de Lesseps's agents in the interests of Panama, and now Eads had come to the front with his original scheme for a ship-railway, and was scoring his points, as we know.

On January 26, 1881, the House Committee added fresh complexity to the problem by handing in its report. Instead of digesting the material and coming to a definite conclusion, as Grant's commission of inquiry had done, this committee clung close to its instructions, and simply gave out in an abridged form, the testimony it had received and the information it had collected on the technical aspects of the several routes. The advantages of the Nicaraguan

project were indeed reiterated, but Eads's scheme now came in for a fair share of approval, as we have seen, and the Panama tide-level plan also received a more favorable mention than before.

Thus the first result of the report was to bring the three modern projects of interoceanic communication,—the Tehuantepec ship-railway, the Nicaragua lock-canal, and the tide-level canal across Panama,—squarely before the American public as competitors. But Congress had been called upon to provide for an American canal, and it was therefore necessary to decide on a definite route. The trouble seemed to lie in the lack of sufficient evidence on the subject, so the Senate then turned to the Navy Department, on March 17th, requesting “such information as had been collected by the Bureau of Navigation relating to the problem of interoceanic communication by the American Isthmus.”¹

Such evidence must go to prove their contentions, the Nicaragua enthusiasts thought, as Grant's commission had rendered its favorable decision on their project upon data collected by the Bureau of Navigation. But the time at their disposal was growing short, and an extension of their concession was necessary if Congress was not yet ready to decide. Captain Phelps and Captain Lull therefore set out for Nicaragua to use their powers of persuasion upon

¹ The duty of tabulating the data on the canal question and collecting the reports of the several surveys, in the illness of Admiral Nourse, to whom the task was assigned, devolved upon Lieutenant John T. Sullivan, U. S. N., who, on April 28, 1883, submitted the voluminous report so often referred to in these pages.

the authorities there to grant their company a further respite. But Blanchet had already anticipated their failure, and was again negotiating for a concession to the French when they arrived. It was a nip-and-tuck struggle this time, but with the timely diplomatic aid of their State Department, the Americans were again successful, and secured a further extension of their concession to September 30, 1884.

It was also necessary to bring their project formally before Congress, and thus meet Eads on his own ground. Early in the next session, therefore, on December 15, 1881, Senator Miller of California presented their bill, calling for political protection and a government guaranty of the Nicaragua canal project. But here a fresh difficulty was encountered. Whatever might be the technical advantages of the Nicaragua route, the Senators knew very well that the construction of an American canal in this region would surely involve the government in another diplomatic controversy with Great Britain. The domestic aspects of the question had thus to be overlooked, and the bill was turned over by the Senate to its Committee on Foreign Relations for consideration. After careful deliberation of some months the bill was reported back with amendments, and then passed on to the House Committee on Foreign Affairs for further consideration. There the question was again gone over in detail, and it was not until July 21st that the bill was reported to the House. Still further amendments were added in this report, but the committee considered the matter

to be of great importance to the country and hoped the considerations it set forth "would induce Congress to give its prompt attention to the report."

In a three-cornered fight it is very apt to be the case that the two weaker combine against the strongest, and this was the predicament the Nicaragua promoters now found themselves in. De Lesseps did not fear the rivalry of the Tehuantepec ship-railway scheme, but he could not brook a competing canal project. Eads, on the other hand, was looking to government support, and it was the Nicaragua promoters, and not de Lesseps, who were balking him in this. So Eads and de Lesseps, naturally enough, joined forces in the lobby to keep Congress from committing itself in favor of the Nicaragua canal. Thus no action was taken on the House Committee's report, and the Nicaragua canal promoters had, therefore, to begin their fight anew when Congress reassembled. Their bill was this time presented before the House by Mr. Rosecrans of California, and referred again to the Committee on Foreign Affairs. It was reported back as before, but through the persistent influence of the opposition lobby, action on the report was delayed until late in the session. It then came up as unfinished business, and a majority was indeed enlisted in its favor, the final vote standing 127 Ayes and 76 Nays. But a two-thirds vote was needed for the consideration of the report under such circumstances; and thus, in spite of their best efforts, the Nicaragua enthusiasts had to accept their defeat.

But Eads was no more successful with his bill, so it was de Lesseps who really came out victorious in this struggle before Congress. He had demanded nothing of the government but the confusion of his enemies, and being fortunate enough to have two American rivals, he had only to set the one upon the other in order to gain his own ends.¹

¹ U. S. House Report, 211, 46th Cong., 3d Sess.

U. S. House Report, 1698, Senate Report 368, 47th Cong., 1st Sess.

U. S. Senate Report, 952, 47th Cong., 2d Sess.

North American Review, Oct. and Nov., 1885, under "Recollections of General U. S. Grant."

The Interoceanic Canal of Nicaragua, loc. cit., p. II.





CHAPTER XIX.

ANOTHER DIPLOMATIC BOUT WITH ENGLAND.

THE contest between the rival routes left Panama master of the immediate situation, it is true, but the struggle also had other and more far-reaching effects. From the very moment that the canal question came up for discussion in Congress, in the sittings of the various committees, throughout the reports submitted, and in all the resolutions adopted, the Clayton-Bulwer treaty stood threateningly in the background, ready to cast its pall over every expression of Americanism. The Tehuantepec and Nicaraguan projects had thus to suffer for lack of governmental support, while de Lesseps and his agents, who had so skilfully avoided the political issue, were given free rein in their plans.

§ 143. The Clayton-Bulwer Treaty Again.

In examining into the matter the various committees of Congress were very soon forced to recognize that the President's American canal policy could not be carried out under the terms of the Clayton-Bulwer treaty without coming into direct conflict with Great Britain over the political control of the canal. John Quincy Adams had been shrewd enough to see

through Canning's clever move, and consequently refused to allow England to figure as the one European exception to the Monroe doctrine; but as far as the transit question was concerned, his foresight went for naught, for Palmerston soon after forced Clayton to admit Great Britain as a silent partner in the canal project, and Buchanan then sealed the bargain with his approval. Thus whatever the President might now say as to the policy of American control, the hands of Congress were bound.

Not having themselves to blame in the matter, the committee-men in Congress fell to abusing the Taylor and Buchanan administrations for their blunders. "The attitude assumed on this occasion," one committee said, "by the American Secretary of State (Clayton) was so strangely inconsistent alike with the interests and with the dignity of the United States that it is impossible for the committee to advert to it without pain." Another fretfully remarked that "the shortsightedness and weakness of Mr. Clayton on this occasion were the less excusable since he seems to have been fully conscious not only of the greatness and splendor of the advantages he was throwing away for his country, but also of the entire legitimacy of our claim to those advantages."

The committee delegated by the House to call for a convention of the Spanish-American States and report upon the Monroe doctrine, also came to the dead-wall of the Clayton-Bulwer treaty before it had even concluded its preliminary deliberations.

Finding it could proceed no further along the lines laid down, this committee then reported that "so long as the Clayton-Bulwer treaty has a formal shadow of existence, it cannot but tend to cloud and obscure the perfectly simple, just, and equitable policy of the United States in regard to the inter-oceanic transit question, and to any plans or enterprises wherever originated and organized for opening a sea-way through the isthmus of Panama or the Central American States."

Immediate transit projects might well enough be left to suffer for the errors of the past, but the generally unsatisfactory diplomatic situation could not be allowed to remain; so the upshot of the whole matter was that the Senate and the House, having suffered the Tehuantepec and Nicaragua proposals to go by the board, finally got together, on April 16, 1880, and complemented the President's American canal policy in a joint resolution to the following effect:

"Resolved that the President of the United States be, and he is hereby, respectfully requested, if the same in his opinion shall not be incompatible with the public interest, to take immediate steps for the formal and final abrogation of the Convention of April 19, 1850, between the United States of America and Her British Majesty, commonly called the 'Ship-Canal Treaty' or the 'Clayton-Bulwer Treaty.'"¹

Garfield's administration was installed at this junct-

¹ U. S. House Report, 1121, 46th Cong., 2d Sess.

U. S. House Report, 1698, 47th Cong., 1st Sess.

U. S. Senate Report, 952, 47th Cong., 2d Sess.

ture and it thus fell to the lot of his Secretary of State James G. Blaine, to open this fresh diplomatic controversy with Great Britain for the abrogation of the Clayton-Bulwer treaty. Following the earlier resolutions of Congress and President Hayes's message on the subject, Blaine thought it best, first, to inform all the powers of Europe of his government's general intention to maintain its political control over the canal route, and then answer England's special exceptions to the decision as they were recorded. To this end he composed a very carefully worded circular letter on the subject, which he despatched on June 24, 1881, to the American ministers abroad, with instructions to communicate its contents to the several governments to which they were respectively accredited.

The reported European guaranty of the Panama canal route was made the main subject of this despatch, and of course Blaine took strong ground against any such intervention of the powers in American affairs. The United States government, he maintained, had already "positively and efficaciously" guaranteed the neutrality of this route, and there-with also the sovereignty of Colombia over the territory in question. This guaranty, therefore, Blaine continued, "does not require reinforcement or accession or assent from any other power," and, moreover, "supplementing the guaranty . . . would necessarily be regarded by this government as an uncalled-for intrusion into a field where the local and general interests of the United States of America must be

§. 144.
Blaine's
Circular
Letter to
the Powers
of Europe.

considered before those of any other power save those of the United States of Colombia alone." The Secretary then declared again, in the language of his predecessor Mr. Evarts, that his government had no desire to interfere with the purely commercial management of the canal, but was determined, nevertheless, to maintain its political control over the route, and, he went on, "the United States of America will insist upon her right to take all needful precautions against the possibility of the isthmus-transit being, in any event, used offensively against her interest upon the land or upon the sea." "If the proposed canal were a channel of communication near to the countries of the Old World, . . . it might very properly be urged that the influence of the European powers should be commensurate with their interests," Blaine argued, and, if assured of equal participation in its enjoyment, the United States could find no fault with the exercise of such influence. "The case, however, is here reversed," he went on, "and an agreement between the European states to jointly guarantee the neutrality, and, in effect, control the political character of a highway of commerce, remote from them and near to us, forming substantially a part of our coast line, and promising to become the chief means of transportation between our Atlantic and Pacific states, would be viewed by this government with the gravest concern." Thus Blaine concluded in still more definite language, "Any attempt to supersede that guaranty by an agreement between European powers which maintain vast armies and

patrol the sea with immense fleets and whose interest in the canal and its operations can never be so vital and supreme as ours, would partake of the nature of an alliance against the United states.”¹

Blaine hardly expected the continental powers to take any present exception to his remarks, as de Lesseps had already abandoned his idea of a joint European protectorate of the Panama canal route. But with Great Britain it was quite different. Neither her government nor her citizens had anything whatever to do with de Lesseps's plans, and yet Blaine had classed the British along with the rest of the Europeans, and distinctly told them that they must have nothing further to say in regard to the political control of any canal across the American isthmus. Now, by the terms of the Clayton-Bulwer treaty still in force, Great Britain was allowed a half interest in the control of all three transit-ways, and consequently must object to any such interpretation of the Monroe doctrine as Blaine was attempting to apply in the canal controversy.

Blaine confidently expected this, and knowing full well that the narrower issue between England and the United States would be drawn in Nicaragua rather than Panama, he hastened to prepare our diplomatic relations with that country to meet it.

Congress evidently had in mind a closer union of the United States and Spanish America with refer-

¹For full text of this despatch see Sen. Ex. Doc., 194, 47th Cong., 1st Sess.

ence to the Monroe doctrine, and Blaine's first efforts were therefore directed toward uniting the Central American states in our interests. He accordingly instructed Mr. Logan, the new United States minister to these countries, who was then about to start for his post, to visit all the states of Central America and endeavor to persuade them to give over their ceaseless quarrelling and unite once more into a confederacy, promising them the constant aid and encouragement of the United States in cementing the Union.

Logan did as he was told but soon became pessimistic concerning the possibility of a united Central American republic. "Nothing but the strong arm of an absolute monarchy," Logan wrote to Blaine, "supported by ample resources of money, ships and men could tie them into a single government." But Blaine was not discouraged, for he never expected his Pan-American plans to mature in a day. He then suggested to the several Presidents of the isthmian republics, that they meet together in Panama and talk the situation over; but as the United States were not to be represented at this peace congress, the Spanish-American executives failed to respond. Seeing then that initiative was not to be expected from the parties concerned, Blaine issued a formal invitation to the Central American states to send delegates to a peace congress to be held in Washington in November, 1882.

As might have been expected Costa Rica was again the only state which held aloof. The authorities of this republic always looked to European rather than

American support, and just now the French were in high favor there, represented by Blanchet and his associates. Guatemala, on the contrary, went to the other extreme and became enthusiastic over Blaine's Pan-American schemes. The Liberals had long been working toward a union of the Central American states, Guatemala's President maintained, but as yet they had never proved strong enough to effect their desires unassisted, and, since the days of Walker's expedition, the United States had only shown themselves inclined to render Spanish-America their moral support. What the Liberal party now demanded was the material assistance of some strong foreign power to accomplish its design, and, the Guatemalan executive declared the United States was the only government which could render such aid. This was more or less in accordance with Blaine's own ideas, but the time for such action had not yet come, and, indeed, it took several years more of manœuvring before the Spanish-Americans actually came to Washington on their first Pan-American mission.¹

In the meantime Great Britain had been making her influence felt in Central America in quite a different way. The British foreign policy moves forward more steadily and smoothly, —and indeed with much less outward fuss,—than ours; and had Blaine only taken the trouble to examine into the affair more closely, he must have recognized that his diplomacy was distanced from the start. The fact was, Blaine's

§ 146. The Mosquito Protectorate Revived.

¹ Diplomatic Correspondence of the U. S., 1880-81.

Pan-American promises were given too late in the day to affect the immediate question of interoceanic transit; for while the attention of our Congress was absorbed in passing its bellicose resolutions, England had quietly stepped in and raised yet another bar to our claims over the Nicaragua canal route.

Ever since Secretary Seward's promises of support, the Nicaraguan authorities had continued to withhold their promised indemnity to the Mosquito Indians, and persistently refused to abide by the terms of the treaty of Managua. The British Foreign Office, nevertheless, quietly acquiesced in such infringement until it had fully established its case. Then, in 1880, before Blaine had an inkling of its plans, a peremptory demand was made upon Nicaragua to submit all matters in dispute to the Emperor of Austria for arbitration. True, the United States were in no wise consulted in the matter; but then they could not justly complain of the slight, as they had already declared themselves satisfied with the terms of the treaty of 1860, and the questions at issue only involved its proper interpretation. Lacking American support when she most needed it, Nicaragua had been obliged to agree, and thus, in July, 1881, the imperial arbitrator handed down his decision as follows:

(1) Nicaragua's sovereignty over the reservation is *limited* and Mosquitia constitutes merely an inseparable "political appurtenance of the main country."

(2) Nicaragua has no right to regulate trade, nor levy import or export duties within Mosquitia, nor grant any concessions within its territory.

(3) Greytown is a free port, and Nicaragua can collect neither import nor export duties there.

(4) Nicaragua's only source of revenue from Mosquitia is from postage stamps and coinage.

(5) Mosquitia is entitled to its own flag with some emblem of Nicaragua sovereignty attached.

(6) The subvention stipulated in the treaty must be paid in full by Nicaragua.

(7) Nicaragua only holds her rights in Mosquitia so long as she obeys the treaty, and the moment she departs from its terms Great Britain may rightly interfere, for "England has an interest of its own in the fulfilment of these conditions stipulated in favor of those who were formerly under its protection, and therefore also a right of its own to insist upon the fulfilment of those promises as well as of all other clauses of the treaty."

This decision was little short of a complete reaffirmation of the Mosquito protectorate which Great Britain was supposed to have abandoned; but, as usual, the United States only brought up their Monroe doctrine in rebuttal after the whole matter had been concluded.¹

Blaine, moreover, appears to have been totally unaware of this practical revival of the British claims to the mouth of the proposed canal, and thus, with scarcely an inch of diplomatic ground to stand upon, he plunged at once into a diplomatic controversy with England for the abrogation of the Clayton-Bulwer treaty according to the joint resolution of Congress.

§ 147.
Blaine
Opens the
Diplomatic
Campaign
with Great
Britain.

¹ Diplomatic Correspondence of the U. S., 1880-81.

U. S. Sen. Ex. Doc., 20, 53d Cong., 3d Sess., pp. 76-142.

De Kalb, *loc. cit.*

His circular letter had, he thought, sufficiently intimated his general intentions, and so, on November 19, 1881, Blaine addressed a long despatch to Mr. Lowell, our minister in London, outlining his case under the Clayton-Bulwer treaty. This treaty, he began, was agreed upon some thirty years before under exceptional circumstances which were temporary in character and which now no longer exist. Each government then claimed certain rights in Central America, and both were anxious to see a transitway constructed at once. The United States did not possess sufficient capital at that time to undertake the work alone, and therefore the desire for British funds greatly influenced the convention. But all this has changed, Blaine continued, and the United States, having since developed their interests along the Pacific coast so enormously, now have new duties to perform with which the Clayton-Bulwer treaty interferes. The idea of this treaty was to place the two signatory powers on a plane of equality, but its present operation, Blaine maintained, would practically concede "to Great Britain the control of whatever canal may be constructed"; for "the treaty binds the United States not to use its military force in any precautionary measure, while it leaves the naval power of Great Britain perfectly free and unrestrained." In order to equalize matters on this basis it would therefore be necessary to prohibit war vessels of Great Britain from passing through the canal; for, our Secretary argued, "if no American soldier is to be quartered on the isthmus to protect the rights of

his country in the interoceanic canal, surely by the fair logic of neutrality, no war vessel of Great Britain should be permitted to appear in the waters that control either entrance to the canal." Inasmuch as England has fortified and now holds all "the strategic points that control the route to India," it is therefore no more unreasonable, Blaine maintained, "for the United States to demand a share in these fortifications, or to demand their absolute neutralization, than for England to make the same demand in perpetuity from the United States with respect to the transit across the American continent." As England thus guards the route to her colonies, so the United States only desire to guard their route to a section of their own territory comprising, Blaine said, "nearly 800,000 square miles,—larger in extent than the German Empire and the four Latin countries of Europe combined,—" and inhabited not by people of alien races, as was the case with India, but by citizens "of our own blood and kindred,—bone of our bone and flesh of our flesh." In the event of a hostile movement against the Pacific states, the United States cannot therefore, permit themselves to be bound by a treaty which gives "the same right through the canal to a warship bent on an errand of destruction, that is reserved to its navy sailing for the defence of the coast and protection of the citizens." "A mere agreement of neutrality on paper between the great powers of Europe," Blaine feared, "might prove ineffectual to preserve the canal in time of hostilities."

“The first sound of a cannon in a general European war would,” he said, “in all probability, annul the treaty of neutrality, and the strategic position of the canal commanding both oceans might be held by the first naval power that could seize it,” and this would be a fatal blow to the domestic commerce of the United States. Other nations were already gaining supremacy in Central America, he added, and unless the treaty of 1850 were modified in some way, both Great Britain and the United States must stand by helpless, while some other power stepped in and directed the canal. Already, Blaine pointed out, France is standing sponsor for the Panama canal, and under the terms of the Clayton-Bulwer treaty, the United States were not able to assert their plain rights acquired from Colombia in 1848.

From these and other considerations of a like nature, Blaine was finally able to conclude that the American isthmus should be placed “under the control of that government least likely to be engaged in war, and able, in any and every event, to enforce the guardianship which she shall assume. For protection to her own interests, therefore, the United States, in the first instance, asserts her right to control the isthmus transit; and secondly, she offers, by such control, that absolute neutralization of the canal as respects European powers, which can in no other way be certainly attained and lastingly assured.”

Having thus in a somewhat peremptory fashion laid down the deliberate opinion of his government, Mr. Blaine rounded off his despatch with the hope

that Great Britain would at least consent to a friendly modification of the disagreeable treaty in harmony with the American demands.

This could hardly be expected, however, for Blaine seemed to forget that during all these years Great Britain had been advancing toward the west as well as toward the east, and that it was equally imperative upon her to fortify and guard her western as well as her eastern trade route. Everything that Blaine had to say was true enough as an expression of our national policy, but if we felt so strongly in the matter, why had we not acted more in accordance with our convictions? As a matter of fact, Buchanan had long ago closed our case, and Blaine's argument being entirely theoretical and *ex parte* showed no good grounds on which it could be reopened.

Blaine was quite right in his original supposition that Great Britain would take exception to his circular letter on the Monroe doctrine as applied to the canal. Lord Granville was then Foreign Secretary, and his reply, dated November 10, 1881, crossed Blaine's special despatch on the way. His Lordship expressed some surprise at the nature of the circular letter of the State Department of the United States, and more especially in its application to the British government. He was glad, he said, to learn that Mr. Blaine had no intention of initiating a discussion on the question of the joint guaranty of the isthmus, and he only wished to call attention to the fact that "the position of Great Britain and

§ 148. Lord Granville's Reply to Blaine's Circular Letter.

the United States with reference to the canal, irrespective of the magnitude of the commercial relations of the former power with countries to and from which, if completed, it will form the highway, is determined by the engagements entered into by them, respectively, in the convention . . . commonly known as the Clayton-Bulwer treaty"; and, Lord Granville curtly concluded, "Her Majesty's government rely with confidence upon the observance of all the engagements of that treaty."

But the British Foreign Office was mistaken, for not only the Secretary of State, but also both Houses of Congress were eager to reopen the old contest with England over the control of the American isthmus. On the receipt of Lord Granville's note at the hands of the British minister, Blaine was forced to recognize that the Clayton-Bulwer treaty must henceforth act as an estoppel to any further theoretical discussion of American rights. Still unappalled by the inherent weakness of his case, he thereupon set bravely to work to break down the bar by the force of certain "historical objections," which he despatched in a second note to Mr. Lowell on November 29th.

§ 149.
Blaine's
Historical
Objections.

With great care Mr. Blaine went over all the diplomatic correspondence that passed between the two governments during the years that had elapsed between 1850 and 1859, quoting very largely and commenting sharply by the way. From the diplomatic history thus recorded, Blaine was finally able to conclude that "the engagements of the treaty were misunderstandingly entered into, imperfectly

comprehended, contradictorily interpreted, and mutually vexatious," and that, therefore, the convention must now be either abrogated or revised.

This was again all true enough as far as it went, but then Blaine seemed to forget that his government had come to these self-same conclusions in regard to the Clayton-Bulwer treaty as early as 1854. But instead of insisting upon its abrogation at this time, Buchanan had allowed himself to be hoodwinked in the matter, while Great Britain pursued her own plans. The treaties she arranged with the isthmian states seemed plausible, and Buchanan, as we know, had deliberately closed our case by declaring himself "entirely satisfied" with the result. This, we will remember, was in 1860, and Blaine only brought his historical objections down to 1859. In logic as well as in legal procedure, one is not allowed to deal with estoppels chronologically. On the contrary, the last in time is the first to be attacked, and by reversing this order, Blaine's "historical objections" fell considerably short of the mark.

Lord Granville deemed Mr. Blaine's theoretical argument worthy of but slight consideration, the principles upon which it was grounded being as far as he was aware, "novel in international law." There were some questions of fact in the despatch, however, to which he saw fit to take exception. In the first place His Lordship denied that Her Majesty's government exercised any protectorate over the route to the East or along the

§ 150. The
British
Reply
to Blaine's
Theoretical
Argument
and
Historical
Objections.

Suez canal. Then again he pointed out that, inasmuch as English subjects had aided in that development of the Pacific coast to which Mr. Blaine had alluded, Great Britain was therefore as much an interested party in the construction and control of the canal as the United States. In regard to the unexampled character of the development of this western sea-board, Lord Granville admitted it as a fact and congratulated the United States for their share in the achievement; but, he continued, he could not well understand how Mr. Blaine could speak of it as unexpected. On the contrary, Granville argued, as early as 1823 President Monroe himself distinctly provided for the future of the Pacific, and surely the conditions could not have so changed since 1850 as to warrant the United States in vitiating the careful agreement then entered into between the two powers to cover this very question. It is perfectly true, the British Secretary admitted, that the foreign policy of the United States has never given rise to any feelings of suspicion or alarm in Europe, but should they now change their plans and begin to fortify the international water-way and consider it as a part of their coast-line, they must expect to meet the logical counterpart of this doctrine in the other powers across the sea.

Looking at the question from this point of view, Lord Granville declared that Her Majesty's government still regarded the principles embodied in the Clayton-Bulwer treaty as "intrinsicly sound" and "applicable to the present state of affairs." Both

the United States and Great Britain, he maintained, had made progress in the right direction through the treaties they had lately entered into with the Central American states, and now, His Lordship concluded, Great Britain would gladly co-operate with the United States in any invitation to the powers to join in the international guaranty contemplated in the treaty.

This first despatch of the English Secretary bore the date of January 7, 1882, and having thus disposed of the theoretical side of the case, he next took up Mr. Blaine's "historical objections" in another note to Mr. West, the British Minister in Washington, dated January 14, 1882. This answer required much more detail, so Lord Granville too went back over the diplomatic correspondence between the two governments from 1850 on, and answered each point raised by Mr. Blaine, from the English point of view. The British diplomatist, however, did not end the matter with 1859, but went on and showed from President Buchanan's own message that at that time the United States had shown themselves to be entirely satisfied with the result. His Lordship then rather pertinently remarked that "in cases where the details of an international agreement have given rise to difficulties and discussions to such an extent as to cause the contracting parties, at one time, to contemplate its abrogation or modification as one of several possible alternatives, and where it has yet been found preferable to arrive at a solution as to those details rather

than to sacrifice the general basis of the engagement, it must surely be allowed that such a fact, far from being an argument against that engagement, is an argument distinctly in its favor." "It is equally plain," Lord Granville continued in the same vein, "that either of the contracting parties which had abandoned its own contention for the purpose of preserving the agreement in its entirety would have reason to complain if the differences which had been settled by its concession were afterwards urged as a reason for essentially modifying those other provisions which it had made this sacrifice to maintain."

From his perusal of the correspondence in question,—which Lord Granville complained Mr. Blaine had only quoted in part,—the English Secretary, therefore, drew the following conclusions: first, that the present differences between the two governments had their origin, not in the general principles of the Clayton-Bulwer treaty, but solely in the stipulation concerning colonization in Central America by Great Britain and the United States, which stipulation Mr. Blaine now desired only to retain in part in order that the United States might be free to establish naval and military stations along the canal route; second, that the declarations of the United States during the controversy were distinctly at variance with any such proposal; third, that at one time Great Britain was willing to abrogate the treaty on condition of reverting to the *status quo* of 1850, but that the United States had declined, saying that

such an arrangement would be fraught with great danger to the good relations between the two parties, and that now events had rendered such a course impossible; fourth, that a better conclusion had since been reached by Great Britain voluntarily conceding the points in issue, and that this new basis was then entirely satisfactory to the United States and had remained undisputed for twenty years.

It amounted to just this: Great Britain very naturally refused to accept our theory of the Monroe doctrine, and having managed her foreign affairs with far more acumen and consistency than we, she was easily able to scatter the forces of our doubtful "historical objections."

In the meantime the Garfield administration had come to a tragic end before its time, and in the
 § 151. Mr. new order of things the burden of the
 Freling- diplomatic dispute fell upon Mr. Frederick
 huysen T. Frelinghuysen, President Arthur's Sec-
 Takes up retary of State. It is doubtful, indeed,
 the Ameri- whether Mr. Frelinghuysen would have
 can Case pursued the question any further at this
 and An- time had not President Arthur's canal
 swers Lord Despatches. policy, of which we will shortly learn,
 necessitated some immediate modification of the Clayton-Bulwer treaty.

As it was now perfectly evident that the two governments could never agree on the theory of the question, there was no course open to Mr. Frelinghuysen other than continuing the "historical objections"; and, it must be admitted, he made more of

his government's bad case than his predecessor. In reply to Lord Granville's despatches of January 7th and 14th, Mr. Frelinghuysen addressed an admirable state paper to Mr. Lowell, in which he at least succeeded in narrowing down the issue to a few salient points of fact.

Beginning his despatch with a fresh statement of the general question, Frelinghuysen repeated Blaine's previous declarations that it appeared to the United States both "unnecessary and unwise, through an invitation to the nations of the earth, to guarantee the neutrality of the transit of the isthmus, or to give their navies a pretext for assembling in waters contiguous to our shores, or to possibly involve this republic in conflicts from which its natural position entitles it to be relieved." He then declared that in times of peace treaties were either harmless or useless, but that when wars came it was impossible to enforce them. Any such agreements among the powers of Europe in regard to the canal, must moreover lead to their political intervention in American affairs, "which the traditional policy of the United States makes it impossible that the President should either consent to or look upon with indifference," for "the formation of a protectorate by European nations over the isthmus transit would be in conflict with a doctrine which has been for many years asserted by the United States," and which "opposes any intervention by European nations in the political affairs of American republics."

This was but a reassertion of the Monroe doc-

trine, to be taken for what it was worth, and Mr. Frelinghuysen knew full well from Blaine's experience just what effect it would have upon the British Foreign Secretary. So passing quickly from this introductory statement to his own historical objections to the Clayton-Bulwer treaty, Frelinghuysen first endeavored to show that the treaty fell naturally into two parts, Articles I to VII., containing "particular objects," and Article VIII., which concluded the treaty, containing a "general principle." The more important of the two particular objects was the immediate construction of a canal through Nicaragua, and with the events that transpired after the signing of the treaty, this immediate purpose of the convention, he maintained, had lapsed. The only other particular object of the treaty emanated entirely from the United States and consisted in a desire on their part to "dispossess Great Britain of settlements in Central America, whether under cover of Indian sovereignty or otherwise." Contrary to this second object Frelinghuysen declared, Great Britain exercised "dominion over Belize or British Honduras, the area of which is equal to that of Massachusetts, Connecticut, and Rhode Island"; whereas according to the terms of the Spanish grants, these English privileges "were confined to a right to cut wood and establish saw-mills" within a much smaller territory. Now even admitting the validity of the so-called "declarations" made by Sir Henry Bulwer, and acknowledged by Mr. Clayton, in regard to "Her Majesty's settlement at Honduras," still, Frelinghuysen main-

tained, the British government had no right under the treaty of transforming this settlement into a colony. But he added, his government refused to be bound by these informal "declarations," as they were made subsequently to the conclusion of the treaty, and were never accepted either by the Senate or the President. They could not, therefore, be considered as part of the treaty. Nor could the United States be stopped in their objections to this Honduras colony by President Buchanan's avowal in 1860, for his satisfaction was only expressed at the British dispossession of the mouth of the canal and did not refer to British Honduras at all.

Coming finally to the general object of the treaty as contained in Article VIII., which provided for the co-operation of the two governments in the control of any other canal that might be built, Frelinghuysen answered that this only applied to the railway and canal lines proposed *at the time of the signing of the treaty*, in Tehuantepec, Nicaragua, and Panama, and could have no reference to the projects at present being discussed. These old provisions could not, therefore, now be brought up by Great Britain, to provide for an international guaranty of the Panama route, for even before the signing of the Clayton-Bulwer treaty, the United States had assumed an exclusive guaranty of this route by a treaty with the then republic of New Granada, which was still in force, and this last named treaty could not justly be superseded, for a protectorate of this kind was, "like government, necessarily exclusive in character." For thirty years the United

States had continued to extend their protection to the Panama Railway during the most troublous times, and should Great Britain at this late date demand a share in such guaranty according to the provisions of the Clayton-Bulwer treaty, they "would submit that experience has shown that no such joint protectorate is requisite," and "that the Clayton-Bulwer treaty is subject to the provisions of the treaty of 1848 with New Granada, while it exists, which treaty obliges the United States to afford, and secures to them, the sole protectorate of any transit by the Panama route."

Thus from the history as well as from the theory of the matter, Mr. Frelinghuysen finally concluded that the United States esteemed themselves competent to refuse to afford their protection jointly with Great Britain, and that they would furthermore "look with disfavor upon an attempt at a concert of political action by other powers in that direction." He therefore trusted that Lord Granville would be led to change his mind and agree to the modifications of the Clayton-Bulwer treaty suggested by his predecessor, Mr. Blaine.

Such a change of mind would have involved a complete reversal of the British policy toward the isthmus, and could scarcely have been seriously expected. Instead, Lord Granville despatched another note to Mr. West on December 30, 1882, traversing every one of Mr. Frelinghuysen's points in turn.

In the first place the English Secretary denied

§ 152. Lord Granville's Traversal of Mr. Frelinghuysen's Case.

that Article VIII. of the Clayton-Bulwer treaty only referred to the particular transit schemes then in question, and pointed out that in the article referred to, the protection of the two governments was first afforded to the Nicaraguan company of 1850, then "to *any* other practicable communication," and only in the last place "specially" to those "which are now proposed to be established by way of Tehuantepec or Panama." Lord Granville further called attention to the fact that in the treaties which the United States and Great Britain had negotiated with the Central American states since 1850, the principle of joint protection had in each case been acknowledged, and inasmuch as the United States had seen fit to negotiate such treaties, they could not now fall back on the older convention of 1848. But even in this treaty with Colombia, Granville could see no exclusive right of protection conferred upon the United States, and did not therefore consider his government shut out thereby from any joint guaranty of the isthmus.

In regard to the British colony at Belize, Lord Granville was easily able to demonstrate that this had been acquired by conquest long before the signing of the Clayton-Bulwer treaty, and that English rights in this region had, moreover, been expressly excepted before Great Britain had consented to ratify the convention. Furthermore, the English diplomatist was able to convict our State Department of an inconsistency by pointing out that since that time the United States government had form-

ally recognized the legal existence of the *colony* of British Honduras in the Postal Convention of 1869, to which he called Mr. Frelinghuysen's attention.

In consideration of these facts Lord Granville maintained, on his side, that Great Britain had really done nothing in violation of the Clayton-Bulwer treaty, and that, as there seemed to be no doubt about the intent of Article VIII. of that convention, he could see no need of renewing any of the provisions of the treaty nor of modifying it in any way.

The diplomatic discussion had now about run its course, and the only result was that the two govern-
§ 153. Con-
 clusion of
 the Corre-
 spondence.
 ments were wider apart in their opinions than before. Still Mr. Frelinghuysen returned to the attack, and the controversy dragged on. The interpretation of Article VIII. did not seem to be settled, so Frelinghuysen again tried to prove that it only applied to the transit projects of 1850. At most, he maintained, this article was simply an agreement between the two governments to enter into future negotiations to guarantee some canal, and as thirty years had now elapsed without such negotiations being undertaken, the United States considered the treaty to have lapsed, both in its particular and in its general features.

To this Lord Granville replied that no time had been set in Article VIII. within which the canal must be built, and that therefore, there could be no presumption now that the treaty had lapsed.

As this was after all but a question of opinion, on which there seemed no hope of agreement, Mr. Frelinghuysen did not push the matter any further, but returned instead to the question of British Honduras. Great Britain certainly had raised her settlement at Belize to the rank of a colony, but whether in derogation of the Clayton-Bulwer treaty was still a question. Frelinghuysen took no notice of the United States' recognition of the colony in the Postal Convention of 1869, but attempted rather to press the issue raised by Mr. Fish concerning British encroachments subsequent to the treaty of 1859, and in regard to Guatemala's assertion that her government no longer considered this treaty as binding.

But Lord Granville had no intention of allowing the United States to interfere in a matter which only concerned the British government and Guatemala, so he curtly informed Mr. Frelinghuysen that both Secretary of State Clayton and President Buchanan had recognized English rights in this district and declared themselves satisfied, and that the question was therefore closed to any further discussion. Having thus expressed himself finally on the subject, the British diplomatist wound up the controversy by declaring that her Majesty's government was not able to see how the United States could bring up their Monroe doctrine at this late date, when the same doctrine had not precluded them from entering into the Clayton-Bulwer treaty in 1850.

This was all quite true and to the point. After

Clayton's and Buchanan's unfortunate estoppels we had no case, and it was foolish to try to construct one, only to have it broken down, and thus add another victory to our adversary's long list. Far better would it have been for us to have cried *peccavi* as to the past, and still insisted upon our national rights under the Monroe doctrine, simply as a matter of self-preservation. Our instincts had been right all along, but we had possessed neither the force nor the determination to follow where they led. In trying to avoid an inevitable issue with Great Britain, our statesmen had committed one diplomatic blunder after another, until it was impossible for us now to disentangle ourselves. In trying to do so Blaine and Frelinghuysen only drew the cords the tighter. There was but one thing to be done,—to break through the diplomatic web which enveloped us and stand forth before the world naked, and ashamed no doubt, but still young and vigorous and ready for a wiser future.¹

¹ For correspondence in full see U. S. Sen. Ex. Docs., 78 and 194, 47th Cong., 1st Sess. ; Sen. Ex. Doc., 26, 48th Cong., 1st Sess.





CHAPTER XX.

PANAMA VERSUS NICARAGUA.

BLAINE and Frelinghuysen claimed American control over the entire isthmus and all its possible transit routes. But the practical contest had now narrowed itself down to the rivalry of two canal projects, Panama and Nicaragua, and each of these involved political and diplomatic relations of its own. In the matter of the Monroe doctrine as applied to the transit question, Great Britain had certainly got the better of us in the argument; but now we had to deal with the French, and their canal project required very different treatment.

On his return to Europe after arranging matters satisfactorily in America, de Lesseps undertook an extensive lecturing tour through England, Holland, Belgium, and France in order to arouse enthusiasm over the Panama canal. The route, he said, had now been examined by competent engineers and found to be "much easier and less expensive" than was thought. The Suez canal was a gigantic work, de Lesseps declared, in comparison with the "bagatelle of the Chagres difficulties." American opposition, he had discovered, only arose from envy of "la

gloire Français." He had won over prominent statesmen of the United States, and now an "*entente cordiale*" had been arranged. Thus de Lesseps still chose very wisely to avoid the underlying political issue, and to appeal to the European pocket-book instead.

In France, too, his agents had done noble work during the absence of their chief in routing antagonism to the project. Through influences that only later came to light, the French press, which up to this had been either openly opposed to the Panama scheme or, at best, but luke-warm in its favor, now began to pour forth columns of fulsome flattery on de Lesseps, the promoter, and the grand project he had in mind. The *Messager de Paris*, formerly of the opposition, now declared it had been "converted by the serious studies made by M. de Lesseps in Panama." The *Journal des Actionnaires* announced that the "canal project had been welcomed with enthusiasm in the United States." The *Figaro* drew a beautiful picture of "the marriage of the oceans," with de Lesseps officiating in the robes of the high-priest of civilization; but then added more laconically that funds were necessary to perform the ceremony. The *République Française* calculated that the canal could be completed in six years for \$120,000,000, and would net each shareholder fifteen per cent. on his stock. The *Journal des Débats* went further still and announced that there were contractors ready to take up the work for \$102,000,000, and after adding to this the necessary sums for interest,

banking and administration expenses, extras, and the like, this paper concluded that the stock would pay a clear profit of fourteen per cent. *La Liberté* then began to scold the doubters, and urged them to have more faith in de Lesseps, "who comes before you with the authority of science." "Invest in these shares," the enthusiastic editor continued, "and by and by you will be proud of your part in opening this work of civilization. . . . The result will be a surprise to those who have but faith in our great fellow-countryman."

At the proper moment, when enthusiasm was sufficiently aroused, de Lesseps issued his second prospectus, on November 15, 1880, announcing that the Technical Commission had reduced the number of cubic yards to be excavated and thus considerably lowered the cost, and that the contractors MM. Couvreux and Hersent were now "ready" to undertake the construction of the canal for \$102,000,000.¹ Then to dissipate the absurd rumor started by his enemies, that the people of the United States in any

¹ As a matter of fact no such contract was ever concluded. M. Couvreux had been de Lesseps' partner in Suez, and had already advanced him considerable money on Panama. He did indeed declare that the canal would not cost over \$102,000,000, but then he wanted to get his money back and have the new company purchase his Suez dredges besides, and hence his lower estimate. Thus far the cost of the canal had been variously estimated as follows:

Mr. Wyse's estimate, 1879.....	\$85,000,000
Canal Congress at Paris, 1879, first estimate.....	208,000,000
" " " " second estimate.....	140,000,000
De Lesseps's Technical Commission, Feb. 14, 1880.....	168,000,000
De Lesseps's rectified estimate, Feb. 27, 1880.....	132,000,000
Contractor's bid, Nov. 15, 1881.....	102,000,000

way objected to the project, de Lesseps pointed with pride to "the full co-operation of the great and powerful American banking houses," which, he said, "shows the results of my trip to the United States."

The effect of such diplomacy was really astounding. When the subscription books were opened, so well had the preliminary moneys been expended in influencing public opinion, that instead of the six hundred thousand shares offered for sale, over a million were immediately subscribed for at a par value of 500 francs each. There were indeed more than 100,000 eager applicants, for the most part consisting of small proprietors and women, and thus each bidder had to be contented with but from one fourth to one third the number of shares he or she had subscribed for.¹

Such unprecedented enthusiasm of course added enormously to the *éclat* of the newly formed *Compagnie Universelle*, but the first stockholders' meeting which was called together by de Lesseps on the last day of January, 1881, somewhat clouded over the rosy aspect of affairs. De Lesseps himself was all sunshine, it is true, and in his report he declared with confidence that "all problems have been solved

¹ Of the 1,206,609 shares demanded 994,508 were asked for by Frenchmen and 212,101 by foreigners. Most of the foreign subscribers were Alsatians and Spaniards. No shares were taken in the United States besides those allotted to bankers, etc. The allotment was finally made to 102,230 applicants, and of this number 99,982 held less than 20 shares apiece, *i. e.*, 80,837 held from 1 to 5 shares, 19,143 held from 6 to 20 shares, 3208 held from 21 to 50 shares, and so on down, till we find only 8 holding from 900-1000 shares, and only 14 holding any over 1000. Out of the 102,230 original subscribers 16,000 were women.

and all difficulties smoothed over." But there was a little matter of preliminary expenses that had to be attended to, and this was the cloud upon the horizon. A committee was then appointed to report on these expenses, which had now to be made good from the paid-up stock.

Within a month the committee was ready to report, and on March 3d de Lesseps called a second meeting of the stockholders, to provide for the definitive organization of the company according to the French law. It would never have done to present the committee's report at the start, so de Lesseps began to stimulate confidence anew among his associates and prepare them for the shock. "The problem of the American isthmus is comparatively easy," so he began his second report. "It is an operation the exact mathematics of which are perfectly well known, and the grandeur of the effort to be made does not at all trouble the enterprising contractors to whom you will supply the means of carrying it out." The Technical Commission, de Lesseps declared, was composed of "the most competent engineers." It had concluded to dam the Chagres, and this de Lesseps maintained to be "a very simple solution of the only doubtful question about the execution of the work of opening the canal." Work was to be begun at once, he announced. The "installations,"—meaning thereby, clearing the line, studying the hydrographic features of the harbors, constructing houses for employees, hospitals, work-yards, offices, etc.—were all to be completed by

October, 1881. The Culebra cut was then to be attacked, and during November and December the dredges were to be set to work. In January, 1882, work was to be begun all along the line, and by 1888 the canal was to be opened to commerce.

After this introduction of brilliant promises, the committee's report was read, and to the consternation of the stockholders they now found that they had first to make good some \$9,000,000 already sunk in the preliminary expenses. Thus from the very outset, the poor people of France began to feed the vultures with their savings, and this first brood, though perhaps the hungriest, was by no means the last of the flock.¹

At the same time another canal company was being organized in the United States, with far less ostentation, and, on this account, perhaps, with nothing like the same quota of success. The gentlemen of the Provisional Canal Society had, as we know, been granted under their last concession until September, 1884, to complete all the preliminaries of their work. While Congress was considering the provisions of their bill, therefore, they took occasion to have their informal preliminary company merged into a more regular corporation, to be known in the future as the Maritime Canal Company of Nicaragua.

But their guaranty bill had failed to become a

§ 155. The
Maritime
Canal
Company of
Nicaragua.

¹ *Bulletin du Canal Interocéanique*, Nos. 15-28, Paris.

Économiste Français, August 8 and 15, 1885.

Rodrigues, *loc. cit.*, Ch. VI.

Bunau-Varilla, "The Past, Present, and Future of Panama," Paris, 1893.

law, and so some other and more immediate means had now to be resorted to in order to raise the necessary funds. General Grant and General McClellan then lent their influence to the project, and it was mainly due to their co-operation that a syndicate of capitalists was formed, under the direction of the banking-house of Grant and Ward, which agreed to undertake the construction of the canal. Here in America, however, it was the banking-house which failed, and after Grant and Ward had become so hopelessly involved, there was no further hope of the canal project for which they and the old General stood sponsor.

Grant's name had served as the talisman thus far for the Nicaraguan project, and now this name was shrouded for the time in a financial cloud. No further influence could in consequence be exerted either in the United States or Nicaragua, and on September 30, 1884, the company's concession lapsed.¹

President Arthur all along had very little confidence in the ability of American capitalists to construct the Nicaragua canal, and more especially since Congress had hesitated to lend its aid to the undertaking. And yet he was deeply impressed with the amount importance of a transit route under American control. The Panama canal project was now well under way, but citizens of the United States owned no stock in the enterprise, and the diplomatic correspondence on the question had at

§ 156.
President
Arthur's
Canal Pro-
ject.

¹ "The Interocceanic Canal of Nicaragua," *loc. cit.*, p. 11.

least gone far enough to show that Europe had no idea of allowing the United States to guarantee the neutrality of the route single-handed. Great Britain was definitely opposed to such an exclusive American protectorate, and she would easily be able to enlist the other European powers in an international syndicate for the purpose. Now it mattered not whether the canal were cut through Panama or Nicaragua; in either event it must, in Arthur's mind, form practically a part of our southern coast line, and hence should be kept under our control. Thus there seemed to the President but one solution of this difficult and perplexing problem, and this was to give over the Panama canal to French enterprise and European control, and at the same time to maintain the political prestige of the United States by the construction of a canal of our own across Nicaragua farther north. The American transit route must in this case be bought outright and paid for by the United States government, and the canal be built under its exclusive auspices. This northerly waterway would then mark our national frontier on the south, and what we owned, Arthur argued, we could certainly control and defend, according to the ordinary laws of property. This was simply cutting the knots of our diplomatic tangle, it is true, but Arthur justified his policy by insisting that the control of the canal was a political necessity involving our national union and prosperity, and that if it were not secured, we must surely disintegrate as a nation.

Before any practical steps could be taken in this governmental canal project, some diplomatic arrangement had first to be made with Nicaragua, more comprehensive in its terms than the still existing Dickinson-Ayon treaty. This duty fell of course upon Mr. Frelinghuysen, and as a result of his predecessor's diplomacy towards the Central American states, the task was not as difficult as it might have been.

Nicaragua, indeed, was only too glad to grasp again the helping hand of the United States in the midst of her fresh difficulties. According to the decision of the Emperor of Austria Great Britain was once more supreme on her eastern sea-board. Costa Rica was still claiming the canal route as her proper boundary, and instead of a peaceful confederacy, President Barrios of Guatemala was now trying his hand at a forcible union of the states, in spite of the earnest protests of Nicaragua, Honduras, and San Salvador, and their appeals to the United States for aid.

Surrounded thus by foreign and domestic difficulties, Nicaragua then sent a special commissioner, Señor Joachim Zavala, at the request of Secretary Frelinghuysen, to treat with the United States government directly in regard to the canal. Frelinghuysen had already outlined his plans and the Nicaraguan envoy this time readily agreed to the proposals. A convention, known as the Frelinghuysen-Zavala treaty, was accordingly drawn up without delay and submitted to the Senates of both

countries for approval, early in December, 1884. Therein it was definitely provided that the United States government should itself undertake to construct, operate, and maintain its exclusive control over the canal through Nicaragua. To this end Nicaragua was to accord our government an exclusive right of way across her territory from sea to sea, and also grant to the United States a fee-simple title to a strip of land two and one half miles broad all along the route. In return the United States undertook to guarantee and protect in its integrity Nicaragua's lawful territory, and furthermore to loan to her government the sum of \$4,000,000 to be expended in public improvements. Upon its completion the canal was to belong to Nicaragua and the United States jointly, the former to receive one third and the latter two thirds of the net revenues therefrom. This was of course nothing short of a protectorate over all Nicaragua, but then such a protectorate was thought to be necessary, inasmuch as the United States were to own the canal route themselves, and had therefore to be in a position to defend their own property.

Having thus cleared the political ground, it was now necessary to provide for the economic and technical details of the canal project. Upon the failure of Grant and Ward, and after the canal company's concession had expired in September, there were no longer any domestic obstacles in the way of the President's plans. Following instructions from the Executive, Secretary of the Navy, William E. Chandler, on December 15, 1884, therefore, ordered Mr.

Menocal to proceed at once to Nicaragua and locate the route, detailing Lieutenant R. E. Peary and Ensign W. I. Chambers to assist him in the work.

While negotiating for the Provisional Canal Society's concession in 1880, Menocal had completed a re-survey of the western section of the route, and decided to run the canal line from Lake Nicaragua to Brito on the Pacific, along the Lajas route, instead of along the Rio Medio, as Lull had previously recommended.¹ There was no immediate necessity, therefore, of going over this section of the route again, so Menocal and his party confined their present surveys for the government to an examination of the canal line along the Rio San Juan, and to a hydrographic study of the still unsatisfactory harbor at Greytown. The work was completed on April 25, 1885, and in the following November a very comprehensive report was handed in to the Secretary of the Navy, to await the action of the Senate on the Frelinghuysen-Zavala treaty.²

By this time the activity of the Panama Canal Company, both in Paris and on the isthmus, had reached an unprecedented pitch. It was an activity devoted, however, not so much to the actual prosecution of the work as to the feeding and nest-feathering of new broods of vultures.

¹ Cf., *ante*, § 120, p. 327. The only difficulty Lull had found in the Medio route consisted in the proper diversion of the waters of the Rio Grande. Menocal seemed to think this was quite possible, and therefore chose the Lajas route, as its summit was lower.

² U. S. Ex. Doc., 99, 49th Cong., 1st Session.

New York Tribune, December 18, 1884.

"Interoceanic Canal of Nicaragua," *loc. cit.*, p. 12, and Appendix No. 5.

With what funds there were left out of the first instalments of the stock after paying for the preliminary expenses, a force of some three hundred Europeans was sent out from Paris in October, 1881, to clear the line and arrange for the necessary plant. It was soon found that instead of the 100,000,000 cubic yards of excavation that de Lesseps had been figuring on, the canal as planned would require an excavation of at least 176,000,000 cubic yards. Little was thought of this change, however, and in 1882 actual operations were commenced on the canal itself at different points along the line. The work was not undertaken by the original contractors, MM. Couvreux and Her-sent, however,—for they had followed the prudent example of the Türr-Wyse syndicate and retired from the enterprise with a large indemnity,—but by a score of companies whose bids were higher but whose promises, at least, were equally brilliant.

But the work of excavation did not progress with the despatch that was expected. The climate was found to be deadly, and at the very outset a large number of the unacclimated European laborers and two or three of the company's most competent engineers succumbed. This raised wages considerably and introduced a spirit of recklessness and lack of responsibility in the continuation of the work.¹ Con-

¹ White mechanics had now to be paid \$5 a day, skilled black laborers \$2.50 a day, and unskilled black laborers \$1.75 a day. The company was pledged to furnish the contractors with requisite labor. High commissions were paid to agents to keep up the supply, but still more labor was required, and the contractors, not having enough hands, could shift the responsibility for unfulfilled contracts on the shoulders of the company.

siderable excavation was accomplished, it is true, in the low lands on either shore by the work of powerful dredges, but this was a comparatively easy task. Upon the Culebra cut in the interior, however, the contractors fell far behind their promises, and very little impression was made.¹

The company was more successful in providing what were deemed to be the necessary auxiliaries of the work. A majority interest in the Panama Railway Company was acquired, that the road might be used as an accessory to the canal.² Magnificent hospitals were erected both in Panama and Colon, but at enormous expense. Country villas were built for the officials, general offices for the company, dwellings for the laborers, work-yards, warehouses, wharfs, and a score of other structures, on all of which the contractors reaped a big harvest of unnecessary commissions.

During the six years that elapsed between 1881 and 1887, seven different Directors General were sent out to supervise the work, two years being the longest stay that any of them cared to make. No one employed knew any thing about the progress of the work, so they all very soon ceased to care. Lacking all control, the officials of the company on the isthmus gave themselves up to all the dissipations

¹ A Dutch company had the contract for this work, and agreed to remove 793,000 cubic yards a month for the first eighteen months, and 429,000 cubic yards a month after that. There were 26,000,000 cubic yards to be cut from this section alone, and yet the Dutch company never succeeded in excavating more than 130,000 cubic yards a month.

² The actual amount paid on the shares was \$18,000,000.

that professional gamblers and the like from Paris took pains to provide for them in Panama and Colon. Revelry thus increased by night while the work on the canal fell off by day. The pace grew quicker as the years went by, until 1887, when the funds ran short, and only about two fifths of the canal had been dug.

To meet this fearful drain on the funds, de Lesseps had first to call for fresh payments on the stock, and issue new bonds. But these sources of revenue soon came to an end. The stock then began to be sold out at a large discount, and fresh loans on the bonds could no longer be floated. De Lesseps continued to make fresh promises at every stockholders' meeting, but, with so little to show for the money already spent, the fears of the holders were not to be so easily averted. To stave off the inevitable crisis, the press had also to be bribed more liberally than ever, and to keep the condition of affairs from being brought up in the Chambers, Deputies and even dignified Senators had to be hushed.

In his extremity de Lesseps in 1886 appealed to the government for permission to raise money by a lottery loan,¹ but this first request was refused. At an enormous cost an ordinary loan of \$120,000,000 was then floated, but after commissions to bankers and bribes for the press had been deducted² only a portion of this sum was available for the canal. Charles de Lesseps, the old promoter's son, declared

¹ The Minister of Public Works, M. Baihaut, who supported the lottery plan, demanded \$200,000 and received \$75,000 for his ineffectual services.

² The ordinary loan cost \$2,200,000 to raise.

that this loan would be sufficient to complete the canal within three years, but he knew full well that something like twice the sum and twice the time would be required. In 1887 another loan of like amount was found necessary to continue the work and pay the fast-accumulating interest. Baron Reinach was given \$1,200,000 to float the bonds, but in spite of brilliant prospectuses, inspired articles, stump speeches, and the like, only half the loan was taken up.

The company's affairs were now in a desperate condition, and at this juncture it was decided to abandon the tide-level project and resort to the lock system, thus reducing the amount of the excavation by 85,000,000 cubic yards. But this was a fatal modification, for only by promising a straight tide-level canal had de Lesseps won adherents to his Panama project at all, and even with this reduction in the amount of excavation, the cost of the canal was now raised to something over \$300,000,000, according to the new estimates. A contract was nevertheless made with M. Eiffel, the famous engineer, to undertake the new works, and elaborate plans were presented. On this fresh basis the company then again applied to the government for its approval of a lottery loan, but was again refused. An eloquent petition was then gotten up with 158,000 names attached, and this time the government gave way and sanctioned the plan. The effort cost the company large sums,¹ however, and it was all

¹ M. Oberndörffer, who planned the lottery loan, received \$400,000 for his suggestions, \$400,000 more went for "publicity," \$580,000 for banking expenses, and \$280,000 to politicians, journalists, etc.

to no purpose after all, for on December 14, 1888, the final crash came and payments had to be suspended.

A parliamentary enquiry was at once instituted in the hopes of saving the enterprise, but its revelations only brought about still more calamitous results, as we shall presently see. Work on the canal was soon after discontinued, and with all the funds that had passed through its hands the company had only succeeded in excavating between fifteen and twenty miles of the least difficult portions of the canal, leaving still the most difficult portion to be dug through the interior.

The official liquidator then found that the canal had already cost over \$262,000,000, whereas de Lesseps had declared that \$120,000,000 would complete the work. Of this sum only \$100,000,000 had gone into the works, however, the rest having been either paid out in Paris or squandered in Panama. Salaries, profits, commissions, and the like swallowed up \$88,000,000, while something approaching \$32,000,000 had been paid for floating the various loans. The total expenses in Paris for the eight years amounted, in themselves, to over \$75,000,000. Or as one of the committee on new proposals put it, one third of the funds was spent legitimately, one third was squandered, and one third was stolen.¹

¹ *Cyclopedic Review of Current History*, Vol. III., No. 1, 1893.

Quarterly Review of Current History, March, 1893.

"Appleton's Annual Cyclopedic," Vol. XVIII., p. 319.

"Encyclopædia Britannica," "Panama Canal."

Bulletin du Canal Interocéanique.

Armand Réclus, "Explorations," *Tour du Monde*, Paris, 1880.

John Bigelow, "The Panama Canal," Report to New York Chamber of Commerce, February, 1886.

Rodrigues, *loc. cit.*, Chaps. IX. and X.

News of the doings of the Panama Canal Company in Panama reached the United States in a variety of ways. No hint of the real state of affairs leaked out through the Paris press, but correspondents of American papers¹ visited the isthmus during the course of the work, and predicted the inevitable crash a year or two before it actually came. Then in 1886 de Lesseps requested the New York Chamber of Commerce to appoint a delegate to accompany him on a tour of inspection over the line, saying that representatives of the Chambers of Commerce of France, England, and Germany would be of the party. The Hon. John Bigelow was accordingly appointed, and though he was royally entertained by the officials of the canal company, he was in no wise blinded to the hopeless condition of the project, and did not hesitate to express his opinion publicly on his return.

§ 158. The
Abandonment of the
United
States Govern-
mental
Canal
Project.

Officers of the United States government also had an opportunity of passing their judgment on the work, for in the midst of the high carnival at Panama, a riot occurred among the Colombian natives, which required the intervention of our navy under the terms of the original guaranty. Since the adoption of the Liberal Constitution of 1863, it appears that the Clericals in Colombia had gradually been gaining ground. Recognizing their strength, a radical leader, Dr. Nuñez, swung around the

¹ Special correspondents sent out by the *New York Herald* and the *American Engineer* of Chicago. Cf. files referred to at close of this section.

political circle and took up their cause in 1885. During the course of the revolution which followed, Colon was burned and the transit route threatened. The French officials were powerless to interfere, so when the railway line appeared to be in imminent danger American marines were landed and order preserved. The Clericals were ultimately successful, and Nuñez reaped his reward by becoming practical Dictator of the country. The local autonomy of the several states was then done away with, and Colombia came under the rule of a strong military government.

The American naval officers who took part in the intervention, and those who were stationed off Panama and Colon during the progress of the work,¹ were instructed by the authorities at Washington to make reports on the progress of de Lesseps's enterprise. The information thus furnished was for the most part unfavorable to the project, and this, taken together with the newspaper reports which now began to appear, went far to encourage the Arthur administration in its plans for the Nicaragua canal.

But the ratification of the Frelinghuysen-Zavala treaty was of course the condition precedent to the continuation of the government's project. As far as Nicaragua was concerned, all doubt in this regard was soon removed by the Legislature of that state approving the Convention as it stood. But in the Senate of the United States other considerations had

¹ Lieutenants R. M. G. Brown, R. P. Rodgers, Francis Winslow, and R. H. McLean.

to be taken into account beyond the mere desire for the immediate construction of the canal. Under the circumstances, ratification of the treaty meant sure trouble with Great Britain, but in spite of this fact there were many Senators who would have been willing to make the matter a test case under the Monroe doctrine. In this way we might, indeed, have asserted our natural rights at the expense of our treaty obligations, and simply taken our chances. A strong minority was, however, opposed to any such radical course, and insisted upon delaying the question, at least until some better understanding could be arrived at with England.

The matter remained in doubt, therefore, for something over a month, as the Senate could come to no conclusion. Finally, toward the end of January, 1885, the treaty was acted upon in executive session, but failed of ratification under the two-thirds rule,—the vote standing 32 Ayes to 23 Nays. A motion to reconsider was at once entered, and the treaty still remained for a short time before the Senate.

But the Republicans had met with defeat in the last election, and the Democrats now came into control. President Cleveland's ideas on the canal question differed radically from those of his Republican predecessor, however, and in his annual message of 1885 he took pains to outline quite a different policy in the matter, as follows :

“ Maintaining as I do the tenets of a line of precedents from Washington's day, which proscribe entangling alliances with foreign states, I do not favor a policy of acquisition of new

and distant territory, or the incorporation of remote interests with our own. Therefore, I am unable to recommend propositions involving paramount privileges of ownership or right outside of our own territory, when coupled with absolute and unlimited engagements to defend the territorial integrity of the states where such interests lie. While the general project to connect the two oceans by means of a canal is to be encouraged, I am of the opinion that any scheme to that end, to be considered with favor, should be free from the features alluded to."

Shortly after the treaty failed of ratification, therefore, the President had it withdrawn from the Senate for further executive consideration, and it was not again presented to Congress.

Many years had now elapsed since the Panama Congress, but the United States government still felt indisposed to assert its position of protector among the Spanish-American states. Arthur's plan, like Adams's of long ago, was still premature, and matters in consequence were left to drift along pretty much as before. The Clayton-Bulwer treaty was thus allowed to stand, and our diplomatic relations with Nicaragua continued to be regulated by the unsatisfactory Dickinson-Ayon convention.¹

¹ *New York Herald*, Nov. 2, 1884; February 8, 1885.

American Engineer, Oct., 1884.

New York Tribune, Feb. 3, 1886.

New York Times, May 1, 1885.

U. S. Sen. Ex. Doc., 123; Ex. Doc., 99, 49th Cong., 1st Sess.

"The Interoceanic Canal of Nicaragua," *loc. cit.*, p. 13.



CHAPTER XXI.

THE MARITIME CANAL COMPANY OF NICARAGUA.

THUS within the space of a few years the pendulum of the American canal problem swung backward and forward between the limits of individual initiative and the further extreme of governmental control. There was nothing to hold it at either end of the arc, so, as a matter of course, without further momentum, it now began to oscillate around its own centre.

§ 159. The
Nicaragua
Canal Association and
its Concession.

Private capitalists had indeed demonstrated their economic inability to undertake the construction of the canal, but since then the government likewise had been obliged to withdraw from the enterprise for political reasons. An opportunity was thus afforded for a partnership between the two, leaving neither party to assume the entire political and economic responsibility of the work. Such was evidently Cleveland's idea, and the immediate effect of his message was, therefore, to encourage private promoters to again take the initiative in the undertaking, in the hopes that the government would lend them its support.

In order to arouse public opinion in the matter

and bring the subject up once more for general discussion, Commander H. C. Taylor was then invited to deliver an address on the canal question before the American Geographical Society. His paper was indeed deserving of the attention it received. Interest in the enterprise was thus reawakened, and shortly after, on October 20, 1886, a number of prominent gentlemen came together by appointment, to devise ways and means of again setting the project on its feet. As a result, on the 3d of December, another Provisional Canal Association¹ was informally organized, and in the following March Mr. Menocal was once more sent off to Nicaragua to negotiate for a concession. Being authorized by the promoters to make an advance payment to Nicaragua of \$100,000, in order to convince that government of the company's serious intentions, Menocal had no difficulty on this occasion, and, on April 24, 1887, a very favorable concession was agreed to and ratified by the proper authorities.

A so-called Nicaragua Canal Construction Company was then incorporated by the Provisional Association, to institute the final surveys and provide for the necessary technical preliminaries of the

¹ The following gentlemen were associated in this organization: Hon. Charles P. Daly, Commander H. C. Taylor, Horace L. Hotchkiss, A. S. Crowninshield, Francis A. Stout, Frederick Billings, Hiram Hitchcock, A. B. Darling, J. W. Miller, James Roosevelt, R. A. Lancaster, Henry R. Hoyt, F. F. Thompson, G. H. Robinson, A. C. Cheney, H. Fairbanks, C. H. Stebbins, C. Ridgley Goodwin, A. B. Cornell, J. F. O'Shaughnessy, A. G. Menocal, Admiral D. Ammen, Robert Garrett, T. Harrison Garrett, G. E. Kissell, Henry A. Parr, Charles D. Fisher, John L. Williams, Jules Aldigé, and many others.

work. Mr. Menocal was made chief-engineer of the enterprise, and in November a surveying party was sent down to Nicaragua to co-operate with him in the final location of the line. Menocal had already become thoroughly familiar with the nature of the canal route, as we know, and since his recent surveys of 1880 and 1884, two English engineers, Messrs. Passmore and Climie, had also made a hydrographic examination of the river and harbor of the San Juan for the Nicaraguan government.¹ So data in abundance were available for the present expedition, and the canal plans were now worked out in detail.²

Renewed interest in the canal meant, however, as usual, fresh diplomatic negotiations by the government with the Central American states. Realizing this fact, and anxious to know whether the present administration was willing to lend them its support in their private undertaking, the Nicaragua canal promoters wrote to Secretary of State Bayard asking him to assure them on this point. He replied at once that the administration was highly in favor of the enterprise being conducted in this way "under the control and guidance of American ownership and capital"; and to emphasize his assurances he enclosed a copy of Cleveland's

§ 160. President Cleveland's Award in the Boundary Dispute.

¹ Their report was subsequently embodied in a British government White Book.

² *Engineering Magazine*, March 10, 1893, *loc. cit.*

"The Interoceanic Canal of Nicaragua," *loc. cit.*, p. 13, and Appendix No. 2.

message, adding that he was sure that the President had "undergone no change in the views nor abatement in the interest set forth in that paper."

Thus called upon to turn his attention to the isthmus, Bayard found matters in greater confusion than ever. There seems, indeed, to be a more or less regular cycle in what we might call the involution, rather than the evolution of the Central American states. First civil war breaks out between the two political parties in some one republic, generally resulting in the overthrow of the existing administration. Thereupon the Liberals and Conservatives in all five republics take sides, the former advocating and the latter opposing a union of the states, and the so-called "war" becomes general. When this has gone on long enough the would-be Central-American dictator appears upon the scene, and then forgetting all their previous animosities, the other states hastily come together and take up arms against the oppressor of their free republican institutions. No dictator has as yet proved strong enough, it is true, to accomplish the union by force, but upon every such attempt the separate states, so absurdly jealous of their nominal independence, have in each case become panic-stricken and sworn undying friendship for each other in the future. Thus the cycle is apt to be concluded by the negotiation of a series of treaties in which war is forever abandoned and arbitration substituted as a method of settling their innumerable disputes,—and, it is useless to add, such conventions are regu-

larly broken at the outbreak of the next civil war, when the cycle begins again on its periodical evolution.

At the time of which we are at present speaking, the political revolution was entering on its last stages, and Bayard found himself too late to check its course, even if he had so desired. President Barrios of Guatemala had again proclaimed the union of the states, on February 28, 1885, and declared himself at the same time their supreme military chief. Honduras espoused his cause, San Salvador vacillated, and for once at least in their long career of mutual jealousy and antagonism, Nicaragua and Costa Rica stood together in their opposition to the despot. War was declared and the United States took sides against Guatemala. His government was anxious to promote the union of the states, Bayard explained, but could not countenance the use of force for the purpose. American citizens, inclined toward filibustering adventure, were not so squeamish in the matter, however, and quite a number arrived from the United States in Honduras and San Salvador bent upon making their influence felt in the final adjustment of affairs. United States war-ships followed to protect American interests, and the crisis then rapidly matured. On April 2, 1885, the decisive battle of the war occurred, and Barrios, the cause of all the trouble, was killed. Thereupon the rest of the states began to tumble over each other in their promises of peace and goodwill, and soon the normal order of things was re-

established without any serious harm having been done. A treaty of perpetual peace was then concluded on February 16, 1887, between the five republics, binding them jointly and severally in the future to a policy of non-interference, and holding them again to the principle of international arbitration.

With no general war to divert them Nicaragua and Costa Rica are very apt to be at logger-heads over their interminable boundary dispute, and the controversy became especially acrimonious on this occasion as the canal question was again in the air, and the American company had already sent its agent to Nicaragua, as we know, with ready money at his disposal, to obtain the proper concessions. This excited Costa Rica's cupidity once more, and again caused her to put forward her claims to the canal route. Lest this dispute should lead to a renewal of hostilities, the other states finally induced the two which could never agree of themselves, to refer the whole question to President Cleveland to arbitrate. The task was, indeed, a delicate one, and yet at the same time one which the United States government was very glad to assume, as the precedent thus established gave hope of a better state of affairs in the future.

With the aid of the Assistant Secretary of State, Mr. Rives, the President then went carefully over all the accumulated evidence and decided the question on March 22, 1888, at least to the immediate satisfaction of all parties. According to the award, the

Canas-Jerez treaty of 1858, which Nicaragua had repudiated without due cause, was now declared to be valid, and the boundary line was fixed as before, parallel to, and three miles south of, the San Juan. Nicaragua was to be allowed to execute any works of improvement in her own territory, provided she did not occupy or damage the territory of Costa Rica, and provided also she in no wise impaired the free navigation of that part of the Rio San Juan in which Costa Rica was entitled to share. Nicaragua could therefore make no grants for canal purposes on the right bank of the river without first asking Costa Rica's "opinion," as, according to the terms of the Canas-Jerez treaty, Costa Rica possessed certain natural rights in the navigation of the San Juan below Castilla Viejo. On the other hand, the President decided that Costa Rica had no right under the treaty to be a party to the grants which Nicaragua might see fit to make for the purposes of an inter-oceanic canal, though in case the construction of such a canal should involve any injury to Costa Rica's rights, her "opinion" in the matter, Cleveland said, should be more than "consultive" and "advisory," and that in such an event her "positive consent" would be necessary, and compensation should be allowed. Still Costa Rica was to have no claim to the profits set apart to Nicaragua from the canal project in return for the favors and privileges the latter state might concede.

Both parties accepted the decision and ratified the award, but Costa Rica showed her determination

from the outset to make what advantage she could from such rights as had been accorded her. So to avoid further trouble, if possible, the canal company at once made liberal terms with Costa Rica as well, and, on August 9, 1888, a further compensation contract was signed by Menocal granting Costa Rica all she could well desire, and giving the company in return full rights to construct the canal as it had planned.¹

Quiet now reigned among the Central American states. Nicaragua and Costa Rica were for the time at least content, and the American canal company was secure in its proper concessions for the work; but diplomatic difficulties still remained. We might settle matters to our satisfaction on the isthmus, but, having arranged the preliminaries, we always found ourselves face to face with the Clayton-Bulwer treaty and its uncomfortable conditions. The government, it is true, was no longer directly responsible for the canal project, but still the question of American control was about as important as before, and like his predecessors, Bayard also had strong convictions on this point. When the matter came up be-

¹ U. S. House Ex. Docs., 732, 735, 739, 743, Part II., 43d Cong., 1st Sess.

U. S. House Ex. Docs., 157, 168, Part I., 44th Cong., 1st Sess.

U. S. House Ex. Docs., 59-61, Part I., 48th Cong., 1st Sess.

U. S. Senate Report, 1944, Appendix I., 51st Cong., 1st Sess.

U. S. Foreign Relations, 1888, "Cleveland's Award."

U. S. Diplomatic Correspondence, 1880-1887.

Gaceta Oficial, Managua, Nicaragua, Feb. 27, 1887.

New York Tribune, Jan. 11, 1891.

fore Congress in 1880, Bayard had declared in the Senate that the canal "must be under the control of the government of the United States." "Our power may be questioned," he said at that time, "but it will be maintained," and, he concluded, "every counsel of wisdom, therefore, exhorts us to seize the day and in time of peace prepare for war, for it is the surest mode to avert it." The responsibility of maintaining such control had now devolved upon Bayard's shoulders in his official capacity, and he accordingly lost no time in reopening the old question of the Clayton-Bulwer treaty with the British Foreign Office.

Mr. Frelinghuysen, it will be remembered, in his efforts to overturn the existing status of the Clayton-Bulwer treaty, had directed his attack upon the colony of British Honduras; but even while this correspondence was being exchanged events were taking place in the Mosquito reserve which were now destined to revive the case in its original bearings. Whatever may have been the political effects of the Emperor of Austria's decision, it certainly resulted in giving economic dignity and importance to the Mosquito shore. The British control of the government of the reserve which the English settlers had practically usurped, though never allowed by Nicaragua, was now justified by the Emperor's award. Still, Anglo-Saxon direction to whatever purpose applied, is far better than Spanish-American rule, and the immediate result of the new order of things, was to give fresh life to the business interests

of the settlement. British and American capital now sought larger investment along the shore and the trade in woods and fruits came to increase very rapidly, dividing itself pretty equally between England and the United States. Bluefields, the capital, became, accordingly, a business settlement of foreigners, and the English directors were wise enough to govern the reserve solely in the interest of these commercial classes. Nicaragua, and indeed the Indians themselves, suffered in consequence, but American business interests were greatly benefited thereby. Politically, however, the United States were bound to stand by Nicaragua in the dispute, and thus the American settlers were placed in an anomalous position, their patriotism urging them to stand by their government in the matter, their personal interests demanding that they support the existing *régime*.

The government of the reserve before long fell into the hands of an irresponsible clique of foreigners who ignored Nicaragua's rights entirely. But the settlement was now growing rich, and Nicaragua desired to have a share in its revenues. So a policy of renewed interference was decided upon in the face of the Emperor's decision. A Nicaraguan post-office was accordingly opened at Bluefields as a preliminary step, troops and police began to congregate in the town, and there was even talk of erecting forts along the shore. When matters reached this pass, Mr. Gastrell, the British minister to the Central American states, reported the condition of affairs to his government and asked for instructions. Nicara-

gua at the same time appealed to the United States, and, having also learned the nature of the issue through his own subordinates on the ground, Mr. Bayard concluded that some immediate action must be taken in behalf of American interests and the canal company.

On November 23, 1888, a letter was accordingly addressed to Mr. Phelps, United States minister in London, in which Mr. Bayard took the ground that his government, not having been made a party to the arbitration of 1880, did not consider itself bound in any way by the Emperor of Austria's decision. He further declared that the United States had never supposed that the treaty of Managua gave Great Britain any further right to influence, direct, or control the destinies of the Mosquito territory, and that they must, therefore, now insist upon Nicaragua's paramount right of sovereignty being recognized in fact as well as in theory. Great Britain's present action in attempting to interfere in a dispute between Nicaragua and the Indians living within her borders, was nothing more nor less than a revival of the Mosquito protectorate, in a new form, Mr. Bayard maintained, and the United States could not look with indifference upon any such protectorate.

All this was again well enough if regarded as a reassertion of American claims, but in reality Mr. Bayard had no diplomatic grounds for his complaints. Having had an opportunity to examine the treaty of Managua, and having declared ourselves satisfied therewith, we could not now plead any misunder-

standing of its terms. Nor could we refuse to be bound by the Emperor of Austria's decision, for, by recording our satisfaction with the treaty, we were no longer a party to any dispute over its proper interpretation. Great Britain could therefore perfectly well refuse to discuss the question any further with us directly, and the matter was thus allowed to work out its own solution in a manner somewhat surprising to both parties, as we shall presently see.¹

In the meantime, with their concessions and contracts secured, and the canal route definitely located, the gentlemen of the Provisional Association were anxious to inaugurate the work in Nicaragua. They did not feel justified in proceeding, however, until they had at least succeeded in securing the moral support of the government. Public opinion was accordingly aroused all over the country in their behalf, the press began to call upon the government to come out in favor of the present American canal project, and Congress was deluged with resolutions from various State legislatures, chambers of commerce, boards of trade, and other organizations, urging it to incorporate the canal company under the laws of the United States.

When popular enthusiasm had been sufficiently

§ 162. The
Incorporation of the
Maritime
Canal Com-
pany by the
United
States Gov-
ernment.

¹ Foreign Relations of the U. S., 1888, p. 759.

U. S. Sen. Ex. Doc., 20, pp. 14, 70, and 87, 53d Cong., 3d Sess.

U. S. Senate Calendar, 378, Report of Senator Morgan, April 14, 1894.

New York *Nation*, No. 762, Feb. 5, 1880.

aroused in this way, on January 10, 1888, two bills were introduced simultaneously in the Senate and the House by Senator Edmunds and Representative Norwood, providing for the incorporation of the Maritime Canal Company of Nicaragua. Inasmuch as these bills only asked for the government's political protection, and as this had already been virtually promised by the President, there was little opposition in Congress to the request. Both bills being identical, the Senate bill was, therefore, allowed to take the place of that before the House, and the measure ultimately secured the sanction of both branches of Congress. On February 20, 1889, the President added his approval, and the Maritime Canal Company thus secured the rights of a juristic personality under the laws of the Federal government.

On the fourth of the following May the company was duly organized, with a capital of \$150,000,000 in five-per-cent. bonds and \$100,000,000 in ordinary stock. Mr. Hiram Hitchcock was elected president,¹ and the concessions were duly transferred from the old company to the new. A contract was then entered into with the Construction Company for the prosecution of the work, and henceforth the Maritime Canal Company of Nicaragua came to represent the American canal project as a private undertaking.²

Mr. Menocal retained the post of engineer-in-chief

¹ The position he still fills.

² U. S. Statutes, Vol. XXV., pp. 673-675.

U. S. Sen. Report, 1944, Appendix K, 51st Cong., 1st Sess.

"The Interoceanic Canal of Nicaragua," *loc. cit.*, pp. 14, 15.

of the undertaking, and on May 26th the first construction party, consisting of forty-seven engineers and their assistants, was sent off to Nicaragua to inaugurate the work under his direction. Supplies and materials were despatched with the party and orders were given to stop at Jamaica and pick up a sufficient number of acclimatized laborers. The party arrived at Greytown on June 8th and at once commenced work, with nothing like the display that had characterized the inauguration of the Panama canal, it is true, but with far greater determination to succeed.

§ 163. **The Inauguration of the Work in Nicaragua.** What de Lesseps had called the "installations" were little more than begun, however, when Nicaragua and Costa Rica again fell to quarrelling over their respective rights along the canal line. Each had made its own contract with the canal company, to be sure, but neither would consent to countersign the grants accorded by the other, and thus fresh controversies were bound to arise. The company appealed to the government of the United States to adjust matters, and, as Mr. Blaine had now reassumed control of the State Department, he was again called upon to exercise his good offices in behalf of the canal. Mr. Mizner was then our minister to Central America, and by acting decisively and at once he was able to bring the refractory little republics to order, and finally induced them to sign a convention, called the "Treaty of Limits," which emphasized President Cleveland's award, and once more "settled" the boundary dispute for the time.

This diplomatic difficulty occasioned some delay in the technical prosecution of the work, but after the adjustment had been effected operations were resumed. The canal line was now laid out according to the plans, storehouses, machine-shops, and wharfs were constructed, dwellings for officers and employees were erected, a hospital service was organized, and railroad and telephone lines were run along the eastern section of the canal route.¹

These works were merely preliminary, however, and were only intended to substantiate the company's rights under its concession with Nicaragua. § 164. Ex-
 The real test lay in the ability of the Mari-
 time Canal Company to raise the necessary ^{Inspection.} funds for the actual construction of the canal.

The promoters were, indeed, genuinely anxious that the work should be completed with American capital, but sufficient funds could not be raised in the United States, they thought, unless the government should come to their aid with a financial guaranty and give the enterprise at least the stamp of a national undertaking. Otherwise, they openly declared they would have to float their securities on the markets of the world and invite foreign capital to subscribe. This latter plan, again, if vigorously pursued, must necessarily react in favor of the former, by stirring up American patriotism in the undertaking when confronted with the possibility of

¹ Report of the Maritime Canal Company to the Secretary of the Interior, 1890. U. S. Sen. Ex. Doc., 5, 51st Cong., 2d Sess.
 U. S. Diplomatic Correspondence, 1890.

foreign control. Thus in following its own business interests, the canal company really cast the responsibility of the decision upon the American people themselves.

On March 5, 1890, Hon. Warner Miller was elected president of the Construction Company, and a few days later he set out on an expedition of inspection, taking with him a number of gentlemen, both experts and laymen, that they might see for themselves and report to their friends the progress and possibilities of the work. The party was selected with rare discrimination, and all interested elements were well represented. Two English engineers, Messrs. H. F. Donaldson and H. F. Gooch were invited, in the hopes that their report might enlist British capital in the enterprise. An American technical expert from private life, Mr. D. McN. Stauffer, was also present to encourage American investors. The United States government likewise detailed experts from the Army and Navy to accompany the expedition in an official capacity and report the results of their inspection. The officers appointed for the purpose were Major C. E. Dutton, and Lieutenant Guy Howard of the Army, and Commander Willard H. Brownson, and Lieutenant W. I. Chambers of the Navy. A number of journalists also accompanied the party, that the people might be informed of the undertaking through the press. A mishap befell the party on the voyage, as their vessel, the steamship *Aguan*, was wrecked upon a coral reef in the Caribbean Sea, but fortunately no lives were lost, and, after being obliged to spend

six days on an island, they were taken off by a coasting steamer, and finally landed at Greytown on April 2d. The visitors were then shown over the route, and given an opportunity to see the equipment in working order and inspect the work thus far accomplished. General satisfaction was expressed at the result. The English engineers on their return to Great Britain spoke with approval of the work, and the American officers also reported favorably on the enterprise to their government. The press was likewise loud in its praises of the undertaking, and altogether, as a result of the expedition, the Nicaragua canal project was placed on a much firmer and surer basis before the world.

Shortly after this, the Nicaragua government appointed two commissioners, Señors Don J. A. Roman and Don Maximilian Sonnenstern, to inspect the work of the company, and determine whether, during the first year, \$2,000,000 had been legitimately expended upon the work, as provided for under the concession. Their report, handed in on November 6, 1890, was also entirely favorable, and the company was duly informed by Nicaragua's President, that Article XLVII. of the concession had been "fully and completely complied with." Thus under the terms of their contract with Nicaragua the canal promoters now had ten years before them to complete the work, and they felt justified, therefore, in continuing their preparations accordingly.¹

¹ U. S. Sen. Ex. Doc., 4, 52d Cong., 1st Sess., p. 3.

"Interoceanic Canal of Nicaragua," *loc. cit.*, pp. 17, 18, and Appendix 10.

Opposition to the company's plans then arose from quite an unexpected source, and in order to understand the situation we must recollect in what hopeless confusion the French intervention in Nicaragua left the rights of the original American canal company.

§ 165. The Blackman Claim and the Guaranty Bill of 1891.

Between M. Belly's ignominious exit and the appearance of the Emperor's agent, the Nicaraguan government authorized the organization of the Central American Transit Company, as we have learned, and offered, at least, to revive in favor of Mr. Webb and his associates, all the rights and privileges of the American Atlantic and Pacific Ship Canal Company, whose original charter Walker, the filibuster, had previously annulled. But the Nicaraguan authorities and the American promoters fell out, as we know, and shortly after this, M. Chevalier appeared upon the scene to dazzle the republic with the Emperor's magnificent plans.

The Americans were then straightway forgotten, and Nicaragua, we will remember, granted exclusive rights of transit to the French. But Napoleon could make nothing of his concession, and, on March 16, 1877, Nicaragua again transferred the monopoly of steam navigation in her waters, this time conferring the right upon Señor F. A. Pellas, an Italian resident of Greytown.

Thus there could be little doubt from her acts that Nicaragua had long since come to regard as null and void the rights of navigation and transit previously granted to citizens of the United States.

But the American company appears to have lived on in name at least, and a resident of Kansas, Mr. A. L. Blackman, now came forward and claimed to be the possessor of its residual rights.

At his instigation, therefore, Mr. Richardson, the Representative from Kansas, presented a bill before the House to repeal the charter of the Maritime Canal Company. The bill was referred to the Committee on Commerce, but after a careful examination of the subject, the committee could discover no adequate ground for the adverse claim. A report was accordingly handed in to this effect on August 30, 1890, and the rights of the Maritime Canal Company under its United States charter were officially reaffirmed.

But the situation was still not entirely satisfactory to the government, with rival claims to the route among American citizens, and the possibility of foreign capital seeking investment in the canal, so the Senate Committee on Foreign Relations then took the matter into its own hands, and reported a bill, on January 10, 1891, authorizing the government to guarantee the principal and interest at four per cent. of an issue of \$100,000,000 of the canal company's bonds. The funds thus raised were to be exclusively applied to the construction of the canal, and the government was to hold \$70,000,000 of the company's ordinary stock as a pledge and security for the amounts advanced under its guaranty. The Secretary of the Treasury, in whose custody the stock was to be left, was furthermore to have the power of

voting upon it at his discretion, and the President might name the majority of the company's board of directors.

This was sailing somewhat closer to the wind of governmental control, and showed that the tide was again beginning to turn against private initiative in the canal project. The bill was introduced by Senator Sherman, chairman of the committee, and was ably discussed during the remainder of the session. Senator Morgan and the other members of the committee were strongly in favor of its passage, but still it was not thought wise to press the matter at this time to a final vote.¹

The speeches in the Senate at least had the effect of setting the people thinking over the canal project and the matter of American control. The related question of a closer union of the Americas in the interests of trade and commerce was also being discussed at this time, as a result of Blaine's Pan-American congress which had lately met in Washington. Thus the attention of the country was being turned to the south, and the people were again forced to consider the question of their future politico-economic relations with the states of Spanish-America.

§ 166. How
Popular
Interest in
the Canal
Project was
Aroused.

¹ "The American Atlantic and Pacific Ship Canal Company. A Refutation to its Claim to the Nicaragua Canal Route." New York *Evening Post* Job Print, Jan. 1, 1888.

Gaceta Oficial, Managua Nicaragua, Feb. 27, 1887.

"Interoceanic Canal of Nicaragua," *loc. cit.*, pp. 15, 16.

U. S. Sen. Bill, 4827, January 10, 1891, and speech of Hon. John T. Morgan on the same, February 6, 1891.—Sen. Report, 1944, 51st Cong., 1st Sess.

There were now two projects on foot, one for a railroad through Central America to connect Mexico and the United States with the countries of South America, and the other for a canal across the isthmus. The two schemes complemented each other, however, and both demanded definite action on the part of the United States. The time was therefore ripe for a thorough agitation of the question of interoceanic communication, and the friends of the Nicaragua canal determined to make good the opportunity.

On December 15, 1891, a special meeting of the New York Chamber of Commerce was called to listen to an address on the canal project by the Hon. Warner Miller, president of the Construction Company. In introducing the speaker, Mr. Charles S. Smith, president of the Chamber, took occasion to express himself very strongly in favor of governmental ownership, construction, and control of the canal, and resolutions were adopted at the close of the meeting to the effect that the enterprise was entitled to the encouragement and loyal support of the American people.

California, always deeply interested in the problem of interoceanic transit, was the next to take the matter up; and, early in the following year, a State convention of leading citizens was called together in San Francisco to discuss the question. As a result of this meeting a memorial was presented to Congress on behalf of the people of California, urging immediate governmental action on the canal question, and the Governor of the State was also requested to call together a National Nicaragua Canal Convention to meet in St. Louis in the spring.

Invitations were accordingly issued by California's Executive to the Governors of the other States and Territories, asking them to appoint delegates. The convention met in June, 1892, with three hundred representatives from thirty States and Territories, and the enthusiasm appeared to be indicative of the temper of the American people. Resolutions were adopted calling upon Congress to aid in the construction of the canal, and an executive committee was also appointed to examine into the question further, and arrange for another canal convention later on.

This was the summer of the presidential campaign, and the commercial policy of the country was therefore the principal theme of political discussion. But both free-trade and reciprocity favored interoceanic communication, and thus the Nicaragua canal project was fortunate enough not to become entangled in the political dispute. Republicans and Democrats had differed on the question of governmental control of the transit-way, it is true, but this issue had already been neutralized by the Senate committee's proposal of a guaranty, and both parties accordingly came out strongly in favor of the new plans. In their respective letters of acceptance both Cleveland and Harrison also took pains to express their approval of the undertaking, and thus for once at least in its varied career, the Nicaragua canal project received a genuinely national endorsement.

The friends of the project were naturally elated, and confident now of success. After the election,

therefore, the executive committee on the transit question, appointed at the St. Louis meeting, issued its invitations at once for another canal convention to meet in New Orleans on the 30th of November. Every State and Territory was this time represented and 600 delegates were present on the occasion. In the course of the preliminary discussion, Governor Foster of Louisiana spoke for the Gulf section, Judge Jones of Arkansas set forth the farmers' interest in the project, and Governor Estee of California dilated upon the advantages that would accrue to the Pacific slope from the construction of the Nicaragua canal. Senator Morgan then made a long statement of the case from the governmental standpoint. After considering the project very carefully in its diplomatic, political, strategic, and commercial aspects, the Senator came definitely to the conclusion that the government was both justified and warranted in giving its support to the undertaking. Resolutions were, thereupon, unanimously adopted calling once more upon Congress to lend its aid in the construction of the canal, and to take such steps as would best accomplish the desired result at a minimum cost of time and money.¹

These various petitions, memorials, and resolutions

¹ "What the Chambers of Commerce, Boards of Trade and Exchanges of New York, Boston, etc., and Prominent Newspapers and Individuals have to say about the Nicaragua Canal." Pamphlet, New York, 1888.

Proceedings of Chamber of Commerce of the State of New York, Dec. 15, 1891.

Proceedings of the Nicaragua Canal Conventions at St. Louis and New Orleans, June 2, and 3, 1892, November 30, 1892.

D. H. Montgomery, "Leading Facts of American History," § 390.

in favor of governmental participation in the canal project had their desired effect upon Congress. The § 167. The Senate Committee on Foreign Relations Guaranty again went over the whole question very Bill of 1892. carefully with the intention of pointing out some way by which American capital could construct the canal, and leave it under the exclusive control of the United States government, without coming into conflict with Great Britain. It was indeed a difficult course to navigate, but the committee had by no means lost confidence in its earlier chart and promised to steer clear of the difficulties.

On December 23, 1892, Senator Sherman accordingly presented an amended guaranty bill before the Senate in behalf of his committee and strongly recommended its passage. Like the former measure this bill provided for a governmental guaranty of the canal company's bonds to the extent of \$100,000,000; and again gave the President power to name a majority on the company's board of directors. Instead of holding the shares in pledge as before, however, the government was now to receive in return for the security granted, and without further compensation, \$80,500,000 of the capital stock of the company in full ownership. A similar bill was introduced into the House at the same time, and Congress thus had another opportunity of coming to some decision.

The course thus laid down in the chart was a point or two closer to the wind than before, for the government was now not only to guarantee the

bonds, but also to own a majority of the stock. It was a question, therefore, whether better progress could not be made by going about on the other tack, and making straight for governmental ownership and control. But Congress was assured by the committee that such a course would inevitably land the country on the shoals of another diplomatic controversy with England. Why not ease off then toward the open of free competition in the canal project? Because, the committee answered, there were foreign capitalists there, ready to embark on the undertaking and steer it entirely away from our control. It was the old question of Scylla and Charybdis, with the British government on the one hand and the British investor on the other, and again Congress did not dare make the run.

There were able speeches in both branches of Congress on this occasion as well, but, as before, the canal bills failed to reach a final vote.¹

The Maritime Canal Company was thus thrown back again on the markets of the world, with its financial prospects injured rather than § 168. Efforts to aided by the government's interference. Raise Funds by Private Subscription. The Construction Company had been provisionally capitalized at \$12,000,000, and one hundred and twenty thousand shares of \$100 each had already been disposed of at fifty cents on the dollar. But the \$6,000,000 thus acquired were now all but spent in providing for the

¹ U. S. Sen. Report, 1142, 51st Cong., 2d Sess.

surveys and the plant, and in the inauguration of the canal.

Funds were therefore necessary to continue the work, and some arrangements had now to be made for an issue of bonds. Bids were accordingly opened by the Construction Company for \$5,000,000 gold bonds with interest at six per cent., guaranteed by the Maritime Canal Company's long-time bonds. The issue was not entirely successful, however, and a substitute plan was then evolved for selling bonds of a low denomination to the people direct.

But before this last scheme could be put into execution the panic of 1893 came on, and the Construction Company, without further funds at its disposal, and with notes coming due, was obliged to suspend payments. Work on the canal came to a standstill in consequence, and, on August 30, 1893, the Construction Company went into the hands of a receiver.

The Maritime Canal Company, with neither government guaranty nor private subscriptions to rely on, had thus to keep the Nicaragua project afloat during the storm. It weathered the gale successfully, nevertheless, and both public and private relief parties appear to be now on their way to its relief,—but this belongs more properly to the present situation, to be outlined in the following chapter.¹

¹ Bond Circular, Nicaragua Canal Construction Co., April 26, 1892.
Bond Prospectus of same, June 25, 1893.

U. S. Sen. Ex. Doc., 5, 53d Cong., 2d Sess.



CHAPTER XXII.

THE PRESENT SITUATION.

AS we come to examine the present situation of the interoceanic transit question, we lose our historical perspective. Viewed from so close a range, each special phase of the problem appears to make up the whole. We must take several different standpoints, therefore, and rest content with describing the particular aspects of the subject in turn as they appear to us from the several vantage-grounds chosen.

§ 169. The Political Situation.

The political features of the canal question will probably be the first to attract our attention, as recent events have lately brought them out in striking relief. More particularly is this the case with the de Lesseps project. It is the Panama canal scandal, accordingly, which should first be described.

The immediate results of the official liquidation of the Panama Canal Company's affairs have already been set down in the course of the narrative, and the effect of these figures upon the volatile French mind may well be imagined. As the parliamentary enquiry pro-

Panama.

gressed the indignation of the people grew, until finally, on November 21, 1892, the storm burst in a mad fury. The matter was then brought up in the Chamber, on an interpellation by M. Delahaye, and though no definite accusations were brought, it was stated that \$600,000, at least, had been improperly used by the canal company in bribing Senators and Deputies. The government could not face the storm directly, and it was therefore agreed that a special Committee of thirty-three members be appointed to examine into the truth of the charges. On the same day judicial summonses were issued against the directors of the company charging them with the "use of fraudulent devices for creating belief in the existence of a chimerical event, the spending of sums accruing from issues handed to them for a fixed purpose, and the swindling of all or part of the fortune of others." The case was called up before the Court of Appeals, on November 25, but as neither of the de Lessepses appeared, and as the evidence was not yet in shape, the trial was adjourned until January 10, 1893.

Baron Reinach, the company's financial agent, died very suddenly, before the special Committee of the Chambers could include him in the prosecution. The circumstances surrounding his death were suspicious, and rumors of suicide and murder quickly spread. M. Brisson, chairman of the Committee, called the government's attention to these rumors, and requested that the body be exhumed, and the theory of suicide tested. M. Loubet, Minister of

Justice, replied, that as no formal charges had been made, the government had no power to proceed. Brisson then moved a resolution of regret that the Baron's papers had not been sealed upon his death. Loubet called for the order of the day instead, but the Chamber refused to sustain him. This was practically a vote of lack of confidence in the government, and on November 28th, the Cabinet accordingly resigned, amid the wildest excitement.

Brisson and Casimir-Périer were called upon in turn by the President to construct a new Cabinet, but both failed. M. Ribot, the Foreign Minister, was finally successful, and on December 5th the new government assumed control. This Cabinet change amounted to a victory for the canal company's opponents, and the investigation was now allowed to proceed without further hindrance on the part of the government. The Committee then came forward with startling evidences of corruption. The wholesale bribery of the Paris press was revealed in all its details. M. Thierrée declared before the Committee, that the late Baron Reinach had deposited \$670,000 in his bank in Panama funds, and drawn it out again in 26 checks to bearer. Senators, Deputies, government officers, and journalists were now named as the recipients. M. Andrieux, ex-Prefect of Police, asserted that \$260,000 had been distributed by the company's agents among his colleagues alone, and, as a further result of his evidence, 100 members of the Legislature were implicated in the scandal. M. Rouvier, Min-

ister of Finance, then caused another sensation by resigning his portfolio and confessing that he had supplemented the secret service fund by soliciting contributions (from friends of the government) in order to put down the Boulangists.

The names of almost all the leaders of the Republic were thus besmirched, and it was time for the new government to act. The directors of the canal company were accordingly arrested now on the more serious charge of corrupting public functionaries. Warrants were also issued against five Senators and five Deputies,—and five of the ten were found to be ex-Ministers of the government.

The trials were then begun. On January 10, 1893, the adjourned case came up before the Court of Appeals, and on February 14th sentence was pronounced upon the directors. Ferdinand and Charles de Lesseps were each condemned to five years' imprisonment and a fine of \$600, MM. Fontane and Cottu to two years in prison and a fine of \$400, and M. Eiffel to two years' imprisonment and a fine of \$4000, as his own net profits of the general rascality had amounted to a far larger share than the rest. On March 8th the trial for corruption was taken up before the Assize Court, against the younger de Lesseps, MM. Fontane, Baihaut, Blondin, and ex-Minister Proust, Senator Beral, and others. De Lesseps received one year more of imprisonment, Blondin was sentenced to two more years in prison, and M. Baihaut was punished with five years' imprisonment, a fine of \$15,000, and loss of civil rights.

But the sentence against the older de Lesseps was not carried into effect, as he was supposed to have been sufficiently punished by his disgrace. On appeal to the Court of Cassation the earlier judgment against Charles de Lesseps was also set aside, and he was finally released on September 12, 1893. The convictions were all, indeed, merely nominal; but the investigation and trials at least had the effect of temporarily clearing the political air from corruption. They also freed the Panama canal project from the vultures that had fastened themselves so persistently upon it, and left it, as we shall see, still in a condition to be resuscitated.¹

The Panama Canal scandal also found its echo in the United States. The company, as we know, had its committee and financial agents in this country, and there were grave suspicions ^{Nicaragua.} that Representatives of our own Congress, as well as Deputies of the French Chamber, had received a share in the spoils. It was also asserted that the Panama Railway Company, now practically owned by the French, had entered into a contract with the Pacific Mail Steamship Company to maintain trans-continental rates, in restraint of trade. A special Congressional Committee was accordingly appointed to examine into the several charges. Legislative corruption could not be proved on the evidence presented, but the Committee cautiously admitted that further investigation might not be altogether fruitless in this connection. Mr. Thompson's activities

¹ *Quarterly Record of Current History*, March, 1893.

Cyclopedic Review of Current History, 1893, Vol. III., No. I.

as chairman of the *Comité Américain* were now brought to light, and mention was also made of the sums paid to the three New York banking houses for apparently no consideration on their part.

In regard to the alleged combination of railroad and steamship companies to prevent free competition between the isthmus and transcontinental routes, the Committee was more explicit. From the report it appeared that the transcontinental lines, the Pacific Mail Company and the Panama Railway Company, were all in league, and that this combination had for the past "fifteen years been diminishing commerce between New York and San Francisco across the isthmus." This monopoly, the Committee thought, could not be beneficial either to the domestic or to the foreign commerce of the country, and therefore recommended that it be broken up at once by the government.

Coming to the more general question of American control, the Committee was unable to see anything in our treaty relations with the states of the isthmus, which should prevent foreigners from owning and dominating the transit route. It was regarded as a matter of regret, nevertheless, that the Panama railway, an American corporation, should be practically owned by foreign capitalists, and the Committee, in conclusion, could not "refrain from calling attention to what seems to be an obvious deduction from the facts shown—that it is the interest of the United States that the American people should absolutely control some outlet across the isthmus at

some point which shall be used for the benefit of American trade in general as an open and continuous competitor, affording no opportunity for entangling subsidies from great competing lines, or chance of falling into the grasp of any monopoly through stock manipulation."

The Committee's conclusions, and the subsequent resolutions adopted by Congress in favor of American control, were indeed encouraging to the canal promoters, but it was now recognized, more fully than before, that the Maritime Company had a powerful domestic enemy in the transcontinental railway combination. These very Pacific roads were, however, themselves the first fruits of the country's post-bellum policy of encouraging private enterprise with promises of governmental support, and now it was proposed to carry out somewhat the same idea with regard to the Nicaragua canal. But the people of the United States,—and more particularly those of the western and southwestern sections of the country,—had already had their object lesson in this regard, and they were not at all inclined to embark on a like project again, however smooth sailing it might now promise to be.

The Senate Committee, on the other hand, still felt obliged to hold to the old course, and steer the project between the open of foreign competition and the dangers of European control. It was but a narrow channel at best, and there was a rock in the centre,—protruding in the shape of Nicaragua's and Costa Rica's "inalienable rights of sovereignty,"—

which had also to be avoided. The enterprise had thus to be brought still closer to the wind of government ownership and control, in order to make any headway at all; and fresh instructions were given accordingly. On January 22, 1894, the guaranty bill of 1892 was again introduced into the Senate and referred once more to the Committee on Foreign Relations. There it was somewhat modified to suit the altered exigencies of the occasion. As amended, the bill provided for a governmental guaranty of but \$70,000,000 of the canal company's first mortgage bonds with interest at 3 per cent., though a further issue of \$30,000,000 was allowed, but without guaranty. The amount of stock to be issued was also strictly limited to \$100,000,000, and \$70,000,000 of the total amount was to pass, as before, to the United States, in full ownership and without further consideration. The balance of the stock was to go toward indemnifying Nicaragua and Costa Rica, toward extinguishing all former issues, and toward the further construction of the canal.¹ For work done and for materials and plant furnished, the canal company was to be paid in the endorsed bonds, but all other obligations of the company were to be liquidated in stock as above provided for. Ten out of the fifteen directors of the company were to be appointed by the President and confirmed by the Senate, and the entire super-

¹ In the following proportions: To Nicaragua, \$6,000,000; to Costa Rica, \$1,500,000; and to extinguishing former issues and construction of canal, \$22,500,000.

vision of the canal construction was to be placed in the hands of the Secretary of the Treasury, who should have at his side an expert board appointed by the President to examine and report every quarter year upon the work as it progressed.

In defence of the course adopted by his Committee, Senator Morgan said that it was the nearest approach that the government could make to the policy of definite control, and that the course as laid out was the "only channel of approach through which it can get to the question without a violation of the sovereignty of Nicaragua and Costa Rica, and without an infraction of the Clayton-Bulwer treaty or a departure from it," and he concluded, "the ownership of stock in this corporation is the sole method in sight, or in contemplation, by which the United States can exert an influence over the operations of this canal for the protection and benefit of the government and people of the United States, otherwise than by forcible or hostile intervention with the nations or the powers that will control it." The compensation accorded to the canal company by the amended bill seemed to be reasonable, and, as the Senate had confidence in the final judgment of its Committee, the report was adopted on January 25th, and the bill was accordingly sent on to the House for concurrence.

In the House the bill was this time referred to the Committee on Inter-State and Foreign Commerce; but at its hands the canal promoters were obliged to suffer a still further diminution of their

reserved rights. The Committee, in short, only approved of the guaranty features of the bill as amended by the Senate, and considered that the canal company was receiving too much in the way of compensation for the work it had done. A substitute measure was accordingly reported back to the House, providing for an equal guaranty of the same amount of bonds, but awarding considerably less to the company.

But this final change of course, as might have been expected,—and as was probably intended,—brought the project into stays, head on to the wind, and ready to go about, at last, on the tack of governmental ownership and control. Congress was prepared for this result, and at once set about making everything ship-shape before heading in the new direction. A new chart was the first thing required, and, in order to be sure of the reckonings, an appropriation was at once made to provide for a governmental commission of inspection, whose duty it should be to ascertain “the feasibility, permanence, and cost of construction and completion of the Nicaragua canal.”

The conclusions of the experts are purely technical in character, as we shall presently see; but the nature of their criticisms nevertheless argue strongly in favor of adopting the new course of governmental construction and control. This is, indeed, as it should be, but even though the technical calculations have been made up, the chart is still far from complete. There are the economic advantages and disadvantages of the new course yet

to be considered, and there are also political rocks and diplomatic shoals to be marked out beforehand in order to be subsequently avoided. The government has at all events taken upon itself the task of steering the project through, and it should not, therefore, proceed by dead reckoning, nor should it rely too explicitly upon the calculations thus far made by a private company whose aims must necessarily have been primarily speculative in their nature. But Congress has begun to take its bearings before deciding definitely on its future course, and we may therefore break off this long and varied history of the political aspects of the canal question with some degree of confidence in the future.¹

In the introduction to this work an attempt was made to give a description and present a comparison of the several routes of transit across the American isthmus. As a result of this study we found the Panama and Nicaragua routes to be best adapted to canal construction, and we therefore gave over the isthmus of Tehuantepec to the doubtful possibilities of a ship railway.² Such

¹ Report of the House Panama Investigating Committee, March 3, 1893. U. S. Sen. Report, No. 331, House Reports, Nos. 1201 and 7639, 53d Cong., 2d Sess.

² It should be noted in this connection that the Mexican government has lately completed its interoceanic railway across the isthmus of Tehuantepec, and the road is now in operation. Since Captain Eads's death, in 1887, no further steps have been taken in the matter of the ship-railway project, but there are still some who believe that it would prove the cheapest and best solution of the problem of interoceanic communication, *vide*, "The Tehuantepec Ship Railway," by Elmer L. Corthell, *National Geographic Magazine*, February, 1896.

must be the conclusions of our narrative as well; but history has somewhat modified the original issue between the two canal routes, and the present situation, therefore, calls for a re-rating of the technical advantages of the Panama and Nicaragua projects.

Panama's original claims were for a tide-level canal, but this, we know, is no longer the case. If judged on their respective technical merits with a lock-
Panama. canal in view, the advantage would, indeed, turn slightly in favor of Nicaragua, had not history since intervened to equalize matters. One third of the funds raised by de Lesseps's unfortunate company were, as we have learned, legitimately spent upon the actual construction of the Panama canal, and the work thus accomplished has already reduced Nicaragua's technical handicap to nothing, and practically placed the two projects on a par.

The collapse of the Panama company threw the entire management of affairs into the hands of the French courts, and the official liquidation, moreover, left assets amounting to some \$20,000,000 to keep up the plant, continue the surveys, and allow time for the reorganization of a new company. In 1890 Lieutenant Wyse's services were again called into requisition by the liquidators, to obtain an extension of the concession. As might have been expected, Wyse's welcome at Bogota was not as cordial as before, but, after much labor, he was finally able to induce the Colombian authorities to extend the grant for ten years, provided a new company was organized by February, 1893. This

the liquidators found to be impossible, but they succeeded, nevertheless, in having the concession extended from month to month until they could settle upon some plan for the continuation of the work. Finally a contract was signed by the Colombian Minister of the Interior and Dr. F. Paul, attorney for the liquidators, providing further time for the organization of the new company, and allowing still another ten years for the completion of the work. Arrangements were also made for the liquidation of the company's debt to Colombia in annual cash instalments, and from present report it appears that all obstacles in the way of the construction of the canal arising from inadequate concessionary rights have at last been removed.

Since the courts took the matter into their hands three separate engineering expeditions have been sent out to resurvey the route and adopt new plans. The recommendations of the first two commissions are for an improved lock-system. The report of the third expedition has not yet been made public.

The possibility of constructing a tide-level canal, as de Lesseps originally planned, is not denied, but the cost of such a water-way, beyond what has been already spent on the works, is estimated at \$200,000,000. The final plans for a lock-system have not as yet been definitely announced. According to one recommendation a dam is to be built to collect the waters of the Chagres, and form a large lake at the summit of the canal, affording free navigation for from twelve to twenty-one miles, according to the

situation chosen for the dam. The canal is to be flooded from this lake, and, as the originator of the plan has put it, "then what has been our greatest enemy will be our greatest friend." Six locks are required to reach the level of the lake, 125 feet above tide-water; and the cost of construction is estimated at \$150,000,000, including all collateral expenses. Another plan calls for the construction of two dams, one across the upper, and one across the lower Chagres. Two lakes will thus be formed supplying water to the upper and lower sections of the canal respectively. Ten locks are to be built according to this system, raising the summit level of the canal to 170 feet, and thus reducing the excavation through Culebra to a minimum. By utilizing the work already done, it is estimated that \$100,000,000 will complete the canal if this latter plan be adopted.

The Panama route has at last been carefully and minutely surveyed. The geological nature of the earth and rock to be excavated has been examined and found favorable. The line has been cleared, and, as we know, some twenty miles of the canal have already been excavated. The entire plant of the original company, including buildings, wharves, dredges,¹ barges, steam vessels, pontoons, railway locomotives and cars, and a considerable amount of the necessary machinery, is there on the ground, and still in good condition for the work. There are at present about 2000 men employed on the canal, and

¹ Some of the dredges were sold to the Nicaragua company, *cf. post.*

it is rumored that the force is to be largely increased in a short time. Funds are being raised in Paris to prosecute the work, and those now in charge of the undertaking declare, that the canal will be completed within six years.¹

As our aim has thus far been primarily historical, the technical aspects of the Nicaragua canal problem have received but scanty consideration, and even now we can do no more than summarize the results of the best expert opinion on the subject, and draw our conclusions accordingly.

During the course of the narrative mention has been made of all the more important surveys that have been instituted along the route, and we know, at least, that the present plans for a canal across Nicaragua are the result of long and careful study, and the product of many minds. For our present purpose, however, we need go no further back than the surveys made in 1850-52 by Colonel Childs, for the American Atlantic and Pacific Ship Canal Company, as he was the first to definitely locate the line from sea to sea. Grant's canal commission then took the matter up, as we know, and, in 1873, Commander Lull, having elaborated the plans somewhat

¹ Robert T. Hill, "The Panama Canal Route," *National Geographic Magazine*, February, 1896.

Bunan-Varilla, "The Past, Present and Future of the Panama Canal." *Münchener Neuste Nachrichten*, November 17, 1892.

Amédée Sebillot, "Achèvement Économique du Canal de Panama," Paris, 5th ed., 1892.

European edition *Herald*, January 20, 1891.

W. E. Christian, "The Panama Canal Scandal," Special letter to *Denver Republican*, January 29, 1893; United Press Despatches, July 31, 1895.

further, recommended the Childs route, with certain modifications, to the government. Mr. Menocal, we will remember, was one of the civil engineers of the Lull expedition, and, since that time, he has devoted many years of careful investigation to a further study of the problem. In 1880 he re-located the line between the lake and the Pacific for the Provisional Canal Society, and in 1885 he adopted a new route from the San Juan to the Atlantic for the government. As chief engineer of the Construction Company he has since filled out the details and specifications of the project, and it is upon these later data that the present working plans for the canal are based.

Still Congress was not entirely satisfied with the fulness of the results, and therefore took occasion, as we have seen, to provide for an expert commission, to be composed of an engineer from the Army, one from the Navy, and one from civil life, for the purpose of ascertaining the "feasibility, permanence, and cost of construction" of the proposed canal. In response to this request, President Cleveland, on April 25, 1895, appointed Lieutenant-Colonel William Ludlow, U. S. A., Civil Engineer M. T. Endicott, U. S. N., and Mr. Alfred Noble, of Chicago, to serve on this board. The United States cruiser *Montgomery* was placed at the disposal of the party, and the experts spent the months of May and June going over the route and inspecting the plant and machinery. On their return, the members of the board made a careful study of all the accumulated

data pertaining to the engineering problem of the Nicaragua water-way, and concluded their labors with a minute investigation of the canal company's final plans.

With these various data before us we are now in a position to set forth the present status, and summarize the future possibilities of the Nicaragua canal project from the engineering point of view. The outline must be purely descriptive, however, and lacking in technical details, for criticism of a scientific problem, cannot well come from the pen of a layman.

From our general knowledge of the topography of the country, we can readily understand that the magnificent body of water in the centre must be taken as the key to the technical problem. The lake, in other words, is to form the summit-level of the water-way, and, as navigation is possible for some distance down its outlet, the San Juan, there are in reality two canals to be constructed, one to join the lake with the Pacific, and the other to extend the navigable waters of the San Juan to the Atlantic. Between the two canals, free navigation will be possible along the upper courses of the river and across the lake.

From sea to sea the total distance to be traversed will be something over 174 miles. For convenience we may, however, divide the route into three main sections,—the western division, from Lake Nicaragua to the Pacific; the division of lake and river navigation; and the eastern division, from the San Juan to

the Atlantic,—and we will describe the situation accordingly.

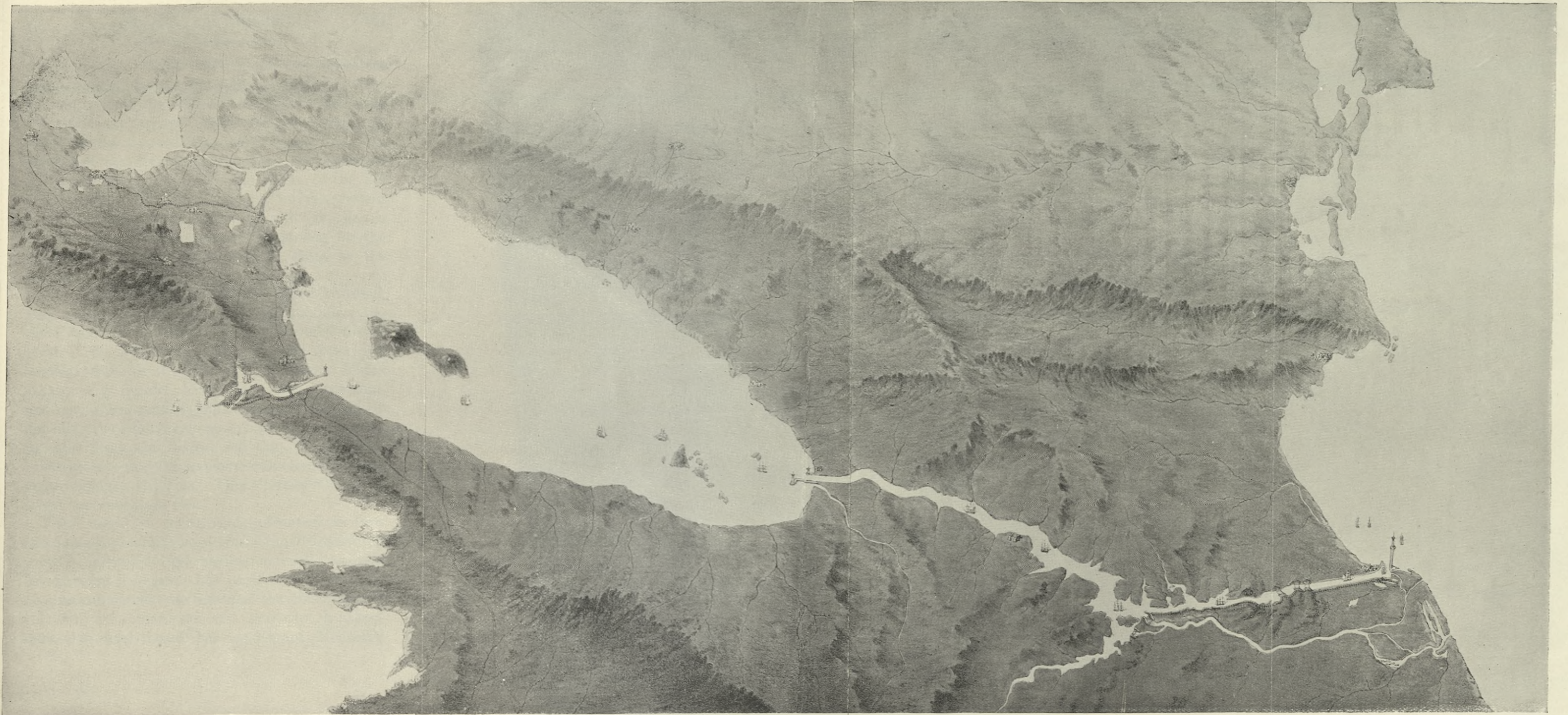
THE WESTERN DIVISION.

Lajas to Brito, 17.7 Miles.

Childs adopted Brito as the Pacific terminus of the canal, and subsequent authorities, without exception, commend the wisdom of his choice. There has been some difference of opinion, however, as to the exact location of the line from the lake to this point. Between the head-waters of the Lajas and Grande rivers Childs discovered the very lowest depression of all the great continental divide, and accordingly determined to lay his canal line along these valley floors. But Lull feared the uncertain flow of the Rio Grande through its mountain gorge on the west, and so decided to proceed from the lake along the valley of the Rio Medio, somewhat farther north, and over a considerably more elevated divide to join the Lajas route again at Brito. After further investigation Menocal could find no particular difficulty in the proper regulation of the Rio Grande, and therefore re-located the line along the Lajas route as planned by Childs before. The present canal board has added its approval to this location, and we may therefore accept the Lajas route as final.

From a point on the lake situated 900 feet above the mouth of the river, the canal will then be cut for a distance of 5 miles through an open rolling country, up the valley of the Lajas, and across a gradually ascending plain, to the summit of the western divide.

PANORAMIC VIEW OF THE NICARAGUA CANAL.



Pacific Ocean BRITO TOLA BASIN LAJAS Inactive Volcanoes WETERN DIVIDE OMETEPE and MADERA Lake Nicaragua SOLENTINAME IS. FORT SAN CARLOS RIO FRIO RIO SAN JUAN FORT CASTILLO RIO SAN CARLOS OCHOA DAM SAN FRANCISCO BASIN EASTERN DIVIDE DESEADO BASINS LOCKS SAN JUAN DEL NORTE OR GREYTOWN Atlantic Ocean

The elevation at this point is 154 feet above the mean tide of the sea, but only 44 feet above the summit level of the lake and the canal. Allowing the water-way a depth of 30 feet, the maximum depth of the cut will thus be 74 feet. From the summit of the divide, $2\frac{1}{2}$ more miles of excavation will bring the canal to the head-waters of the Rio Grande, situated in a narrow gorge on the western slope of the range; and from this point the line is to follow the general course of the stream for the remaining distance to its outlet at Brito on the Pacific.

According to Menocal's original plan the canal, after emerging from the gorge, was to follow the right bank of the Grande, and be lowered to the level of the Pacific by means of four locks conveniently situated at points along the line. It was subsequently decided, however, to extend the summit level of the canal $4\frac{1}{2}$ miles farther westward by damming the Rio Grande at a point called La Flor, $3\frac{1}{2}$ miles from the Pacific, and thus form a large basin by arresting the waters of the Grande and its main tributary, the Tola. This alternative route is called the *Tola basin line*.

There would be considerable advantage in thus extending the summit level of the canal toward the west, as the area of free navigation would thereby be somewhat increased; but, on account of the lack of a proper site and by reason of the difficulties involved in the construction of a dam of such magnitude, the canal board has condemned Menocal's

scheme as impracticable. The present recommendations are, therefore, for the *low-level route*, and it is suggested that the left bank of the Rio Grande will probably be found to be better adapted than the right to the final location of the line; for by following this course all danger of interference from the Tola river will be avoided.

In the matter of locks the canal board makes some general recommendations, and also introduces certain particular modifications in the plans as adopted by the company. All locks should have a minimum width of 80 feet, in order to provide for the passage of modern ships of war and the broad-beam freight carriers that are now being built, whereas the company's present estimates only call for locks of 70 feet in breadth. Slight modifications have also been introduced by the government engineers in the position and relative lift of the four locks on the Pacific side, and their plans now provide for a tide lock with a lift of $24\frac{1}{2}$ feet, and three others with lifts of 30 feet each.

Brito was adopted as the Pacific terminus of the canal not at all on account of its hydrographic advantages, but simply by virtue of necessity, as it lay at the end of the Lajas-Grande line. It is, in fact, no harbor at all, but merely an indentation of the coast, exposed to the full force of the Pacific seas. Various systems of breakwaters have been suggested in order to shield the outlet of the canal and provide for an artificial harbor, but none of the plans thus far evolved appear adequate to the canal board. The

company's project is therefore condemned, and as a tentative plan,—pending a more complete hydrographic survey,—it is suggested that the entrance be moved slightly toward the southeast, and that the breakwaters and jetties be considerably extended, in order to provide for both an outer and an inner harbor.

From its study of this section of the route, the canal board concludes that, with the modifications suggested, the western division “presents no serious obstacles to canal construction.”

LAKE AND RIVER DIVISION.

Lajas to Fort San Carlos, 56.50 miles. Fort San Carlos to Ochoa, 69 miles. Total lake and river navigation, 125.50 miles.

Lake Nicaragua, as we know, drains southeast through the San Juan into the Atlantic, but as the river is obstructed in several places by rapids, and as its delta mouths are now unnavigable, the question is, at what point along the banks of the stream the waters of the lake shall be turned into an artificial channel, and navigation thus continued to the sea. And here again there is the choice between a *low-level* and a *high-level* route.

Colonel Childs proposed to extend the summit level of the lake as far as the Castillo rapids, $37\frac{1}{4}$ miles distant from the San Juan outlet, and continue the navigation of the stream below this obstruction by means of seven dams and corresponding locks to

the mouth of the Serapiqui river, 91 miles from the lake. The eastern canal was then to be constructed from this point along the left bank of the San Juan to Greytown, which was at that time an excellent harbor. Lull also extended the summit level of the lake to Castillo, and by means of four dams and locks continued the river navigation as far down as the mouth of the San Carlos. Here the canal was to leave the San Juan, according to his plan, and follow its left bank to the outlet of the San Juanillo, whence it was to proceed in a straight line to Greytown, as before.

But Menocal was not satisfied with either of these low-level lines, and so, in 1885, he determined upon his own bold and original plan for a high-level route to the Atlantic. Taking 110 feet as the maximum level of the lake, and assuming a natural fall in the stream of 4 feet to the San Carlos river, his proposal is to construct a huge dam, with an elevation of 106 feet, square across the San Juan at a place called Ochoa, situated $3\frac{1}{2}$ miles below the mouth of the San Carlos, and 69 miles from the lake. Embankments are also to be built along the ridge which skirts the San Carlos valley on the south, in order to raise the waters of that stream as well, and allow them still to flow into the San Juan above the dam. In this way a large basin will be formed by flooding both valleys, and the San Juan, as far down as Ochoa, will practically be converted into an arm of the lake. It will then be possible to extend the summit level of the canal from this point eastward

to within sight of the Caribbean, as we shall presently see.

The Ochoa dam and the San Carlos embankment are also to act as weirs, and discharge the surplus waters over their crests when the level exceeds 106 feet. Thus, allowing for the natural fall of the San Juan, the lake is to be kept at a constant elevation of 110 feet, through the automatic action of the dams and weirs.

The government engineers are struck with the boldness and ingenuity of Menocal's plan, but, in spite of its manifest advantages over the low-level line, they are unable to give it their unqualified endorsement, at least, on the basis of the meagre and insufficient data that the canal company has thus far collected on the subject. A dam of such magnitude as the one proposed, and calculated to withstand a flood of unknown volume, is, as far as they have been able to learn, unprecedented. Still the project is not considered impossible, and final decision as to its practicability is accordingly reserved until the problems involved have been more thoroughly studied.

In the first place, the regimen of the river and the lake have not as yet been sufficiently determined to allow of any exact calculations, and the presumption of a natural fall of four feet to Ochoa seems simply to be based on guess-work. The proposed use of the dam as a weir is, moreover, inadmissible, according to the opinion of the board; and, in order to maintain the level of the lake at an elevation of

110 feet, it will, therefore, be necessary, the experts declare, to stop all leakage and overflow at Ochoa by building an impervious dam with a crest at least 120 feet high. There will then be two contingencies to be met. On the one hand, a lowering of the level of the lake through evaporation during the dry season would interfere with the navigation of the canal; and if, on the other hand, floods should raise the summit-level unduly, property along the shores of the lake would be injured. To guard against this double danger, the board suggests either a system of sluices, or a series of weirs with movable dams, along the San Carlos ridge. If the effects of a drought should be feared, then the outlets could be closed toward the end of the wet season, and the waters stored up above the Ochoa dam as in a reservoir. If, on the other hand, too much water is being emptied into the lake from the mountain streams, the surplus could then be discharged at will through the sluices or over the weirs. These suggestions are merely temporary, however, for nothing can really be definitely decided until the necessary hydrographic surveys are completed.

The canal board also has several criticisms to make concerning the site of the proposed dam, and the materials of which it is to be constructed. According to the company's present plans, the dam is to be a rock-fill structure on a sand foundation; but, considering the weight of the waters to be held back, the government engineers consider this method of construction extremely hazardous. A masonry

dam on a rock foundation is, in the board's opinion, to be preferred, provided a proper site can be found and the cost of such a structure be not prohibitory. Under proper conditions and with proper precautions a rock-fill dam is not deemed impossible, however; but, at all events, the problems of construction must be studied much more carefully, and before the final location is decided upon a thorough search should be made both above and below Ochoa for a better site than that now adopted.

The canal board, in short, likens the Ochoa dam to the pier of a cantilever bridge, upholding "the burden of the great constructions that stretch in both directions to constitute the water-way." The problem is "to build a dam in opposition to the tremendous and unknown forces of the river floods, while the imperative requirements of the completed structure are, that it shall be permanent beyond peradventure and practically impermeable." The company's present plan is therefore condemned and the recommendations call for a thorough investigation of the hydrographic and geologic factors involved. If the conditions prove favorable, then the high-level route may finally be adopted, but if not, then a return must be made to the low-level line; and, in order to be prepared for the alternative, further surveys along the lower San Juan are also advised.

If the high-level route be the one adopted, then free navigation will be possible from Lajas, on the western shores of the lake, to Ochoa in the San Juan, a distance of about 125 miles. Some dredg-

ing and rock-blasting will be necessary, however, at several points along the way to deepen and broaden the channel and reduce curvatures. The company's specifications and estimates for this work, the board finds again very inadequate, and furthermore recommends a considerable enlargement of the present plans.

THE EASTERN DIVISION.

Ochoa to Greytown, 31.36 Miles.

According to the present plans for a high-level line the artificial channel will leave the river bed just above the Ochoa dam and proceed in a more easterly direction, by short stretches of excavated canal and through six basins, for a distance of $12\frac{1}{4}$ miles to the foot of the eastern divide. This section of the water-way in reality passes through four adjacent river valleys,—the Chanchos, Nicholson, and San Francisco valleys, and the Florida lagoon,—which are to be joined by the canal and flooded by damming up the breaks in the range of hills which skirts them on the south.

The line is ingeniously located and shows careful study of the topography of the country. Here again, however, the board regards both the hydraulic and geologic data as incomplete, and advises that all the streams be carefully gauged, and that numerous borings be made to determine the character of the foundations for the embankments.

There are to be 67 of these embankments in all,

varying in height above the ground from a few feet to 70 feet and upward, and extending in crest length over a distance of nearly 6 miles. The company's plans provide for an elevation of 114 feet for the crest of these dams, thus allowing 8 feet of free-board above the assumed summit level of the canal at Ochoa. But the board has raised this level from 106 to 110 feet, as we know, and this will call for a corresponding increase in the height and dimensions of the embankments. They are to be built of clay on a mud foundation, and great care will, therefore, have to be taken in their construction. Their maintenance will also require special vigilance, and the board furthermore takes pains to point out the facility with which a breach might be effected in this wall in time of war, thus effectually destroying isthmian transit through the canal at a critical juncture.

At the further extremity of the San Francisco basin the canal approaches the eastern divide along the valley of the Rio Limpio. In order to reach the head-waters of the Deseado on the eastern slope a continuous cut, with an extreme depth of 324 feet and an average depth of 140 feet, will here have to be made through the hills, for a distance of 3 miles. This is without doubt one of the most costly sections of the entire route, but again the canal board is reluctantly obliged to report that "the data at hand are so scanty and defective that no satisfactory treatment of the subject is possible."

The company has estimated the total amount of

excavation at 11,700,000 cubic yards, of which about 70 % is rock; but the engineers maintain that the slopes cannot be made so nearly vertical without considerably increasing the cost of maintenance, and, in their provisional estimate, they accordingly allow for a larger cube. There is no particular engineering difficulty involved in the cut, but further borings are required in order to determine the character of the rock to be excavated and thus calculate the necessary angle of the slopes.

The summit level of the canal is continued beyond the eastern end of the cut along a quarter of a mile of excavated canal, and through a basin, about 2000 feet long, formed by damming the Deseado, to the first of the locks on the Atlantic side. Between the first lock on the west and the first lock on the east, the summit level of the canal will thus extend for a distance of 149 miles, and this of course is one of the great advantages of the high-level route, grouping the locks, as it does, close together on either shore, and allowing a long stretch of free navigation through the centre of the country.

Presuming a summit level of 106 feet, the canal company's plans provide for but three locks on the Atlantic side, with lifts of 40, 35, and 31 feet respectively, in order to lower the canal to the sea. But if the level be kept at 110 feet, as the board proposes, this would involve the first lock having a lift of 44 feet, as the difference could not well be distributed if but three locks are to be used. Such a lift, though unprecedented, is by no means impossible; still the

canal board is of the opinion that, in order to avoid all risks, four locks had best be substituted, the one nearest the sea having a lift of 26 feet, and the remaining three, lifts of 28 feet each. These locks, too, must have a minimum width of 80 feet, and their location and construction are tentatively provided for in the new plans.

The locks on this side are connected by basins, formed by damming the Deseado at several points, and by short stretches of excavated canal. The passage from summit level to sea level on the east side covers a distance of about 6 miles.

It is the company's present plan to proceed from the last lock by a curve through the Bernard lagoon for a distance of something over 9 miles to Greytown harbor; but the board advises a straight line, instead, with sidings for the convenient passage of vessels.

The company adopted a plan for the improvement of Greytown harbor and incurred considerable expense in building out a breakwater nearly 1000 feet into the sea. But the result has not been all that was expected, and the canal board maintains that the problem has not as yet been sufficiently studied. But, thanks to the labors of Professor Mitchell of the Coast Survey, the causes of the recent deterioration of Greytown harbor are now pretty generally understood, and with a proper knowledge of the forces at work, there should be no serious difficulty in redeeming the roadstead. Not enough detailed information has as yet been collected, it is

true, for the adoption of a final plan; but the canal board is nevertheless of the opinion that the entrance from the sea should be moved about $1\frac{1}{2}$ miles toward the east and that the present lagoon should be used as an inner harbor to be connected with the outer entrance by a short canal.

The government commission considers the climatic conditions of Nicaragua to be, on the whole, well adapted to the prosecution of the work, and advises the employment of Jamaican negroes for the unskilled labor required. No danger is to be expected from either floods or seismic disturbances, and in the opinion of the engineers there are no insurmountable difficulties to be encountered along the route. In short, the Nicaragua canal has once more been declared by competent experts to be a feasible project, and the only cause for present discouragement lies in the lack of proper information regarding the hydraulic and geologic details of the undertaking.

Reference to the historical narrative will indeed render the present situation entirely comprehensible. Childs laid out a possible route across the country, and Lull merely elaborated the general plans. It was Menocal, therefore, who first devoted himself to a detailed consideration of the practical problem of canal construction. Topographical data were the first to be collected, in order to provide for the more exact location of the line, and this work has been admirably done by Menocal and his several surveying parties. Careful hydrographic and geologic surveys had yet to be instituted, but, under

the terms of its concession, the company was obliged to adopt final plans at once, and commence the work of actual construction almost immediately. Operations were therefore begun prematurely and the public was given to understand that all the surveys were completed. Congress wisely refused to rely explicitly on the testimony presented, however, and now the canal board has revealed the truth of the matter.

Judging from the general situation and from the data already collected, American and foreign engineers, however, agree that the project is practicable. What is immediately demanded is a further study of the hydrographic and geologic factors entering into the problem, and the canal board therefore concludes by recommending a detailed investigation, covering eighteen months time, or two dry seasons; and urges that Congress appropriate \$350,000 for the purpose. The question is thus at last brought squarely before the American people in a tangible form, and one cannot help feeling that it would be money wisely expended thus to clear the matter of all doubt and make an intelligent decision possible on the true merits of the case.

When we come to consider the probable cost of the undertaking we are met with a gradually ascending scale, as the magnitude of the project has been increased in accordance with our modern knowledge of the subject and in harmony with our present needs. Childs had in mind a canal of small dimensions, and estimated the cost at \$31,538,319. Lull

enlarged the plans considerably and increased the probable cost to \$65,722,147. Menocal went much more into details and in 1890 presented an itemized account, amounting to a total of \$65,084,176. These figures were then presented to an expert board¹ for revision, which considerably increased the amount and handed in its estimate at \$87,799,570. But the canal company still holds to the earlier figures, and now estimates the cost, according to the plans adopted, at \$66,466,880.

The present canal board, on the other hand, considers all these estimates too low, even if the present plans be adhered to ; and further adds to the cost by enlarging the scope of the work. As a provisional estimate \$133,472,893 is accordingly given, though the board frankly admits that "the existing data are inadequate as a basis for estimating the cost of many of the structures, some portions of the work may cost more, some less." "But in the judgment of the board, the entire project can be executed for about the total amount of the estimate."

The canal company has already incurred considerable expense in securing its concessions, in instituting the surveys, in providing its plant, and in the inauguration of the work. In round numbers about four and a half million dollars have been spent in this way, but the existing assets fall far

¹ This revisionary board was composed of the following members : John Bogart, Chief Engineer of the Erie Canal System ; E. T. D. Myers, expert, railway engineer ; A. M. Wellington, expert, aqueduct engineer ; K. A. Hitchcock, Professor of Engineering in Dartmouth College ; Chas. T. Harvey, civil engineer, builder of the the Sault Ste. Marie Canal.

below this sum. The concession is indeed valuable, and the surveys, as far as they go, represent a legitimate and necessary expense. A clearing has been made along the line for about 10 miles on either side, and a railroad has been constructed from Greytown to the locks on the eastern side, a distance of something over 11 miles. There are five groups of permanent buildings near Greytown, covering an area of $1\frac{3}{4}$ acres, and including storehouses, shops, quarters for the officers, barracks for the men, hospitals, offices, etc.; but they are all sadly in need of repairs. The Pellas franchise, purchased by the company and giving it the monopoly of steam navigation on Nicaragua's lakes and rivers, must also be reckoned among the assets; but beyond the items enumerated, all else must be accounted dead loss.

There is the Greytown breakwater already in an advanced stage of decay, and practically useless, at any rate, on account of its position. The canal has also been partially excavated for a third of a mile inland from the present harbor; but, if the canal board's recommendations are to be adopted, this, too, must be abandoned. The railroad ties are rotted out, and the equipment is probably unserviceable. The five dredges formerly used at Panama and bought by the company from the contractor, lie "on the bottom uncared for, with rusted machinery, and woodwork dropping." The steel boats, launches, hulls, and machinery are all rusted through, and the auxiliary service is practically beyond repair.

Should Congress now decide to take the matter

up, no claim could well be made for this loss, as the company assumed the entire responsibility, and began the work of construction prematurely, in the hopes of being relieved through private subscription or by government aid. Under the terms of their contract with Nicaragua the promoters had to begin the work at once, and spend at least \$2,000,000 during the first year. The surveys were as yet incomplete, and the plans were in no way adequate, but in order to save their enterprise, the promoters went ahead, and, without financial assistance from the government, soon came to grief. They can claim no damages, therefore, as they took the risk voluntarily in the hopes of extra profits, and in the course of their enterprise experienced loss instead. But the company still owns valuable assets, as we have just seen, and, in case of resumption of work under government auspices, these, of course, should be fairly and adequately allowed for.

We thus find the technical situation in Nicaragua to be very similar to that we have just been describing in Panama. In both cases private companies undertook the work with insufficient knowledge of the difficulties to be encountered, and, as might have been expected, each has lately come to grief. To be sure, much more money has been sunk in the Panama undertaking, but then again considerably more has been accomplished. An ugly scandal was also unearthed with the downfall of the one project, while only financial embarrassment has accompanied the failure of the other; but this is a question of

degree rather than of kind, and the net result is, after all, about the same.

The immediate responsibility for both canal projects has at any rate devolved upon the two governments most intimately concerned. Thus the French courts are at present engaged in straightening out the Panama tangle, while the American Congress has lately undertaken to clear up the situation in Nicaragua, and, with governmental assistance, both projects are now beginning to emerge from their late periods of discouragement.

A lock canal is, moreover, declared to be feasible along either route, and in the matter of probable cost of completion the two proposed water-ways,—in spite of Panama's handicap in the amount of money spent and work done,—now stand practically on a par. For economic and political reasons, as I hope to show, the United States must still adhere to its choice of the Nicaragua route, but it is well to note, at this juncture, that the present technical comparison is by no means unfavorable to our cause. We may, therefore, leave off our consideration of the technical aspects of the Nicaragua canal problem also, with fair hope of its not far distant solution.¹

¹ Sullivan, *loc. cit.*, "Report on Historical and Technical Information, etc.," 1883.

A. G. Menocal, "The Nicaragua Canal: Its Design, Final Location, and Work Accomplished," 1890.

Ibid., Paper prepared for the Chicago Water Congress, 1893.

Report of Canal Board, *cf.* U. S. House Document No. 279, 54th Congress, 1st Sess.

It is in examining the diplomatic aspects of the canal question at short range that our vision is likely to be most distorted. Having only the § 171. The Diplomatic Situation. bare facts before us, we can do no more than point out their probable diplomatic relations; for what has actually been made of these recent facts by the diplomatists of the several countries concerned, must still remain state secrets until some definite conclusion is reached.

With the collapse of the Panama canal company, the attention of the diplomatic world was diverted from the lower isthmus, and Colombia and Panama. the United States were thus left alone to control the railway route as they had originally arranged. But since the riot and revolution of 1885, our government has had no further occasion to interfere. Everything, indeed, went well in Colombia so long as Dr. Nuñez's dictatorial hand held the reins of power. This typical Spanish-American statesman, died, however, on September 18, 1894, and since then matters have been in a continual turmoil. Upon the Dictator's death the old factional fight between the Conservatives and Liberals again broke out. Nuñez's lieutenant, Holguin, succeeded him, but died before he could reorganize the government. Caro, the Vice-President, then took office, and made a hard fight to retain the Conservatives in power. But the Liberals took up arms against him, and a state of anarchy has existed in the country ever since. President Caro has now resigned,—March 14, 1896,—and, just at present, there seems to be no government at all in Colombia.

We have only to conclude from the situation in Panama, therefore, that Spanish-American politics on the lower isthmus are as hopeless as ever, and that the problem of the guaranty is still to be solved. The French may be able to build the Panama canal, but the question still remains, who is to control the route? Colombia, at least, cannot be relied upon, and as the United States still stand sponsor for this republic before the world, the responsibility of the final decision must ultimately fall upon their shoulders. The historical conditions are really without precedent, and the present situation, therefore, calls for a new order of diplomacy from our government. This, however, is but one of the many political problems involved in the American transit question, and may more properly be discussed in a later chapter.¹

Recent events in Mosquitia also seem destined to have far-reaching effects on the canal question, and on this occasion the United States would appear to be the gainer. The sins of omission ^{Nicaragua.} committed so long ago by Ouseley and Wyke in negotiating the treaty of Managua, have, finally, descended upon the present generation of English agents in Central America; and, if we accept the present situation as final, the time-honored Mosquito protectorate must now be considered a thing of the past.

It came about in this way. The flourishing condition of the Mosquito shore under the rule of the foreigners, as we know, excited the cupidity of

¹ United Press Despatches, March 14, 1896.
Panama *Star and Herald*, March 13, 1896.

Nicaragua. Definite measures were decided upon in 1893, and a special commissioner, General Lacayo, was directed by the President of the Republic, to proceed to the reservation and endeavor to persuade the Indians to become citizens of Nicaragua. Lacayo's first efforts were unavailing, however, for though the Mosquitos had by this time been entirely excluded from the government of the reserve, they were still loyal to their English mentors.

At the same time another revolutionary cycle was well on its way among the Central American states. A magnificent project of union had already been elaborated on paper, but, as usual, the details of the proposed "Republic of Central America" bred dispute, and Nicaragua and Honduras were now at open war. In January, 1894, Honduras forces crossed the border and took up their position at Cape Gracias, in Nicaraguan territory. On the pretext of preparing for an expected invasion of the reserve, Nicaragua thereupon marched her troops to Bluefields and, on February 11th, occupied the town. The Mosquito flag was then hauled down by the Nicaraguan military officials, and martial law was proclaimed over all the reservation.

Clarence, chief of the Mosquitos, protested against such military occupation of his country, and appealed to the foreigners for aid. But the situation had by this time become political, rather than purely commercial as before, and the foreign element was, in consequence, divided in its proclivities. The English and the United States agents at once notified their

respective governments of the crisis, and war-ships of both countries were hurried to the shore.

The old *Kearsage*, despatched by our Navy Department to the scene of disorder, was wrecked on a reef in the Caribbean, however, and so when the British forces arrived, late in February, they had free hand to make what arrangements they pleased. The marines were accordingly landed, and the Nicaraguan troops again offered no resistance. Martial law was then raised and the sovereignty of the Mosquitos was reasserted over the reserve.

The British consular and naval authorities then cooperated and induced the Nicaraguan commissioner to agree to the establishment of a provisional government, until some definite conclusion could be reached between the two signatory powers to the treaty of Managua. The English also made urgent proposals to the American residents to take part in the proposed arrangements, even threatening to withdraw British protection if they refused to comply. But the Americans had by this time been forewarned, and positively declined to have anything to do with the provisional administration.

The United States government then took a hand in the dispute, and, to all intents and purposes, informed Great Britain that she must at once withdraw her forces from the shore. The British Foreign Office, not deeming it wise to force the issue, complied at once with this request and gave over the reserve, to be fought for again by the Nicaraguans, the Indians, and the foreigners.

This left Nicaragua, for the time at least, mistress of the situation, and, as might have been expected, the condition of affairs soon became intolerable. Thinking to avoid the underlying political issue, the foreign residents, regardless of nationality, then held an indignation meeting and passed resolutions requesting chief Clarence to resume his authority over the reserve. Despite the official warning of their government, the Americans allowed their business interests, on this occasion, to get the better of their political instincts, and took an active part in these international proceedings against Nicaraguan sovereignty. But the confusion of national interests involved in this incipient revolution made it impossible for either Great Britain or the United States to recognize the acts of their respective settlers. Thus disavowed by their own governments, and unable to proceed alone, the foreign residents were now completely at the mercy of revengeful Nicaragua.

But matters could not go on very long in this way, and everyone recognized that the crisis was not far off. The Nicaraguan officials, still supported by the troops, continued to control the situation in Bluefields, and the Indians and foreigners became every day more restive under the restraint. On July 5th an altercation arose between some native policemen and a government official, which soon developed into a riot. The foreigners and their Indian allies besieged the government house and demonstrated their strength very effectually. Chief Clarence thereupon resumed his authority by a *coup d'état* and called

upon all the inhabitants of the reserve to support his cause. By the aid of the foreigners a *de facto* government was then established, with sovereignty vested in a Council of State, composed of two Americans and twelve British subjects, among the latter being a number of mulattoes from Jamaica. The native police were also reorganized as a militia force, and an American placed in command. The Nicaraguan troops were at this time stationed at the Bluff, some five miles back of the town, so a sally was made on the evening of the sixth, and the engagement resulted in the killing of two Nicaraguan soldiers and the wounding of several others.

The revolutionary movement does not appear to have received the entire support of the foreign population, but as both British and American citizens were involved, even the more peacefully inclined residents could not escape suspicion, and their governments too were held responsible for this unwarranted attack. Thus the United States government was placed in an extremely awkward position, for American citizens were now involved in an attempt to overthrow Nicaragua's sovereignty, which up to this we had declared to be inviolable. To appease Nicaragua's anger, and still not disparage American rights along the shore, was, indeed, a difficult task, and careful diplomacy was required.

An American naval force was on hand, however, and Captain O'Neil, the officer in command, at once offered his services to the Nicaraguan commissioner in restoring order. The offer was accepted, and upon

the landing of the American marines, the Nicaraguan troops withdrew. This left the *de facto* Mosquito government in control, but the Nicaraguan government had yet to be heard from.

In times of excitement Central America is easily aroused, and on such occasions the forces of government are very apt to proceed with far more force than dignity. So nothing must do for Nicaragua now, but to crush out the revolution and incorporate the reserve by force. The military was accordingly called upon and troops were once more sent to the shore. Opposition on Great Britain's part would certainly have involved her in fresh trouble with the United States. Nor could the United States interfere without denying Nicaragua's sovereignty over the coast. Thus the Nicaraguans were again given free hand to take the revenge they desired. Chief Clarence and his mulatto allies fled to Jamaica, and the British and American residents were thus left helpless to bear the brunt of the attack.

Bluefields was again occupied, and then the prescriptions were published. Notice was served by the Nicaraguan commissioner to members of the late Council of State, requesting them to appear before him at his office at a certain hour. Instead of meeting the commissioner, however, the foreigners were confronted by a file of soldiers, and were one and all made prisoners. No charges were preferred, no respite was allowed and protests were of no avail. The British and the Americans were accordingly hurried off, just as they were, to Greytown, and

thence sent on to Managua—a twelve-days' journey in all,—for conviction. Objections were made by both the British and American diplomatic representatives against such summary procedure, but Nicaragua was then too excited to listen to any rules of international law. A trial was considered unnecessary, and the whole party was summarily banished from the country.

The governments of Great Britain and the United States, had now perforce to interfere; but very different methods were chosen by each, according as their respective national interests dictated.

Fortunately Nicaragua is as quickly calmed as she is easily excited, and as reason tallied in this case with her own self-interest, she soon consented to come to terms with the United States. In a month or so, the decree of banishment was raised from the American exiles, and the two governments and their citizens now promised to co-operate in their endeavors to persuade the Mosquitos to incorporate themselves voluntarily into Nicaragua. Ouseley and Wyke had, as we know, provided for such a contingency, but they had not deemed the event probable, considering British prestige on the shore. But the American residents were now in the ascendant throughout the reserve, and, in spite of the late fiasco, their influence proved strong enough in the end to induce Chief Clarence and his band to become Nicaraguan citizens. A convention of the tribes was accordingly called, and on November 20, 1894, by a formal decree, the Indians themselves

declared for incorporation. In due course of time, after the proper preliminaries had been arranged, the reserve thus became the Nicaraguan department of "Zelaya"; and the ghost of the British Mosquito protectorate, which the Emperor of Austria had raised, was now laid to rest—let us hope, for good and all.

The disputes that have arisen between Great Britain and the United States in regard to American territorial questions, have, indeed, usually been settled in favor of that party which could bring the greater amount of influence to bear on the spot. Up to the present English prestige has been dominant everywhere south of Mexico; but from the present instance we might be led to conclude that the tide has now begun to turn in our favor. At least we know from our experience in Panama and Mosquitia, that where Americans have invested their capital and gone themselves to live, there they have made their influence supreme, and this at least is encouraging, in view of the greater American growth that is now before us.

But Great Britain is not in the habit of allowing indignities to her subjects to go unpunished, and as she had already lost her hold on the eastern seaboard, reparation from Nicaragua had to be sought for in other ways. One of the Englishmen arrested and banished was a British consular officer,—Mr. E. D. Hatch, proconsul at Bluefields,—and this considerably aggravated Nicaragua's offence against the law of nations. The British government accord-

ingly demanded \$75,000 damages for Hatch's unlawful arrest; but Nicaragua made no pretence even to take the matter under consideration. The point was then pressed, and Nicaragua decided to send an envoy to England to treat with Lord Kimberley, the British Foreign Secretary, on the subject. But the only result was a reiteration of the British ultimatum. As Nicaragua either could not or would not comply, a British fleet under Admiral Stephenson thereupon seized upon the port of Corinto, on April 27, 1895, and held it as security for the claim.

The people of the United States were greatly excited over the seizure, but the government could have nothing to say, as Great Britain was simply seeking redress for the self-same injuries for which the United States had also demanded and received satisfaction. The only possible way out of the difficulty was for Nicaragua to pay the smart money demanded, and then insist upon the withdrawal of the British forces. The United States government, therefore, wisely refrained from any official interference; but some arrangement was made whereby San Salvador advanced the sum demanded, and, without seeking further redress, the British then evacuated the port.

Thus both the eastern and western shores of Nicaragua have at last been freed from British domination, and Americans have therewith fallen heirs, not only to the political influence heretofore exerted by the English in these parts, but also to a number of economic advantages. The English had in

mind the construction of a railway from Bluefields to Rama, and from Rama on through the forest to San Ubaldo, on the eastern shore of Lake Nicaragua. A railroad already connects Corinto with the western shores of the lake, so the construction of the new line on the east would complete a system of railroad and lake transportation from sea to sea. Surveys were indeed made of the route, but the Baring Brothers' failure cut short the plans of the English syndicate, and the concessions have since lapsed. The project has accordingly fallen into Nicaragua's hands, the work has been resumed, and with the help of American capital, there is a fair prospect of its being shortly completed.

Along the Mosquito shore as well, there are projects of extensive improvements on foot, and here again American capital is interested. Lighthouses are to be erected at suitable points along the coast, and a line of steamers provided, to run between Greytown and Cape Gracias, calling at the intermediate ports. In order to bring the Rama banana plantations in closer communication with the shore, the plan is to build a railroad from the Rama river to Monkey point, and there provide suitable harbor facilities for shipping the fruit on ocean-going steamships to Europe and the United States.

But the maintenance of our lately assumed political prestige, and the safe-guarding of our future economic interests in Nicaragua must of necessity cast a weighty responsibility upon our government, and

call for a new order of diplomacy. It was all very well to maintain Nicaragua's sovereign rights in the face of British aggression, but when Nicaragua shall begin again to assert that same excitable sovereignty of hers in opposition to Costa Rica's claims along the canal route, the case will be quite different.

Then again, it is very doubtful whether the Mosquito Indians and their American allies will long submit to Nicaraguan rule in Zelaya. The government of Nicaragua is even now endeavoring to extend its monopoly of the liquor traffic over the shore, and the foreign residents have already organized themselves in opposition to the republic on the excise question. To complicate the question still further, Nicaragua is at present in the midst of another of her periodical revolutions, and, as the reserve is now part of the republic, it cannot escape all political responsibility as before. President Zelaya has proclaimed himself dictator, the insurgents are active in opposition, and altogether the present political situation in Nicaragua is as bad as it well could be.

Owing to the force of circumstances, Great Britain may no longer be a factor in the immediate diplomatic problem of the canal route, but this only casts a double responsibility on our own shoulders. We have promised Nicaragua, on the one hand, that her sovereignty shall be respected, and, on the other hand, we are still under obligations to Great Britain to see that the terms of the time-worn Clayton-Bulwer treaty be preserved. With American inter-

ests in Nicaragua to guard, and a government canal project in view, we may certainly expect, therefore, to have our hands full in regulating the future diplomatic relations of the transit-way. There is plenty of experience, but no international precedent to guide us in our course, and the only hope would therefore seem to lie in our present determination to come to some more satisfactory terms with the Spanish-American states of the isthmus, in regard to the interoceanic canal and the Monroe doctrine.

¹ U. S. Sen. Ex. Doc., 20, 53d Cong., 3d Sess.

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PART FOUR.

PROBABILITIES AND POSSIBILITIES OF THE FUTURE—
THE NICARAGUA CANAL A NATIONAL AMERICAN
UNDERTAKING.

CHAPTER XXIII.

THE ECONOMIC ASPECTS OF THE CANAL
PROJECT.

HAVING traced the history of the transit question through all its vicissitudes, we are still met with considerable diversity of opinion regarding the economic advantages of the scheme. There are those, on the one hand, who promise high dividends from the project, by calculating to the penny the probable cost of construction, and estimating to a nicety the amount of tonnage that will pass through the canal upon its completion. But there are others who maintain that the whole project is impracticable, and that the millions spent upon the canal might just as well be sunk in the sea.

§ 172. The
General
Economic
Outlook.

Croakers and enthusiasts are ever the natural concomitants of large undertakings, however, and in this

particular case the cause of the present divergence is apparent. Those who take extreme ground against the canal project will, in most cases, be found to be, in one way or another, connected with the transcontinental railway companies, whose immediate interests are antagonistic to the proposed American water-way. On the other hand, those who dilate upon the present economic advantages of the canal and calculate its revenues so exactly, for the most part have funds invested in the project, and consequently regard it primarily in the light of a money-making scheme.

The present diversity of opinion may therefore be looked upon as but a symptom of this era of competition, and the contradictions should by no means be taken too seriously. That the project is technically practicable there can at least be no manner of doubt, and, for proof of this, we are not obliged to rely on present canal company data. English and French engineers of the highest repute have, as we know, proclaimed the fact, and the results of the latest surveys instituted by experts of our own government substantially corroborate the general conclusions reached by their predecessors a quarter of a century ago. Canal enthusiasts of our day may, therefore, safely rest their technical case on the testimony of engineering science, and the judgment of the world can only be favorable.

In the matter of probable cost we must, however, discriminate between the sum for which *a canal could* be built, and the amount for which *the canal*

should be built; and the decision rests largely upon the question, whether the undertaking is to be carried out as a *private* or as a *public* enterprise. In the former case the dividends of stockholders are alone to be considered, while, in the latter, the interests of the American people, as a whole, are to be taken into account. We have the estimates of a private company already before us, and the government has also presented us with a provisional bid. In all probability the people will soon be called upon to decide what kind of a canal they want, and who shall build it for them. In the meantime, therefore, let us not confuse the two issues, and condemn the entire project offhand as chimerical, simply because a national water-way is likely to cost more than a purely private undertaking.

When we come, finally, to consider the question of the probable tonnage of the canal, we are confronted by a still greater divergence of opinion. Various estimates have been made, varying all the way from 300,000 tons to 9,000,000 tons annually,¹ but neither the manner of approaching the problem nor the methods thus far employed in calculating the tributary tonnage seem to me satisfactory.

¹ Mr. Joseph Nimmo, in *Forum*, March, 1896, 300,000 tons.

Ibid., in Report to Secretary of Treasury, August 7, 1880, 1,625,000 tons.

Admiral Ammen, 1876, 4,833,000 tons.

M. Levasseur, 1878, 5,250,000 tons.

M. Levasseur and associates, 1879, estimate for Panama Company of probable traffic in 1888, 7,250,000 tons.

Maritime Canal Company, 1889, 8,121,093 tons.

Nicaragua Canal Construction Company, estimate for 1897, 9,933,302 tons.

On the one hand, those who run the figures up, draw unwarranted conclusions from Suez and Sault Ste. Marie canal statistics; while those, on the other hand, who would belittle the advantages of the undertaking, only take into account the commerce that is at present accommodated in other ways, and immensely underestimate the future trade that the canal will call into existence.

The Sault Ste. Marie canal is an inland water-way and not apposite. The Suez canal was not constructed until long after the markets of the East had been developed, and a great body of commerce thus stood ready to employ the shorter route. Such is not at all the case with the Nicaragua canal; but then, on the other hand, we must not forget that the trade of the Pacific is as yet in its infancy; and, just as Europe has developed the far East, so is America now bent on developing the far West. Europe began the work before an adequate route of commerce was provided, but America can afford to wait before entering upon her task, until favorable trade-lines are established. In short, the Suez canal took advantage of the past and added to its tonnage while the Nicaragua canal will only provide for the future,—and prospective development can certainly not be measured very accurately in tons.

Then again, in making up the estimates, the natural movement of the world's commerce,—westward and eastward from a centre which is itself constantly moving toward the west,¹—has thus far

¹ Cf. Chapter I., § 11.

been left out of account. As a result the American isthmus has always been taken as the point of departure, and, from this centre, calculations have been made as to how far around the globe, on either side, the influence of the canal would extend. Such a method appears to me both misleading and inadequate, and we can scarcely expect satisfactory results so long as we thus restrict our horizon.

It would be far beyond the purposes of this book,—and indeed the ability of its author,—to attempt to estimate the commercial effects of the canal. What we need is another board of experts to study this phase of the more general problem of interoceanic transit. Congress has already provided for a technical commission to examine into the engineering features of the undertaking; may we not hope, therefore, that a statistical board will also be appointed by the government to take up the commercial side of the case? From the results of such an investigation, we could at all events reach a decision regarding the economic importance of the canal, and the report itself would, at the same time, be an important guide to the commercial possibilities of our future.

Meantime, as the matter is of such immediate importance to all sections of our country, and, as the subject seems in general to be so imperfectly understood, I am tempted to at least offer a point of view, and suggest a method of inquiry, which—I am presumptuous enough to believe—will be fruitful of good results if properly elaborated by competent experts.

With Western industrial civilization as its point of departure, the sea-borne commerce of the world has proceeded in opposite directions, westward and eastward, as nearly as possible along the parallels of latitude. Natural obstacles were encountered, however, on either side, and in the one case the trade was diverted around Africa, and in the other, around South America.

But the barrier on the east has since been broken through, and the easterly undercurrent of commerce has, in consequence, proceeded much farther around the globe than has its primary westerly advance. Given, therefore, a westerly water-way as well, and the problem is to determine first, where would the westerly and easterly trade lines ultimately merge into one? and second, what would be the effect of such a water-way upon the future development of the commerce of the West?

Bearing in mind the historical movement of the world's commerce, and mindful of the natural obstacles it has encountered; we may conveniently divide the surface of the globe into two sections by running lines longitudinally through the two isthmuses in question,—thus separating Europe from Asia, and dividing the continents of Africa and America each into two unequal parts.

The *Atlantic section* will thus include the industrial states of Europe and America, whence has come the impetus of the world's commerce.

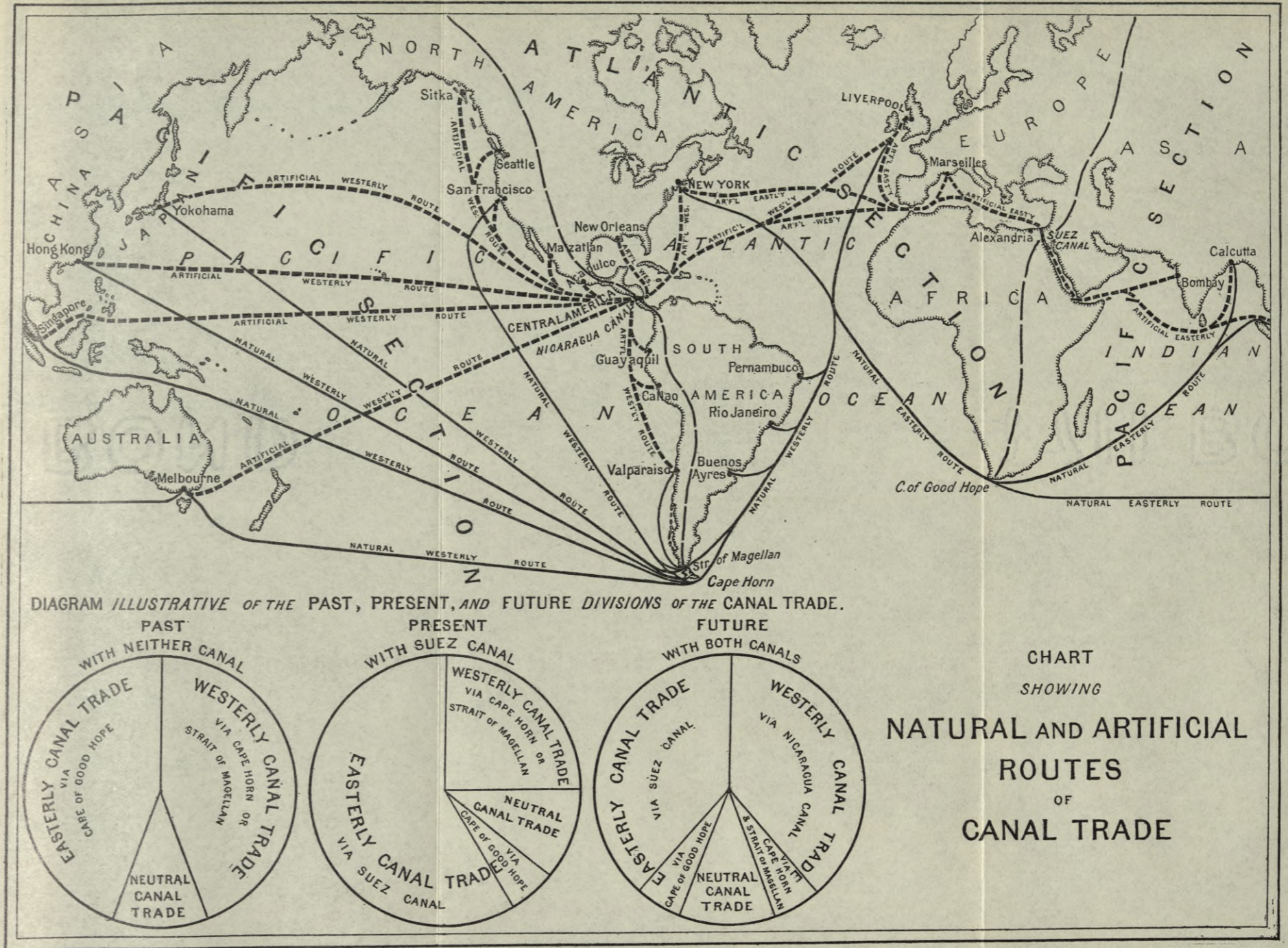
The *Pacific section*, on the other side, will then contain the rich, and as yet only partially de-

veloped lands which the commerce of the Atlantic section, in its westward advance and its easterly undercurrent, has constantly striven to reach.

Within the Atlantic section there are also partially developed lands,—to wit, the western portion of Africa, the eastern portion of South America and the Mississippi valley,—which exchange their raw materials with the manufactured products of the industrial states of this section. Conversely, there are also manufacturing countries situated within the Pacific section—namely India and Japan—which trade with the partially developed lands bordering upon the same sea. But with both these trade relations we shall have nothing whatever to do, as the commerce thus carried on will never have to pass through either one of the water-ways.¹

It is, therefore, only the reciprocal commercial relations between the Atlantic and Pacific sections that we have at present to consider. This portion of the world's commerce we may accordingly speak of as *canal trade*, since it must come within the zone of attraction of one or the other of the water-ways. At present this canal trade consists largely in an exchange of the manufactured products of the Atlantic section for the raw materials of the Pacific section; but with the growth of home industries in the Pacific countries, and the opening up of new lands in the Atlantic, a balance will eventually be struck, and the trade will become truly reciprocal.

¹It is not to be denied, however, that the domestic trade of the Atlantic and Pacific sections is, and ever continues to be, indirectly affected by the competition from without so long as by the construction of the canals.



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¹ It is not to be denied, however, that the domestic trade of the Atlantic and Pacific sections is, and must continue to be, indirectly affected by the competition from without set free by the construction of the canals.

With the opening of the proposed water-way across the American isthmus, this canal trade will ultimately have the choice of two main routes, an *easterly trade route* and a *westerly trade route*, and each of these main routes will again be divided into a *natural* and an *artificial* highway. For example, vessels starting from the industrial states of the Atlantic section may reach the ports of the Pacific section either by sailing east or by sailing west, and in the former case again they may either proceed through the Suez canal or around the Cape of Good Hope; while by taking the latter course they may either pass through the Nicaragua canal¹ or round the Horn.²

For the purposes of further elimination we may, therefore, subdivide the canal trade into three main classes:

(1) *Easterly canal trade*, being such portion of the total canal trade as—either by reason of distances saved or other signal advantages—will continue to reach the Pacific section by passing through the Suez canal or sailing around the Cape.

(2) *Neutral canal trade*, being such portion of the whole as can be regarded neither as entirely tributary to the easterly nor to the westerly route. The comparative distances to be traversed being taken in this case to be about the same, the choice of the routes would here depend upon certain adventitious circumstances.

¹ Or the Panama canal as the future may decide.

² The route for steam vessels is through the Straits of Magellan.

(3) *Westerly canal trade*, being such portion of the total as must be entirely tributary to the westerly route, either on account of distances saved or by reason of other favorable conditions accompanying the voyage through the Nicaragua canal or around the Horn.

One part of the canal trade will thus fall under the influence of the Suez canal, and to secure its share of this commerce the easterly water-way will only have to compete with the natural route around the Cape. Another portion of the canal trade will in like manner come under the influence of the Nicaragua canal, and, to obtain its due quota of this commerce, the westerly water-way will only have to come into competition with the natural route around the Horn,—or, what is the same thing, through the Straits of Magellan. What is left of the canal trade will thus be open to the competition of the two canals.

The zone of the Suez canal might accordingly be so extended as to include both the easterly and the neutral canal trade; and, in like manner, the Nicaragua canal zone might possibly be so expanded as to comprise the westerly and the neutral canal trade. But we have not at present to deal with the ship-canal question as a whole. All we have in mind is to demonstrate the commercial importance of the westerly water-way. Without losing sight of any of the possibilities of the American project, we may, therefore, safely confine our attention henceforth exclusively to the *Nicaragua canal zone*.

Within this zone, the American water-way will, on the one hand, have to compete with the easterly trade route,—to wit, with the Suez canal and with the voyage around the Cape ;—and, on the other hand, it will also have to enter into competition with the natural westerly route,—namely, with the voyage around the Horn or through the Straits. The zone in question therefore bounds the possible rather than the probable influence of the Nicaragua canal, and the kernel of the problem immediately before us is, accordingly, to determine, first, just how much of the commerce of the world now included within this zone will become tributary to the water-way upon its completion ; and, secondly, what effect the canal itself will have upon increasing the amount of the trade in question.

With due regard to the competing routes with which the American water-way must perforce contend, and for the purposes of more detailed consideration, we had, therefore, best split up the zone of the Nicaragua canal into three subsidiary zones, as follows :

Zone A—to include the portion of the main zone wherein the Nicaragua canal will come into competition with the easterly route, *i.e.*, the Suez canal and the voyage around the Cape.

Zone B—to include the portion of the main zone wherein the Nicaragua canal will only come into competition with the natural westerly route, *i.e.*, the voyage around the Horn or through the Straits of Magellan.

Zone C—to include the rest of the main zone, and herein the Nicaragua canal will have a monopoly of the water-borne commerce in question.

Judging from the comparative distances to be traversed under purely natural conditions, the westerly route should compete with the easterly for the trade between the industrial states of the Atlantic section and the countries of the far East. Or, in other words, the zone of what we have called the neutral canal trade should lie naturally off the east coast of Asia. Given artificial water-ways through both isthmuses, and the case would be the same. But history has thus far failed to present the problem in this simple fashion. Before the Suez canal was built, all this sea-borne commerce with the far East proceeded by way of the Cape, as the natural easterly route was in all cases shorter for Europe than the natural westerly, and America was then too young to engage in this trade. Thus what was naturally neutral canal trade became entirely tributary to the easterly route, simply because it had its only origin in Europe, instead of being divided naturally between the Atlantic ports of Europe and America.

After the trade between Europe and the far East had reached considerable proportions in its way, it was given a further impetus by the construction of the Suez canal. As a result, when the eastern section of the United States grew strong enough to compete for a share in this trade, it found itself

§ 174. Zone
A.—Nicaragua versus
Suez and
the Cape.

handicapped from the start, for the Atlantic ports of Europe were now placed over 2500 miles nearer the countries of the far East than were the Atlantic ports of the United States. Our country, consequently, in spite of its natural position and the commodities it has to offer, has never been able to take any considerable part in this commerce, and the neutral canal trade accordingly still remains tributary to the easterly route, or more specifically, at present, to its artificial highway.

In dealing with the first subsidiary zone of the Nicaragua canal there are thus two distinct questions to be considered; first: how much, if any, of the trade now being carried on between Europe and the far East will become tributary to the American water-way; and second: to what extent will the Nicaragua canal make it possible for America to take part in the future commerce of the far East, and thus divide the properly neutral canal trade more equally between the easterly and westerly water-ways.

In answer to the former question we may say that the American water-way will have practically no effect in diverting any of Europe's present trade with the countries and islands of the far East from the easterly route, for the Suez canal will still afford the shorter and more convenient highway of the two.

Such portion of this trade as now reaches the far East from Europe in sailing-vessels, still proceeds by way of the Cape on account of the lack of wind

in the Red Sea; and some have claimed that this commerce, at least, will be diverted to the Nicaragua route.¹ But this would appear very doubtful; for it must be borne in mind that a region of "doldrums" also exists along the westerly coast of the American isthmus; and then again, the African continent presents convenient points of call on either

¹ TABLE SHOWING COMPARATIVE DISTANCES BETWEEN EUROPE AND THE FAR EAST *VIA* THE EASTERLY AND THE WESTERLY ROUTES.

LIVERPOOL TO	<i>Via</i> Cape of Good Hope	<i>Via</i> Cape Horn	Differ- ence in favor of Good Hope	<i>Via</i> Suez Canal	<i>via</i> Nicara- gua Canal	Differ- ence in favor of Suez Canal	Saving effected by	
							Suez <i>vs.</i> Good Hope	Nicara- gua <i>vs.</i> Cape Horn
Singapore—miles	13,505	18,570	5065	7958	14,326	6368	5547	4244
Hong Kong "	15,051	18,030	2979	9810	13,786	3976	5241	4244
Shanghai "	15,921	17,610	1689	10,680	13,370	2690	5241	4240
Melbourne "	13,140	13,352	212	11,350	12,748	1398	1790	604
Yokohama "	16,040	17,529	1489	11,765	12,111	346	4275	5418
MARSEILLES TO								
Singapore—miles	13,265	18,350	5085	6628	14,136	7508	6637	4214
Hong Kong "	14,811	17,810	2999	8180	13,596	5416	6631	4214
Shanghai "	15,681	17,390	1709	9050	13,180	4130	6631	4210
Melbourne "	12,900	13,132	232	9720	12,558	2838	3180	574
Yokohama "	15,800	17,309	1509	10,135	11,920	1785	5665	5389

The tables given in this chapter are compiled from two sources: first, from data furnished by the United States Hydrographic Office, and second, from a series of tables given in the London *Engineering Magazine* of April 14, 1893. The two authorities are practically in accord, and where any divergence occurs the longer distances have been taken in making up the present tables. In all cases the length of the sailing routes is only approximate.

side for these sailing craft, while the voyage *via* Nicaragua is across the open seas for the greater part of the way.

On the other hand, there are a number of products of the far East, which are now brought back to Europe by the easterly route, and thence re-shipped in bulk across the Atlantic to America.¹ The opening of the Nicaragua canal would probably give this trade the rotary motion natural to it, and as homeward bound commerce at least, it would thus become tributary to the American water-way.

Such then is the very slight influence which the Nicaragua canal will be able to exert upon Europe's present trade with the countries of the far East.

Coming to the second question, in regard to the future commerce between the industrial states of the Atlantic section and the far East, we must bear in mind that the United States are at present practically shut out of this sea-borne traffic by reason of inadequate facilities of transportation.² But the Nicaragua canal will bring our eastern and Gulf ports equally as near to the markets in question as the

¹ Australian wools, for example, are now brought back to England and thence shipped in bulk to the United States. Many of the products of New Zealand and the Pacific islands take the same course under the present conditions.

² The present trade of our Atlantic and Gulf ports with the far East only amounts to 416,152 tons a year. On account of transcontinental railroad freight rates, it is found cheaper to ship from New York and Philadelphia *via* Liverpool. On the other hand, Great Britain's imports from India amount to 7,250,000 tons annually; from Australia, 16,000,000 tons; from Hong Kong, 7,000,000 tons; and from the Straits Settlements, 7,000,000 tons.

Suez canal has already brought the Atlantic ports of Europe.¹ That is to say, the Atlantic ports of Europe will have the advantage over those of the

¹ TABLE OF COMPARATIVE COMPETING DISTANCES FOR EUROPEAN *VERSUS* AMERICAN CANAL TRADE BY SHORTEST AVAILABLE ROUTES, NOW AND AFTER THE OPENING OF THE NICARAGUA CANAL.

LIVERPOOL <i>VS.</i> NEW YORK.	PRESENT.			FUTURE.		
	No. of miles	In favor of	Due to	No. of miles	In favor of	Due to
With Singapore...	3591	Liverpool	Suez Canal	3591	Liverpool	Suez Canal
“ Hong Kong.	3591	Liverpool	Suez Canal	1228	Liverpool	Suez Canal
“ Yokohama...	3549	Liverpool	Suez Canal	2402	New York	Nicaragua Canal
“ Melbourne...	1840	Liverpool	Suez Canal	1350	New York	Nicaragua Canal
<hr/>						
MARSEILLES <i>VS.</i> NEW YORK.						
With Singapore...	4921	Marseilles	Suez Canal	4921	Marseilles	Suez Canal
“ Hong Kong.	5221	Marseilles	Suez Canal	2858	Marseilles	Suez Canal
“ Yokohama...	5179	Marseilles	Suez Canal	1772	New York	Nicaragua Canal
“ Melbourne...	3570	Marseilles	Suez Canal	280	Marseilles	Suez Canal
<hr/>						
LIVERPOOL <i>VS.</i> NEW ORLEANS.						
With Singapore...	4142	Liverpool	Suez Canal	2907	Liverpool	Suez Canal
“ Hong Kong.	3840	Liverpool	Suez Canal	515	Liverpool	Suez Canal
“ Yokohama...	2885	Liverpool	Suez Canal	3115	New Orleans	Nicaragua Canal
“ Melbourne...	2150	Liverpool	Suez Canal	2063	New Orleans	Nicaragua Canal
<hr/>						
MARSEILLES <i>VS.</i> NEW ORLEANS.						
With Singapore...	5472	Marseilles	Suez Canal	4237	Marseilles	Suez Canal
“ Hong Kong.	5470	Marseilles	Suez Canal	2145	Marseilles	Suez Canal
“ Yokohama...	4515	Marseilles	Suez Canal	1485	New Orleans	Nicaragua Canal
“ Melbourne...	3780	Marseilles	Suez Canal	433	New Orleans	Nicaragua Canal

United States with the markets of Malaysia and southeastern China, but the Atlantic and Gulf ports of the United States will be brought comparatively nearer to the ports of Australia, Japan, northeastern China, and Corea.

America's ability to compete for the future trade of the far East must, therefore, depend upon her capacity of supplying the markets in question with the commodities demanded. Raw materials and manufactured goods both go to make up the import canal trade of these Eastern countries. Let us, therefore, consider them in turn.

Europe cannot supply the raw materials that the East now demands, and thus the United States will have a free hand in this portion of the canal trade, with only the Eastern countries themselves to compete with. Petroleum and cotton are the main articles of this trade, and both these are typical American products. Russia is our competitor for the former, but then the demand is very large and constantly increasing, so, with adequate transportation facilities, the competition is not likely to become severe. In the production of the quality of cotton required for the Eastern trade, the United States have a virtual monopoly. Even India requires our long-fibre cotton to mix with her short-fibred product in her manufactures, and Japan will have little else.¹ Raw cotton is no longer being grown in Japan, and at the same time the number of her

¹ The first shipment of raw cotton from the United States to Japan was in 1888, and amounted to 85,000 lbs. At present we are sending over 7,000,000 lbs. annually.

mills, looms, and spindles is increasing year by year at a remarkable rate.¹ Our growers have already begun to supply these markets, but the obstacles in the way of transportation are enormous.

The Nicaragua canal will at once solve the difficulties of this trade, and in these instances the benefits will accrue to the Mississippi valley and the southeastern sections of our country. A "direct trade" from the Gulf to the markets in question will then be possible, and such is the present demand of our producers.

In supplying the markets of the East with manufactured goods, the United States will, of course, have to compete with Europe; but then there are certain natural advantages on our side which must have their effects as soon as an adequate trade route is established. We already have the necessary skill and machinery, and our supply of the raw materials is unbounded. There are millions upon millions of people in the far East who demand cotton goods for clothing. Up to the present Great Britain has supplied the great bulk of these finished commodities, but India of late has begun to compete with Lancashire; and Japan, as we know, is increasing her manufacturing facilities very rapidly. But the demand, as we can well imagine, is enormous, and the mills of New England, and those to be established in the South, may well compete for a goodly share in this trade, and more especially as in some grades

¹ During the years 1883-93, the number of cotton mills in Japan increased from 1 to 46. In 1883 there were 5456 spindles put to work. By 1891 the number had increased to 380,000, and at present over 1,000,000 are in operation.

of cotton goods the United States have already a practical monopoly. Then, too, we must remember that China and Japan are now on the threshold of a great material development, and the industrial states of the Atlantic section are to provide at least the immediate facilities. Railroad and shipping supplies and machinery of all kinds will be required, and, if a water-way be provided, there is no reason why the United States should not supply the demand as well as Europe. We have huge plants in working order all along our northeast coast and throughout the Mississippi valley. What we need is a knowledge of the market and an adequate trade route thither.

Thus far it would seem that the main benefits of this future trade with the East would accrue to the Atlantic rather than to the Pacific sections of our country ; whereas, under the present circumstances, it is rather our western ports which profit by the commerce in question. But we have only been speaking of the possible export trade. We now import far more from the far East than we send out, and with the extension of our export trade these imports will tend also to increase rather than to diminish. Now the shortest and most advantageous route from the western outlet of the Nicaragua canal across the Pacific passes very close to San Francisco.¹ On their return voyage, at any

¹ Cf. chart of Pacific laid down on the gnomonic projection as illustrated by Captain Henry C. Taylor in a recent address before the Society of Naval Architects and Marine Engineers.

rate, the vessels engaged in this Eastern trade will accordingly make this port a point of call, landing a part of their cargoes there for distribution throughout the West, and then reloading with the products of the Pacific slope for our own eastern markets. It cannot be rightly said, therefore, that the Nicaragua canal would exert a deleterious effect on our Western ports, by diverting their Eastern trade. On the contrary, it must rather tend to enhance their commercial importance.

In summary we may, therefore, conclude our consideration of this zone by admitting that the American water-way will have no appreciable effect in diverting Europe's present commerce with the far East from the Suez canal; and by prophesying, on the other hand, that the Nicaragua canal will give a great impetus to our own trade with these countries. Or, in other words, when once the westerly route is placed on a par with the easterly, then at last the United States will obtain their due share of the neutral canal trade.

The Nicaragua canal will have to compete with the natural westerly route,—around the Horn or through the Straits of Magellan,—for two sets of commercial relations, the one an activity of the present, the other a possibility of the future, namely: for Europe's trade with the west coast of South America, and for the trade of the Atlantic ports of South America, with the countries and islands of the Pacific.

Steam vessels plying between European ports and

the countries of western South America now pass through the Straits of Magellan, but sailing craft are obliged to take the longer and more dangerous course around the Horn. In either case the Nicaragua canal must necessarily divert the larger portion of this trade from its present routes, and here again the relative distances saved will prove the determining factor.

The canal, for example, will bring Valparaiso over a thousand miles closer to the ports of Europe, and the saving will, of course, be still greater when measured from the more northerly ports of Callao and Guayaquil.¹ As a general proposition we may therefore say that Europe's sea-borne commerce with the west coast of South America as far down as, and including, the port of Valparaiso, will in the future become tributary to the Nicaragua canal. But the proposition is open to some exceptions. Sailing vessels from Europe to Valparaiso, and perhaps even those bound to Callao, may continue to use the Horn route in order to avoid the canal tolls,

¹ TABLE SHOWING DISTANCES SAVED BETWEEN LIVERPOOL AND THE WEST PORTS OF SOUTH AMERICA
VIA THE NICARAGUA CANAL.

LIVERPOOL TO	<i>Via</i> Cape Horn	<i>Via</i> Straits of Magellan	<i>Via</i> Nicaragua Canal	Saving effected by Canal over	
				Horn Route	Straits Route
Guayaquil—miles	11,204	10,620	5,947	5,293	4,673
Callao, “	10,539	9,960	6,464	4,075	3,496
Valparaiso, “	9,380	8,760	7,734	1,646	1,026

and keep clear of the doldrums on the west side of the isthmus. Then again the Panama railway will bid for a portion of this trans-isthmian trade, but we can scarcely imagine such a difference of transit rates in favor of the land route as would permanently compensate for the extra cost of reloading.¹ Time alone can measure the weight of these and other exceptions, but on the whole, I believe, our general proposition will hold good.

Again, by reason of comparative distances, Europe now possesses a virtual monopoly of this South American canal trade,—Great Britain being the largest holder and Germany coming next.² But the absolute saving in distance effected for Europe by the construction of the canal will be to her, at the same time, a comparative loss; for the Atlantic and Gulf ports of the United States will thereby gain a comparative advantage over those of Europe of over two thousand miles. And as the trade in question consists in an exchange of South America's raw materials for manufactured goods which the United States are able to make as well, if not better than the industrial states of Europe, we may expect to see the present European mo-

¹ The transit trade *via* the Panama railway shows a slight falling off of late. In 1893 it amounted to only 185,591 tons, being 212 tons less than that of the previous year.

² Full three fourths of the trade in question is now in European hands, and for the most part controlled by Great Britain. Europe imports from these countries guano, nitre, wool, cotton, grain, copper and silver ore, cocoa, coffee, rubber, etc.; and exports to the ports in question, cotton and woollen goods, railroad supplies, machinery, and manufactured articles of various sorts.

nopoly broken at last upon the completion of the American water-way.

Europe's present trade with the west coast of South America will thus become largely tributary to the Nicaragua canal upon its opening, but whether the ultimate effect of the water-way will be to increase or diminish the amount of the commerce in question, must depend upon the ability of the United States to compete, and of this we shall have more to say in the consideration of the next zone.

On account of the peculiar shape of the southern continent, and by reason of the comparatively undeveloped condition of its northern shores, the local sea-borne trade between the east and west coasts of South America will doubtless continue to use the route around the Horn or through the Straits. The commerce between the eastern ports of South America and the western ports of North America, must, on the other hand, become entirely tributary to the canal, as we shall presently see. So far as American trade is concerned, therefore, the artificial westerly water-way will thus only come into competition with its natural rival in the case of future commercial relations being established between the Atlantic ports of South America and the islands of the central Pacific and the countries of the far East. In such an event distance would again be the determining factor, and Pernambuco may, therefore, be taken provisionally as the neutral port of this possible commerce of the future.

Having spoken of the commercial relations in

which the artificial westerly route will have to compete with the easterly route,—*via* the Suez canal or by way of the Cape of Good Hope,—and with the natural westerly route,—either around the Horn or through the Straits,—we have now to consider the rest of the canal trade coming within the zone of the Nicaragua canal, where the American water-way will have a natural monopoly of the sea-borne commerce in question. Two classes of commerce fall within this last subsidiary zone: first, the trade of the Pacific ports of North America with the Atlantic ports of Europe and the United States; and second, the trade between the east and west coasts of North America, and the west and east coasts of South America.

I.

Even though possessing a monopoly of the ocean-borne commerce sailing from the ports of the Pacific slope to Europe and the Atlantic sea-board of the United States, the Nicaragua canal will still find powerful competitors on land in the transcontinental railroads. The future division of this trade has, indeed, already become a matter of considerable controversy between the two opposing factions, and the subject should, therefore, receive careful attention. But the scope of this book does not permit of an exhaustive inquiry, and we can, therefore, only attempt to plot off the ground and add a few preliminary suggestions.

The Pacific railroads were supposed, indeed, to accommodate all the trade between our eastern and our western ports, but their claims have not been entirely justified, and, in the very nature of things, their promises must remain to a large extent unfulfilled.

We must note, in the first place, that the trans-continental railroads have not as yet been able to divert all the trade of the West from the natural route. The wheat of the Pacific slope, and a considerable portion of the timber of the Northwest, are still transported by water around the Horn or through the Straits to Europe and our own Atlantic ports. This trade will be diverted to the canal, as there will be a saving in distance of over 10,000 miles, and a corresponding lowering of freight rates and time.¹ But on account of the difficulties and cost of transportation, the exports of wheat and timber from the West are at present very much smaller than it is natural for them to be.² If then the rail-

¹ TABLE SHOWING DISTANCES SAVED BETWEEN SAN FRANCISCO AND THE ATLANTIC PORTS OF THE UNITED STATES AND EUROPE BY THE NICARAGUA CANAL.

SAN FRANCISCO TO	<i>Via</i> Cape Horn	<i>Via</i> Straits of Magellan	<i>Via</i> Nicara- gua Canal	Saving effected by Canal over	
				Horn Route	Straits Route
New Orleans—miles	16,000	13,539	4,147	11,853	9,392
New York “	15,660	13,174	4,907	10,753	8,267
Liverpool “	15,620	13,494	7,627	7,993	5,867

² The exports *via* the ocean route from these Pacific ports to Europe in 1895 amounted to but 628,735 tons.

roads have not made the growth of this trade possible, it is an important question whether the canal itself will do so.

It does not pay at all to ship wheat by rail from California, and to send it by sea around South America involves chartering a vessel, paying high rates for freight and insurance and running big risks of a decline in the market while the product is on its way.¹ Under such adverse conditions, it is then but natural that the wheat trade of the Pacific slope should have fallen off of late. But with a regular line of steamers plying between the Pacific ports of North America and the markets of the Atlantic section through the Nicaragua canal, the growers of the western coast would be placed on a par with those of Argentina, Russia, and India, at least as far as transportation facilities were concerned.

We are still a great wheat-exporting country, and when a water-way is constructed across the isthmus, and a ship canal is built to connect Lake Erie with the Hudson, this export trade will divide itself naturally into three main divisions. The growers of the lower Missouri valley will continue to ship down the river to New Orleans and thence to the markets of Europe. Those of the upper and eastern valley of the Missouri will still send their crops *via* the Lakes to New York and thence in bulk across the Atlantic. But the wheat of the Pacific

¹ Railroad rates amount to from \$20 to \$30 a ton. Steamship rates *via* Straits of Magellan amount to \$12 a ton, and the freight by sailing vessels around the Horn amounts to \$10 a ton.

slope will go by the Nicaragua canal, and the growers of the Saskatchewan also will, in all probability, send their crops by rail to the west coast and thence to Europe *via* the isthmus water-way. In all these cases the railroads will be employed as tributary lines, and will probably find their earnings increased, rather than diminished, by the improved facilities in water-borne commerce.

In calculating the future extent of this trade we must not lose sight of the fact, however, that our wheat exports are now falling off and must continue to do so, on the whole, in the face of foreign competition, as our own population increases and as we become more of a manufacturing and commercial nation and less of a purely agricultural country.¹ Nevertheless, for the immediate future at least, our wheat growers will gain considerably by the construction of the Erie ship-canal and the isthmian water-way and, in my belief, our railroads will be no losers.

Along our eastern coast and in Europe there is a growing demand for timber, as an increase in the density of population always means a decrease in the local forest area. America's northwest frontier, on the contrary, is a land of almost inexhaustible supply,² and the timber there is vainly trying to

¹ United States exports of manufactured goods are increasing relatively to their exports of farm products.

² There are 25,000,000 acres of forest lands in the Northwest, containing about 400,000,000 feet of uncut timber. In Washington alone there are something like 175,000,000 feet of uncut yellow and red fir. Professor Sargent says that a yield of 200,000 square feet to the acre is not at all un-

seek its natural outlet. Some little goes by rail across the continent, and another small portion finds its way to Europe and the East around the Horn, but in both cases the rates are practically prohibitory for such a bulky commodity.¹ By lowering the rates at least one third, and by reducing the time about three fourths over the Horn route the canal will break down the barriers that are now confining this trade and assure its future development.

The isthmian water-way will thus do for our timber exports just what it will do for our wheat. The forest products of the Mississippi valley, as they are being cut down with the advance of agricultural and manufacturing civilization, will continue to be exported from New Orleans. As we advance from the Lakes farther toward the Northwest through the forest belt, the timber will still be shipped east as before. But with the development of the Pacific Northwest, where the forest growth is heaviest, we must ship the product *via* the Nicaragua canal. Our growth in the former directions has been so

common there, and that, within an area of 20,000 square miles, a yield of 250,000 square feet can be relied upon. The timber lands of Oregon alone cover an area of 25,000 square miles.

¹ A sailing vessel loaded with lumber from the Northwest could not reach the shipyards of Maine in less than 130 days by sailing around the Horn, and the freight charges would be about \$12 a thousand. Through the Nicaragua canal the voyage would be reduced for sailing craft to 40 to 50 days and the rate would not amount to more than \$8 a ton. The voyage by steamer *via* the canal would be reduced to 20 days and the charges would be about \$9 a ton. In 1886 Washington and Oregon together shipped 6,000,000 cubic feet of lumber around the Horn; in 1887, 48,000,000 cubic feet; and in 1888, 471,325,000 cubic feet. Since then the shipments have fallen off somewhat, as the trade does not pay at the present freight rates.

rapid, that the burden is already beginning to fall on our Northwest timber lands; and we may therefore look with confidence to a great future for this trade, beginning with the opening of the American water-way.

There are other raw products of the Northwest now shut off from Europe and the East for lack of proper facilities of transportation. The rivers are alive with salmon, and the fishing banks lately discovered off the west coast are as rich, if not richer than those along our Atlantic sea-board. They have, besides, the extra advantage of being as nature has left them and unhampered by the diplomatic vagaries of man. Access to these grounds, and an adequate outlet for their products, can only be provided by cutting through the isthmus to the south, and then, indeed, their future will be assured. There are, moreover, the wools, the hops, the peltries, and a score of other raw products of this wonderful region even now waiting for a means of access to their natural markets, and this the Nicaragua canal will afford.

Concerning the future of this northwestern section, Professor Shaler says: "The student of North America who seeks to foretell the course of events in the coming century finds great assurance as to the prosperity of this part of the continent." Its growth is indeed bound to be both swift and great, and, in my opinion, its development and the Nicaragua canal must mutually interact as reciprocal cause and effect.

Thus far we have only spoken of such trade of our distant West, which finds no outlet over land. But many of California's products are now shipped east by rail,¹ and it is a further question how much of this trade will be diverted from its present lines to the canal.

The wine and garden products of the Pacific slope are here the most important articles to be considered, and, to me at least, there would seem to be no question but that these commodities will in the future be carried to our Atlantic ports and Europe *via* the canal. It is true that transcontinental freight rates have steadily been decreased,² but still the western horticulturists are complaining, and it is hard to conceive how railroads across such a continent as ours can possibly compete with an open sea route that would be but little longer.

Through-freight by rail means, furthermore, a trans-shipment on the eastern sea-board, as far as the European market is concerned. Then at all events, much more can be shipped at once by sea, and at a far lower cost than by land.³ The refrigerator system is equally as applicable to steamships as to rail-

¹ In 1890 California shipped East \$82,000,000 worth of products. 98 % went by rail, and only 2 % *via* the Panama railway and around the Horn.

² On green fruits the rates have been reduced from \$2.50 per 100 pounds in 1873, to \$1.25 in 1895. On dried fruits the reduction has been from \$2.25 per 100 pounds in 1873 to 60 cents in 1895. The rates on wine have fallen off during the same period from \$2.00 to 40 cents.

³ It is estimated that the cost of steamship transportation is to the cost of railroad transportation as one is to five. A 5,000 ton steamer can carry a cargo equal in amount to that borne by 333 cars each carrying 30,000 pounds.

road cars,¹ and the difference in time, slight as it is, would then cut but little figure in the decision. Some freight may still have to be rushed through regardless of cost, and this will continue to go by rail, but as a general proposition, I should feel safe in declaring that the canal is destined to divert most of the through-freight from the far West now going by rail.

But then again the markets for California's products are just beginning to be opened up,² and with proper facilities for exportation, there is certainly an enormous future for her export trade. The railroads are doing their best, perhaps, but in spite of the demand for its products, land in some of the richest valleys of the Pacific slope is going begging, and the people of this section are chafing against the restraints that bind their natural trade.

The distances to Europe and the East are at present too great and the rates too high to make the export trade in California's garden products at present profitable. An isthmian water-way is, in short, required, to make demand and supply meet; and with the natural growth of the trade, the railroads will again in the long run not be the losers, inasmuch as the falling off in through-freight will be more than made good, by the increase in the local traffic necessary to bring the products of the Pacific slope to the western sea-board.

¹ A steady temperature of from 36° to 38° Fahr. will preserve fruit indefinitely, if kept perfectly dry.

² In 1873 California shipped 2,896,530 pounds of green fruits to the eastern markets, and in 1893 the amount had grown to 149,040,480 pounds. Here again, however, there has been a falling off of late on account of freight rates.

In regard to this trade of the Pacific slope with Europe and the Atlantic ports of the United States we may therefore conclude: first that the commerce which now proceeds by sea around the Horn, or across the continent by rail, will be diverted to the canal; and secondly, that the water-way itself, by breaking through the barriers which now restrain this trade, will be the immediate cause of a far greater development of the rich regions in question than is now possible.

Thus the Pacific slope likewise has a strong interest in the construction of the American water-way. True the Pacific railroads are now bitterly opposed to the project, but one cannot help feeling that this policy of antagonism is extremely short-sighted, for the ultimate results of the canal must redound to their advantage, if historical analogies are in any way to be relied upon.

II.

Besides rendering the coasting trade of North America thus continuous, the canal will also make possible a reciprocal coastwise traffic between the east and west shores of the northern continent and the west and east shores of the southern continent.¹ It is indeed only the isthmus barrier which to-day checks this natural development of the mutual trade relations between the two Americas, and the proba-

¹ The domestic trade of the United States along the Atlantic, Gulf, and Pacific coasts amounts now to about 100,000,000 tons a year, but only a very small portion of it goes around the Horn.

ble future of this commerce is therefore well worthy of our consideration.

Regarding the trade between the Pacific ports of North America and the Atlantic ports of South America, we have only to note that it must in the main consist in an interchange of the special raw products of either section, as neither region in question has as yet reached the industrial stage of development. The nucleus of such a trade already exists,—being at present accommodated by the isthmus and Horn routes,—and the canal will of course render its further development possible. Nothing definite can, however, be said of the probable future of this commerce. There is undoubtedly a growing demand in South America for the wheat and canned goods of the Pacific slope; and, on the other hand, the people of California and the Northwest desire the coffee and tropical products of Brazil. There is, therefore, the possibility, at least, of reciprocal relations springing up between the two, and the commerce in question, such as it may be, must naturally be tributary to the canal.

Very different conditions confront us, however, when we reverse our position and come to consider the possibilities of future commercial intercourse between the Atlantic coast of North America and the Pacific coast of South America. On the one hand, we have a numerous population still upon the extractive and agricultural stages of economic civilization, who want the manufactured goods of the industrial states of the Atlantic section, and whose

own raw produce is in universal demand. On the other hand, we have to do with an industrial people who have manufactured commodities to offer, and who in turn demand the raw produce of their southern neighbors. The isthmus barrier now cuts these two groups off entirely from any commercial dealings with each other, with the result before mentioned, of making Europe the present distributing centre of the trade in question.

But the construction of the canal will have a two-fold effect in changing all this. By enormously reducing the absolute distance¹ between the Atlantic and Gulf ports of the United States and those of South America's western sea-board, it will, in the first place, greatly facilitate commerce between the two. And then again, it will give these same eastern

¹ TABLE SHOWING DISTANCES SAVED BETWEEN THE ATLANTIC PORTS OF NORTH AMERICA AND THE PACIFIC PORTS OF SOUTH AMERICA BY THE NICARAGUA CANAL.

NEW YORK TO	<i>Via</i> Cape Horn	<i>Via</i> Straits of Magellan	<i>Via</i> Nicara- gua Canal	Saving effected by Canal over	
				Horn Route	Straits Route
Guayaquil—miles...	11,471	10,300	3,227	8,244	7,073
Callao " ...	10,689	9,640	3,744	6,945	5,896
Valparaiso " ...	9,750	8,440	5,014	4,736	3,426
NEW ORLEANS TO					
Guayaquil—miles...	11,683	10,787	2,340	9,343	8,447
Callao " ...	10,901	10,005	2,984	7,917	7,021
Valparaiso " ...	9,962	8,805	4,254	5,708	4,551

sea-ports of our country a comparative advantage of from two to three thousand miles over those of Europe to the markets in question.¹ Whether or not trade relations will in the future be established between the eastern ports of North America and the western ports of South America will therefore depend: first, upon the capacity of our manufacturing centres to supply these southern countries with the articles they demand; and secondly, upon their

¹ TABLE OF COMPARATIVE COMPETING DISTANCES FOR THE TRADE OF EUROPE AND THE UNITED STATES WITH THE WEST COAST OF SOUTH AMERICA.

LIVERPOOL <i>vs.</i> NEW YORK *	Present			Future		
	No. of miles	In Favor of	Due to	No. of miles	In Favor of	Due to
With Guayaquil.	150	Liverpool	Horn Route	2,837	New York	Nicaragua Canal
“ Calloa . . .	150	Liverpool	Horn Route	2,748	New York	Nicaragua Canal
“ Valparaiso	150	Liverpool	Horn Route	2,748	New York	Nicaragua Canal
<hr/>						
LIVERPOOL <i>vs.</i> NEW ORLEANS						
With Guayaquil.	362	Liverpool	Horn Route	3,550	New Orleans	Nicaragua Canal
“ Callao . . .	362	Liverpool	Horn Route	3,461	New Orleans	Nicaragua Canal
“ Valparaiso	362	Liverpool	Horn Route	3,449	New Orleans	Nicaragua Canal

* The Horn route has been taken for the purpose of comparison in this table. By employing the route through the Straits, the eastern ports of the United States now have a very slight advantage over the Atlantic ports of Europe.

ability to compete with the manufacturers of Europe for this trade.

The chief articles of export of South America's western coast to the industrial states of the Atlantic section consist in nitrates, guano, cocoa, wool, cotton, copper, silver, and other minerals. Most of these raw products now go to Europe, as we know, and in return therefor the western sea-board states receive from Europe manufactured goods, consisting in clothing, furniture, textiles, machinery, railroad supplies, etc. These countries, at present, only import from the United States such commodities as cannot be produced in Europe, and yet we demand their products and must now reimport them from abroad.

But the producers and manufacturers of our Atlantic and Gulf sections can perfectly well supply these tropical and southern markets with the food-stuffs, coal, oils, clothing, furniture, hardware, and other manufactured goods they demand,¹ and the only possible check which now restrains this perfectly natural development of trade is the isthmus barrier.

The eastern coast of North America and the western shores of South America lie practically on the same meridian, and, if continued southeastward, the line of the Mississippi river bed would join this

¹ The demand in question is to-day for the following articles: Flour, meat, dairy products, provisions, furniture, wooden-ware, carriages, agricultural implements, iron and steel (raw and manufactured), oils (petroleum and cotton-seed), coal, soaps, chemicals, drugs, fancy articles, leather (raw and manufactured), paper and stationery, malt liquors and spirits, cotton and woollen goods, gunpowder, arms, and explosives, earthenware, glass-ware, and china, flax, hemp, etc.

meridian near the Atlantic entrance to the canal at but a very slight angle. Given an isthmian waterway, therefore, perfectly direct trade relations could be opened up from both these sections to the markets in question.¹

We not only possess the raw materials demanded in their crude form by these western Spanish-American states, but also those to be worked up into the finished products they desire; and herein we have an advantage over our European competitors. Europe is to-day no better off than we are in the way of the requisite machinery and skill for manufacture, and by the construction of the canal the comparative distance to the market will also be in our favor. To deny that a large portion of this South American trade will ultimately fall into our hands, seems to me, therefore, tantamount to saying that American producers and manufacturers are unable to look after their own interests, and this we know has, thus far at least, not been the case.

But South America's western ports will not be the only markets opened up in this direction by the construction of the canal. Every year adds to the tonnage of the coasting trade of our Atlantic and Gulf ports with the West Indian islands and the countries bordering on the Caribbean²; and there are, besides, the rich valleys of the Amazon and the

¹ The construction of the proposed Chicago drainage canal would extend these direct trade relations with South America to include the rapidly growing manufacturing centres about the Lakes. Chicago would thus become a distributing centre for the southern trade as well.

² The United States Caribbean trade now amounts to 500,000 tons a year.

Orinoco yet to be developed. From our historical narrative we also know that citizens of the United States are extending their economic interests along Central America's eastern sea-board. Such, then, are the beginnings of our trade with the countries of the Caribbean, and its future is bound to be great. True, it cannot, strictly speaking, be regarded as canal-trade, but nevertheless the water-way will add very considerably to its development, for the canal, as we know, is to pass directly through the centre of the isthmus, and by means of supplementary railroads and canals it will thus be able to attract to it all the export products of the countries on either side.

Instead of traversing a desert, as does the Suez canal, or passing through a swamp, as must be the case with Panama, the Nicaraguan water-way will cross a country rich in tropical and subtropical products. Dye-woods and mahoganies on the east, precious metals in the mountains, and throughout the depression in the centre, coffee, cocoa, sugar, cochineal, indigo, rubber, and tropical fruits,—such are some of the raw materials which the canal will open up to our coasting trade.

The Spanish-Americans of the isthmus even now demand our monopoly products and our manufactured goods; but this will by no means be all; for the canal itself will encourage colonization, and the foreign settlements on the shore will doubtless be extended along its route and around the lakes. Shipping interests will surely mature, coaling

depots, docks, and supply stations for the fleets will be built on the shores of the lake, and commercial distributing centres will no doubt be established along the banks of the canal.

Our Mississippi valley may then supply the coal required for the vessels engaged in the canal trade, and our manufacturers will find a still further market for their products among the increased population of the isthmian lands. With an abundant and steady water-supply stored up in the lakes and flowing over the weirs, manufacturing establishments may also, in the more distant future, find place along the route.

Captain H. C. Taylor likens these "natural fields of foreign trade for the United States" lying toward the South, to those that lay before England in the East, and indeed the parallel is apt. The British began to open up these virgin lands beyond the Cape before the Suez canal was built, and the Eastern water-way added enormously to their trade. The people of the United States are now extending their interests toward the South, and the Nicaragua canal will also assure the future development of their commerce in this direction. It was the British manufacturers and merchants who gained most from the East Indian trade, and so too, in the present case, it will be the merchants and manufacturers of the eastern section of our country who will reap the immediate advantages from this future commerce with the interior and western coasts of Spanish-America, made possible by the Nicaragua canal.

In dealing with the question of the canal trade of

the future we have thus far confined our attention entirely to the reciprocal demand and supply of the countries concerned, and calculated commercial intercourse accordingly. But the products in question must be carried across the seas, and each nation must accordingly have ships, in order to reach the markets thus opened up by the canal. The competition that is sure to arise among the industrial States of the Atlantic section for a share in this canal commerce, must, therefore, be considerably modified by the element of present preponderance in the carrying trade.

§ 177. The
Nicaragua
Canal and
the Carry-
ing Trade.

The British merchant marine to-day far exceeds that of every other nation,¹ and this should go far toward turning the balance of the future canal trade in England's favor. But as far as Europe itself is concerned, the present disproportion in the carrying trade should in no wise be affected by the cutting of the American water-way, as England will gain absolutely and suffer comparatively in like manner with the other European states by the distances saved thereby. It is only between the United States and England, therefore, that the present unfavorable comparison will tell, and in this matter our mer-

¹ Fifty-six per cent. of the present carrying trade is now shipped in British bottoms, while American ships are to-day only carrying eleven per cent. of the foreign trade of the world. Great Britain owns more than one-half of all the steamships that ply the oceans; Germany comes next, but she only owns one-seventh as many as England, France is third, and the United States fourth with but one-twelfth as many steam vessels as their British rival. In the matter of sailing craft our country is second in the list, next to England, but here again we fall nearly two-thirds behind.

chants, producers, and manufacturers will certainly be at a decided disadvantage.

It is an old but trustworthy axiom that "trade follows the flag," and if our country is to take advantage of the markets opened up by the canal, then, indeed, we must bestir ourselves in the matter of our merchant marine; else, in spite of natural advantages and distances in our favor, England will continue to hold the markets. Perhaps it is well, then, that the construction of the canal has been so long delayed; for, as it is, we shall now have time to build our ships and train our men, and thus be prepared to take our proper share in the canal trade of the future.

As Captain Taylor has also pointed out, the Caribbean is the natural training-ground for this commerce which is later to stretch out through the canal toward the south and west. We should, therefore, follow England's admirable example and first send out agents to open up the markets in advance, and then build ships and follow them with our products. We have at least a decade ahead of us before the canal can be built, and the time would indeed be well spent in extending our commercial interests along the shores of the Caribbean and among the West Indian islands. With our ships built and our merchants and manufacturers prepared, we would then be equipped to push on through the canal and take part in the larger competition that is to be developed beyond the isthmus in the Pacific.

What has thus far only come out in passing may now be stated as a fact, namely: that the United States, above all other nations, will be benefited by the construction of the isthmian canal.

§ 178.

What the
Nicaragua
Canal will
do for the
Commerce
of the
United
States.

Geographically the position of our country is, indeed, unique, situated as it is, midway between the continents and fronting on either sea; but historically we have thus far failed to make good our natural advantages. The difficulty lies, however, not at all in a lack of ability to develop our own resources, but simply and solely in the obstacles which to-day confront our sea-borne commerce.

Since our manufacturing centres are situated in the eastern districts of our country, the only present markets for our finished products lie in the Atlantic section of the globe, and we are thus thrown directly into competition with the industrial states of the Old World. Europe, moreover, presents little demand for these manufactured products of ours, as she herself produces the self-same commodities. Eastern South America offers, it is true, a more promising field for this trade, but the northern sea-board is still undeveloped, and from Cape St. Roque to the south Europe has the advantage over us in distance. Thus only the countries bordering on the Caribbean remain, and it is in this direction accordingly that the commerce of our Atlantic and Gulf sections and the Mississippi valley is now beginning to turn.

Conversely, the districts of our country which are

richest in raw materials front upon the Pacific, and in this section of the globe there is little or no demand for these products. The markets for the produce of the Pacific slope all lie in the Atlantic section, and from these it is practically precluded by the inadequacy of the present facilities of transportation.

In short, what we manufacture within our Atlantic section is required on the Pacific; and what we grow on our Pacific section is demanded on the Atlantic. Or what amounts to the same thing, in the Pacific section there is no market for the products of the far West; and in the Atlantic section there is but a limited opportunity to dispose of the finished commodities of our eastern sea-board.

Under normal conditions, however, our trade relations should extend in both directions and across both seas, our manufactured products proceeding from the east toward the south and west, and our raw materials going from the west toward the east. But this of course will only be possible after the isthmus barrier has been broken through.

The Pacific slope even now sends many of its products to the Atlantic, and the advantages that the Nicaragua canal will accord to the further development of this trade are, in consequence, pretty generally recognized. But the benefits that will also accrue to the eastern sections of our country by the construction of the isthmus water-way seem still to be but imperfectly understood. And the reason for this is that we have thus far been, as it were, back-

ing our way toward the Pacific with our eyes still turned toward the Atlantic. Historical tradition has, indeed, fixed our gaze in this direction, and it appears to be difficult for us to appreciate that, in the natural order of things, our primary advance must still be toward the West, and that our future trade relations with Europe must rather constitute the under-tow movement of our commerce toward the East.

In the early colonial days, America was looked upon simply as a source of supply for Europe, and the inherited instincts of this Mercantile tradition still cling to us to-day. Most of our products proceed from our Atlantic ports to Europe, and our South and West still act as feeders to our East. But such will not long continue to be the case. In backing out farther and farther toward the West, Europe and the Atlantic have necessarily grown smaller in our eyes as the distance has increased. And now we are on the point of facing about at last to take a look at the Pacific stretching out at our feet. In the immediate foreground we will see an immense undeveloped field stretching out before us toward the north and south; and, on beyond across the sea, we will note the advance of the under current of European commerce sweeping out toward the East. The ocean invites our ships and the horizon is alluring in every direction. Our merchants and manufacturers are already equipped, moreover, to embark on this trade; but they are still hemmed in by the isthmus. For the Mississippi

valley our Gulf and Atlantic sections, the Nicaragua canal will thus open up the markets of South America's western sea-board, the Pacific islands and the countries of the far East. Such then will be the immense service that the water-way will perform for America's westerly advance.

But, on the other hand, the easterly under-current of our commerce setting in toward the Atlantic section will likewise pass through the canal. Thus the far West and the Pacific slope will also be provided with an adequate outlet for their produce, and the water-way will accordingly redound to their advantage as well. All sections of our country will thus be benefited by the construction of the Nicaragua canal, and all should therefore join hands at last in providing for its speedy completion.

And, indeed, this final function of Western economic civilization, in according to the commerce of the world that rotary motion it has so long been striving for, has naturally enough fallen to our lot. The Europeans have already provided a channel for the under-current of their commerce towards the East, and its waters now wash the shores of India, Malaysia, Australia, and Southeast Asia; but further than this the back-draft of Europe's trade cannot possibly extend. Further impulse must now come from the West. The last great wave of Aryan migration landed Europeans upon the shores of America, but the tide of westward advance has been flowing in ever since, and now another breaker is rising to its crest. This time it is the Americans

themselves who are being borne on, and the dykes that nature has raised in the West will no more be able to hold back the tide, than were those she built in the East strong enough to check its under-current.

The earth is a sphere, and the commerce of the world is bound to move along its parallels. As the Atlantic was the sea of the fifteenth century, so is the Pacific destined to be the ocean of the twentieth. What the Suez canal has already done for the economic development of the Eastern Hemisphere by breaking down the barrier between the seas; such is the function that the Nicaragua canal has to render to the future growth of the western half of the world by joining the two oceans.

Toward the West and in the East Europe has performed her part and played it well. It is America's turn now, and the nation is coming at last to realize its destiny. Europe, Asia, and America—these are the three mighty forces which are soon to meet in the Pacific, there to begin anew the great struggle for commercial supremacy.





CHAPTER XXIV.

THE NICARAGUA CANAL AND THE MONROE DOCTRINE.

IF it be true that the complete development of America depends thus so largely upon the construction of an interoceanic canal, and if, as the Monroe doctrine maintains, the continent is really to be reserved for the exclusive enjoyment of its present inhabitants, it would seem then to follow quite naturally that the political control of the transit route should be left in the hands of the United States, since they have assumed the responsibility of guiding America's growth and establishing her power. But the logic of this conclusion will probably not be accepted beyond the shores of this continent, as the still unrecognized Monroe doctrine forms the minor premise of the syllogism. We may, therefore, still expect the inhabitants of the Old World to take exception to this final proposition and to deny that it follows necessarily from what has preceded. Before drawing our final conclusions, let us, therefore, argue our Monroe doctrine case more fully and test our conclusions with the analogies of experience.

It will probably be admitted as a fundamental

proposition that struggle in one form or another is the ultimate principle of life, and that it is only through ceaseless competition that the materially fittest are able to survive on earth. But contest in turn generally results in combination among surviving units of equal strength, in order that further struggle with stronger competitors may be possible within an extended environment. Thus competition and co-operation both enter into the general scheme of life and follow each other in the relation of reciprocal cause and effect as larger and larger units are evolved.

Our far-distant ancestors,—or ape-like progenitors, if you will,—may, indeed, have lived peaceably enough among themselves in detached polygamic hordes so long as they continued to subsist on the natural fruits of the earth, and while there was still enough to go around. But difficulties arose among them when their numbers began to increase, and reproductive capital, in the way of slaves, cattle, and land, came to be regarded in the light of wealth. Hordes then showed a tendency to unite into military bands for the defense of their hunting grounds, and struggle ensued for the possession of set portions of the earth. With capital in cattle, the patriarchal family was evolved, and the descendants then clung close together in clans for the protection of their flocks. When agriculture was taken up, these nomad clans settled down on the land and united into tribes for the cultivation and defense of their territory. But as numbers continued to increase,

migration and further contest were essential, in order that succeeding generations of the fittest might survive.

The first peninsula of Europe was occupied in this way, and from the early Homeric tribes there grew the Grecian city-states. But with all its vaunted civilization, the history of Greece is one long record of internal dissension and external contest; and, in this case, combination only came after the units had worn themselves out in their ceaseless struggle for individual supremacy. But the monopoly of the peninsula was finally effected from the North, and, thereupon, a fresh contest was inaugurated with the larger units of the East for still more land.

Roman civilization, too, began in precisely the same way, and pursued an almost identical course. Rome's success was greater, however, for by contest and combination she came in the end to control pretty much all the then known world.

Upon the collapse of the Empire, western civilization became disintegrated again, and the Feudal period was thus marked by a struggle among smaller units for the possession of land. But the forces of monopoly ultimately prevailed once more, and a union of fiefs was the result. Owing to the peculiar topography of Europe and the effect of the same upon the ethnic growth of her inhabitants, the continent was, however, never made politically one; but, instead, each peninsula came in the end to contain a compact nation, ruled over by an independent, abso-

lute monarch. As might have been expected, competition then broke loose among the nations themselves ; but, by reason of near equality of strength and on account of the possibility of alliances, little territorial change was effected by these purely international struggles. The boundaries of the European states thus remain about the same to-day, though the element of conflict is still rife in their midst, with armed neutrality as the only guaranty of peace.

But Europe's geographic unities are small, and the nations inhabiting them, not being able to expand beyond their own respective borders, soon began to feel themselves cramped for room. Continued growth being essential to their life, an advance was accordingly begun against the weaker continents of the world.

With Europe as its centre of disturbance, this latest aggressive movement proceeded in both directions toward the east and toward the west. Russia, being fortunate enough to have an open road through Siberia, was consequently enabled to reach the Pacific by land. But the maritime nations of Europe were obliged to advance by sea, and a course in either direction lay before them. As a result, southeast Asia and its littoral islands were seized upon by these maritime powers of the West, the shores of Africa were occupied, and America too was parcelled out among the rivals.

But this very advance toward the east and the west was bound in turn to engender still another struggle among the European states for the posses-

sion of the continents they had thus occupied, and for the control of the trade routes thither. The native populations of Asia, Africa, and America were first reduced to subjection by their Western masters, and then, as the colonies of each nation were extended, competition broke out among the exploiters themselves for the largest share in the spoils. Elimination of the weaker powers and combination among the stronger have again been the inevitable result, until, in our day, this final contest over the continents and their approaches promises to be a battle royal among the giants.

At the terminus of the easterly trade routes Russia and England are at present battling for supremacy in Asia, and France is supporting the Muscovite in the struggle. But in between the European rivals, little Japan is now bravely forcing her way to the front; and thus, despite these long centuries of Western exploitation of the East, an Asiatic power may, after all, have to be reckoned with in the final adjustment of affairs.

In Africa there are two distinct contests being waged, and all the states of Europe are jealously watching the final partition of the coming continent. Below the desert of Sahara, and along the course of the natural easterly route, Teutons and Anglo-Saxons are at odds over Central and South African affairs; while in the north, along the line of the artificial easterly route, the English once more come into conflict with the Franco-Russian alliance concerning the Egyptian question.

On the west the American continent constituted still another battle-ground for the competing powers of Europe, and for many years the main issue here turned upon the discovery and monopoly of the westerly route to the Indies. In the early days, England, France, Spain, Portugal, and Holland, all took an active part in this struggle for supremacy in the New World; but the severity of the competition thus engendered finally resulted in the practical elimination from the controversy of all the European states, save England. Having finally humbled her Old World adversaries Great Britain was still not given free hand in the management of the affairs of the continent however; for in the very midst of the contest an American nation was born in the north, which from its earliest infancy signified its intention to enter into the fray, and very soon demonstrated its inherited ability to do so.

At the very first blow this youthful but self-assertive young nation established its own independence from the motherland, and England thereby lost one-half of her North American possessions. The spirit of successful autonomy then spread south through Spanish-America as well, and Great Britain soon found her farther advance towards the west blocked by a line of independent Americas, marshalled and led by the United States.

A new issue was thereupon drawn. Great Britain, on the one hand, "considered the whole of the unoccupied parts of America as being open to her future settlements in like manner as heretofore";

but the United States, on the other hand, declared, that "the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European power." Thus the American continent was destined to become the scene of still another contest, and the battle for supremacy on this side of the globe was henceforth to be waged between the acknowledged leader of the Old World and the would-be champion of the New.

And as the new rivals continued their advance toward the west, the interoceanic trade routes soon became involved in this later dispute as well. Thus the modern contest over the American continent has likewise, in its turn engendered a controversy over the control of the western gateways to the Pacific. A number of skirmishes have already occurred between the rivals, several compromises have been effected, but as yet no final decision has been reached.

If then we have rightly accounted for the facts as they appear, it would seem as if a vital struggle were brewing for supremacy in each of the three partially developed continents of the world, Asia, Africa, and America; and inasmuch as Asia and Africa lie to the east of Europe and America on the west, the several contests over the continents in question group themselves accordingly along the courses of the easterly and westerly trade-routes. And following the line of this geographical division there

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Britain's
Control of
the East-
erly Trade
Routes.

runs an essential political distinction as well. Great Britain, as we have seen, is a party to each and every dispute, but her opponents are differentiated according to the direction of her advance. To the east, that is, England's chief competitors are the European states; while on the west she has only American nations to contend with.

And what is still more pertinent to the subject in hand, these contests over the continents on either side of the globe have, in each event, generated a further struggle among the self-same competitors for the control of the highways thither. Thus far in the controversy, moreover, the control of the trade-routes has in each case gone hand in hand with supremacy on the continents; and to-day serious rivalry only exists among such of the nations as have been wise enough thus to connect their distant colonies with their political bases.

Great Britain's imperial ascendancy on either side of the globe may, indeed, be said to be directly due to such foresight. And in order the more fully to comprehend the significance of her present position in the West, it may be well, therefore, to summarize the results of the self-same policy as more fully elaborated along the line of the easterly routes. As an analogy, at least, the digression is apposite, and it may serve also as a useful criterion wherewith to estimate the strength of Great Britain's position on the other side of the globe.

To put it briefly: England's advance towards the east has been marked by an extension of her com-

merce, on the one hand, and by an expansion of her dominion on the other. Great commercial companies, armed but only indirectly responsible to the government, led the way; and after matters had been brought to a crisis in this manner, the Home authorities in every case stepped in and planted a regular British colony. The advance post thus gained was in each event armed against internal revolution, and fortified against external attack; and in this way Great Britain's present control of both the easterly sea-routes has been secured.

Along the course of the natural easterly route, which skirts the shores of Africa, her political power is practically paramount. The southern extremity of the continent constitutes an English colony, British dependencies and protectorates dot the coasts, stretching out to the north on either side, and littoral islands belonging to the Crown mark the course of vessels sailing from Europe by this longer route around the Cape. Thus, in spite of the fact that the Teutonic nations of Europe are now taking the part of their South-African kinsmen in an attempt to break down this British monopoly, England, with her present control of the sea-route thither and by means of her magnificent navy, is still in a position to maintain her supremacy.

The artificial easterly route leads along the northern shores of Africa and the southern shores of Asia, to the far East; and Great Britain is here opposed, every inch of the way, by the Franco-Russian alliance. But her foresight and energy have

been equal to this occasion as well, and the entire route is now practically under her control. Gibraltar guards the entrance to the Mediterranean, and from this point Malta and Cyprus mark the way to the terminus of the Suez Canal. The water-way itself practically belongs to England and the nominally neutral country through which it passes is still occupied by British troops. By a recent diplomatic agreement the canal itself has been neutralized, to be sure; but not so its continuation, the Red Sea; and the only outlet from the latter is again blocked by British protectorates and their dependent strategic islands. France objects to these arrangements, and with the support of Russia she has of late begun to emphasize her demands more emphatically; but here again Great Britain's actual possession of the situation renders diplomatic protests on the part of her rivals of but little avail.

The islands of the Indian ocean, on beyond where the natural and artificial routes unite, are for the most part English possessions; the Indian peninsula with Ceylon and Burmah form part of the British Empire; and the Straits Settlements, still farther on, guard the outlet to the Pacific through the straits of Malacca. The possession of Hong Kong and her administrative control of the Chinese customs have advanced Great Britain's power to the north, along the shores of Asia; North Borneo gives her a word to say in the affairs of Central Oceanica, and her title to Australia and New Zealand insures her dominion in the southeast.

Thus the other maritime states of Europe which had also to proceed by sea have long since been distanced in the race, and in spite of modern hostile alliances, England is still able to hold her own against them. But Russia, being uninterrupted by European rivals in her advance toward the east, was able to add all Siberia to her domain, and her own military road to the Pacific is now nearing completion. Thus with a land route under her exclusive control and an unbroken line of connections along the way, Russia has become England's real rival in the far East. The weaker European states are consequently hastening now to take Russia's side in the imminent Asiatic controversy, and England, in the meantime, is seeking to strengthen her line of sea connections, in order to be prepared for the inevitable antagonism.

Great Britain's advance in the opposite direction towards the Pacific has also been characterized in the same way by a skilful combination of militarism and industrialism, and here, too, she has been wise enough to leave no undefended point behind her along the course of the westerly routes. To this end, the Bermudas in the central Atlantic were early occupied and are still held. And after a severe contest, having established her prestige in the North American continent, England's next efforts were directed toward securing her position in the West Indies, with the further intention, as we know, of forcing her way across the isthmus to the Pacific.

§ 181. Great Britain's Present Position in the West.

This last attempt mischanced, however, and at this juncture the United States took upon themselves the burden of the contest which the powers of Europe had, up to this, been waging so desperately but with ever-lessening success.

England's supremacy in the New World was, indeed, curtailed, for the time, but by no means cut short, by the loss of her North American colonies. In order to redeem her prestige, a careful plan was soon after matured for the fortification of the eastern and western coasts of Canada, and a military road has since been constructed to connect the two. Then, with a view toward completing at least one circle of connections around the globe, subsidized transport lines were also established across both the Atlantic and the Pacific oceans, uniting Great Britain's North American possessions with the Home country on the one hand, and with her Eastern colonies on the other.

A second attempt to establish another chain of connections farther south across the isthmus again proved unsuccessful, it is true; but even in this direction England's present strategical position is by no means to be despised. From British Honduras in the north to British Guiana in the south, insular possessions of the Crown still enclose the Caribbean; and, though the transit-way to the Pacific has not yet been secured, Great Britain has at least been able to keep it clear, thus far, from the grasp of her competitors. And, finally, it must also be borne in mind, that the Falkland islands in the far south, still

guard the entrance to the straits of Magellan, and thus reserve to England her desired control of the natural westerly route.

Thus with a persistence worthy of really enthusiastic admiration, England has extended her imperial system toward the west even to the Pacific; and now it is her evident intention to firmly join these outposts of her westerly advance with her already well-established colonial bases in the East. Great Britain's imperial ambition is thus ultimately to encircle the globe with her political and commercial connections along the courses of the easterly and westerly trade-routes. But on the east her designs are opposed by Russia, while on the west the United States dispute her further advance. Conflict is consequently imminent in either direction, and the outcome of this twofold controversy cannot yet be foretold.

Aristotle and Rousseau were no doubt right; it is the small self-supporting states which are the happiest. But this, after all, amounts to little more than the common saying that children are freer from care than grown-up folks. Whether for happiness or for misfortune, individuals are nevertheless bound to mature, and just so must nations with vitality necessarily expand. And the imperial instinct is, moreover, very apt to seize hold of every state when it reaches maturity, even as the desire to do battle with the world usually fastens itself upon the youth upon attaining his majority. Little Holland was as am-

§ 182. The
Controversy
over the Ca-
nal Route.

bitious as the other powers of Europe for colonial aggrandizement, and, of late, still younger Belgium has been reaching out toward Africa. Switzerland is, indeed, an example of a country that has avoided the imperial fever; but then, as we all know, mountains are grand preventives of disease. Thus in our day there are nations which have been forced out of the struggle by their competitors, and some few again which have never made the attempt; but all these, as a recent writer has put it, "are negligible quantities. They are domesticated species, living by the grace of their neighbors under artificial conditions."

And the United States, too, might have become thus domesticated, and so continued to fulfil the Aristotelian ideal of a happy state, had they only been content to remain the original thirteen colonies, clustered along the eastern sea-board of the North American continent. But the mountains behind them were low, and tempting passes led to a land of further promise beyond. The Mississippi valley proved as attractive as it had appeared, and ere long the American nation was spread out along the left banks of the stream. But with further territory the land-hunger of the Americans only increased, and they soon came to grow greedy for Louisiana, stretching out still farther beyond. Jefferson accordingly made the bargain, and Napoleon, the party of the second part, is said to have remarked, prophetically: "I have now given England a maritime rival that will sooner or later humble her pride."

It was thus the purchase of Louisiana which really cast the die of our destiny in the New World. With the Valley and the Gulf in our possession, isolation was henceforth to be out of the question. The Pacific was now our only natural frontier on the west, and we were bound to become an interoceanic power.

The direction of our territorial advance was thus far along the line of least resistance, that is to say, directly toward the west, overland; but having in this way become a power on the Gulf, through the purchase of Louisiana, we then found our eastern coast-line disjointed by the interposition of the peninsula of Florida. A brief struggle with Spain was all that was necessary to remedy this first defect, it is true; but by continuing to extend our dominion in the same direction, the acquisition of California, which followed soon after, again placed us in an awkward strategical predicament; for our entire western sea-board was now isolated. If continued but a short distance toward the south, however, the Atlantic, the Gulf, and the Pacific coast lines of the United States would all three intersect on the narrow isthmus. Thus the political control of the transit-way would easily have obviated this second difficulty as well; but in endeavoring to round out our southern frontier in this direction, we found ourselves opposed by the machinations of our British rival, and our own attempt to secure the canal route likewise mischanced.

Thus the United States had also to content them-

selves for the time with the institution of transcontinental railway connections ; but, having possessions on the Pacific, they were bound to defend them, and for this purpose their naval forces had henceforth to be divided and their coast defences developed disconnectedly. So long as the intervening country remained unsettled, there was, however, little thought of the necessity of further contest in the matter ; but with the development of the West and the consequent disappearance of the frontier, the ideas of the American people are rapidly reverting to militarism again. The truth is, their democratic institutions cannot tolerate crowded conditions. More room is already being demanded, and fresh territory cannot well be secured without another struggle. Canada blocks the way on the north, and to the south the people are held in check by treaty obligations with a friendly state. America's littoral islands have thus come to be regarded with envy, and the annexation of Cuba and Hawaii is already a matter of serious consideration in the United States.

But in both cases the Americans will again find themselves confronted by British imperial designs, and whether their expansion be thus toward the east or toward the west, or in both directions, it is perfectly evident that the control of the sea-route thither and thence across the isthmus will in any event once more become a matter of serious dispute between the rivals.

Were Cuba to be annexed to the United States, Great Britain's ascendancy in the West Indies would

be endangered, and, in order to preserve the balance of Caribbean power, she would naturally put forth every effort to keep the transit-route free from the domination of her competitor. Should the United States, on the other hand, consent to come to terms with the present Hawaiian republic, the isolation of their western possessions would be still more pronounced, unless the isthmus canal were constructed and placed under their control. But England, as we have already learned, is striving to make the central Pacific the meeting ground of her own eastern and western advance, and she will accordingly brook no political rivalry there if it can possibly be avoided.

Thus even as Great Britain's earlier struggle with the European states for supremacy in the New World led her into a controversy with Spain for the possession of the isthmus, so the more modern contest over the American continent between England and the United States has already involved the question of isthmus transit within the toils of its political and economic complexities, and the present situation affords but little hope of an immediate solution of the difficulty. But in spite of the serious condition of affairs, there are many who are sanguine enough to believe that further struggle between the Anglo-American rivals is to be avoided; and because forsooth "blood is thicker than water"! When judged from the evolutionary standpoint, however, this analogy is ill-chosen. For if we should go still farther back to the life of plants and animals, we would

find the struggle for existence to be, in fact, most severe among just such similar species when each is expanding rapidly. Or as a *Biologist*, writing for the *Saturday Review*, has recently put it: "Creatures of the forest have no quarrel with those that haunt the sea-shore, until they have tried issue with all other forest creatures. Insect-eaters will not struggle for fruits until they have beaten off all other insect-eaters. . . . Casual encounters may occur wherever creatures with offensive weapons come together; vital struggles only where the growth of one species forces it against another." And if we have read aright the history of the conflict of men upon earth, the conclusions of biology must be taken to be those of sociology as well. Can it be possible then that the laws of social evolution are to be so modified in this American environment as to eliminate this cardinal element of conflict? It certainly would not seem so, if we may judge from our own short history; and a heavy burden of proof thus rests with those who would draw any such conclusions from an old proverb of doubtful origin.

On the contrary, England and the United States, similar social species,—blood relations, if you will,—are both expanding rapidly in America, and inasmuch as the productive area necessary for the future support of each is strictly limited, it would seem indeed as if a vital struggle for supremacy in the West were inevitable, unless one of the two contestants were voluntarily to retire from the contest. Blood

may indeed be thicker than water, but blood is not thicker than land; and it has thus far been a question of territory rather than a matter of personal animosity which has separated the Americans from their kindred across the sea. Those then who would belittle the inevitable antagonism by smoothing over the real issue with fine phrases wofully misinterpret the persistence of British imperial ambition and sadly underestimate the vitality of American civilization. Great Britain, in short, appears to be bent upon fulfilling her imperial mission in the world, and the United States are bound to grow; and each of the two powers has a national policy in accordance with its aims. As far as this continent is concerned, England's purposes are, therefore, very similar to those of the United States; and further expansion in this direction on the part of either will in all probability lead to further conflict between the two.

Just now, indeed, there are several points of friction between the competitors, at any one of which a quarrel is only too apt to be generated. But if our history of the past and our analysis of the present are to be trusted, it would seem as if the future relations between the rivals really hinged upon the isthmus gateway to the Pacific. To-day the question here turns upon the bearings on an antiquated compromise, but year by year the tension is becoming more severe, and before the interoceanic canal is constructed some more stable adjustment will have to be effected, if, as the diplomatists now tell us, the

present amicable relations between the two powers are to be preserved.

But it is difficult to conceive how this controversy over the control of the transit-route can be permanently settled before the broader contest over the American continent is decided; § 183. Neutralization, or American Control of the Transit-way? for the smaller issue is in reality but an integral part of the larger, and upon the decision of either one would seem to hang the resolution of the other. The narrower is quite naturally the more definite question of the two, however; and here, as we know, the issue has already been drawn. Pending the promised adjustment, we may, therefore, be allowed to analyze the transit problem more closely in the hopes of determining its real bearings upon the broader issue involved.

Great Britain, on the one hand, thinks the canal route should be neutralized among the powers of Europe and America; and rather speciously refers to Suez for her precedent. On the face of it, this claim would seem somewhat too inclusive; but, before questioning the appositeness of the analogy, let us first test the accuracy of the reference.

By reason of its geographical position, the Suez canal, should, indeed, favor all the maritime states of Europe about equally, and accord special advantages to none. But, despite the theoretical neutralization of the water-way, this is quite out of the question so long as the British continue to own the canal, occupy Egypt, and dominate the easterly route. It would

accordingly appear as though this agreement of neutralization were, after all, but a plausible diplomatic form, under cover of which Great Britain is still able to maintain her superiority over her maritime rivals. The adjustment, such as it is, has, moreover, only lately been effected, and the paper agreement has not yet stood the test of a European war. Besides being one-sided in its nature, the present arrangement is, consequently, of too recent a date to be cited as an adequate historical precedent. But from the point of view of accuracy, by all means the most important objection to the reference is the fact that Russia, England's most powerful opponent along the course of the easterly route, is no party to this contract of neutralization. Considering the present status of the Eastern question the omission is certainly most significant; for Germany has no present interest in the control of the canal, France would undoubtedly follow Russia if a dispute were to arise, and all the rest of the signatory powers to the convention, save England, are negligible factors in the problem. Thus, under the circumstances it would hardly be safe, even on a point of accuracy, to draw any deductions from Suez in favor of a like neutralization of the westerly water-way, however plausible the reference may at first sight appear.

But in reality the two cases are quite distinct, both geographically and politically; and, if analogies are insisted upon, the international terms employed should at least be reduced to a common denominator.

The Suez canal is distinctly the European gateway to the Pacific section, and in matters pertaining to this easterly water-way we Americans can consequently have no possible concern, as our political and economic interests do not properly lie in this direction. It is accordingly a matter of comparative indifference to us whether the Suez canal be neutralized among the powers of Europe or exclusively controlled by any one. In much the same way will the isthmus canal, when constructed, constitute the American gateway to the Pacific, and in so far at least as their economic future is concerned, the European states, conversely, can have but a secondary interest in the affairs of this westerly water-way. Their present trade with Asia and Africa will, in short, remain totally unaffected thereby, and practically their only employment of the canal will therefore be in reaching the western shores of America and the neighboring Pacific islands. But if our analysis of the economic situation has been correct, the very existence of an isthmus water-way will, in itself, tend to divert the bulk of this commerce into American hands, by reason of comparative distances saved; and the natural geographic distinction between the easterly and westerly routes will thus eventually become the more marked.

It would seem then, logically, as though the powers of Europe might also allow the New World republics to make such arrangements as they chose for the control of the isthmus water-way, even as the states of America decline to interfere in any way with the

present inter-European neutralization of the Suez canal. But the logic of geography is not yet that of history, and the moment we take political considerations into account we are confronted with a confusion of terms.

Just as the states of Europe are still competing among themselves for supremacy in Asia and Africa, so was the original contest over the American continent likewise purely inter-European in character; and though the facts of the case have since been considerably altered, the traditions of this earlier conflict are still kept alive in the diplomatic world. Regarded from the standpoint of past history, therefore, America, like Asia and Africa, still constitutes a field of possible colonial activity on the part of the inhabitants of the Old World. The independent Americans think differently, it is true; but then their claim to the exclusive control of the continent has not yet been recognized abroad, and until they establish their diplomatic demands, they cannot therefore well expect to be left to their own devices in the management of the affairs of the New World. Thus in spite of the logic of geography, and perhaps also that of economics as well, traditional influences naturally induce the European states to regard themselves as necessary parties to any contract for the international neutralization of the westerly canal route.

This argument, drawn from history in favor of continued European interference in the affairs of the New World, is furthermore supported by present

political considerations of a weighty nature, which go to strengthen the tradition. American independence was effected, as we are aware, toward the close of the inter-European controversy over the Western continent, and before the elimination of the Continental states from the struggle had become a recognized fact. Still regarding them, one and all, as possible competitors, the United States accordingly took it upon themselves to warn all the powers of Europe from further interference in the affairs of the American continent; and in their Monroe doctrine they therefore made no exception in favor of such of the Continental states as had already been placed *hors de combat* by their British antagonist. Thus while traditional influences still impelled the Europeans to regard the New World as coming within the sphere of their political prestige, the hostile attitude now assumed by its independent inhabitants forthwith urged them to unite in expressing their historical convictions. The result was that the very European powers which up to this had been competing among themselves for supremacy in America, suddenly found themselves forced into a tacit alliance against the Monroe doctrine pretensions of the United States.

Had America only succeeded in freeing herself completely from the Old World before launching her threat, this hostile European alliance need not, perhaps, have disturbed her future plans. But despite the revolt of her colonies, Great Britain still remained a power in the New World, and, owing to

the indiscriminate nature of the claims thus made by the United States, she could, moreover, henceforth rely upon the support of her erstwhile European competitors in furthering her future designs in America. The Monroe doctrine thus organized the Old World against the New, and, by fixing the European tradition, it gave Great Britain allies, while it isolated the United States.

From the standpoint of tradition and history, therefore, England's present demand for the international neutralization of the isthmus canal is accordingly not nearly so disinterested as it would appear; for by claiming no exclusive control for herself over the westerly route she would thus be able to range all the maritime states of Europe on her side in opposition to the more presumptuous claims of her rival; and having in this way assured herself of non-American control, her present ascendancy in the Caribbean would amply secure her against the possibility of further aggression on the part of her European allies. Thus, while the logic of geography pleads for the cause of the United States, the traditions of history still support the British claim; and it is through this inherent contradiction of premises that the transit question has already become involved in the larger issue over the still unrecognized Monroe doctrine.

But, as a matter of fact, America is now passing through a transitional stage in her growth, and while the outcome is still undetermined it is equally as impossible to trace analogies from the traditions

of the past as it is to draw conclusions from the logic of the future. Let us therefore confine our attention to the present, and apply the Suez precedent accordingly.

And what though we must still deny the fact of complete American independence, we may still recognize that the contest over this continent has passed through its inter-European into what we may call the Anglo-American phase of its course. As the neutralization of the Suez canal has already been effected by the several parties to the controversy along the easterly route—namely, England and the maritime powers of Europe—so, judging from the present condition of affairs on this side of the globe, it would seem as though the future neutralization of the isthmus canal ought likewise to be provided for by the respective parties to the controversy along the course of the westerly route—to wit, Great Britain and the republics of America. But as no such equality of strength exists among the political entities of the New World as we found to be the case in the Old, and as combination has here taken the form of a grouping of the weaker states around the strongest, the parties of the second part are in reality one, for the United States voluntarily took the lead in this American partnership, and the southern republics have always been quite content to have their diplomatic interests thus represented by their northern neighbor. Thus, if in tracing our analogy we were to allow ourselves to be guided neither by the logic of geography nor by the tradi-

tions of history, but simply by the facts as they appear, the Suez precedent would naturally argue in favor of a joint protectorate of the isthmus canal at the hands of Great Britain and the United States.

Now this is precisely the adjustment that has already been effected by the Clayton-Bulwer treaty; and in default of a more inclusive form of guaranty, Great Britain, indeed, is well enough satisfied with the arrangement. And well she may be; for according to the terms of the present contract, the United States are precluded from defending and controlling the continuation of their southern sea-board, while England, by means of her ascendancy in the Caribbean and with the aid of her magnificent navy, is easily able to hold her own on this side of the globe, in precisely the same way, indeed, as she still retains her supremacy along the course of the easterly route in the face of her European competitors.

But just as the United States have always persistently denied the analogies of tradition, so they now refuse to allow the logic of geography to be any longer confused even by the interpolation of historical fact. Their Monroe doctrine was directed against Europe as a whole, and, in spite of her reserved rights in the New World, no exception was made in favor of the Home country. At that time their vision was somewhat confused, it is true; but since becoming an interoceanic power their eyes have been opened, and they now recognize in Great

Britain their only serious competitor for American prestige. By mutual agreement a definite line of division has been drawn between the respective North American bases of the rivals, but to the south there is still a confusion of claims. Some forty years ago, when conflict was imminent in this direction, a truce was signed in the Clayton-Bulwer treaty; and as the contestants have since been engaged in strengthening their respective positions in the North, the convention has thus far served its purpose in preserving the peace. But in the course of their natural growth, and in pursuance of their larger Pan-American ideal, the United States now have in mind the cutting of an isthmus canal to join the shores of the continents; and, recognizing at last the inevitable antagonism to their aims on the part of their British competitor, they now demand, in place of any form of international neutralization, the exclusive political control of the route.

And, from the standpoint of national preservation, the claim is, indeed, well justified. For, when regarded geographically as the future uniter of America's coast-lines, it is ridiculous to compare the isthmus canal with its counterpart in the East; and from this point of view the United States can hardly be blamed for disregarding the logic of a doubtful international analogy. In our day every nation deems it of the utmost strategic importance to round out its natural boundaries and to defend its frontier thus secured. The United States are also keenly alive to the necessity of this national safeguard; but

the isolation of their western sea-board renders the completion of the task under present circumstances wellnigh impossible. As it is, their naval forces are constantly being increased only to be divided, and their coast defenses have still to be developed disconnectedly. But by piercing the isthmus these dangerous and expensive expedients would immediately be avoided. And if the United States now feel it incumbent upon themselves thus to fortify and defend their separated coast-lines, how can they be expected to forego the political control of the isthmus canal, when this water-way will of itself ultimately join their shores and render their southern sea-board continuous?

When regarded from the broader point of view of the Monroe doctrine this American demand for exclusive control of the transit route is likewise, at least, intelligible. For even as Pan-American reciprocity is impossible, economically, without the presence of an interoceanic canal, so is the political alliance of the American republics quite out of the question so long as Europe persists in sharing in the control of the route. And inasmuch as the United States have already taken upon themselves the responsibility of guiding America's growth and establishing her power, it is but natural that they should now insist upon acquiring and controlling the proper means to the end. In short, Pan-Americanism and the Monroe doctrine are both involved in this present controversy over the canal route, and, as these are vital questions to the United States, they

will of course continue to deny the logic of European tradition in the matter and insist upon American control.

But in so doing they will once more come into direct conflict with the British imperial system. Thus the future struggle over the canal route must continue to remain an integral part of the larger contest over the American continent, and until the broader issue is settled, no permanent decision can be looked for in the narrower question thus involved. International neutralization may carry on the face of it a somewhat more disinterested air than the claim of exclusive American control; but, as a matter of fact, the demands of both parties are purely selfish in character, and, in consequence, diametrically opposed.

If, then, in this controversy over the canal route, no permanent agreement may be looked for between the two governments concerned, on account of the inherent contradiction of their respective national policies; the question immediately arises whether the dispute may not be referred to some third party for decision. Arbitration is, in fact, now being suggested as the future alternative for war between England and the United States, and it may be that the transit question will likewise admit of this manner of adjustment. The argument is, indeed, plausible, and humanity strongly supports the main premise; but what should be, is still not always possible, and both the principle of international arbitration and its ap-

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plicability to the present case should first be tested before hasty conclusions are drawn.

Arbitration, in the first place, presupposes two disputing units of about equal strength, and then an impartial umpire to decide the question. But the American Monroe doctrine is by no means so well established in the world as is the British imperial system, and the United States could, consequently, scarcely expect Great Britain to meet them on equal terms in the matter ; for, under an impartial decision, they would be gaining too much and she too little, in such an event. If, however, the present disparity of the claims were to be taken into account, we, in our turn, would naturally hesitate to risk our ill-established rights in an open court under such unequal conditions. But even conceding the eligibility of the parties, there still remains the selection of an impartial umpire to decide the question, and in a matter of this kind, involving British imperial unity on the one hand, and the American Monroe doctrine on the other, the choice would, indeed, prove a difficult one. We might select honest and capable men from our country, and England might choose honest and capable men from hers ; but, as honest men and patriots they must, one and all, necessarily have inherited a national bias. And, at all events, the deciding vote would still have to rest with a foreigner. From what country then could he be chosen ? England, on her side, would probably insist upon a European ; but then we levelled our Monroe doctrine square in the face of all Europe and failed to

give notice to non-combatants that they might avoid the issue if they would. We could, therefore, hardly expect any European arbiter to appreciate the justice of our present claims; and we would, accordingly, in all probability, refuse to submit any Monroe doctrine question to his decision. And so, conversely, if given free choice in the matter, we would naturally decide upon an American arbiter; but England, in turn, would doubtless object to this selection on the ground of the inherited bias of such an umpire in favor of the Pan-American ideal. In default of a European or an American, the two contestants might then have to resort to an Asiatic arbiter. Such a choice would, indeed, prove acceptable enough to us, as our vital interests do not lie in this direction; but Great Britain has an Eastern question also on her hands, and, considering its present unsettled state, she could scarcely consent to allow the two issues to become confused in this way, as she would thus be risking her rights on both sides of the globe at the same time.

But without pressing the point any further, and supposing for the sake of argument, all the minor conditions of international arbitration to be fulfilled between the Anglo-American rivals, there still remains the crucial question, as to whether a controversy of this character, involving British imperial unity on the one hand, and the American Monroe doctrine on the other, after all admits of such manner of adjustment. The issues at stake are certainly vital, and it is still open to serious doubt whether

modern governments will ever consent to submit questions of national integrity to a third party for decision, any more than individuals nowadays refer matters of self-defense to the courts. Such at least has never been the case in the past, and it is difficult to detect any such tendencies in the present international relations between England and the United States.

In the matter of the Geneva award we did, it is true, refer our case to an international tribunal; but at that particular time, it must be remembered, we were more than England's match, with our military and naval forces still on a war footing. Besides, this was, at most, but a question of damages, and, even then, we only consented to submit to arbitration under conditions, thus reserving our natural right of self-defense. The Behring sea tribunal is a later instance of Anglo-American arbitration, but here again the questions submitted were vital to neither party, and the conclusions thus far reached are, moreover, of too doubtful a character to carry much weight as a precedent.

From the evidence at hand we would, therefore, be inclined to conclude that arbitration is only applicable to the Anglo-American controversy under serious limitations and with important reservations; or, to put it differently, as a method for adjusting disputes of secondary importance, involving neither the integrity of the British Empire, nor the principles of our own Monroe doctrine. But unfortunately the question of the political control of the

canal route, being part and parcel of the larger contest over the American continent, is vital to each of the two great powers of the West and of secondary importance to neither. We must, therefore, prefer to maintain a skeptical attitude toward the efficacy of arbitration in the transit question, at least so long as the international claims of the United States continue to remain unrecognized.

Having cast our Monroe doctrine gauntlet at Europe's feet, to be taken up quite naturally by England, nothing apparently remains for us, therefore, but to accept the issue and continue to compete with our British rival for supremacy along the course of the westerly route, and for future prestige in the New World bordering on the Pacific. We should, therefore, carefully define our present diplomatic position, and at the same time take practical steps to emphasize our demands.

And first of all, our Monroe doctrine, itself, needs re-rating, in accordance with the changes that have since been wrought in the international relations of the world. Thinking to mitigate in some degree the inclusive nature of our claims in America, we promised in return never to interfere in the international affairs of Europe. But the affairs of Europe are nowadays, as we know, the affairs of Asia and Africa as well, and the periphery of our promises must, therefore, be considerably extended if the proviso is still to hold good. And such an expansion of our assurances would, indeed, involve no appreci-

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Conclusion.

able limitation of our policy ; for the American continent with its littoral islands offers in itself sufficient opportunity for our future growth, and we will probably never become so cramped for room that we will feel any desire to extend our political power to the Eastern Hemisphere. We should accordingly allow the European states to partition Africa as they will, and carry on their struggle for supremacy in the far East without let or hindrance on our part. In these wars of conquest and in matters relating to these colonies and dependencies, "we have never taken part, nor does it comport with our policy to do so"; for we belong by right to the West, and of all the continents, America alone has fallen to our lot.

Great Britain, however, remains to-day as much an American, as she is an African and an Asiatic power, and her political proclivities, moreover, are essentially European. So long as she chooses to continue her advance toward the west, we need, therefore, scarcely expect this re-statement of our Monroe doctrine case to have any appreciable effect in mitigating her present antagonism to our aims on this continent. By way of a possible contingency, it is worthy of note in this connection, however, that England is at present confronted by powerful opponents in every quarter of the globe, and a mighty struggle assuredly awaits her if her present empire is to be kept intact. To make matters worse, her position is one of almost complete isolation, and to cope with her numerous competitors single-handed

will, indeed, prove a herculean task. Being a party to all the modern contests over the continents, and having different opponents in every one, it would, however, be very difficult for Great Britain to form a present alliance which would not conflict with her own colonial interests in one direction or another. Should she join forces with France and Russia, her influence in Egypt and the far East must suffer disparagement; if, on the other hand, she should take sides with the triple alliance, her aims in South Africa must be curtailed; and, finally, in seeking an American alliance she would be obliged to recognize the Monroe doctrine and abandon her policy of further political prestige in the West. But when hard pressed by her enemies, necessity may eventually drive Great Britain to a choice of these various evils, and her problem would then resolve itself into a question of expediency, as to what part of her imperial system she should abandon in order to save the rest. Now Asia and Africa both lie toward the east, and England's colonial interests are accordingly twofold in this direction. Her possessions on this side of the globe are, besides, both larger and more lucrative than are those which lie in America toward the west. The New World is, moreover, inhabited by creatures of her own kith and kin with whom an alliance would be quite possible were she to make the necessary sacrifice, and from experience England is likewise well aware of the force of the national aims of her former colonists. Taking all things into consideration it may

in the end prove more expedient, therefore, for Great Britain to abandon the American continent to the Americans, in return for their undivided support in the international affairs of the world; for by so doing she could henceforth concentrate all her forces in the East and so save Asia and Africa. It is thus not without the range of international possibility, perhaps, that Great Britain may herself one day voluntarily consent to recognize the modern Monroe doctrine and give over the destinies of the New World to the exclusive direction of the United States;—not indeed as an act of charity, but simply as a matter of imperial necessity. We Americans could ask no more, and the bargain would probably be sealed, for such would certainly be the ideal consummation of Anglo-Saxon civilization.

We cannot anticipate the arrangement, however, for initiative in the matter must at all events proceed from our rival, and for the present, at least, we may rely on Great Britain's continuing to work out her present imperial plans without seeking aid or advice from others. And so long as our immediate antagonist refuses to recognize our claim, we must perforce look for sympathy in a different direction, or to put it more bluntly, among her other competitors. It would seem, indeed, as though the Continental states of Europe might now consent to ratify this more modern Monroe doctrine bargain, as their future interests lie toward the east rather than in the west, and since they, like ourselves, are one and all opposed in their advance by Great Britain. But

the influence of tradition is still powerful in the Old World, and the antagonism created among the Europeans by the expression of our original Monroe doctrine has yet to be overcome. Thus so long as England chooses to continue her advance toward the west, she will in all probability still be able to rely on the moral support of at least the maritime powers of Europe, in spite of their mutual antagonism to her aims in the East. But with Russia the case is somewhat different, as she is at most only half-way European in her proclivities and in no wise a competitor for American prestige. Under the present circumstances, therefore, Russia is the only Old World power to whom we can look for any sympathy in our present Monroe doctrine demands, and this is the case not at all because our international interests are identical, but rather, on the contrary, because they are the reverse. Russia, in short, has a struggle on her hands for supremacy in the East, and in this controversy the United States are in no wise concerned. The United States, on the other hand, have their Monroe doctrine to advance in the West, and Russia, in turn, is no longer a party to this dispute. Both powers are, however, for the present, at least, confronted by the self-same competitor, and thus, by working in harmony, each may attain its own ends without in any way interfering with the national designs of the other. It is under just such conditions that international partnerships are nowadays made in the diplomatic world, and even though tradition has placed all forms of entangling foreign

alliances beyond the pale of our own diplomacy, it is still well to recognize in advance from whom we may be likely to expect sympathy in our coming Monroe doctrine struggle.

But if we prefer to continue the contest single-handed, we must not expect the mere expression of our intentions, unsupported by adequate force, to accomplish our ends. Thus having defined our diplomatic position in the world, we must at once make more practical provision to strengthen our present Monroe doctrine claims. And to this end it is of primary importance that we round out our southern frontier by constructing and controlling an interoceanic canal. Thus, in determining upon the route of isthmus transit, political considerations must also be given due weight, in order that no strategical mistake be made in the final location of the line.

Considered in this light, the isthmus of Tehuantepec constitutes the ideal situation for the canal, since the control of the Gulf is already ours, and as there would then be but a short stretch of foreign seaboard intervening between the Pacific terminus of the water-way and California's southern boundary. Unfortunately, however, the cost of a canal across Tehuantepec would be practically prohibitive, and, from a strategic point of view, a ship-railway would scarcely prove an adequate substitute.

Our more or less satisfactory treaty with Colombia, taken together with the existence of the Panama railway and the preparations already made for constructing a canal across this isthmus, might lead us, on the

other hand, to decide upon the Panama route. But such a choice would necessitate our bringing the entire American isthmus under our political control, unless, indeed, we chose to run the risk of our rival cutting her own way to the Pacific through Nicaragua in our rear. In this event, however, our frontier would again be isolated and our coast-lines even more disjointed than before. Thus, in adopting the Panama route we would simply be burning our strategical bridges behind us, and this would be little short of foolhardy, considering the nature of the contest now before us.

Under the circumstances, therefore, the Nicaragua route would seem to be our only choice from a political point of view, and it is indeed fortunate that the technical factors involved do not seriously militate against our necessity. There are some strategical disadvantages accompanying the choice of this route, it is true, and among them must be reckoned; in the first place, the inadequacy of the ports at either terminus of the canal; and, secondly, the danger of damage being inflicted by the enemy to the embankments on the eastern side, in case the high-level line is to be followed. But, on the other hand, the Nicaragua route offers some exceptional advantages when judged thus from the purely strategical standpoint; and foremost among them is the presence of the magnificent fresh-water sea in the centre, capable of accommodating an entire fleet if necessary, and rendering possible the reparation of injuries inflicted upon our vessels on the high seas. It is true, our

national territory will not, properly speaking, extend as far south as the Nicaragua canal, but in this case there will at least be no danger of our rival intercepting us on the rear, and our strategic position on the isthmus will thus be rendered reasonably secure. Then, too, it must be remembered that the intervening states, besides being well disposed to our Monroe doctrine claims, are also under our promised protection; and when the contemplated railway lines are constructed through these neighboring republics to join the banks of the water-way with our own political centres, the Nicaragua canal will then, to all intents and purposes, unite our coast-lines and constitute our southern frontier.

But even after our final choice has been made in favor of the Nicaragua canal, there still remains the more pressing problem of establishing our political control along the route. There can be little doubt that Great Britain will continue for the present to oppose our claim, and her objections will, moreover, be perfectly well justified by the terms of the Clayton-Bulwer treaty still extant. Through carelessness we were led into this arrangement unwittingly, and now we have only our own selfish reasons for setting aside the contract. Our diplomatic demands will, therefore, scarcely be allowed by our rival, and peremptory notice on our part of immediate abrogation of the convention might precipitate a conflict in other directions for which we are by no means prepared.

It would seem best for us, therefore, to allow the

treaty to stand for the present, and in the meantime make practical provision for maintaining our future prestige along the route. To this end we must first establish ourselves on an equal footing with our competitor, both economically and politically, in the Caribbean, and take measures also to secure our position along the western shores of the continent. Then, either as a nation or as a government, we must construct the Nicaragua canal, exclusively with American capital; for what we own,—according to well recognized laws of property,—we can assuredly control and defend, despite international provisions to the contrary. If objections are then raised by our adversary, we will have fact instead of mere theory wherewith to combat them, and a clear-cut issue will at last be drawn.

And in pursuing the course here outlined, we will simply be imitating the admirable policy our rival has thus far successfully pursued in establishing her ascendancy on the opposite side of the globe. For in spite of the present neutralization of the Suez canal, England by owning the water-way, and by means of her influence along the course of the easterly route still maintains her desired supremacy in this direction; and so the United States, by constructing the Nicaragua canal, and by establishing their prestige along the course of the westerly route, may, despite the present integrity of the Clayton-Bulwer treaty, well hope to force the ultimate recognition of their Monroe doctrine and control the western gateway to the Pacific.



APPENDIX A.

TREATY BETWEEN THE UNITED STATES AND NEW GRANADA. RATIFIED JUNE 10, 1848—EXTRACT.

ARTICLE XXXV.

The United States of America and the Republic of New Granada, desiring to make as durable as possible the relations which are to be established between the two parties by virtue of this treaty, have declared solemnly and do agree to the following points :

1st. For the better understanding of the preceeding articles, it is and has been stipulated between the high contracting parties that the citizens, vessels, and merchandise of the United States shall enjoy in the ports of New Granada, including those of the part of the Granadian territory generally denominated *Isthmus of Panama*, from its southernmost extremity until the boundary of Costa Rica, all the exemptions, privileges, and immunities concerning commerce and navigation which are now or may hereafter be enjoyed by Granadian citizens, their vessels and merchandise ; and that this equality of favors shall be made to extend to the passengers, correspondence, and merchandise of the United States in their transit across the said territory from one sea to the other. The government of New Granada guarantees to the government of the United States that the right of way or transit across the *Isthmus of Panama*, upon any modes of communication that now exist or that may be hereafter constructed, shall be open and free to the government and citizens of the United States, and for the transportation of any articles of produce, manufactures, or merchandise, of lawful commerce, belonging to the citizens of the United States ; that no other tolls or charges shall be levied or collected upon the citizens of the United States, or their said merchandise thus passing over any road or canal that may be made by the government of New Granada, or by the authority of the same, than is, under like circumstances, levied upon and collected from the Granadian citizens ; that any lawful produce, manufactures,

or merchandise belonging to citizens of the United States thus passing from one sea to the other, in either direction, for the purpose of exportation to any other foreign country, shall not be liable to any import duties whatever ; or, having paid such duties, they shall be entitled to drawback upon their exportation ; nor shall the citizens of the United States be liable to any duties, tolls, or charges of any kind to which native citizens are not subjected for thus passing the said isthmus. And, in order to secure to themselves the tranquil and constant enjoyment of these advantages, and as an especial compensation for the said advantages, and for the favors they have acquired by the 4th, 5th, and 6th articles of this treaty, the United States guarantee positively and efficaciously to New Granada, by the present stipulation, the perfect neutrality of the before-mentioned isthmus, with the view that the free transit from the one to the other sea may not be interrupted or embarrassed in any future time while this treaty exists ; and, in consequence, the United States also guarantee, in the same manner, the rights of sovereignty and property which New Granada has and possesses over the said territory.

APPENDIX B.

THE CLAYTON-BULWER TREATY. RATIFIED JULY 5, 1850.

The United States of America and Her Britannic Majesty, being desirous of consolidating the relations of amity which so happily subsist between them, by setting forth and fixing in a convention their views and intentions with reference to any means of communication by ship-canal which may be constructed between the Atlantic and Pacific Oceans by the way of the river San Juan de Nicaragua and either or both of the Lakes of Nicaragua or Managua, to any port or place on the Pacific Ocean, the President of the United States has conferred full powers on John M. Clayton, Secretary of State of the United States, and Her Britannic Majesty on the Right Honorable Sir Henry Lytton Bulwer, a member of Her Majesty's most honorable privy council, knight commander of the most honorable Order of the Bath, and envoy extraordinary and minister plenipotentiary of Her Britannic Majesty to the United States, for the aforesaid purpose ; and the said plenipotentiaries having exchanged their full powers, which were found to be in proper form, have agreed to the following articles :

ARTICLE I.

The governments of the United States and Great Britain hereby declare that neither the one nor the other will ever obtain or maintain for itself any exclusive control over the said ship-canal; agreeing that neither will ever erect or maintain any fortifications commanding the same or in the vicinity thereof, or occupy, or fortify, or colonize, or assume, or exercise any dominion over Nicaragua, Costa Rica, the Mosquito coast, or any part of Central America; nor will either make use of any protection which either affords or may afford, or any alliance which either has or may have to or with any state or people, for the purpose of erecting or maintaining any such fortifications, or of occupying, fortifying, or colonizing Nicaragua, Costa Rica, the Mosquito coast, or any part of Central America, or of assuming or exercising dominion over the same; nor will the United States or Great Britain take advantage of any intimacy, or use any alliance, connection, or influence that either may possess with any state or government through whose territory the said canal may pass, for the purpose of acquiring or holding, directly or indirectly, for the citizens or subjects of the one, any rights or advantages in regard to commerce or navigation through the said canal which shall not be offered on the same terms to the citizens or subjects of the other.

ARTICLE II.

Vessels of the United States or Great Britain traversing the said canal shall, in case of war between the contracting parties, be exempted from blockade, detention, or capture by either of the belligerents; and this provision shall extend to such a distance from the two ends of the said canal as may hereafter be found expedient to establish.

ARTICLE III.

In order to secure the construction of the said canal, the contracting parties engage that if any such canal shall be undertaken upon fair and equitable terms by any parties having the authority of the local government or governments through whose territory the same may pass, then the persons employed in making the said canal, and their property used, or to be used for that object, shall be protected, from the commencement of the said canal to its completion, by the governments of the United States and Great Britain, from unjust detention, confiscation, seizure, or any violence whatsoever.

ARTICLE IV.

The contracting parties will use whatever influence they respectively exercise with any state, states, or governments, possessing or claiming to possess any jurisdiction or right over the territory which the said canal shall traverse, or which shall be near the waters applicable thereto, in order to induce such states or governments to facilitate the construction of the said canal by every means in their power. And furthermore, the United States and Great Britain agree to use their good offices, wherever or however it may be most expedient, in order to procure the establishment of two free ports, one at each end of the said canal.

ARTICLE V.

The contracting parties further engage, that when the said canal shall have been completed, they will protect it from interruption, seizure, or unjust confiscation, and that they will guarantee the neutrality thereof, so that the said canal may forever be open and free, and the capital invested therein secure. Nevertheless, the governments of the United States and Great Britain, in according their protection to the construction of the said canal, and guaranteeing its neutrality and security when completed, always understand that this protection and guaranty are granted conditionally, and may be withdrawn by both governments, or either government, if both governments, or either government, should deem that the persons or company undertaking or managing the same adopt or establish such regulations concerning the traffic thereupon as are contrary to the spirit and intention of this convention, either by making unfair discriminations in favor of the commerce of one of the contracting parties over the commerce of the other, or by imposing oppressive exactions or unreasonable tolls upon passengers, vessels, goods, wares, merchandise, or other articles. Neither party, however, shall withdraw the aforesaid protection and guaranty without first giving six months' notice to the other.

ARTICLE VI.

The contracting parties in this convention engage to invite every state with which both or either have friendly intercourse to enter into stipulations with them similar to those which they have entered into with each other, to the end that all other states may share in the honor and advantage of having contributed to a work of such general interest and importance as the canal herein contemplated. And the contracting parties likewise agree that each shall enter into

treaty stipulations with such of the Central American states as they may deem advisable, for the purpose of more effectually carrying out the great design of this convention, namely, that of constructing and maintaining the said canal as a ship communication between the two oceans for the benefit of mankind, on equal terms to all, and of protecting the same; and they also agree, that the good offices of either shall be employed, when requested by the other, in aiding and assisting the negotiation of such treaty stipulations; and should any differences arise as to right or property over the territory through which the said canal shall pass between the states or governments of Central America, and such differences should in any way impede or obstruct the execution of the said canal, the governments of the United States and Great Britain will use their good offices to settle such differences in the manner best suited to promote the interests of the said canal, and to strengthen the bonds of friendship and alliance which exist between the contracting parties.

ARTICLE VII.

It being desirable that no time should be unnecessarily lost in commencing and constructing the said canal, the governments of the United States and Great Britain determine to give their support and encouragement to such persons or company as may first offer to commence the same, with the necessary capital, the consent of the local authorities, and on such principles as accord with the spirit and intention of this convention; and if any persons or company should already have, with any state through which the proposed ship canal may pass, a contract for the construction of such a canal as that specified in this convention, to the stipulations of which contract neither of the contracting parties in this convention have any just cause to object, and the said persons or company shall moreover have made preparations, and expended time, money, and trouble, on the faith of such contract, it is hereby agreed that such persons or company shall have a priority of claim over every other person, persons, or company to the protection of the governments of the United States and Great Britain, and be allowed a year from the date of the exchange of the ratifications of this convention for concluding their arrangements, and presenting evidence of sufficient capital subscribed to accomplish the contemplated undertaking; it being understood that if, at the expiration of the aforesaid period, such persons or company be not able to commence and carry out the proposed enterprise, then the governments of the United States and Great Britain shall be free to afford their protection to any other persons or company that shall be prepared to commence and proceed with the construction of the canal in question.

ARTICLE VIII.

The governments of the United States and Great Britain having not only desired, in entering into this convention, to accomplish a particular object, but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the isthmus which connects North and South America, and especially to the interoceanic communications, should the same prove to be practicable, whether by canal or railway, which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified, it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid governments shall approve of as just and equitable; and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also, be open on like terms to the citizens and subjects of every other state which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

ARTICLE IX.

The ratifications of this convention shall be exchanged at Washington within six months from this day, or sooner if possible.

In faith whereof, we, the respective plenipotentiaries, have signed this convention, and have hereunto affixed our seals.

Done at Washington, the nineteenth day of April, anno Domini one thousand eight hundred and fifty.

JOHN M. CLAYTON. [L.S.]
HENRY LYTTON BULWER. [L.S.]

APPENDIX C.

THE DICKINSON-AYON TREATY. RATIFIED JUNE 20, 1868—
EXTRACTS.

ARTICLE XIV.

The Republic of Nicaragua hereby grants to the United States and to their citizens the right of transit between the Atlantic and Pacific oceans through the territory of that Republic on any route of com-

munication natural or artificial, whether by land or by water, which may now or hereafter exist or be constructed under the authority of Nicaragua, to be used and enjoyed in the same manner and upon equal terms by both Republics and their respective citizens; the Republic of Nicaragua, however, reserving its rights of sovereignty over the same.

ARTICLE XV.

The United States hereby agree to extend their protection to all such routes of communication as aforesaid and to guarantee the neutrality and innocent use of the same. They also agree to employ their influence with other nations to induce them to guarantee such neutrality and protection.

And the Republic of Nicaragua on its part undertakes to establish one free port at each extremity of one of the aforesaid routes of communication between the Atlantic and Pacific Oceans. . . . The United States shall also be at liberty on giving notice to the government or authorities of Nicaragua to carry troops and munitions of war in their own vessels, or otherwise, to either of said free ports and shall be entitled to their conveyance between them without obstruction by said Government and without any charges or tolls whatever for their transportation on said routes, provided said troops and munitions of war are not intended to be employed against Central American nations friendly to Nicaragua.

ARTICLE XVI.

The Republic of Nicaragua agrees that should it become necessary at any time to employ military forces for the security and protection of persons and property passing over any of the routes aforesaid, it will employ the requisite force for that purpose; but upon failure to do this from any cause whatever, the government of the United States may, with the consent or at the request of the government of Nicaragua, or of the minister thereof at Washington or of the competent legally appointed local authorities civic or military, employ such force for this and no other purpose, and when in the opinion of the government of Nicaragua the necessity ceases, such force shall be immediately withdrawn. In the exceptional case, however, of unforeseen or imminent danger to the lives or property of citizens of the United States, the forces of said Republic are authorized to act for their protection without such consent having been previously obtained.



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