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# “This Great Enterprise”: Theodore Roosevelt and the Panama Canal

**In 1904, President Theodore Roosevelt took advantage of a revolution in Panama to launch the building of an American canal there.**

Every day, about 14,000 ships pass between the Atlantic and Pacific Oceans through the Panama Canal. Completed in 1914, the canal system extends about 50 miles across the Isthmus of Panama, the narrow strip of land connecting North and South America. The Panama Canal consists of manmade waterways, lakes, dams, and locks. The locks raise and lower ships so that they can pass through a channel created by a deep cut through the continental divide. (The continental divide is the high ground from which rivers flow in opposite directions on a continent.)

Americans first became interested in Panama during the California Gold Rush of 1849. Miners walked or rode across the isthmus on mules, avoiding thousands of miles of sailing around Cape Horn, which is at the tip of South America. After the Civil War, the United States expanded its trade relations with Asian countries like China and Japan, sparking interest in an isthmus canal.

During the 1870s, President Ulysses S. Grant authorized several expeditions to survey possible canal routes across Panama and Nicaragua. But Americans would not be the first to attempt to build an isthmus canal.

### **The French Private Enterprise in Panama**

Ferdinand de Lesseps was the most famous canal builder of his time. He conceived the idea and raised the money to construct the enormously successful Suez Canal completed in 1869. This was a sea-level canal dug straight through the sands of Egypt connecting the Mediterranean and Red seas.

In 1875, de Lesseps began promoting a sea-level canal through the Isthmus of Panama. He formed a private company, sold shares of stock to thousands of French investors, and secured rights from Colombia to build and operate a canal across its province of Panama for 99 years. He announced, “Our work will be easier at Panama than at Suez.”

He failed to recognize the significant differences between building a sea-level canal across a flat sandy desert and one through a jungle blocked by mountains and rivers that flooded during the rainy season. The lowest pass through the continental divide was more than 300 feet above sea level. When asked about the dangers of malaria and yellow fever, de Lesseps dismissed them as inventions of his enemies.

In 1882, massive steam-operated canal dredges began digging the canal in Panama. The French canal company also purchased controlling stock in the American-built Panama Railroad, but failed to make good use of it to dispose of the tons of dirt excavated every day. The powerful Chagres River, with rapids running throughout it, was in the path of the canal, but the engineers never designed plans for a dam to contain it. During the long rainy season (May to December), floods and landslides erased weeks of work.

By 1885, thousands of men were working on the canal. Most were laborers from Jamaica. Many died of malaria and yellow fever.

As terrain, climate, and disease slowed the digging in Panama, investors in Paris began to get nervous. De Lesseps stubbornly resisted those who wanted to build a lock canal, which would have reduced the digging across the continental divide.

Unable to finance the increasing cost of construction, the French canal company finally declared bankruptcy in 1889. Nearly a million shareholders lost their money. French prosecutors tried and convicted De Lesseps for what they called the “greatest fraud in modern times.” The total cost of the French private enterprise in Panama was \$287 million. An estimated 20,000 workers died, mostly from malaria, yellow fever, and other diseases.

### **Panama or Nicaragua?**

The United States had long seen the value of a canal somewhere across Central America for commercial reasons. By the turn of the 20th century, many came to believe that a canal was necessary for American military power.

In 1890, Alfred Thayer [Mahan](#) wrote *The Influence of Sea Power upon History*, which argued that national greatness depended on supremacy in all oceans. Mahan, a faculty member at the U.S. Naval War College, wanted an isthmus canal to easily move U.S. warships between the Atlantic and Pacific. He made his point when the U.S. warship *Oregon* took 67 days to sail 12,000 miles from San Francisco around Cape Horn to Florida during the Spanish-American War.

After the assassination of President William McKinley in 1901, Vice President Theodore Roosevelt entered the White House. A friend of Mahan, Roosevelt quickly declared his support for an isthmus canal. A commission appointed by McKinley had already recommended a route across Nicaragua.

At this point, a dynamic Frenchman arrived in Washington to revive the ill-fated canal in Panama. Philippe Bunau-Varilla had worked on the French canal project as the chief engineer. He held shares in the reorganized company that owned all the assets of the failed French enterprise in Panama. Bunau-Varilla told Roosevelt that the company would sell its land rights, buildings, equipment, railroad, and 11 miles of excavated canal for \$40 million. Roosevelt could not pass up this deal.

Bunau-Varilla lobbied heavily for a congressional bill proposed by Roosevelt, authorizing the U.S. government to construct a canal in Panama. Bunau-Varilla's [strongest argument](#) against a canal in Nicaragua was that there were volcanoes in that country, as shown clearly on its postage stamps. Panama, he pointed out, had no volcanoes.

### **The Panama Revolution**

In 1903, the United States negotiated a treaty with Colombia that granted the United States the right to construct and operate a canal for 100 years within a zone six-miles wide across Panama. Because of uncertainty over its sovereignty (supreme political authority) in the canal zone, Colombia's senate refused to ratify the treaty.

Panama was an isolated province, and its inhabitants often rebelled against the government of Colombia. While the Colombian senate was debating and rejecting the canal treaty with the United States, a group of Panamanians was plotting a revolution. Soon, Bunau-Varilla was conspiring with them.

In October 1903, Bunau-Varilla met with Roosevelt and informed him that a revolution was brewing in Panama. Bunau-Varilla suggested that a revolution, establishing an independent Panama, might be the way to secure the elusive canal treaty. Roosevelt did not express a view on this but did order U.S. Navy ships in the Caribbean and Pacific to sail nearer to Panama. Bunau-Varilla, however, flatly promised the plotters in Panama that the United States would protect them against Colombia once the revolt began.

On November 2, the U.S. warship *Nashville* with 500 Marines aboard docked at Colon on the Caribbean side of Panama. The appearance of the *Nashville* was all the revolutionaries needed to launch a bloodless takeover of Panama. Colombian troops in Colon left after the officer in charge received a bribe advanced by the American superintendent of the Panama Railroad. More U.S. gunboats and Marines soon arrived in Panama. Barely three days after the revolt began, the United States recognized the Republic of Panama.

The revolutionary government appointed Bunau-Varilla to negotiate a canal treaty with the United States in exchange for American protection of the newly independent nation. Roosevelt's secretary of state, John Hay, proposed an American-controlled canal zone 10-miles wide across Panama "in perpetuity" (forever).

To secure rapid ratification of the treaty by the U.S. Senate, Bunau-Varilla made the treaty even sweeter for the Americans. He proposed a provision granting the United States "all the rights, power, and authority within the zone . . . [as] if it were the sovereign." In effect, Bunau-Varilla agreed to give away Panama's sovereignty over its own territory.

Hay and Bunau-Varilla signed the canal treaty on November 18, 1903. It gave the United States the right to construct and operate a canal “in perpetuity” for \$10 million, an annual payment of \$250,000, and a guarantee of Panama’s independence.

No Panamanians had participated in the negotiations. While surprised at the treaty’s provisions, the new government in Panama quickly ratified it, fearing the United States might make another deal with Colombia or even Nicaragua.

The United States also paid the reorganized French canal company \$40 million for its rights and assets in Panama. Bunau-Varilla got \$440,000 of this for his investments in the French company.

### **“This Great Enterprise”**

President Roosevelt moved rapidly to begin building the Panama Canal, which he called “this great enterprise.” In 1904, U.S. Army Colonel William C. Gorgas, an expert in tropical diseases, was one of the first to begin work in Panama. He had helped eliminate yellow fever and malaria in Cuba by proving that two different kinds of mosquitoes carried these diseases to humans.

Gorgas discovered in Cuba how to eliminate the mosquitoes by such methods as removing uncovered containers of water and screening houses and hospitals. Unfortunately, few in Washington wanted to spend money on such things.

The first chief engineer in charge of construction, John Wallace, introduced massive steam shovels at the Culebra Cut (now called the Gaillard Cut) where the canal would pass through the continental divide. Everyone still assumed the canal would be at sea level from ocean to ocean.

Wallace soon resigned and a railroad man, John Stevens, replaced him. Stevens began to make heavy use of the Panama Railroad to remove the excavated earth. He also proved to be an ally of Gorgas, giving him all the men and supplies he needed to eradicate mosquitoes. By the end of 1905, Gorgas had conquered yellow fever and malaria in the Canal Zone.

Stevens concluded that digging a sea-level canal was impossible and recommended a lock canal instead. Three locks, or water chambers, on the Atlantic side would raise ships as large as the *Titanic* until they could sail into a huge manmade lake. After the ships sailed 23 miles on the lake and nine more through the Culebra Cut, another set of three locks would lower them back to sea level on the Pacific side. Twin locks would allow two-way traffic. President Roosevelt approved this lock system in 1906.

Stevens resigned in 1907 because of exhaustion. A U.S. Army engineer, Lt. Col. George W. Goethals, took over. He remained in charge of all canal construction until the completion of the project in 1914.

Goethals directed a workforce of up to 50,000 laborers. About 6,000 white Americans, some with their families, worked as administrators, engineers, and at skilled jobs. They lived in communities with free housing and all the comforts of home. Most of the remaining employees were black laborers and service workers from the Caribbean island of Barbados. Coming to Panama to escape poverty, they lived in racially segregated barracks, squalid tenements, or jungle huts.

By 1909, Goethals was using nearly 70 huge steam shovels to dig the nine-mile long Culebra Cut. He also built a hydroelectric dam on the Chagres River. This dam formed Gatun Lake, which eliminated the need for more than 20 miles of canal construction, and provided a controlled supply of water for the canal and locks. Waterpower and electricity operated the six pairs of locks. Electric engines towed the ships through the lock chambers.

The grand opening of the Panama Canal occurred on August 15, 1914, during the presidency of Woodrow Wilson. There was little fanfare since World War I was erupting in Europe.

Theodore Roosevelt's "great enterprise," completed six months ahead of schedule, cost \$352 million. Shortly before the Panama Canal opened for traffic, President Wilson signed a treaty with Colombia, agreeing to pay \$25 million "to remove all misunderstandings."

About 5,000 canal workers, almost all of them black laborers, died due to disease and accidents. This was a quarter of the death toll of the failed French effort.

Critics of Roosevelt called his intervention in Panama "an act of sordid conquest." He always denied any involvement in the Panama Revolution. After he had left office, however, Roosevelt famously boasted, "I took the Isthmus."

The United States operated the Panama Canal and occupied the Canal Zone for almost 90 years. Then, in 1978, the U.S. Senate ratified a treaty negotiated by President Jimmy Carter that handed over complete ownership and operation of the canal to Panama in 2000.

### **For Discussion and Writing**

1. What mistakes did the French make that caused the failure of their private enterprise in Panama?
2. Why was the United States interested in an isthmus canal in Central America? Do you think President Roosevelt's intervention in Panama was an "act of sordid conquest"? Explain.