

Panama — Bridge of the World

By JOSEPH M. SINNOTT

The Key to the New World

THE first European to view the Isthmus of Panama was Rodrigo de Bastides, who explored the coast in 1501. During the following year Christopher Columbus reached the mainland on his fourth voyage. After resting from the rigors of the trip in Almirante Bay and at Puerto Bello, he attempted unsuccessfully to establish a settlement at the mouth of the Belen River. The Indians received him cordially but soon became hostile. Columbus naively observed: "I felt very sure that peace would not last very long between us, for the inhabitants were very barbarous and our men very greedy, so I took possession of their country." Spain soon divided the new country into the provinces of Nueva Andalucia and Castilla del Oro under the governorships respectively of Alonso de Ojeda and Diego de Nicuesa.

It was not long before an unscrupulous adventurer, a mere stowaway on one of the ships—Vasco Nunez de Balboa—became inflamed with thoughts of gold and power. He revolted against his chief, Nicuesa, and sent him and seventeen of his faithful followers to a miserable death by setting them adrift in a leaky boat. Balboa slaughtered and looted the natives and forced the Indian chief Careta to become an ally by marrying his favorite daughter.

In order to get rid of the scourge of the white man the Indians concocted a story of a great sea and rivers of gold beyond the mountains. Excited by such tales, Balboa made the hazardous journey across the Isthmus. On September 29, 1513, he waded into the breaking waves in full armor, drank deeply of the salt water, and formally took possession of the Pacific Ocean in the names of the King and Queen of Spain!

Balboa found some gold, but he was fairly dazzled by the large quantities of pearls with which the natives decorated their canoes.

Balboa's revolt was ended by Pedro Arias de Avila, commonly known as Pedrarias the Cruel, the new Governor of Castilla del Oro. Pedrarias reached Darien in June, 1514, and brought with him the first white woman and clergyman to arrive on the Isthmus.

Disease, famine, insects and hostile Indians took their toll, but the lust for gold was great enough to endure all this. Pedrarias founded the town of Panama in 1519 and explored the coast to the north and south.

By 1539 the conquest of the Isthmus was practically complete. Of the half-million Indians who originally dwelt within the boundaries of the province only a handful remained.

Those who had not been killed in warfare had been enslaved and worked, beaten or starved to death in the mines, which at that time were the richest in the world.

To secure a supply of labor, the Spaniards imported Moorish and negro slaves from Africa. Under the ill treatment of the Dons, hundreds of these slaves took to the bush and became mortal enemies. Indeed, had it not been for the help of these Cimmaroon negroes, Sir Francis Drake could never have looted the town of Nombre de Dios in 1595 when he landed on the Atlantic coast with 750 men.

In 1668 Sir Henry Morgan swept down on the coast and carried off 194 mule-loads of gold, silver and precious stones. Again in 1670 he looted the city of Panama and was sorely aggrieved when some drunken pirate set fire to the town and razed the churches. The fierce old pirate was a deeply religious man and was known to have killed some of his roistering followers who interrupted a church service.

In 1698 William Patterson, who later founded the Bank of England, attempted a peaceful British agricultural settlement on the coast of Darien, but was promptly expelled by the suspicious Spaniards.

Despite all attacks Panama prospered for a number of years. Vast amounts of gold flowed from the mines to the coffers of Spain. Wealth incalculable began to come from Peru and Mexico and was transported across the Isthmus via the famous Gold Road. Great fleets of ships and galleons rode at anchor in the ports of Panama, Nombre de Dios and Puerto Bello. Thousands of heads of cattle grazed on the lush prairies. Throughout the world Panama became famed as the richest colony of New Spain and the key to all the treasures of the New World.

However, these prosperous times were not ordained to continue. The escaped Cimmaroons and the native Indians grew stronger and joined in revolt. They burned the ranches, stampeded the cattle and killed the inhabitants. They destroyed the shafts of the mines and soon the creeping jungle dominated the scene. Only the strongly fortified towns were free from attack. The Isthmus gradually sank into apathy and decay.

When the first cry of freedom was raised against Spain by Ecuador in 1809, the idea of revolt also surged through Panama. Nevertheless, the colony remained faithful to the Crown and proved a convenient spot for the dispatch of Spanish troops to quell the revolting colonies of Venezuela, Colombia, Ecuador and Peru. When the tide of battle definitely turned against Spain the people of the Isthmus were again seized with a desire for independence. In 1821

civil and military authorities decided that Panama should throw off the slipping yoke of Spain and *voluntarily* unite itself to the neighboring colony of Colombia. Thus Panama was the only one of Spain's colonies to achieve independence without the shedding of blood.

The unsettled and anarchistic condition of Colombia soon caused the Panamanians to decide to withdraw from this union and in 1831 Panama was declared independent of Colombia. However, this last stroke seemed to conflict with the plans of the beloved Bolivar, and at his behest Panama once more *voluntarily* incorporated itself with Colombia.

At the close of the Mexican War the Isthmus again sprang into world-wide prominence and reaped a bountiful harvest. The discovery of gold in California brought hundreds of Argonauts who chose the Panama route in preference to the long and dangerous trek across the plains and Rockies. Despite the swarming mosquitoes and the yellow fever, great quantities of merchandise flowed to the Isthmus to supply the gold seekers. Because transportation back and forth across the Isthmus was difficult and slow, prices soared. Scores of ships once more rode at anchor in the harbors. An era of great prosperity was at hand. In order to accommodate the greatly increased traffic across the Isthmus, the Panama Railway was begun by an American company in May, 1850, and completed in January, 1855, at a cost of nearly eight million dollars. Panama thence became the chief highway for the immense increase in interoceanic commerce.

The Canal

From time to time the idea of a canal across the Isthmus had obtruded itself in the minds of men. Under the Spanish, the Church had always opposed the idea on the ground that it would be sacrilegious to connect oceans separated by God, while the civil authorities thought that the cost would be too great to be borne by the war-depleted treasury of Spain.

However, in 1878 the French organized and incorporated the Universal Interoceanic Canal Company, under the leadership of Ferdinand de Lesseps, who had successfully built the Suez Canal. This company decided upon a sea-level canal to be completed in twelve years at a cost of \$240,000,000. Almost immediately, a large slice of the available working capital was used in purchasing a controlling interest in the Panama Railway for the excessive sum of \$18,000,000. During the next two or three years over \$60,000,000 more was expended in surveys and preliminary work because de Lesseps was determined to find a sea-level route across the Isthmus. By 1887 not a stroke of actual construction work had been done and the French became convinced that it was impossible to carry out their original plan. The idea of a sea-level canal across the Isthmus was discarded and a canal with locks was envisioned. With this object in view, actual excavation work was begun in 1888, but a year later, the company went into

bankruptcy. Nevertheless, a new company was formed by French investors in 1894 and work was resumed in 1895. From the first this project was doomed by mismanagement, waste, inefficiency, and last but not least, the enormous fatalities from malaria and yellow fever. Finally the French gave up in despair and left huge amounts of machinery and equipment to corrode and be swallowed by the insatiable jungle.

From time to time feeble attempts had been made to interest the United States government in the project, but with small success. The United States was practically committed to a sea-level canal traversing Nicaragua. The engineering surveys had been made and approved and the government of Nicaragua had given its consent. The United States had watched the futile efforts of the French in their struggle to construct the costly and complicated system of locks and had no desire to embark upon such an impractical venture.

However, new and subtle influences began to color the scene. Philippe Bunau-Varilla, publisher of *Le Matin*, Paris, and the possessor of an unsavory record in finance, became the chief creditor of the old defunct French Canal Company. In 1896 he retained William Nelson Cromwell of New York as his lawyer.

President McKinley and Vice-President Theodore Roosevelt previously had gone on record as favoring the Nicaraguan route. The Republican convention of 1900 was about to do so when Cromwell, by giving \$60,000 directly to Mark Hanna, the powerful majority leader in the Senate, and charging the sum to the French company, succeeded in blocking the endorsement. Despite protests in both Houses of Congress the stage was set for a juicy political plum.

In May, 1901, the Isthmian Canal Commission, which was appointed by President McKinley to forward Cromwell's scheme, appraised the rights and assets of the defunct French company at \$40,000,000. The moribund French company then obligingly scaled its price down to \$40,000,000 and the deal was set. This sum was eventually transferred by the government, through J. P. Morgan & Co., to the unidentified stockholders of the French company. All subsequent efforts by Congressional Investigating Committees to get the names of the French stockholders were unavailing, although Theodore Roosevelt, then President, in order to appease critics, averred that Cromwell had privately given him the names. However, the Congressional Committees did succeed in eliciting the information that those to whom the \$40,000,000 was paid were not the original French investors, but American and French speculators who had bought up the practically worthless shares for a song. It was also definitely established that August Belmont, Kuhn Loeb & Co., Levi P. Morton and, strangely enough, some clerks in Cromwell's office got nearly fifteen of the forty millions paid.

Pulitzer's paper, *The World*, openly charged that the Cromwell deal was corrupt, and Roosevelt had Pulitzer twice

indicted for criminal libel, but eventually the charges were dropped.

The people of Panama were enthusiastic and seemed certain to benefit from the proposed canal, but it was now necessary to sound out the attitude of Colombia toward resumption of work on the project. Bunau-Varilla by discreet use of a "slush fund" of \$100,000 easily gained the assent of most of the Colombian government and army leaders stationed on the Isthmus. But the politicians in Bogota demanded an enormous price for their consent, and when this was not forthcoming, became openly hostile and pugacious.

The Panamanian leaders immediately entered into secret negotiations with Washington and it was decided that the United States would covertly support a revolutionary movement in Panama and that the United States Navy, under the guise of protecting American life and property, would prevent the Government of Colombia from landing troops to quell the insurrection. Since all land approaches between Colombia and Panama were through trackless jungle the Colombian troops had to come by sea.

Headed by the liberal leader General Domingo Diaz, the leading citizens of Panama met in Santa Ana Plaza on the evening of September 3, 1903. They marched to Chiriqui barracks where they imprisoned two recalcitrant Colombian generals and issued an Act of Independence. They also appointed a Governing Committee of three trusted leaders to rule provisionally the new republic.

Thus it was practically a bloodless revolution, although there was some sporadic fighting in the outlying districts. On January 15, 1904, Dr. Guerrero was appointed President of the Republic and assumed his duties on February 20.

Oddly enough the Frenchman, Bunau-Varilla, was received officially in Washington as the Minister of the Republic of Panama and on November 18, 1903, the Canal treaty was drafted and signed with John Hay, the American Secretary of State. On May 4, 1904, active work on this greatest of engineering feats was commenced.

In discussing this era of Panamanian affairs it is most important to keep in mind that Panama had *voluntarily* united with Colombia in 1821 and again in 1831. This fact, often forgotten, seems to throw a kinder light on the synthetic revolution.

For centuries the Isthmus had been a pest-hole of death and disease, a hot-bed of yellow fever, a veritable white man's grave. In the construction of the Panama Railway the toll of human life was so great that it has been said with little exaggeration that a life was sacrificed for every tie laid. During the French effort the death rate was even higher. If one wishes to see a shocking testimony of the mortality of those days he should visit the cemetery of Mount Hope with its acres and acres of closely packed white crosses that mark the spot where thousands of unknown industrial heroes sleep.

When the Americans took charge all this was changed. Under the inspired leadership of General Gorgas, an ardent follower of Henry George, swamps and bogs were drained, strict sanitary measures were instituted and the death-dealing mosquito was traced to its lair and killed. The engineering genius of General Goethals and his efficient staff overcame the many technical obstacles encountered, while President Theodore Roosevelt in Washington protected them from the grasping and interfering hand of the politician. But Generals Gorgas and Goethals always graciously admitted that the canal would have been impossible without the steady, heroic devotion of the thousands of West Indian negroes who sweltered in the rigors of the tropics.

Sins and Good Deeds

The canal is about fifty miles long, averages from 45 to 85 feet deep and cost about \$500,000,000. It has six sets of locks to raise the ships to the level of Gatun Lake and to drop them again to the level of the Pacific Ocean. All of these locks are vulnerable to air attack and the government is frantically building extra sets of locks to overcome this defect. The giant Culebra cut is also subject to huge slides of earth near Gold Hill and Contractor's Hill. It is feared that large bombs might precipitate these earthy convulsions and block the canal. One is compelled to wonder whether the Nicaraguan route was not the more sensible route after all. Sometimes the sins of the fathers descend upon the sons.

No doubt exists that Panama has gained materially by the canal. The ten million dollars paid by the United States for its privileges and later the \$250,000 annuity were welcome to the new-born Republic. The tremendous volume of commerce and the undreamed of prosperity which it brought have been a God-send to the people. Sanitary measures have made Panama one of the healthiest spots in the tropics. The presence of Americans and American forces have protected the Isthmus from internal strife and external aggression. Yet an aura of discontent pervades the atmosphere. Many of the upper class feel that their material welfare has been bought at the price of spiritual slavery to a great foreign power. Moreover, most of the Panamanians thought that once the American cow was locked securely in the Canal Zone it could be continually milked. But the cow has proven most obstinate and refractory and deliberately swishes its tail in the would-be milker's eye.

The wily Bunau-Varilla and the astute John Hay changed the word *leases* in Article 2 of the preliminary draft of the Canal treaty to *grants in perpetuity* in the finished treaty. Jokers were inserted which gave Americans the right to do as they pleased and take as much land at any time as they might need. Bunau-Varilla and John Hay must have smiled inwardly as Panamanian and American lawyers earnestly tried to tell them what they meant when they concocted the treaty.

The feeling of triumphant satisfaction soon disappeared and the native politicians and their clamorous newspapers began to demand more. Customs, tariffs, postoffices, commissaries and the establishment of ports by the United States were but a few of the disputed points. There were constant squabbles over interpretations of the loosely-worded agreement.

At one time British interests bought up large tracts of land upon which they apparently received no investment return, and began to entertain Panamanian officials lavishly. This move was viewed with military apprehension by the Canal authorities, but it later developed that the British were merely attempting to block the possible production of rubber on the Isthmus and thus protect their world monopoly.

In 1921 the perennial boundary dispute with Costa Rica to the north flared into actual guerrilla warfare between the two republics and was largely financed by competitive American banana and oil interests. The peace commission, dominated by representatives of the United States, gave sovereignty of the disputed lands to Costa Rica. This wound still rankles in the breast of Panama.

In 1921, the United States Senate, in a qualm of conscience and awakened to the potentialities of South American trade and goodwill, ratified a treaty with Colombia in which the United States expressed regret for the Panama episode and agreed to pay Colombia \$25,000,000. In return Colombia recognized Panama as an independent state.

The Republic of Panama is divided into eight provinces and has an area of 32,000 square miles—about the size of the state of Maine. Only about one-eightieth of the total area of the Republic is under cultivation and a very large part of this is comprised of the immense plantation of the United Fruit Company at Bocas del Toro. The rest of the country is given over to trackless jungle, with the exception of comparatively small tracts of grazing land and clearings for mining developments. Panama has great untapped natural resources consisting chiefly of gold, oil, copper, platinum, amethyst, agate and building stone deposits. The great forests abound with mahogany, rubber and dyewood trees and many medicinal plants are found. The fisheries along her coasts are as yet but poorly developed.

At the present time the Republic has a population of about 450,000 inhabitants. Of these about 60,000 may be classed definitely as white, 100,000 as negroes and colored, 50,000 as Indians and 5,000 as Mongolians (Chinese and Japanese), and the remainder a varying mixture of all of these.

Of this total about 110,000 are crowded into the two principal cities of Colon at the eastern end of the Canal and Panama City at the western end. Another forty thousand are scattered throughout the ten-mile-wide strip of the Canal Zone which bisects the Isthmus.

Most of the big business of the Republic, such as banking, mining, timber and agriculture, is controlled absolutely by

large American corporate interests. The majority of small retail merchants are Hindus, Chinese, Syrians, Italians, French or Spanish. The small, upper class of native sons strives fitfully to fill government positions and cultivates the law, medicine, dentistry and engineering professions. The great mass of uneducated natives toil wearily at small wages for the large foreign landholding interests or seek the solace of the city slums. The per capita wealth is only ten dollars.

Occasionally, a sharp cry of protest or a moan of anguish is heard by the busy and indifferent world. Panama, instead of absorbing and dominating the Canal Zone, is being absorbed and dominated by it.

In 1934 when Panama refused to accept the dollar with reduced gold content, Bunau-Varilla, now old and resting comfortably upon his ill-gotten wealth, chidingly wrote from Paris: "Sense of gratitude seems to be entirely absent in the leadership of this little Republic which owes its life to my initiative and to the protection I was happy enough to obtain for it from the United States President, Theodore Roosevelt."

But the attitude of most intelligent Panamanians can best be expressed in the words of one of their writers: "We are bound to be swallowed in the end whatever happens; nothing remains for us but to try to make the process of deglutition as slow and difficult as possible. And let us keep the hope that our bones may stick in Uncle Sam's throat."

Dr. Faustus regrets his bargain.

• • •