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The Nicaragua Canal

By Cornelius Cadle May 21, 1892

The most important enterprise ever projected in aid of American Commerce is the Nicaragua canal.

That it will be built within a few years is beyond question, and were its feasibility of construction, and the benefits to arise from it, known and understood generally, it would speedily be an accomplished fact.

Three great vessel routes between the Atlantic and the Pacific have been projected. —The Panama Canal, the Tehauntepes Ship railroad and the Nicaragua canal.

The Panama Canal is the tomb of \$400,000,000 of French money, and the reputation of DeLesseps. That tomb is closed forever. The vitality of the Tehauntepec Ship railroad expired with Eads, and is beyond resuscitation. The Nicaragua canal project has life, energy and practicability, and the work now commenced will be followed to completion, slowly perhaps for a time, but more rapidly as its merits become understood.

A natural means of water transit between the two great oceans at the narrows of our continent was sought for many years before it was concluded that it did not exist. The narrowness of the strip of land in Central America separating the oceans has been shown by the expeditions of Balboa and Cortes. Geographers could not believe that nature would leave a barrier between the oceans through the entire length of the great continent, and much maritime enterprise was expended in the search for a Strait.

That there should be such a barrier writers of that day said, “was repugnant to humanity” and “the secret of the Strait must be disclosed”. Humboldt said that “men could not accustom themselves to the idea that the continent extended uninterruptedly from such high northern to such high southern latitudes.”

Columbus on his last voyage in 1502 sought for such a strait in Central America. Irving in reference to this search says “He had been in pursuit of a chimera of a splendid imagination and penetrating judgment. If he was disappointed in finding a straight through the Isthmus of Darien it was because Nature herself was disappointed. For she appears to have attempted to make one but attempted in vain.” However Columbus' judgment as to where the straight ought to be was correct. He looked for it at the point of least altitude between the Straits of

Magellan and the northern boundary of the British possessions a distance of over 9,000 miles. This altitude in Nicaragua is 148 feet above the sea level. For many years after Columbus navigators searched every inlet from New Foundland to Brazil for a strait. The Cabots explored the northern coast. DeAvila, de Solia, and Ponce de Leon, Mexico Central America and far down the South American coast. In 1522 Cortes fitted out a small fleet for this purpose at Zacatula on the Pacific, which explored the Gulf of California and sailed as far north as the present site of San Francisco. At the same time another of [his] fleet explored the Atlantic Coast. Cortes wrote to the King of Spain. "Your Majesty can be assured that as I know how much you have at heart the discovery of this great secret of a strait, I shall postpone all interests and projects of my own, some of them of the highest moment, for the fulfillment of this great object." Not until the failure of these expeditions do the Spaniards abandoned the idea of finding a natural communication between the seas.

But as late as 1807, Bancroft says, Virginian colonists were directed to seek communication with the South Sea, "by ascending some stream which flowed from the Northwest." and when Capt. John Smith was captured by the Indians he was making his way up the Chickahominy in accordance with these instructions.

When Spain gave up the chimerical idea she had so long held, the plan of overcoming the natural obstacles to the desired end was taken up

In 1850, Portuguese navigator, Antonio Galvoa, proposed four routes for a canal to connect the Oceans, one of which was by Lake Nicaragua and the San Juan River, and another through the Isthmus of Panama. In 1551, the Spanish historian, Gomora, proposed the construction of a canal, and urged Philip II of Spain to attempt it by one of the three routes already mentioned. [But] Philip was a King without energy and preferred a life of ease and prayer to one of works and enterprise, and took no action.

As the form of the Isthmus became better known, confidence in the feasibility of canalization increased, and early in the present century, through the influence of Humboldt, and the efforts of Central American republics, the question assumed a hopeful shape.

In 1825 the minister of foreign affairs of the Republic of Nicaragua asked the United States to assist in the work of a canal and speaking of his Republic said, "nothing would be more grateful to it than a co-operation of by this generous nation, whose noble conduct has been a model and a protection to all the Americas, it would be highly satisfactory to have it as a participator, not only on the merits of the enterprise, but of the great advantages which that canal must produce by means of a treaty which would perpetually secure the possession of it to the two nations." Mr. Clay, then our Secretary of State entered into

consideration of the subject with much interest and advised the government of Nicaragua that the United States charge d'affairs to that country was instructed to investigate the matter and make a report thereon. It does not appear that this official did anything under these instructions. But shortly afterwards Mr. Clay in a letter to the United States commissioners to a Congress held at Panama, said, "a canal for navigation between the Atlantic and Pacific should form a proper subject of consideration at the congress. This vast object, should it ever be accomplished, would be interesting to a greater or less degree to all parts of the world, but especially to this continent will accrue its greatest benefits, and Columbia, Mexico, Central America, Peru and the United States more than any other of the American nations.

But all these projects were based upon theory, no surveys or practical reconnoissances have been made.

It was evident that the work would require a large amount of money, and it was not clear that the traffic through the canal would pay interest on the cost, and this lack of information left the project unattempted then, and for a long time thereafter.

When, following our war with Mexico, our boundary line was extended much further south and gold was discovered in California, a strong impetus was given to the project. The first authentic survey made across the Isthmus was for the Panama Railroad, and this was built between 1850 and 1855 by an American company under a concession granted by the Republic of New Granada.

The government of the United States now seeing the importance of a water route, ordered a survey through Nicaragua and by diplomatic negotiations with that state, encouraged the organization of the Atlantic and Pacific Canal Company which obtained from that republic the right to build the canal.

The first survey for the canal was made in 1850 by Col. O. W. Childs an able engineer and the accuracy of his work has been confirmed by all subsequent surveys.

The Government of the United States has ever since 1825 taken a great interest in the project of connecting the Oceans and the only complete surveys made for this purpose have been made either by our government directly or by its citizens.

About the time of the Childs survey the British Government seized the country at the mouth of the San Juan River the Atlantic end of the proposed canal. The British Government was desirous that we should not control the construction of the canal, and the American Government did not propose that any foreign power should get control by conquest or by other means of any of our sister republics,

so the convention of 1850, known as the Clayton-Bulwar convention was concluded and the two governments agreed that neither of them would ever obtain for itself any exclusive control over the canal, "or colonize or assume or exercise any domain over Nicaragua, Costa Rica, or any part of Central America." It provided for the influence of the two governments in facilitating the work, and then after completion they should defend its neutrality; that no time should be lost in constructing the canal, and that they would give their support and encouragement to such persons or companies as might first offer to commence with the necessary capital, together with other provisions looking to a speedy construction, and after all the preparations forty years went by before any further steps were taken.

In 1859 the British Government acquired by treaty with Guatemala a section of that country known as the Belize, and in 1862 it was declared a colony of the British Crown. And this notwithstanding the declaration of 1850 that neither country should colonize or exercise any dominion over any part of Central America. In view of this action on the part of Great Britain, Congress in considering the question of incorporating the Maritime Canal Company of Nicaragua concluded that they were under no obligation to refrain from promoting in any way, deemed best for the interests of the country, the construction of the canal without regard to the convention of 1850, and that this government was discharged from all their declarations stated in that convention.

In view of some of the events following the convention of 1850, this Government entered into a treaty with the Republic of Nicaragua in 1867, by which that Republic granted to the United States for its citizens, the right of transit between the two oceans on any route that might be constructed to be used upon equal terms by the citizens of the two republics.

In 1887 the Republic of Nicaragua made a concession of the right to build the canal to a private association of citizens of the United States known as the Nicaragua Canal Association.

The concession provided for the exclusive privilege to build and operate the canal for ninety-nine years. It provided that the concession might be taken by a company to be organized by the Association, and that the company is the Maritime Canal Company chartered under the act of Congress of February 20, 1889.

The usual terms, liberal in their nature, were made in the concession and the Republic of Costa Rica assented to the arrangement so far as her interests were concerned. The Maritime Canal Company has proceeded with the enterprise in conformity with the terms of the concession and active work is now being carried on.

The canal has been located after long and careful examination with aid of the most skillful engineers in the world and they were Americans, and it has features of great and peculiar advantage. It has for its great line and reservoir the deep Lake of Nicaragua, that is fed, through a narrow outlet, by Lake Managua, to the northward, where the heavy torrents from the rainfall in the mountains are caught and impounded. Lake Nicaragua is a rock bound basin with a single outlet the San Juan River.

The distance from the Caribbean sea at Greytown to the Pacific Ocean at Brito, is 169 miles all of which will be slack water navigation, except twenty-seven miles, this being the total length of canalization. There is a clear surface level of 153 miles in the 169 miles between the two oceans, and this long distance of surface level is secured by the erection of two dams, one about sixteen miles from Greytown and the other about four miles from the Pacific.

The surveys for all this work were made with the greatest care, and average about forty miles of preliminary lines to one mile of actual location and every possible advantage that the topography of the country and the easy and cheap control of the best material for construction affords have been secured. A harbor has been secured at Greytown by extending a solid Pier 1000 feet into the sea. Pure cold water has been brought to the coast in pipes from the hills ten miles distant. The dense forests have been cleared from the line of the canal. About sixteen miles of railroad have been built along the line. The largest dredges in the world are at work in excavation, some of them having been brought from the defunct Panama Canal.

The first 93-10 [sic] miles of canal will be at sea level forming practically an extension of the harbor at Greytown. It will be 120 feet wide at the bottom, 288 feet wide at the top with a minimum water depths of thirty feet; then come the three locks within a distance of about 3 1/2 miles, each 650 feet long and 70 feet wide. The combined lifts of these three locks is 106 feet. This level is been followed for 153 miles by the way of the San Juan River and Lake Nicaragua, when by three locks similar to those near the Atlantic coast the Pacific at Brito is reached. The engineer's estimates of the quantities are as follows

	Cubic Yards
Earth dredging for canal below Sea level	29,823,161
Earth excavation above Sea level	21,773,810
Rock Excavation	13,452,938
Rock excavation under water	575,435
Total Excavation	65,625,534 (sic)

Of this excavation 10,000,000 yards of the rock and earth will be used for dams and fills. The estimated cost of the canal including 20% added for contingencies is \$87,800,000 and this estimate has been concurred in by several boards of eminent engineers who have given the matter careful consideration.

The expected traffic through this canal has been divided into three classes.

First, that which will be entirely tributary to the canal. This includes trade between the Atlantic and Pacific ports of the United States; trade of the Pacific ports with Europe Cuba and Brazil, which includes the wheat export from San Francisco; trade of the Atlantic ports of the United States with Asiatic and South American ports, the islands of the Pacific, and this entirely tributary trade in 1889 amounted to a 5,332,415 tons.

The second class is that which is largely tributary, and this amounts to 2,000,526,452 tons, and from the third class partially tributary, it is estimated that 262,136 tons will pass through the canal. This tonnage is based upon business done in 1889, and were the canal open today to traffic this total amount of 8,122,000 tons would undoubtedly be largely increased the first year.

The coal and Iron fields of the Atlantic and Gulf States and the forests of the Pacific Slope in the interchange of their products, a business now practically nothing, would give to this route millions of tons of traffic. The charges through the Suez canal a distance of ninety-three miles is \$2.50 per ton. A charge on traffic through the Nicaragua Canal of \$1.00 per ton, would give an income on above estimated tonnage of over \$8 million. The question of good return on the investment from the beginning is beyond doubt. The estimated cost of administration and maintenance of the canal is \$1,500,000.

Lake Nicaragua is 100 miles long and of an average width of 45 miles, with a variable depth reaching in some places to 150 feet. Its surface is 100 feet above sea level. Its western edge is within 12 miles of the Pacific coast, from which it is separated by a low divide of 42 feet. This large body of fresh water would hold the navies of the world.

With dock yards, store houses, and coal depots, on the borders of this lake our Navy could be stationed in a healthy climate in water

that would not only prevent fouling of vessels' hulls by barnacles and weeds, would clean by natural means those coming in from the oceans; fleets could drill and maneuver at pleasure, and by cable communications with Washington could be sent quickly to any part of the world. Our men-of-war could steam from this lake to Cuba or Jamaica in two and a half days to the mouth of the Mississippi or Rio Grande or the Florida straits in five days.

With a strong naval force in this lake one at Hampton Roads and one in San Francisco our naval strategic defense would be complete. Anyone of these forces could within a reasonable time join or be joined by the others through the canal.

It would require two fleets separated by a sailing distance of 12,000 miles to blockade our fleet in Lake Nicaragua of power equal to equal. Lake Nicaragua would be a point of more commanding power for protecting the coasts of this continent, than Gibraltar in the Mediterranean Sea is to England's possessions.

The distances saved to the commerce of the world by this canal is sufficient reason for its construction.

	Miles
From New York to San Francisco via Cape Horn is	14,840
Via the Nicaragua Canal is	4,946
Distance saved	9,894
From New York to Hong Kong the distance saved is	4,163
To Yokoha[ma] the distance saved is	6,827
To Melbourn the distance saved is	3,290
To Valpraiso the distance saved is	5,662
From New Orleans to San Francisco the distance saved is	11,605
From Liverpool to San Francisco the distance saved is	6,995
From Liverpool to Yokohame the distance saved is	3,929
And in like proportion between all eastern and Western ports	
From New York to Eastern Entrance of the Canal is	2,021
From Liverpool to Eastern Entrance of the Canal is	4,769
From New Orleans to Eastern Entrance of the Canal is	1,308

Louis Napoleon in a pamphlet published by him in 1846 said, The

geographical position of Constantinople is such that [h]as rendered her the Queen of the ancient world. 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 grandeur.”

The bill is now pending in Congress to amend the “Act Incorporating the Maritime Canal Company, which provides that our government under proper provisions shall guarantee \$100,000,000 of bonds of that company, these bonds to be issued to the constructing company as rapidly as required, on estimates made by the United States Engineers. The United States as security for this guarantee, is to hold in the treasury \$70,000,000 of the stock of the company, the limit to which stock is \$100,000,000, and the Secretary of the Treasury is to have the right to vote this stock at any meeting of the stockholders, the Government reserving the right to purchase the stock at any time at its par value and to apply on the purchase any monies paid out on account of this guarantee.

No bonds of the company have yet been issued. The money so far expended has been realized from sales of stock to persons interested in the company. The time has come when money must be raised by sales of stock and bonds to the public, and the money must be raised in foreign or domestic markets. The canal company in raising the money from the Public must sell securities at a heavy discount. As the company can earn no profits until the work is completed these securities will not be taken by investors except at a heavy discount, and it is estimated that such losses and accruing interests [will] double the cost of the canal. Such enhancement of cost will compel a similar increase of tolls and instead of the suggested total of \$1.00 per ton it would be at least \$2. This increase[d] tax on commerce can be saved to the People of the United States to an extent more than sufficient to pay the interest and the proposed guarantee.

It is the apparent duty of our Government to obtain direction of the affairs of the canal, so that its control shall not pass into the hands of any non-American power.

The Suez Canal was so important a political power, that England gladly seized the opportunity to purchase a controlling interest in it. That purchase has been profitable politically and financially. The Nicaragua Canal is of as much political importance to this

country as the Suez Canal is to England, and its commercial importance is much greater.

The most earnest advocate of the bill now pending in Congress is Sen. John T. Morgan of Alabama. In an address to the Senate a year ago he said, "the merits of this bill and all its surroundings and incidents will stand the closest scrutiny, and that is invited by the Committee on Foreign Relations. They have no doubt or apprehension that the stock of this company will be at par or above par the day the canal is completed. They believe that it will be constructed and in complete working order within six years from the date of the passage of this bill. They are satisfied that the whole expenditure in the construction of the canal will not exceed \$70,000,000 and then it will speedily acquire a business amounting to 7,000,000 tons of actual freight, and that, at one-half the rate of charges exacted by the Suez Canal, it will pay all operating expenses and interest on its cost, and a dividend of 8 or 9 percent of the money invested in it. They conclude from the undisputed facts presented in their reports that the government of the United States will not lose any money by its endorsement of the bonds of the company, but will if it chooses to do so, make large profits by converting the bonded indebtedness into the stock of the company. The Government having assisted trans continental railroads by the loan of its credit and by immense grants of land. It is only just to the people, that they should have the advantage of fair competition between land and water routes of transportation for the interchange of trade between the Eastern States and those lying West of the Rocky Mountains. The \$113,000,000 that the United States will be entitled to have refunded from the Union and Central Pacific Railroad companies about 1897, has been bread cast upon the waters in our splendid developments. It will all be paid in cash into the treasury, but if it were all lost the country had been benefited \$1,000,000,000 by its use. If any emergency in the finances of the country should make it convenient to apply that fund as it is paid into the Treasury to the construction of the Nicaragua canal, it will be in easy reach of the power of the Government for that purpose. What great sum of money, unless it was the \$15,000,000 paid to France for the Louisiana territory or the \$15,000,000 paid to Mexico for the Gadsden purchase, has ever accomplished so much for the country as this \$113,000,000 will do if it is employed in opening the canal through Nicaragua, after it has aided in building the pioneer lines of railway from the Mississippi river to the Pacific ocean. The completion by the people of the United States, who

are the Government, of this inexpressible blessing to mankind, will be the most impressive memorial of the genius, enterprise and goodwill of the people that they can ever place on the records of their history outside of their own territorial limits.”

The President of the United States in his first message to the present congress, called attention to the importance of government control of the canal, and recommended the passage of the bill in question, making special reference to Sen. Morgan's address and earnest work in this direction.

What will the canal do for Cincinnati? It will practically turn the current of the Ohio River, by way of the Mississippi, into the Pacific Ocean. The Pacific need everything made in this center of Western manufacturers, and this short water haul with its resulting low freight trade, will enable us to compete successfully on that coast, both north and south of the canal with similar products of the world.

Cornelius Cadle