

## THE NICARAGUA CANAL: ITS POLITICAL ASPECTS.

THE discussion of an inter-oceanic canal, which, as it has thus far attracted the attention of the public men of Europe and America, has been pursued mainly as an abstract political proposition rather than as a practical subject of vast importance, likely, if not handled with care and consideration for the rights as well as for the pride of the parties interested, to lead to international complications. It is a growing question—one that presses upon us for an early solution.

Doubtless when President Monroe, in December, 1823, notified the European powers that "we could not view any interposition for the purpose of controlling in any manner the destinies of independent American powers in any other light than as a manifestation of an unfriendly disposition toward the United States," he had in view a military or political policy on the part of these powers. History offers abundant instances, however, of the subjugation of countries accomplished by the primal agency of commercial influence. In fact, astute statesmen recognize this method as primarily the most efficient where a permanent occupation is intended. The merchant paves the way for the army and the navy. The history of the British East India Company is a striking instance of a commercial organization preceding the army and the navy in the subjugation of a country with millions of inhabitants; and this commercial method was possibly one of the methods of control impressed upon the mind of President Monroe when he enunciated the great national principle now bearing his name, although its direct application pointed to military and naval projects resulting from the "Holy Alliance." When the traveller approaches Yokohama, his eye greets in an impregnable position on Japanese soil the flags of England and France covering their armed legions and rifled artillery commanding the approaches and the city itself. Japan, with its forty millions of people was powerless to prevent this. The great crime in Mexico may await repetition further South, if we supinely permit it. Sheridan on the Rio Grande with one hundred thousand men saved our sister republic from European control.

What reason have European powers to complain of our position in this respect? Would they submit to our interference in the man-

agement or political control of the Suez Canal? Could they not properly say to us, "Hands off! You have claimed exemption from European interference in the affairs of your continent; you shall have the same policy applied to yourselves in this matter. Our interests are paramount here, as yours are on the other side of the Atlantic." The government of Nicaragua has more than once shown its friendly disposition to the United States. During the Presidency of Don Fernando Guzman, and prior to the commencement of the ill-starred Panama Canal, Count Ferdinand de Lesseps jointly with eighteen other Frenchmen, among them the eminent civil engineer Blanchet, made formal application to the Congress of Nicaragua for a concession to build the Nicaragua Canal. When placed upon its passage it was acted upon favorably by the House, and failed by one vote only in the Senate, when a motion to reconsider was made and the Senate adjourned. President Guzman then requested the senator who had made the motion to call upon him, with the result that the bill was not again called up. The reasons were well understood. President Guzman in effect permitted the impression to exist that the bill would receive his veto, and he is reported to have said, "Do you forget what occurred in Mexico? If the French come here to build a canal may we not anticipate the same policy? The Americans need the canal more every year and they do not want our country. If we decline the French proposition, sooner or later application will be made under American influence, which we can safely accept. I prefer to await that time. My duty to my country demands it."

Again, when the Nicaraguan government under the lead of that thorough patriot, President Adan Cardenas, granted a concession to an American organization, the Administration of President Arthur, desiring to control and to construct the work, negotiated a treaty with Nicaragua, giving our government jurisdiction over fifteen miles of territory on each side of the canal and the right to fortify its termini,—in fact permitting us to build and own the work jointly with Nicaragua. This treaty, after ratification by the Senate of Nicaragua, was introduced into the United States Senate and would doubtless have been ratified by that body, had not the President, in the proper exercise of his prerogative, withdrawn the treaty and subsequently withheld it for reasons alleged to be opposed to a line of precedents in the foreign policy of the United States. Without discussing here the merits of this action we may remark that the treaty discarded was a proof of the good will of the republic of Nicaragua, and that, had it

been ratified, we should now have a canal for the use of our naval forces in operations on the Pacific side of the continent.

The Nicaragua Canal will be the great highway of our increasing commerce between the Atlantic and Pacific coasts, and it is inconceivable that any American statesman will vote to permit the relegation of the control of our isthmus-transit to any European power, remanding the United States navy and American commerce to the Cape Horn route, at the option of the parties controlling the canal. President Hayes called the canal "a continuation of our coast line." It is more than that; it is a dominant factor in the control of the commerce of the Atlantic and Pacific oceans, and Lake Nicaragua is a position unique in its importance to our national interests. Gibraltar, Aden, or the Bosphorus do not compare with it in the value of its military position. Upon its bosom an iron-clad fleet may float in fresh water, in a delightful climate, surrounded by a territory producing supplies for fleets and armies. The construction of the canal will be a practical, friendly, and complete vindication of the Monroe doctrine, assuring our friendly and paramount influence with our sister republics of North and South America.

Let us now consider the result of construction under private control and mainly with foreign capital. In the first place, the conditions connected with construction by private capital necessitate a greatly increased cost. Construction bonds must be negotiated at a large discount; stock must accompany the sale of bonds as a bonus; interest account and bankers' commissions will be properly chargeable to construction account, and the enterprise may be delayed by a want of funds owing to financial conditions adverse to investment in works of this character. It will probably cost fifty per cent more to build and two or three years longer to complete than if constructed under government control and with such guarantees as will give full financial confidence to investors in the securities of the company. For this increased cost our commerce must pay in tolls, while the delay in its completion will be a serious loss to the company in every sense.

Nicaragua is a sparsely-settled country with great but undeveloped resources, a healthy climate and internal waterways insuring cheap transportation. It is to become the scene of great industrial and commercial activity, on the highway of the world's commerce. The nation that supplies the money to build the canal will control its commerce and subsequently its policy. The expenditure of the large amount needed for construction, the employment of skilled labor

largely from the nation supplying the money, and the natural influence which always accompanies capital—these are abundant reasons for this assertion. It is very hard to divert commerce from a channel already established; it is far easier to direct it in its incipency.

As a result of construction under private control and with foreign capital we have the incontestable right of foreign military protection to foreign property. It is true that by its concession from Nicaragua the Maritime Canal Company is inhibited from disposing of its rights to any government; it is now an American company and may remain so at the option of the United States government, provided it does not elect to give up its charter from Congress. There is no objection to foreign capital in domestic corporations, for during this century we have largely benefited thereby; but the canal is an international work and the conditions, it is readily perceived, will be entirely different.

In the case of the Panama Railroad Company our government made a treaty with New Granada (now Colombia), guaranteeing the protection of the United States to the railway, and in accordance with the obligations of this treaty we have repeatedly landed our military forces on the Isthmus of Panama to maintain peace and to protect American property. It is obvious that if the Nicaragua Canal is constructed with foreign capital, the nation whose citizens supply it cannot consistently be prevented by our government from landing military forces for the protection and the maintenance of the neutrality of the work. We might in such case need to use the canal for the passage of our naval vessels or military transports and find it blocked at the termini by a foreign fleet declining, under instructions, to permit our ships to pass from ocean to ocean. We should then have to fight for what we can now obtain peaceably and with decided pecuniary advantage to the republic. Indeed it is not exaggerating the question to assert that the inter-oceanic canal means for the United States, to build, to buy, or to fight, with the alternative of taking an inferior position among nations.

It has been contended by some that it is a dangerous policy for the United States to acquire reality and interests abroad which may require protection; but the policy which was applicable to the thirteen federated colonies does not apply to a growing nation of over sixty millions, seeking a market abroad for its products and manufactures. Why do we send commissions abroad to ascertain how we may increase our foreign commerce? Why are we looking around for suitable naval stations in various parts of the world? Why has

the united voice of the republic demanded that we shall build a modern navy? We also hear occasionally that it may be unconstitutional to acquire property abroad for which the people are to be taxed. There is hardly a possibility of the Nicaragua Canal costing our government one dollar under the stringent provisions which can be adopted to prevent it. But the question of constitutionality applies to the purchase of naval stations, and to the purchase of Alaska, as well as to the building of an inter-oceanic highway whereby our government shall acquire rights and, practically, territory, which may require national protection. Dr. Johnson once wrote that "patriotism is the last refuge of a scoundrel" and, in imitation of this saying, we might add that "constitutionality is the last refuge of an obstructionist."

The political history of the Suez Canal should be a lesson to our statesmen. England prevented its construction as long as she could. De Lesseps had to contend far less with physical than with political obstruction. His pertinacity with the aid of the Khedive and of Napoleon III. finally accomplished the work. When the British government saw the canal completed and a new route to India open, the control of which was a national necessity to her, she secretly purchased it. To-day it is admitted to be the most brilliant move of that brilliant statesman, Disraeli. When it became a military advantage for the English government temporarily to close the canal, British iron-clads were sent to Ismailia and to the termini, and the canal was closed at her pleasure. Does any one now expect that England will abandon Lower Egypt and the control of the new route to India? Never, unless under the stress of military force. As well abandon Gibraltar, Aden, or Malta. British troops are there to stay.

Is there any reason to presume that, if the Nicaragua Canal is not built under the control of the United States government, the same policy will not be adopted by the British government? Would it not be in the direct line of English policy to do so? True, the concession is forbidden to be sold to any government, but the stock and bonds will be for sale to the financial world. What is to prevent the English government from acquiring the controlling interest in both, as it has done in the Suez Canal? And if she considers that military conditions permit of her occupying and closing the Suez Canal, why not the Nicaragua Canal? In one case she had France as an objector; in the other case she might have the United States. But what are diplomatic objections when opposed to rifled ordnance floated on iron-

clads? If we should then fight for control, why not now obtain control when fighting is not a necessity, in fact, when control is peaceably within our reach? There are those who assert that England would never fight the United States. But nations have tempers like individuals. Why indeed should they not have, considering that they are an aggregate of individuals?

The suggestion has been made that American private capital should construct the canal without interference on the part of the government. If the argument in favor of government control as here presented is valid, does not government inaction tend to throw discredit on the enterprise, and in such a case what is more natural than that the company seek aid abroad, and, if abroad, where more appropriately than in England which, as a maritime nation, has more interest in the American canal than any power except the United States? The abuses which have followed government aid to our domestic transportation companies are reasons used against government aid to this international work, and, strange to say, the same people who advocate the government foreclosure of defaulting railway corporations are mainly those who object to the government's assuming the same position over this inter-oceanic highway which will control the carrying trade between the Atlantic and Pacific coasts of the United States. The gentlemen in charge of the Nicaragua Canal Construction Company are honestly and patriotically endeavoring to enlist American capital in this great work. Who shall find fault with them if, failing in this to the amount necessary, they ask English capitalists to become interested? There is no doubt of the financial inducements. The Suez Canal is paying from 13 to 15 per cent per annum and increasing yearly. The Nicaragua Canal shows financial prospects equally favorable on the same approximate cost.

Let us now consider the Clayton-Bulwer Treaty as connected with the Nicaragua Canal. That greatest blunder of American statesmanship provides that, when this work is constructed, Great Britain shall have a joint control with the United States. Our State department claims that this section of the treaty is inoperative by reason of the violation of the *quid pro quo* by Great Britain, and it is understood that the controversy was closed between Mr. Frelinghuysen and Lord Granville by a denial on the part of the British government of our position. Congress has taken no action on the treaty since its ratification. The question will not become vital until the completion of the canal and it is perhaps wise not to open it, unless the British government offers



half the funds necessary for its construction. In such case, even joint control and ownership would be preferable to permitting English control under the conditions already alluded to. Under any circumstances we owe it to the political as well as to the commercial conditions demanding the American inter-oceanic highway that construction should not be delayed on this account. This phase of the question does not require a solution at this time. "We cannot cross a river until we come to it." The prestige of the United States is now, as it has been for some time past, very low among the republics of Central and South America. A foreign policy that drifts with current events and that changes on occasion, together with the absence of a military power as demonstrated by a respectable naval force, has had its natural effect upon our neighbors. Years ago I saw an American ship boarded by an armed boat's crew of a South American power for an infraction of a port regulation which we punish with a five-dollar fine in a police court. I saw the flag hauled down, jumped upon, spat upon and thrown overboard, the captain taken out of his ship and imprisoned, and the ship delayed a month in consequence. An agreed amount for damages was subsequently paid, but the insult to the flag has never been rebuked. Our citizens have generally received little protection in foreign countries, and while American citizenship is the most valuable in the world at home, it is practically worthless abroad. Without power to enforce our just rights, we have generally seen them ignored. But national feeling in favor of a respectable naval force and the assertion of our rights by the government in various international questions indicate that American citizenship is to be made more valuable among the nations.

The American inter-oceanic canal under government control is in line with this policy, and will obtain the support of every American with a patriotic heart when he understands the subject.

It is fortunate that we have in Nicaragua a patriotic and friendly government, willing to meet us half way in any request which shall insure the construction of this great highway. President Sacasa and his advisors are friends of the United States, and appreciating the favored position of their country as the future pathway of the world's commerce, are willing that our country shall share this great advantage. Under these conditions no party considerations should forbid united support of an American canal under American control. All sections of our country will feel the impetus of this new maritime highway. To the Gulf States it will open the commerce of the Pacific

ocean. Galveston, Mobile, and New Orleans will become distributors of the products of China, Japan, and the Pacific islands; the Pacific coast will find is cheap transportation route to Atlantic markets shortened by nearly one-half of the earth's circumference; and our Atlantic coast from Maine to Florida will feel the revivifying influence of a renewed maritime commerce under the American flag. The commercial and industrial interests of our country demand the American inter-oceanic canal, and the world at large needs it more and more every year. If there are any political conditions which interfere with its construction, it is the duty of patriotic statesmanship to remove them. If there are any party considerations which impel opposition for apparent party advantage, blind must be the legislator who fails to value the patriotic impulse of his countrymen in asking him to discard partisanship in the consideration of this beneficent project. The foremost statesmen of both parties from the Penobscot to the Gulf and from the Atlantic to the Pacific have raised their voices in its favor. The Pacific coast of the United States is united on this question. The people do not forget that Grant wrote: "I commend to my countrymen an American canal under American control." They recall the fact that the most eminent of American statesmen have raised their voices in its favor. Recognizing that it is of vital interest to their prosperity, they will not regard as a friend any legislator who goes on record against it. All the legislatures of the Pacific Coast States are on record at the State department by joint resolutions in its favor and all our commercial organizations have again and again petitioned for it, and are still doing so.

The Pacific States appeal to the patriotic impulses of all Americans. By journeys over trackless plains or around the Cape our pioneers paved the way for us and laid the foundation of our Pacific empire. The time has come when our Eastern fellow-countrymen can aid us and in so doing honor and benefit our whole country and the commercial world. The political consideration of the canal can have only one result with intelligent, patriotic Americans. It must convince them of the necessity of an American inter-oceanic canal under American control. It would be unfortunate beyond comprehension if the day should come when the great canal, under the control of a rival maritime power, should become a menace to our interests instead of a peaceful highway for the world's commerce, and a monument to American statesmanship and American energy.

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## OUR LAKE COMMERCE AND WAYS TO THE SEA.

ONE hundred and thirty-four degrees of longitude intervene between Poti at the eastern extremity of the Black Sea, and Duluth at the western end of Lake Superior. More than one-third of the circumference of the earth is compassed by a line drawn through the Atlantic Ocean between these terminals of the Mediterraneans of both hemispheres. A ship can traverse this waterway from the heart of the western to the heart of the eastern continent.

The Mediterranean Sea and the Great Lakes have been potent geographical factors of civilization. It began upon the shores of the former. The region tributary to the other is the present scene of a most vigorous exertion of its accumulated powers. It were "to consider too curiously" to speculate what the course of civilization would have been but for these beneficent physical conditions. It is certain that

"— the glory that was Greece  
And the grandeur that was Rome,"

the conquests of Christianity, the deluge of the Saracen which ultimately became reflux, the immemorial impulse of migration from east to west, the civilization of northern and western Europe, and the occupation of America by the European, are among their consequences. As in the beginning of civilization so at its meridian they who came from the east to occupy the new lands, moving westward found their way prescribed and made easy by these inland seas.

More than two hundred years ago the European made his way to the western extremity of Lake Superior by the St. Lawrence River and the Great Lakes. In all his voyage the only obstacles were the Falls of Niagara and the Sault Ste. Marie. The genius of Colbert made France, of all nations except Spain, the possessor of the most widely extended colonial dominions. From the mouth of the St. Lawrence to the mouth of the Mississippi by the way of the Great Lakes she had surrounded and shut in the English colonies by that great arc of discovery and conquest. New France comprehended the valleys of the Mississippi and its tributaries from the Alleghanies to the Rocky Mountains, the Lake region in the north and northwest,