

# ▶▶ T. R. in the Panama Melodrama ◀◀

## *Eleventh Installment of Roosevelt: A Biography*

By HENRY F. PRINGLE

THE story of Panama is replete with heroes and villains. A canal was to be built which would fulfill a dream of centuries and connect the Atlantic and Pacific oceans. In due time it was finished and ships, by the grace of men with slide-rules and logarithm tables, steamed from sea to sea. Every step toward realization, wrote Theodore Roosevelt, "was taken with the utmost care . . . . was carried out with the highest, finest and nicest standards of public and governmental ethics." M. Philippe Bunau-Varilla, who played an epic part, said that Reason struggled against Passion and finally triumphed in a mighty war for "Truth, Justice and National Interest."

One fact became clear with the elevation of Roosevelt to the presidency. It would be an American canal or none. The day had passed when citizens of France or any other nation could build it, but as yet Nicaragua was the favored route. In all of his references to a canal, Roosevelt either mentioned Nicaragua or did not specify a route. Even in his second message to Congress in December, 1902, although the legislative branch had already recommended Panama, the President still referred to an "Isthmian canal." As far as Roosevelt was concerned in the initial stages, Nicaragua would have been chosen and all the millions sunk by the bankrupt French company might have been lost forever. But there were others, a French adventurer-engineer and an American lawyer in particular, who saved \$40,000,000 out of the wreckage. Claims of these two principals, Philippe Bunau-Varilla of Paris and William Nelson Cromwell of New York, offer a clue to an approximation of the truth. The former wrote a book,

The events leading to the establishment of the Republic of Panama form one of the most controversial chapters in the Roosevelt administration, as told in this installment. T. R. himself wrote later that all had been done in the finest of ethics, but at times the Colombians infuriated him by refusing to accede mildly to his wishes. And so came the much-debated Revolution, which will be described next week

a charmingly Gallic book, in support of his contentions. The latter, submitting a bill for \$800,000 for legal services, detailed to the French stockholders his labors in their behalf.

The New Panama Canal Company was organized in 1894 to take over the assets and, ostensibly, to finish the work, but France had had more than enough of Panama. Capital could not be raised, and soon the only object of the new corporation was to sell its rights to the United States. For that purpose a New York attorney, Mr. Cromwell, was re-

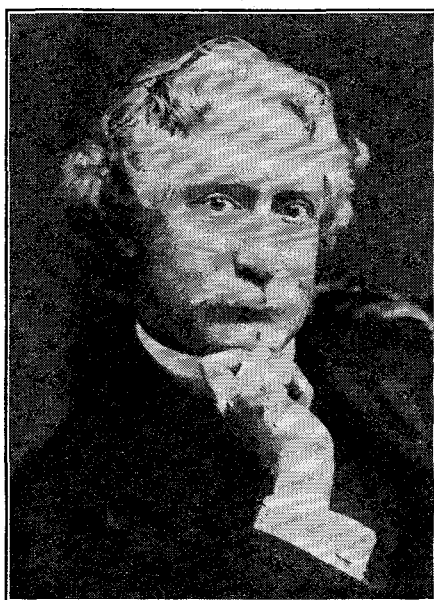
French rights, a proposal made in February, 1899, through the New York law firm of Sullivan & Cromwell. This, he said, actually claimed that the work of construction went busily forward, that three or four thousand men were employed, that "all technical and physical problems have been solved." The spokesmen for the French company said that it needed no financial assistance, but would graciously

consent, in view of "the natural sentiment in favor of acquiring some pecuniary interest" in the canal, to an investment by the United States. This offer, in 1899, marked the first appearance of William Nelson Cromwell. His lobby at Washington was to be active until, at last, a Nicaraguan canal had been rejected in favor of Panama.

In 1899 Cromwell prevented Senator Morgan from obtaining an endorsement of Nicaragua. In 1900 he made further progress. The Republican convention which nominated McKinley and Roose-

velt at Philadelphia would almost certainly have gone on record for Nicaragua had it not been for the zealous attorney of the New Panama Canal Company. Mr. Cromwell told of his work when he filed a brief in support of his \$800,000 fee. It was testified also twelve years later that Mr. Cromwell had donated \$60,000 to the Republican National Committee in 1900 and had charged it as a necessary expense to the canal company.

Mr. Cromwell, however, did not labor alone. He had an ally, who was to become virtually a rival, in the person of M. Bunau-Varilla, who had been chief engineer of the old French company. While still in Paris, Bunau-Varilla had been introduced to two or three prominent residents of Cincinnati and so, after sailing in January, 1901,



Brown Bros.-Prince, Washington



PROPAGANDISTS DE LUXE  
William Nelson Cromwell, New York lawyer, and Philippe Bunau-Varilla of France.  
As representatives of French stockholders they were vital figures behind the scenes of the Panama drama

tained. The prejudice against Panama had, however, extended across the Atlantic. In March, 1901, while Vice-President Roosevelt presided rather nervously over the deliberations of the Senate, there was a brief debate on the canal. Senator John T. Morgan of Alabama with indignation told of a proposal that the United States purchase the



he made the Ohio city his first objective. There he obtained letters to Myron T. Herrick of Cleveland, a rising member of Senator Hanna's machine; he had a promise of an interview with Hanna himself. Good fortune attended him from the start. In New York he met Charles G. Dawes, Comptroller of the Currency, who offered to present him to President McKinley. Bunau-Varilla began the preparation of a brochure which emphasized the advantages of Panama and pointed out that he had come to America "... not as the representative of any private interest . . . [but] . . . to defend a grand and noble conception. . . . I have worked for the scientific Truth. . . ." The pamphlets were widely distributed as part of the campaign.

In March he met Mark Hanna, expounded his views and was enchanted to hear McKinley's friend say: ". . . . You have convinced me. My friends in Cleveland had told me what an echo your words had had in their minds. . . . I must, in the service of the nation, adhere to the same views." The following month he was received at the White House and received similar, if less definite, assurances from McKinley.

The directors of the New Panama Canal Company, unlike the idealistic Bunau-Varilla, were more concerned with money than with truth. In May, 1901, the Isthmian Canal Commission, appointed by McKinley to pass on the merits of the two routes, asked the French company to fix a price for its rights in Panama. In December of the same year the commission reported in favor of Nicaragua. The New Panama Canal Company had fixed a price of \$109,141,000. A canal through Nicaragua would cost a total of \$189,864,062. The Panama route would require only \$144,233,358 for the work of construction, but to this would have to be added the \$109,000,000 for the French stockholders. Their rights, the commission estimated, were certainly worth not more than \$40,000,000.

The news dismayed Bunau-Varilla, who was in Paris. He had already been worried over the possible effect of McKinley's assassination in September. Hanna had been converted to Truth, but the Ohio senator, now that Roosevelt was in the White House, might not

be the impressive ally he had been before. Bunau-Varilla hurriedly conferred with M. Marius Bo, president of the New Panama Canal Company. The time for evasions and bargaining had passed, he told M. Bo. No longer could \$60,000,000 or \$70,000,000 be obtained. A price of \$40,000,000 had been set by the Isthmian Canal Commission and this was the last hope. It was \$40,000,000 or nothing at all. On January 4, 1902, thus lashed by Bunau-Varilla,



"SACRE BLEU!"  
When Colombia balked at the canal treaty, France saw  
\$40,000,000 vanishing into thin air

the alarmed directors reduced the price to \$40,000,000. The price-cut marked, it would seem, Roosevelt's first recognition that Panama was a preferable route. "Originally I had been for Nicaragua . . . ." he said some years later. When word of the reduction came, however, he persuaded the canal commission to change its recommendation to Panama. He was by no means ready, on the other hand, to force his views upon Congress.

NICARAGUA still had its ardent advocates. The final report of the commission stated that this route could be used if, for any reason, Panama was not available. The House had already passed a bill declaring for Nicaragua and the fight now centered upon the Senate. Cromwell was busy in Washington. Bunau-Varilla once more sailed to continue his valiant work, to call upon Nature as his ally. She did not fail. In the

pamphlet he had written in March, 1901, he had pointed to the dangers of volcanic eruptions in Nicaragua.

"Young nations," he wrote, "like to put on their coats of arms what most symbolizes their moral domain or characterizes their soil. What have the Nicaraguans chosen to characterize their coats of arms or their postage stamps? Volcanoes!"

Despite the continued advocacy of Hanna and the probable, although still indefinite, preference of President Roosevelt, a defeat for Panama seemed likely. How to make the members of the Senate really conscious of volcanoes? At this point Nature decreed—"What an unexpected turn of the wheel of fortune!"—the eruption of Mt. Pelee on May 6, 1902, and the destruction of St. Pierre in the Caribbean. Eight days later, on the eve of the final debate in the Senate, Mt. Monotombo in Nicaragua itself providentially erupted as well. Bunau-Varilla, even more elated, hastily called on the postage stamp dealers of Washington. This very volcano was engraved on the stamps of the unfortunate republic:

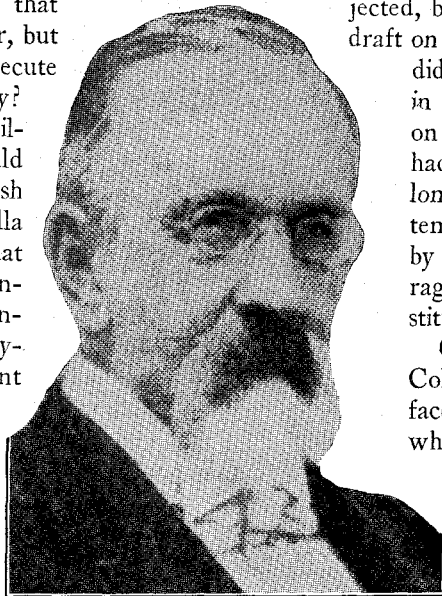
. . . . I was lucky enough to find some ninety stamps, that is, one for every senator, showing a beautiful volcano belching forth in magnificent eruption. . . . I hastened to paste my precious stamps on sheets of paper. . . . Below the stamps were written the following words, which told the whole story: "An

official witness of the volcanic activity of Nicaragua" . . . .

It is difficult to apportion the credit for the victory of Panama. Certainly Bunau-Varilla had performed miracles. Certainly a major share must go to Mark Hanna. The Ohio senator had favored an Isthmian canal for at least a decade, and had been one of the few who would listen when Senator Cushman Davis of Minnesota offered objections to Nicaragua.

With the passage of the Spooner Act Roosevelt's period of inactivity ended. In April, 1902, according to Secretary of State Hay, the President was willing to let Congress decide the route and to reverse, if it so preferred, the recommendation of the Isthmian Canal Commission. But when, as the months passed, Colombia hesitated in accepting the proposals of the United States, the President became an ardent partisan of Panama. In this fact lay the hope of the conspirators.

There was no rest for Bunau-Varilla. An impressive gentleman, with the full mustachios of the traditional Frenchman, he lost sleep over the provision in the Spooner Act that Nicaragua could still be chosen. The United States had been persuaded that Panama was superior, but would Colombia execute a satisfactory treaty? Otherwise, all was failure; Passion would once more vanquish Reason. Bunau-Varilla did not propose that this should happen. Indefatigable in his energy, he was everywhere at once. He sent lengthy telegrams, one of them costing the staggering total of \$304.38, informing President Marroquin of Colombia that excessive greed was dangerous. The United States



Review of Reviews

UNLUCKY

President Marroquin of Colombia

might be disgustingly wealthy, but an indemnity of \$9,800,000 and annual payments of \$250,000 a year constituted the utmost that could be obtained in return for a concession to build the canal across Panama.

In January, 1901, describing to Cabot Lodge the exaggerated reputation of John Hay's career as Secretary of State, Roosevelt said that "the vital work, getting Panama as an independent Republic, on which all else hinged, was done by me without the aid and advice of any one." This was not quite accurate, nor is it offered as evidence that Roosevelt actively fomented the Panama revolution in the fall of 1903. Its relevance here is merely to show that the diplomatic correspondence between the United States and Colombia in 1902 and 1903 reflected the views of Roosevelt. Hay saw the President almost daily. Never, perhaps, had there been a more unusual exchange of communications between sovereign powers technically at peace. The true story of Panama is an irrefutable answer to Roosevelt's repeated contention that his dealings with Colombia were honorable or justified by law.

The Hay-Herran treaty with Colombia was confirmed by the United States Senate on March 17, 1903. This was not, however, the agreement which Colombia had originally agreed to sign. In October and November, 1902, José Vincente Concha, Colombian minister

to the United States, had addressed indignant notes to Hay regarding changes which impugned the sovereignty of his country. Then Concha left the United States in disgust and his chargé, Herran, carried on the work. Herran, too, objected, but he finally signed the draft on January 22, 1903. He did not do so until Hay, in a telegram to Bogotá on December 30, 1902, had frightened the Colombian government into temporary acquiescence by stating that the Nicaragua route would be substituted.

On the one hand, the Colombian president faced an obnoxious treaty which his representative in the United States had signed. On the other was the possibility that Panama, never pretending loyalty to the central government of Co-

lombia, would secede unless an agreement for a canal was reached. Bunau-Varilla had been burning the telegraph wires to Bogotá with threats that exactly this would happen.

The Hay-Herran treaty provided that \$10,000,000 in gold and an annual rental of \$250,000 would be paid to Colombia by the United States. In return, a license to build the canal would be granted as well as control over a strip of land three miles on each side of the canal but excluding the cities of Panama and Colon. All this, of course, had nothing to do with the \$40,000,000 which the United States had agreed to pay to the stockholders of the old French company. Colombia gazed upon this pleasant sum with a greedy eye, and her greed was one source of the friction which followed.

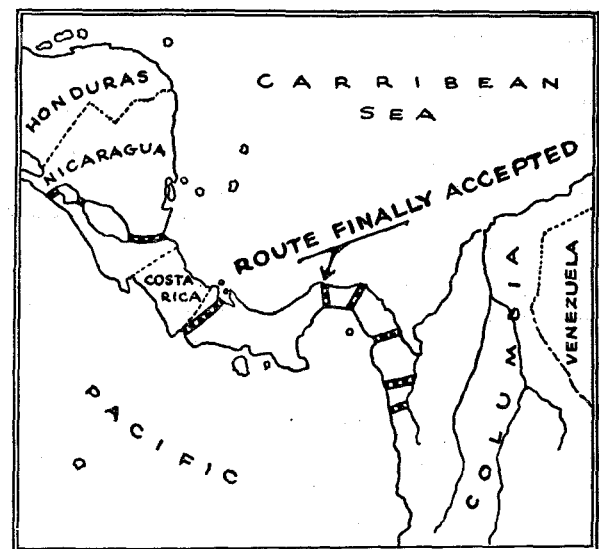
It was not the only source.

The treaty supposedly acknowledged the sovereignty of Colombia over the canal area, but stipulations had been inserted which no free people would willingly have accepted. The United States, possibly because the New York attorney had so requested, had inserted a remarkable provision which protected the clients of William Nelson Cromwell. It was

agreed in the Hay-Herran pact that Colombia could not conduct independent negotiations with the New Panama Canal Company—in other words, demand a share in the \$40,000,000. Another amendment to the original treaty established American courts in the canal zone.

Even Bunau-Varilla, who had no sympathy for Colombia, admitted that limitations upon her sovereignty constituted the fundamental basis of her opposition to the Hay-Herran treaty. The despatches of A. M. Beaupré, the American minister to Colombia, leave small doubt that such was the case. Beaupré was instructed to inform the Bogotan government that the United States would consider "any modification whatever of the terms of the treaty as practically a breach of faith on the part of the government of Colombia."

Roosevelt's bad temper is clearly evident in the confidential letters exchanged with Hay. "Make it as strong as you can to Beaupré," he ordered on July 14, 1903. "Those contemptible little creatures in Bogota ought to understand how much they are jeopardizing things and imperilling their own future." On August 17 he said that "we may have to give a lesson to those jack rabbits." On September 15 he referred to the Colombians as "foolish and homicidal corruptionists." On October 5, 1903, in a letter to Hanna, he said that it might be



WHERE THE STAGE WAS SET

Proposed canal routes are indicated by dotted lines. The land west of the chosen route became the Republic of Panama

well "to warn these cat-rabbits [sic] that great though our patience has been, it can be exhausted."

These judicial expressions were translated into the outward decorum of diplomacy by Mr. Hay, but the meaning of his despatches was as plain, if less crudely set forth, as the President's pri-

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## French Film Studios

By CREIGHTON PEET

THE largest movie studios in France today are those operated by the Compagnie Paramount—and don't forget that final inflection, or the taxi driver will take you right back to the *Cafe des deux Magots* and you'll never get any work done. For more than a year now, Paramount has been producing talkies in fourteen assorted languages at Joinville-le-Pont, a pleasant little town on the Marne just outside Paris in the direction of the *Parc de Vincennes*. Ever since the War American producers have sought to evade antagonistic taxes and quota laws by making occasional pictures in rented studios in France or Germany, but never before has an American film producer established himself so firmly on foreign soil. Motor car and typewriter manufacturers built foreign factories long ago, but until the talkies came in Hollywood pictures needed only new sets of subtitles to be salable all over the world. At present things are more complicated. The "foreign versions" produced in Hollywood have never been entirely satisfactory, and are now meeting substantial competition from native studios. Some of the "versions" produced for the smaller nationalities were incapable of earning their cost, and in the case of the Spanish films it developed that nearly every country in South America spoke with its own private dialect. All this has cut the industry's revenues from abroad some fifty-five percent in the past two years. At various times it was rumored that the foreign market would be abandoned entirely, except in the case of Greta Garbo, Maurice Chevalier, Charlie Chaplin and a few other notables.

The problem of providing acceptable entertainment for an alien race, let alone a dozen different races, was one which might well stagger either a dramatist or a business concern, but Hollywood, being after all American, and hardly more inflated or self-confident than some other local enterprises we might mention, hardly waited to catch its breath. Overworked, harassed by a fantastically wasteful business management, arbitrary censor boards and reform groups, the industry faced the problem of foreign-language talkies on the run. At this point it may be well to mention a few of the methods attempted.

The first and cheapest way to make

an American talkie understandable in Poland or Buenos Aires is to turn off the sound machine and cut in titles in the local language. This is often extremely dull, for the spectator spends half his time reading bad translations of worse dialogue. The second method is called "dubbing" and consists in grafting a new sound track onto an English-



Tobis  
RENÉ CLAIR

speaking film. In this case French or Spanish actors attempt to follow the lip movements of the English actors while speaking the lines into a sound machine to make a new record. This is a very pretty trick, you must admit, but it fools few people, and unless it is very carefully done it makes audiences resentful.

Within the past couple of years Hollywood has turned out a number of completely Spanish, German, French and Italian "versions" of the regular American movies, with different casts going through the entire action all over again—in different languages. Some of these films were moderately successful, but the returns were always limited, and the risks were great. Moreover it was extremely costly to import special players to Hollywood for a few pictures, and without one or two well-known players in each film, it is usually impossible to make it go.

All of these factors brought about the establishment of Paramount's Joinville studio, the very latest, and apparently, the most successful solution of the foreign market problem. The plant cost \$3,000,000, has six stages (as many as Paramount's Long Island studio) and is complete in every detail from power house to projection rooms. In Europe it is second only to the UFA studios in Germany. Last year eighty-five features and innumerable shorts were sent out to audiences speaking French, German, Spanish, Dutch, Polish, Hungarian, Portuguese, etc.

IT MUST be admitted that for many months the Joinville films were not all that might be desired. For one thing many of the American workers were quite ignorant of French, and so needed interpreters at all vital points. Native French, German or Spanish casts, writers

and mechanics were employed in all cases—and paid native French salaries, which are but small change compared to those poured out to American workers. Everything was French or German—except one thing, and here is the crux of the whole matter—the story.

Paramount's first procedure in Joinville was to take a Hollywood film and copy it in all details, but with new actors. Theoretically this should have been all right. French audiences saw films with French actors speaking flawless French—only the ideas, the customs, the social habits of the characters were still American. Belatedly, Joinville is now starting from scratch, with native stories written by native Frenchmen. One of the first of these, *Marius*, is really an excellent piece of work—in fact it is so completely French that Americans unfamiliar with the language may find it pretty stiff going. Another conclusion reached after a year of experimentation at Joinville is to drop all languages except French, German, Spanish and Swedish. The other congregations haven't enough members to make films worth while.

AMONG the local French film producers René Clair—whose charming and hilarious pictures *Sous les Toits de Paris* and *Le Million* have already been seen in America, is easily the most outstanding figure. He is but thirty-two, slight, slim and quiet—but with the most piercing brown eyes you ever saw. He works—with only the slightest supervision—in the French Tobis studio at Epinay-sur-Seine, also just outside of Paris. The place used to be a great estate in the old days and it still looks a good deal more like a park than a studio. With touching pride I was informed that they never cut down a tree unless it was imperative. While directing, René Clair (who used to be a police reporter on a Paris daily) wears a leather jacket with a zipper, and dirty old cap pulled way down over his face, so that he resembles one of the charming and well-mannered villains in his own films. His new picture will be called *A Nous La Liberté*, and concerns two ex-convicts, one of whom becomes the owner of a phonograph factory while the other remains a mechanic in the same plant. René Clair has a great deal of fun with the wealthy phonograph magnate, who has a fifteen-foot portrait of himself in his library, and whose elegant dining room is a reproduction of the scene depicted on the engraving on the back

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