Mr. Beaupré to Mr. Hay.

No. 55.] LEGATION OF THE UNITED STATES, Bogotá, June 20, 1903.

Sir: Referring to my No. 48, of the 13th instant, I have the honor to report that I have received from the minister for foreign affairs a counter memorandum relating to the department’s telegram of the 9th instant, and to the Panama Canal negotiations.

A copy and translation of the same are herewith inclosed.

I am, sir, your obedient servant.

A. M. Beaupré.

[Enclosure—Translation.]

DEPARTMENT OF FOREIGN AFFAIRS, Bogotá, June 18, 1903.

COUNTER MEMORANDUM.

In the memorandum presented to this department by the minister of the United States, personally, on the 13th of the present month, he says he has received instructions from his Government, by cable, to state that it seems that the Government of Colombia does not appreciate the gravity of the situation; that the negotiations for the opening of the Panama Canal were initiated by Colombia, and energetically pushed during several years; that the propositions presented by this Republic were finally accepted with slight modifications; that in virtue of the agreement, the Congress of the United States reversed its former judgment and decided for the Panama route, and that if Colombia rejects the treaty or unduly delays its ratification, the friendly understanding between the two countries would be so seriously compromised that the Congress of the United States might take measures which would be regretted by every friend of Colombia.

This ministry deems it indispensable to make the following observations, which it respectfully presents to the minister for transmission to his Government:

The fact of Colombia having initiated the negotiations does not demand the approval of the same by that Government, for the approval of Congress is necessary to the ratification of them, to which is given the constitutional power of approving or disapproving the treaties which the Government makes; this formality was recognized in the beginning by the Government of the United States in the course of the negotiations, as is seen in articles 25, 26, and 28 of the project of the convention signed November 28, 1902.

One of those articles (the twenty-fifth) says, textually, that the convention shall be ratified at a time when it is approved by the legislative bodies of both countries, and that condition is stipulated in articles 25 and 28 of the convention signed in Washington on January 22, 1903, the last of which articles in the part pertaining to this matter is as follows:

"The convention, when signed by the contracting parties, shall be ratified according to the laws of the respective countries, and shall be exchanged at Washington within a term of eight months from this date, or earlier if possible."

The Government of the United States sent the convention to the Senate with the request that it be confirmed, and in that body the debate was so long and vehement that it was not approved until in the following extra session, and if it had been rejected it would have been without any diminution of any right of Colombia, just as its rejection here will be without any diminution of any right of the United States.

Having proposed a negotiation does not necessarily imply that it is to be approved, either in whole or in part, by the legislative body of the country which began it. Among international instances which prove this statement can be cited the instance which occurred between the same United States of America and England over the projection for the abrogation of the Clayton-Bulwer treaty of 1850, which project, if I am not badly informed, was initiated by the
Government of the United States, and notwithstanding that the Senate proposed that it be modified in the following terms:

"It is determined, however, that none of the preceding stipulations and modifications in paragraphs 1, 2, 3, 4, and 5 of this article (2) shall apply to the methods which the United States believe it necessary to make to secure with their military forces the defense of the United States and the maintenance of the public order."

The British Government did not accept this modification, and this refusal deferred, for a long time, the approval and ratification of the treaty.

If the initiation of negotiations of a convention should imply the correlative obligation of approval by the legislative body, the submitting of such convention to their decision would be an illusion (superfluous), for the power to make treaties with foreign powers would be in reality vested solely in the executive power, which is openly contrary to the spirit and the letter of the constitution of this Republic.

The Government of Colombia has given to the negotiation all the importance pertaining thereto, on account of the great political and commercial interests involved. This is unmistakably shown in a note which the minister of this department, Hon. Sr. Patl, sent on September 25, 1902, to the governors of the Departments, in which he invited them to discuss and study with all freedom, through the press, the project of the treaty and the documents which should be published, with the object that when Congress should meet the country should be sufficiently instructed in that which particularly applied to the patriotic interests, and their representatives in the legislative bodies could easily reach a solution which would harmonize with the rights and benefits of the Republic.

There is a very notable difference between some of the propositions presented by Colombia and the respective modifications introduced by the United States.

That difference is apparent comparing the memorandum presented by the Colombian Legation on March 31, 1903, with the proposed bases by the Secretary of State, especially those referring to the sovereignty of the zone, judicial jurisdiction in same, and the price of compensation for the use of the same for the mere proprietorship of the Panama Railroad, and for the rent of $250,000 demanded for the same railroad, likewise as to the rights, privileges, and exemptions which she gave. It is further to be observed that in the memorandum of the legation the establishment of tribunals in the zone was not mentioned, while the Secretary of State, in a project sent with his note of November 18, 1902, proposed it, and that they be divided into three classes, Colombians, Americans, and mixed; as also in the Colombian memorandum, a sum of $7,000,000 American gold was asked and an annual sum which was to be determined as a price for the enjoyment of the railroad and fee for use of the zone, and in attention to other circumstances. The Secretary of State only offered a sum of $7,000,000 and an annual rent of $100,000, or, if preferred, a sum of $10,000,000 and an annual rent of $10,000. The Government ordered the legation to ask a sum of $10,000,000 and an annuity of $600,000. The Secretary of State, in a note which had the form of an ultimatum, reduced the rent of $250,000. The diminution of $250,000 in a period of only one hundred years represents a difference of $5,000,000, and as the convention will probably last more than a century, it is clear that the difference is no light matter, but of much consideration.

It is also well to make known here what was a motive of substantial difference, that the canal and railroad companies can not transfer their privileges without the authority of the Colombian Government and without arrangement of their pending business.

The broad manner in which the Government of the United States has interpreted the stipulation of the projected convention in this respect has caused the refusal of the companies to enter into arrangements which ought to precede the ratification and exchange, among others, that relative to the shares which Colombia has in the capital of the New Panama Canal Company, a refusal which makes difficult the legislative approval of the pact. This ministry had not known that the United States revoked any law in order to make possible the treaty with Colombia. The Government of the Republic ordered its representative in Washington to sign the pact in the belief that, in conformity with article 4 of the law approved June 28, 1902 (Spooner bill), if the Government of the United States could not obtain from the Government of Colombia dominion over the necessary territory for the work, nor the rights mentioned in
articles 1 and 2 of the said law, nor a satisfactory title to the properties of the New Panama Canal Company, the President of the United States, by medium of the Isthmian Canal Commission, would dig and construct a canal for boats by the Nicaragua route. In consequence the Government of Colombia, which has held in view of this law that the base of the treaty on the part of the United States is according as it has been expressed in the introduction accompanying the treaty, has derived the correct conclusion that the only result that can affect adversely the interests of this nation, if their Congress should reject the project of the treaty, is that the Government of the United States will cease negotiations and adopt the Nicaragua route for the construction of the canal.

When is there such an undue delay in the ratification of a treaty which will tend to cause a serious compromise in the friendly relations with the contracting party?

In this country there would be an undue delay if, the ratification having been ordered by the law, the executive power should show a disposition to disregard it with the evident purpose of causing injury to his own country or the other nation interested in the pact.

But as has already been expressed, the previous requisite of legislative approval is indispensable for the exchange of ratifications, and before this is done the treaty is but a project which, according to the law of nations, has no rights or obligations, and for the same reason, according to that law, to reject or delay its ratification is not cause for the adoption of measures tending to alter the friendly relations between the two countries. If such were the case the preparing of the pact would be the occasion of a serious danger instead of an element of peace and progress, of which Colombia has no fear in that the political relations of the great Republic, which offered the blood of its sons to liberate Cuba, and after having stopped the disintegration of Venezuela, as a result of their boundary dispute with Great Britain, deeds which have been made notorious before the world, in most solemn manner, as showing their determination to procure and preserve the independence, sovereignty, and integrity of the American nations.

If the Congress, using its inherent prerogative of national sovereignty, rejects the pact in question because, in their judgment it is not for the benefit of the Republic, it will be. I am sure, with much regret that it can not comply with the desires of the Government and the Congress of the United States; but feeling confident for reasons of justice that by this act it will not have altered in any particular the friendly relations which fortunately exist between the two Republives, and to the preservation of which Colombia attaches the highest importance.

The Minister:

(Signed) Luis Carlos Rico.

Mr. Beaupré to Mr. Hay.

No. 56.] Legation of the United States, Bogotá, June 20, 1903.

Sir: I have the honor to confirm my telegram of this date, which should read as follows:

June 20, 5 p.m. Extra session of Congress convened to-day. Joaquin Velez, president of the Senate; José Medina Calderón, president of the Chamber of Representatives. The President’s message deals with canal convention as follows: “To my Government has been presented this dilemma; either it lets our sovereignty suffer detriment or renounces certain pecuniary advantages, to which, according to the opinion of many, we have a right. In the first case, to consent to the sacrifice of our sovereignty and not aspiring to great indemnification, the just wishes of the inhabitants of Panama and other Colombians would be satisfied if the canal were opened, but the Government would be exposed to the charge afterwards that it did not defend our sovereignty and that it did not defend the interests of the nation. In the second case, if the canal is not opened by Panama the Government will be accused for not having allowed Colombia that benefit which is regarded as the commencement of our aggrandizement. I have already allowed my wish to be understood that the canal should be opened through our territory. I believe that even at the cost of
Mr. Beaupré to Mr. Hay

Telegram to the Legation of the United States,

Bogo, June 2, 1903.

Sir:

In a message which I have just received from the President of the Senate, he says, 'In virtue of the law approved at the 26th of June, 1902, I assure you that the Vice-President of the Chamber of Representatives, Miguel Gomez, has been elected Vice-President of the Senate.'

Yours truly,

A. M. Beaupré
Mr. Beaupré to Mr. Hay.

[Telegram.]

United States Legation,
Bogotá, June 23, 1903. (Received June 27, 1903.)

Opposition Chamber of Representatives opened canal discussion yesterday demanding documents relating to the treaty. The Government objected because it was not ready to present the treaty. The Government was sustained; vote 38 to 5.

Beaupré.

Mr. Beaupré to Mr. Hay.

[Telegram.]

United States Legation,
Bogotá, June 26, 1903.

Confidential. Am informed that the treaty will not be presented until the President is confident it will be confirmed. Chamber of Representatives is favorable, but unfriendly influence makes the majority in the Senate uncertain. Absentees have been sent for and the Government using influence on Senators here. Do you desire me to telegraph such information?

Beaupré.

Mr. Beaupré to Mr. Hay.

No. 67.]

Legation of the United States,
Bogotá, July 1, 1903.

Sir: Referring to the Department’s No. 6 of April 28, 1903, and to my No. 44 of June 10, 1903, concerning the request of the Colombian Government to the Panama Canal and Railroad companies for the appointment of agents to negotiate the cancellation of present concessions, etc., I have the honor to report that on yesterday I received a note from the minister for foreign affairs in reply to mine of the 10th ultimo, a copy and translation of which I herewith transmit.

I am, sir, your obedient servant,

A. M. Beaupré.

Ministry for Foreign Relations,
Bogotá, June 27, 1903.

Mr. Minister: I have the honor to receive the attentive note which your excellency has been pleased to address to me on the 10th of the present month, with the English version of the notes in which the minister of hacienda of Colombia requested the railroad company and the New Panama Canal Company to name agents to represent them in the negotiations relative to the permission which is necessary for the transfer of their respective concessions to the Government of the United States.

The Congress being in session, to which belongs the decision as to the approbation of the treaty between the Republic of Colombia and the United States for the construction of the interoceanic canal between the Atlantic and Pacific
Oceans, the said note of your excellency will be presented to that body to the end that they may know the construction that the Government of the United States gives to article 1 of that compact.

The Congress of Colombia in determining the meaning, and, at the same time, the scope of article 1 of the treaty, will have to consult the antecedents of the negotiations, among which are found the said notes of the minister of hacienda, which have the dates 25th and 27th of December, 1902, respectively, while the treaty for the opening of the interoceanic canal was signed January 22, 1903; for this reason they were not interpretations of the pact, but they were destined to prevent certain foreseen eventualities in the course of the negotiations, as is seen in that which the minister of Columbia expressed in his memorial addressed to the Secretary of State in Washington the 23d of November, 1902.

In paragraph h, section A, it says:

"The preceding reasons serve in part also to show the necessity which exists that the Government of Colombia celebrate a special contract with the companies which are to cede their rights;" but to this must be added that the treaty alone between Colombia and the United States can not have the judicial effect of resolving or canceling the legal bonds which exist between the Republic of Colombia and those companies, bonds arising from a perfect contract which can not be dissolved, in conformity with the principles of universal jurisprudence, because one of the parties celebrates a compact, on the same material, with a third, which in this case would be the United States.

As in the same way the United States must celebrate a contract in order to acquire the rights of the said companies, and that negotiation can not be included in the treaty which is to be celebrated between the two countries, neither can the resolution of the obligation between Colombia and the two companies be verified in the treaty.

If such were admitted, it would result that Colombia, relinquishing all her rights in relation with these entities (corporations?), or depriving herself of the means to make them effective, would leave in force her obligations to them. The very payment of the privileged shares which Colombia possesses in the canal company would not have any guarantee by the omission of a special contract, so much the more so that in the proposed reform by the Department of State to article 1 of the memorandum of April, it was clearly expressed that the United States would not contract any obligation in that respect ("no obligation under this provision is imposed upon or assumed by the United States").

The affirmations of your excellency as to the legality of the sale to a foreign government of the shares of the Panama Railway and by that manner to transfer the control of the work, imposes upon me the duty to call your excellency's attention to a very important circumstance, in that the necessity for the consent of Colombia to that sale is recognized in article 1 of the treaty, and to manifest to your excellency that each share, by representing a certain proportionate value of the privilege, or, that is, of the railroad itself, and the transfer of that to a foreign government being prohibited, the shares can not be sold, because with them they would become co-partners in the property of the privilege, which is judicially inadmissible.

The restrictive condition of the contracts of 1850 and 1867 do not exclude from the penalty of forfeiture the sale of portions of the privilege.

This is indissoluble as to the rights conceded and the obligations imposed, and if it were not so the result would be that if a foreign government bought the total or a greater part of the shares, it would become, by this means, proprietor of the railroad, or at least of a part so great of its value that it would give to it the administration of the work, and in this way the prohibition of the sale of the privilege to a foreign government would be eluded.

Your excellency knows very well that any interpretation ought to be discarded that makes illusionary that which is stipulated, and in this case the condition in reference would be reached if any proceeding was admitted by which the privilege for the construction and exploitation of the railroad could be transferred to a foreign government.

I avail myself, etc.,

(Signed) Luis Carlos Rico.

To His Excellency, Hon. A. M. Beaupré, Minister Plenipotentiary of the United States, etc.
Mr. Loomis to Mr. Beaupré.

[Telgram.]

DEPARTMENT OF STATE,
Washington, July 1, 1903.

Have you fully acquainted Colombian Government with Department instruction of April 28? Keep department informed as to situation.

LOOMIS, Acting.

Mr. Beaupré to Mr. Hay.

No. 68.]

LEGATION OF THE UNITED STATES,
Bogotá, July 2, 1903.

Sir: I have the honor to confirm my telegram of this date, which should read as follows:

"July 2, 9 a. m. Confidential. Have received information, privately, that the President had a meeting of senators at the palace yesterday, urging the necessity of the ratification of the treaty. Heated discussion ensued, the majority declaring in opposition to the treaty. At present the majority in the Senate seem against ratification."

I am, sir, your obedient servant,

A. M. Beaupré.

Mr. Beaupré to Mr. Hay.

[Telegram.]

UNITED STATES LEGATION,
Bogotá, July 5, 1903. (Received July 9.)

I have fully acquainted Colombian Government with your instructions of April 28. The reply of ministry for foreign affairs I have the honor to transmit. Summary of reply as follows:

My note will be referred to Congress that it may know the construction given article 1 by the Government of the United States. To determine meaning article 1 Congress will take into consideration all negotiations prior to signing the treaty, including the notices minister hacienda to companies, which, antedating the treaty, are not explanatory thereof, intended in anticipation of foreseen events in the negotiations. See paragraph B, section A, memorial Colombian minister to the Department, 22d last November. The treaty alone can not cancel obligations between Colombia and companies as well. The United States must make contract to acquire rights of the companies which can not be included in the treaty. Were this not so Colombia, while relinquishing her rights, would yet be bound by obligations to companies. To omit contract Colombia would have no guarantee for the payment of her shares in canal company, especially as in article 1 of the memorandum of April obligation of this kind is waived by the United States. Necessity for consent of Colombia to sale of shares Panama Railway recognized in article
1 the treaty. The minister affirms the prohibition extends to purchase of one or more shares, as by this means control could be secured and the prohibition eluded.

Beaupré.

Mr. Beaupré to Mr. Hay.

[Telegram.]

UNITED STATES LEGATION.
Bogotá, July 5, 1903. (Received July 12, 1903.)

Confidential. Have received information privately that a paraphrase of your cipher telegram June 9 was read in the Senate secret session. Created sensation. Construed by many as a threat of direct retaliation against Colombia in case the treaty is not ratified. This, and the statement of just-arrived members of Congress from Panama that this department would revolt if the treaty is not ratified, caused alarm, and the effect is favorable. Unusual honors extended legation of the United States 4th of July.

Beaupré.

Mr. Beaupré to Mr. Hay.

No. 72.] LEGATION OF THE UNITED STATES,
Bogotá, July 6, 1903.

Sir: Referring to my No. 60 of June 24, 1903, with which I transmitted a copy of the President’s message to Congress, I now have the honor to inclose herewith a translation of said message.

I am, sir, your obedient servant,

A. M. Beaupré.

Honorable Senators and Representatives:

Full of joy and smiling hopes I see to-day fulfilled the greatest of my desires in that I see reunited the National Congress. The afflicted country hopes, through your intelligence and your love of it, a remedy for the ills which oppress it. And I hope to see myself, for the greater part, relieved of the immense responsibility which has weighed over me, that of caring personally for the salvation of the institutions and the administration of the public business, by the meeting of the legislators.

The profound disturbance of the public order, which began in 1899, prevented the fulfillment of the laws in regard to elections, and consequently the reunion of Congress, which ought to have taken place in 1900 and 1902.

Therefore there arose a political situation unforeseen by the constitution and the law, in that the Government was forced to assume the functions of legislation as well as to protect itself against those who sought to destroy it by force, and to attend to the satisfaction of many necessities of all classes.

One of these necessities was that the National Congress should be formed and reunited, but this could not be attended to during the war, because many of the cities of the Republic were occupied, either continuously or for short times, by the forces of the rebels, and on this account the legal authorities could not reside in them nor exercise their proper functions.

I was authorized to call Congress in extraordinary session, but I could not have an election for members of the House of Representatives, nor was there a complete number of senators. Such being the circumstances, I resolved that as soon as the battles had ceased or been made insignificant I would see that an election was held for members of the departmental assemblies and for representatives, designating for each one of the acts prescribed by the election laws a different date from the one fixed by them.

In doing this I was moved by the fact that the Congress would owe its existence to this and would not fail to approve it, and also that the question of
the opening of an interoceanic canal by way of Panama demanded a more
prompt solution than could be given by the Congress which ought to reunite on
the 20th of July, 1904. For in this light it was possible that the deferring of
the solution which the Government of the United States hoped from Colombia
would be equivalent to a definite renunciation of the project of the contract.

Neither could I refuse to call Congress, having offered on various solemn
occasions and in important documents, and having contracted to do so in my
name, by agents as authorized and as respectable as those who signed the sur-
renders at the end of the war.

At the same time that I have hoped that the legislature, in the session of this
year, would solve that question, I have desired and hoped also that it would
solve others of supreme importance, and that it would take measures to remedy
the infinite evils caused by the late war, and prepare and open for Colombia an
era of greatness, prosperity, and peace.

The constitution, which authorized me to take measures which in time of
peace could not have been exercised without consent of Congress, imposes on
those governing the duty to give to that body peace being declared, a reason-
able account of the acts executed in the exercise of those extraordinary powers.
This account ought to be prepared and completed in the forms which, according
to the constitution, the ministers of Government have to give to Congress in
their ordinary sessions. The ministers of my Government have made efforts
to have ready the said reports, but they have only been able to prepare the
main proofs, and at present it is impossible to make it complete. The disorder
in which, on account of the last revolution, the public administration of all
branches have been thrown for the last three years, and the lack of communi-
cations which in all that time was almost total and which is still so, have
made and now make it impossible to collect the necessary data which have to
be gotten in all the offices of the Republic—data which can not, without great
labor, be collected before July of next year.

The ministers of Government will give you all the information necessary for
the study and investigation of these points, and which they have acquired
in many cases not without great study of these same questions and great
difficulty.

A continuation of this message would require the placing therein the data
of the ministers, data which I have not cared to include in this document,
because they would give to it excessive length.

The ministers will submit to you for your consideration the businesses for
which it is urgent that you provide legislation.

In my proclamation addressed to my fellow citizens on the 1st of January
of this year I set forth most of the views that I should state now. Allow me
to transcribe here some fragments of that document.

[Note: This message of the vice president to the nation I will give a sum-
mary of, rather than a translation.]

Doctor Marroquin begins by congratulating the country on the conclusion of
peace, which is owing, he says, to the unselfish patriotism of so many Colom-
bians who gratuitously lent their services. He refers to the revolution which
broke out in 1899 as being the severest which this country has yet experienced,
owing to the dissensions among the members of the Conservative Party; the
open support given by foreigners; secret machinations in the countries of
Europe and America with the object of impeding the acquisition of munitions
of war; of a foreign press placed at the service of the disturbers of order;
and sickness, the child of war, which, ravaging entire army corps, has frus-
trated plans and embarrassed operations. The result has been to bring about
immense suffering, and to place the finances of the country, which were already
in a bad condition, in the most critical situation the country has ever known.
At the same time a spirit of speculation has been rife, and unfortunately many
of those who ought to have done their utmost to bring about a restoration of
peace have for this very reason desired the continuance of hostilities.

After enumerating the many evils which the country has suffered, he refers
to the interoceanic canal, on the results of which undertaking he builds his
hopes for future prosperity. He justifies the arbitrary action of the execu-
tive power by the results, i. e., by an honorable peace. The war has had this
advantage, that it has taught the people, to their cost, the blessings inseparable
from peace. He desires henceforth to rule as the chief not of a party but of
the entire nation. His excellency then goes on to the policy to be adopted in
the future. He frankly acknowledges the errors committed in the past, which
were the cause of continuous revolutions. Colombians must set out to work,
each in their own particular sphere. It must be work and not politics. Politics, as this country has up to now considered the term, has nothing less than the furthering of personal interests at the expense of the public welfare. He refers with satisfaction to the approaching elections, to the fact that this country will henceforth be ruled by a constitutional government. Attention must be directed toward the improvement of the means of communication, and he trusts that this is a matter which will be seriously considered by the legislative chambers. The questions between this and other countries he expresses himself willing to settle and refers favorably to recourse to arbitration. He sympathizes with the troubles of his sister country, Venezula, but states at the same time that such troubles are the action of a short-sighted government which does not know how to respect the rights of others. He speaks passingly of the troubles between Colombia and Venezula, but the solution of such differences lies in the railway. Better communications will lead to better knowledge of neighboring States, and smooth all disagreements. Also, when this country is networked with railroads the energy of a large part of the population, which is at present expended in fomenting discord, will be turned into channels more profitable to themselves and to the country.

The Vice President then turns to the financial situation. He states frankly that the Government will have to continue as before, having recourse to emissions of paper money. The solution of the economic question lies in the gradual enfranchisement of the country. Every facility must be given to exports, so that in time their value shall exceed that of imports. Industry must be encouraged, so as to lessen the necessity of importing articles from abroad. To further this it will be necessary to push with all energy the construction of railways, which, he says, have under similar circumstances been the salvation of Chile, the Argentine Republic, and Mexico. Then there comes the question of revenues, which have become completely disorganized. Fresh taxes will have to be imposed, which he trusts the country will pay with good will. With the adoption of these measures the economic problem will resolve itself and the paper money will obtain its normal value, i.e., it will be at par with silver. This is the only solution, which can be attained neither by theories nor original plans of economists, nor laws, decrees, nor foreign loans. He congratulates himself that all his efforts to obtain a loan abroad have resulted in failure, as now none of the revenues of the country are burdened. He regrets being able to present no more prompt plan for remedying the financial situation.

With regard to the question of the completion of the interoceanic canal, the Vice President says as follows:

"Incidentally at the beginning of this address I touched on the question of the opening of the interoceanic canal. I feel it, however, my duty to explain to you more fully the opinion of the Government on this important matter. My Government is faced with this dilemma: We must either allow our sovereign rights to suffer and renounce certain pecuniary advantages to which, as many opine, we have a right, or we must rigorously stand up for our sovereign rights and claim peremptorily the pecuniary indemnization to which we have a right to consider ourselves entitled. In the first case—that is, should we consent to the curtailment of our sovereignty and not aspire to the full indemnity, should the canal be opened through Panama, the just wishes of the inhabitants of that department and of all Colombians will be satisfied; but the Government lays itself open to being charged in the future with not having duly defended our sovereignty and with having sacrificed the interests of the nation. In the second case, should the canal not be opened through Panama, it will be laid to the charge of the Government that it did not allow Colombia to benefit by this undertaking which is regarded as the foundation of our future greatness. I have already expressed my desire that the interoceanic canal should be opened through our territory. I think that even at the cost of making sacrifices, we should put no obstacle in the way of so great an undertaking, for it means an enormous material improvement for our country, and, should the canal once be opened by the people of the United States, our relations with that people would be drawn closer. The result would be an incalculable gain to our industry, our commerce, and our wealth. Happily for me, the immense responsibility of coming to a decision falls to Congress. That is the body which has to give its approbation or disapprobation of the agreement proposed by the Government of the United States."

The vice-president, at the conclusion of his address, expresses his regret at not being able to place a more cheering outlook before the country, but it is as
well it should realize the difficulties which the people will have to aid him to overcome.

More than once I have solemnly promised to lay again before Congress the message that I addressed in 1898 about reforms. Some of said reforms were passed that year. Such as were neither considered nor embodied in our legislation I now submit to your consideration, recommending them as proper in their nature and conducive to the very material and paramount purpose of conciliating the aspirations of our political parties, thus arriving at an accord among the Colombians and assuring that tranquility which more than ever is necessary under the circumstances.

A printed copy of the above-mentioned message will be presented to you.

At the beginning of this year I asserted that, owing to the action taken by the Government, the effects of peace had commenced to be appreciated. With stronger reason can I assure it to-day. It was feared that to the disarmament of the enemies of the Government, vengeance and brutal violence would ensue; but owing to the Christian feelings that still animate our people, we had not seen such horrors realized. Industrial and mercantile movement has revived in every visible way, and in every quarter of the nation we can see such as were yesterday fetching their gain through violence and depredation devoted to their usual occupations. Let this consoling spectacle be a lesson to the Colombians and make them understand how great the power of peace is, and how much we should expect when it is solid and lasting.

But if private individuals have begun to enjoy this supreme and long-wished benefit; if their enterprises are again prosperous; if they see that the day is not distant when they shall successfully crown their effort, for the public powers the termination of the combats did not, and could not, produce immediately those advantageous results.

I shall not mention unimportant engagements in which the Government troops have recently been compelled to punish obstinate rebels, nor shall I mention either those acts showing that the danger of an invasion into our territory has not altogether disappeared; but I will point out the fact that public administration in the capital, departments, and municipalities is still encumbered by greater obstacles than such as in any other period of our independent life. Owing to the financial and economical situation, from which we scarcely begin to disengage, the difficulties to govern Colombia are now not less serious than those we had to combat in the roughest period of the war, and if in order to conquer the enemy under arms the Government was compelled to make use of such powers with which all of us are invested to defend life, not less legitimate and necessary was the use that after the actual fighting the Government made similar powers in order to defend and maintain social and political life—the life of the Republic.

Although fighting was almost over toward the end of November last, nevertheless public order was not on that account restored. The authorities were unable to discharge their duties in a regular way; communications with the several sections of the Republic remained as difficult as they were during the war. If it is true that the enemies of the institutions showed themselves unanimously anxious to keep peace, those who defended or did not combat them being divided into numerous antagonistic and political groups, however ready they may be to take arms anew for the defense of the same institutions in case it could be necessary, have not offered the Government the assistance through which it could have restored to the country in a short time the repose and welfare that it is so much in want of. The Government received early this year from different quarters of the Republic alarming communications and intelligence respecting new plans to disturb public order and on facts making the possibility of the continuance of our differences with two of the neighboring Republics patent.

Notwithstanding the foregoing, the Government, desirous to inspire the Colombians with the assurance that they may rely upon the guarantees offered them by the constitution and laws, has declared public order restored and has abdicated such authorities as under the martial law have permitted it to provide for its own defense and existence.

Between this declaration and the disarmament of the adversary much shorter space has elapsed than it has been the case between the end of any of our other revolutions and the return to a normal state of affairs. Whoever takes into consideration that none of our previous wars lasted so long as the recent one, which has shaken the country with confusion, disturbances, ruin, and disorder, would repute that period much shorter still than the others.
To what I set forth in the proclamation, fragments of which I have inserted in this message, as to the necessity of constructing railways and as to the canal question, I have likewise to add what I hereafter suggest.

If the remedy to our evils lies in the construction of roads to promote industry and trade, that work is to-day more necessary than before for the purpose of offering a scope to the activity of our people, now impoverished and demoralized by the recent disturbance. Such work should also be a remedy to stop the difficulties which oppress trade in the northern part of the Republic. The construction of a railway to connect that section of the country with the Magdalena River is of imperative necessity. Our disputes with Venezuela can not definitely come to an end until trade in Santander can make use of an independent route. Perhaps in a short time, and such is my desire, we will be able to come to an understanding with the Republic; but such Government can not assure us that the succeeding ones would respect our rights.

When I took upon myself the responsibility of the government of my country, I had made up my mind to impede to the utmost that for the construction of railways and for any other undertakings of that kind we should negotiate with foreigners. The unpleasant impressions resulting from certain contracts had led me to form that resolution; and in my quality of supreme magistrate I have to feel more earnestly than before, and more than the rest of my fellow citizens, those impressions. To the contracts alluded to are owing in a great part the conflicts and misfortune that we have endured during the recent war, as well as the difficulties that we have with great trouble to combat.

Still, I have been compelled to change my mind in that respect. On the one hand I have come to the conclusion that the construction of railways is but the necessity of a self-preservation; on the other hand I have realized the impossibility of carrying out any works of such magnitude with the resources obtained by the Government so long as our treasure, credit, and revenues are in the condition in which they are at present. In the same manner I have realized the impossibility for private Colombian associations to take over and carry out the scheme above referred to.

In other Spanish-American nations railways have been constructed through contracts made with foreign companies. Why should we not be able to do the same in our country? The bad result of certain contracts was only owing to the fact that the concessions were granted to parties who were not fit for the purpose, or that said concessions have been approved without proper study, care, and precaution. The same disasters emanating therefrom are abundant warnings for us, and we ought not to judge ourselves so incapable as not to profit thereby.

The minister for foreign affairs will lay before you the project of a convention proposed by the Government of the United States of America, set forth the antecedents thereof, and give such explanations as may seem interesting in connection with the canal.

I think it unnecessary to state that since I have thrown upon you all the responsibility that the decision of this negotiation brings it is not my intention to allow my opinion to weigh in the matter. Whenever I have transmitted instructions to our representatives in Washington, I have directed them to formally express my resolution to submit the study and decision of this most serious affair, in its general sense and its details, to the supreme Congress.

Fortunately for transacting business with the American Government in connection with the canal the present time is more propitious than that in which, being inundated with difficulties and dangers, we could not work on behalf of our interest with serenity and liberty. On the other hand, after many years, during which that matter had been dealt with in a vague manner and without any precise conditions, to-day it is presented to us in such a light that the discussion thereof can not but lead to practical and positive results.

Indeed, it has been one of our indisputable diplomatic triumphs that the Senate and Executive of the United States, in spite of the strong efforts made to the contrary, declared the superiority of the Colombian route.

As I have already said to you and all my fellow citizens, I attribute the happy conclusion of the last war to the intervention of the Divine Providence, to whom I equally attribute the fact that the remedy to those evils which gave origin to that war has been able to commence, and from whom I expect for you the honor that your name may appear in our history by those of the legislators, who at an epoch of the greatest decay and backwardness, were clever enough to procure to Colombia, if not the immediate possession, at least the sure hope of the boons that her founders had devised.
Mr. Beaupré to Mr. Hay.  

[Telegram.]  

UNITED STATES LEGATION,  
Bogotá, July 9, 1903. (Received July 12, 1903.)  

Confidential. [———] has requested me to say to you he does not think the treaty can be ratified without two amendments: To article 1, stipulating payment ten millions by the canal company for the right to transfer; to article 25, increasing payment to fifteen millions, and says that the treaty can be ratified at once with these amendments. He asks your views confidentially.  

Beaupré  

Mr. Beaupré to Mr. Hay.  

[Telegram.]  

UNITED STATES LEGATION,  
Bogotá, July 11, 1903.  

Confidential. The majority in the Senate are opposed to treaty. Apparently the Government is not defending the treaty, although it may intend to later. Its fear of public opinion and the criticism of the Liberal party very great. The danger is delay, which opposition fights for. I think strong intimation from you through the Colombian minister or this legation that unnecessary delay should be avoided would be effective. Otherwise debate may continue until September, necessitating instructions communicated by telegraph for exchange of ratifications.  

Beaupré  

Mr. Beaupré to Mr. Hay.  

No. 78.]  

LEGATION OF THE UNITED STATES,  
Bogotá, July 11, 1903.  

Sir: I have the honor to report that the Colombian Congress has occupied itself with unimportant and preliminary matters since it convened on June 20 last. Really nothing has been done.  

The most important and really only question relating to the canal treaty has been the motion made by the opposition to the Government party to the effect that the vice president must sign the treaty before it can be considered by the Senate. The debate on this question has been going on for many days and the end is not yet.  

Ex-President Caro has been the leader of the opposition in this debate and has made many brilliant speeches. He has charged the Government with lack of good faith and consistency, both to the United States and Colombia, in not defending a treaty of its own making and endeavoring to throw the whole responsibility upon Congress.  

The theory of the discussion is to the effect that if the vice president signs the treaty the entire responsibility for its making rests with the executive power, while if the vice president does not sign
and the treaty is either ratified or rejected no responsibility can attach to the Executive.

The vice president has positively declined to sign, and if the motion as presented should prevail, and he still refuses his signature, the Senate will not consider the treaty at all, and in all probability Congress will be dissolved.

It is understood that a final vote on the motion will be taken on Tuesday next. As near as I can determine, the Government is likely to have a majority of one or two votes, in which case something of a more definite nature can be undertaken.

As I informed the department to-day, in a telegram elsewhere confirmed, there is every prospect of the debates continuing without any decision until September, so that there will be only time to cable Washington just before the 22d of that month of the final action of Congress; and as cablegrams from this capital have often been delayed a month or more, as the department is aware, there is grave danger in this.

If one could know just what would be the attitude of the Government later on, it would be easy enough to predict the outcome, for I still adhere to my oft-repeated opinion that if the Government shall seriously desire it the treaty will be ratified. Its present attitude of washing its hands of the whole matter will not do, for while the House is favorable, there is a declared majority in the Senate against ratification, and only the influence of the Government can win it over.

I am inclined to believe, from information obtained at different times, some of which I have reported to the department, that the Government intends to use its influence later on, and at what it shall deem the proper time, in favor of the treaty. If so, the treaty will be ratified; if not, then it will be defeated.

I am, sir, your obedient servant,

A. M. Beaupré.

Mr. Hay to Mr. Beaupré.

[Telegram.]

DEPARTMENT OF STATE,
Washington, July 13, 1903.

Neither of the proposed amendments mentioned in your telegram received to-day would stand any chance of acceptance by the Senate of the United States, while any amendment whatever or unnecessary delay in the ratification of the treaty would greatly imperil its consummation.

Hay.

Mr. Beaupré to Mr. Hay.

[Telegram.]

UNITED STATES LEGATION,
Bogotá, July 15. (Received July 27, 1903.)

Confidential. The situation is a little more favorable for the treaty. It is generally believed that it will be ratified, but with amendments. It is possible it can be passed without amendments;

1 Dated July 9.
but as the belief prevails that additional concessions can be secured, I consider it important that this Government be informed through the Colombian minister or me of your position as to the matter. In any event, I would appreciate secret instructions as a guide in case of emergency.

Yesterday the treaty was submitted to a special committee of nine in the Senate, four, and probably more, of whom are for ratification.

Beaupré.

Mr. Beaupré to Mr. Hay.

Legation of the United States,
Bogotá July 21, 1903.

Sir: As I had the honor to report by cable on the 15th instant, the canal treaty was submitted to a special Senate committee of nine members, four of whom were known to be favorable to ratification. This committee is to report on or before the 31st instant.

The Government has continued to triumph on every important question brought forward in Congress. On the 18th instant officers were elected in both houses for the ensuing thirty days. Señor Quientero Calderón, formerly minister of government in Vice-President Marroquin's cabinet, and a staunch Government man, was elected president of the Senate; Gen. Pedro Nel Ospina, now identified with the Government forces, and certainly in favor of the canal treaty, first vice-president. In the House Señor Juan B. Valencia was chosen president.

Gradually, but certainly, the situation is growing more favorable for the canal treaty, and while I am not yet prepared to state the positive belief that it will be ratified, I see no reason to be discouraged by the present outlook. The great danger is that there may be enough members of the Senate to carry certain amendments.

I have endeavored, not only to keep in touch with the current events, but to create favorable sentiment for the treaty.

It has been most difficult to overcome the at one time almost general belief that the United States did not seriously intend to adopt the Nicaragua route should this Congress fail to ratify the treaty, and to make it understood that the great benefit Colombia expected to realize from the construction of the canal depended upon prompt action and could never be secured by future diplomatic negotiations.

At times I have thought, from the tone of the conversation of certain opponents, that foreign hostile influences were at work, but I have never been able to be certain of this. If there be opposition from this source, it is of too secret a nature to be discovered, and can not, therefore, be particularly effective. On the whole, I am inclined to believe that no direct hostile influence is being used here, but that, if any exists, it comes through Colombian legations or consulates in Europe.

I have certain, but private, information that Doctor Uricoechea, a member of the special Senate committee heretofore referred to, and who lived a great many years in Germany, called on Baron Grünau, the German chargé d'affaires, to inquire what would be the attitude of the German Government in case of trouble arising out of the matter, and whether it would be willing to undertake or aid the construction
of the canal in case the treaty with the United States should not be ratified. Baron Grinau replied that he had no instructions bearing upon the subject, but that he was of the positive opinion that, considering how desirous his Government was at the present moment to remain on friendly terms with the United States, it would not take any steps with reference to the construction of the canal or to any controversy growing out of the present negotiations; that he would, however, submit the matter to his Government.

My English colleague, with whom I have the most pleasant personal relations and whose attitude I know has been one of unswerving friendliness to our interests in this matter, informs me that one of the Deputies of the Chamber of Representatives called on him with an inquiry similar to the one above mentioned. To this he replied that this question was thoroughly considered by His Majesty's Government at the time the modifications were made in the Bulwer-Clayton treaty, and that his Government was of the opinion that the safeguards contained in the Hay-Pauncefote arrangement formed a sufficient guaranty for the commerce of the world and was, therefore, willing now to leave the United States quite free as regards any further negotiations with reference to the construction of a canal.

The generality of the legislators here have thought that further and greater concessions could be obtained from the United States, and that in this particular the treaty could be amended with safety to the interests of Colombia. This has been and is the most stubborn stronghold of the enemy—at all times the most dangerous to us—and to it I have given more attention than to all else. It was because of this that I cabled the department of the importance of informing the Colombian Government, through its minister at Washington or this legation, of its views. To be able to make an official representation would have far greater weight than an expression of opinion.

I have reason to know that the Government understands—at any rate, the Vice President does—that amendments are not to be thought of, but I hope to receive instructions from you, when cable communication is reestablished, to bolster up and strengthen this understanding.

I have believed that I could, with discretion and propriety, use my influence in creating a favorable sentiment, making the interests of Colombia the basis of my arguments; and I have not hesitated to do this whenever circumstances would permit a conversation with men whose influence would be of no avail.

I have the satisfaction of knowing that I have accomplished a certain amount of good, and that, whatever be the result, all of the ability and energy which I possess shall be given to the consummation of the department's desires.

I am, sir, your obedient servant. 

A. M. Beaupré.

Mr. Loomis to Mr. Beaupré.

No. 23.]

Department of State. 

July 21, 1903.

Sir: At the instance of the Hon. John T. Morgan, I have to request that you will forward two copies of the proclamation of Acting Presi-
dent Marroquin, calling the session of Congress to consider the canal treaty, and two copies of the law under which the proclamation was issued.

I am, sir, your obedient servant,

Francis B. Loomis,
Acting Secretary.

Mr. Beaupré to Mr. Hay.

No. 85.]

Legation of the United States,
Bogotá, July 22, 1903.

Sir: Referring to the department's telegram of April 7, 1903, to my No. 10 of April 24, 1903, and No. 44 of June 10, 1903, concerning the proposed cancellation of the present concessions of the Panama Canal and Railroad Companies, I have the honor to transmit herewith a copy and translation of a note received from the minister for foreign affairs on the subject, together with a copy of my reply thereto. As soon as cable communication is reestablished I propose to telegraph the department the substance of this correspondence.

I am, sir, your obedient servant.

A. M. Beaupré.

[Inclosure 1.—Translation.]

Ministry of Foreign Relations,
Bogotá, July 21, 1903.

Mr. Minister: In your polite note of the 24th of April last, your excellency was pleased to inform me, in accordance with the instructions of your Government, that all that referring to the cancellation of the actual shares of the Panama Canal and Railroad Companies, was included in the convention between Colombia and the United States, signed on the 22d of January last, for the opening of the canal.

I shall be obliged by your excellency's telling me, as early as possible, if modifications, which, according to the final part of the note referred to, are considered as violating the Spooner law, are only those which concern the concessions of each of the companies, or if they are such also as may be adopted with regard to the (treaty itself) convention spoken of.

With this motive, etc.,

(Signed) Luis Carlos Rico

To his excellency A. M. Beaupré.
Envoy Extraordinary and Minister
Plenipotentiary of the United States, etc.

[Inclosure 2.]

Mr. Beaupré to Doctor Rico.

Legation of the United States,
Bogotá, July 22, 1903.

His excellency Dr. Luis Carlos Rico,
Minister for Foreign Affairs of the Republic of Colombia.

Sir: I have the honor to acknowledge the receipt of your excellency's polite note of the 21st instant, referring to my note of April 24, 1903, concerning the requests of the Colombian Government to the Panama Canal and Railroad Companies for the appointment of agents to negotiate the cancellation of present
concessions, etc., in which I informed your excellency that my Government considers that the treaty covers the entire matter, and any change would be in violation of the Spooner law, and not permissible.

Your excellency asks me if any modifications in the treaty itself would be considered in violation of the Spooner law, as those other suggestions for special cancellation of the concessions of the companies have been so considered by my Government.

I have the honor to say to your excellency that with the approval by the United States Senate of the treaty between Colombia and the United States, signed on the 22d of January, 1903, the Spooner law, which authorized the making of that treaty, was fully complied with, in the opinion of the Senate, so far as the Panama route is concerned. Hence, the said law went out of active existence with reference to Panama, and can only again become a subject for discussion, and then in reference to the Nicaragua route, in the event of the rejection of the treaty by Colombia.

This is, of course, my personal opinion, which, unfortunately, I am unable at present to confirm by cable reference to my Government. But I consider it my duty to inform your excellency that I have no reason to believe that my Government will consider or discuss again any modifications whatever to the treaty as it stands. This strong impression I gather from a careful reading and study of the notes already in your excellency's possession, for, if in the case of the concessions of the companies my Government would consider their modification as violating the Spooner law, then, with much more reason, it would seem that the treaty itself, as the official interpretation of the law, can not be modified at all without violating that law.

I shall, of course, submit your excellency's note to my Government as soon as it is possible to do so by reopening of cable communication.

I embrace this opportunity, etc.,

(Signed) A. M. Beaupré.

Mr. Loomis to Mr. Beaupré.

[Telegram.]

DEPARTMENT OF STATE,
Washington, July 29, 1903.

Would like information as to present situation.

LOOMIS, Acting.

Mr. Hay to Mr. Beaupré.

[Telegram.]

DEPARTMENT OF STATE,
Washington, July 31, 1903.

Instructions heretofore sent to you show the great danger of amending the treaty. This Government has no right or competence to covenant with Colombia to impose new financial obligation upon canal company and the President would not submit to our Senate any amendment in that sense, but would treat it as voiding the negotiation and bringing about a failure to conclude a satisfactory treaty with Colombia. No additional payment by the United States can hope for approval by United States Senate, while any amendment whatever requiring reconsideration by that body would most certainly imperil its consummation. You are at liberty to make discreet unofficial use of your instructions in the proper quarters. The Colombian Government and Congress should realize the grave risk of ruining the negotiation by improvident amendment.

Hay.
Mr. Beaupré to Mr. Hay.

No. 90.]

Legation of the United States,
Bogotá, August 3, 1903.

Sir: Mr. Spencer S. Dickson, British vice consul at this capital, has prepared for his Government an interesting memorandum relative to the discussions in the Bogotá press on the question of the proposed Panama Canal as a business concern, and has been good enough to furnish me with a copy, which I have the honor to inclose herewith.

I am, sir, your obedient servant,

A. M. Beaupré.

[Inclosure 1.]

Memorandum by Mr. Spencer S. Dickson, relative to the discussions in the Bogotá press on the question of the proposed Panama Canal as a business concern.

Since the news of the signing of the Hay-Herran treaty last February, the imagination of the Bogotá public, as expressed in the local press, has been occupied with the question as to what is the extent of the pecuniary advantages which the Government of the United States is about to derive from the proposed undertaking. The articles written have so ridiculously exaggerated the possible takings, even from the most optimistic standpoint, as to render themselves unworthy of any notice whatever, were it not for an interesting answer they have called forth from the pen of Mr. J. T. Ford, the manager of the Cartagena Harbor, Railway, and River companies. Mr. Ford's article is principally directed against an article written by a Dr. Novoa Zerda, a prominent Bogotá lawyer, who has published an elaborate statement in the Bogotá press in which he proves, to his own satisfaction, that the Government of the United States are, by the terms of the Hay-Herran treaty, securing for themselves a net profit of $1,186,537,377 during the first term of the concession.

My reason for transmitting this memorandum is that the statements made by Mr. Ford in his answer, based, as they are, on long experience and a thorough knowledge of the conditions ruling, merit attention and are, as far as I am aware, of a somewhat novel character, though on a question already so much discussed. Mr. Ford, M. I. C. E., a British subject, holds the position of consulting engineer to the Colombian Government, and has at various times been attached to the Colombian legation at Washington during the course of the negotiations which have taken place respecting the construction of an Isthmian Canal. He has brought his knowledge and experience to prove that the Panama Canal is not a profitable undertaking from a commercial point of view, and is valuable to the United States only because of its naval significance.

Mr. Ford, in estimating the commercial value of the projected Panama Canal, has taken as a basis the experience gained by the Suez Canal. The traffic of the latter is regulated by an international convention, the terms of which the United States and Great Britain adopted when formulating the Hay-Pauncefote treaty, signed to substitute that known as the Clayton-Bulwer. These regulations establish a special tonnage measurement, which is neither the gross nor the net of the ordinary tonnages of Lloyd's. Nor is it the tonnage system of Germany or France. It is the Suez Canal system. The Suez Canal in 1900, thirty-two years after being open to trade and with all the extra traffic produced by the Transvaal war and the intervention of the European powers in the Boxer attack on Peking, had a traffic of 3,441 vessels of 13,699,238 gross tons, or 9,738,152 Suez tons.1

Its gross product in money was ........................................ 93,451,403
Expenses of operation and maintenance ................................ 25,648,264

Resulting in a net income of ........................................ 67,803,139

1 The later returns for 1901 show a still greater increase.
Supposing that Colombia rejects the Hay-Herran treaty and constructs the Panama Canal for its own account, so as to have the full benefit of all the takings. Take also for granted the absurd supposition that, in the first year of its being opened to public traffic, this canal shall be able to show the same tonnage as that of Suez in 1900, thirty-two years after its opening. Taking the above tonnage only and the gross product of the canal in money, an average for purpose of comparison is deduced of 6.89 francs per ton (gross), or $1.36 American gold, by the Suez route. With regard to the question of population served by the two canals, the continents of North and South America together contain but one hundred and fifty million inhabitants. The canal will only be used by a portion of the trade of the western coast of the two continents, with part of the eastern coast, and with Europe. It is evident that trade can not in the first year reach the same figure as the total trade of Suez, which unites the continents of Europe and Asia, with twelve hundred million inhabitants between them. To do this, Panama must take from Suez at least one-half its trade. Suppose this second absurdity be regarded as a possibility, owing to the superiority of the Panama route between certain ports, admitting a certain amount of competition in freights from Europe to Australia, New Zealand, and to the islands of the Pacific, it is a question whether Great Britain would, without a struggle, thus allow the deviation of this important trade from its present established route. The immediate creation of the 3,000 new vessels necessary for the traffic deviated from the transcontinental railroads must also be taken as an accomplished fact. Against these hypotheses there is the following consideration—the shares of the Suez Canal are being sold at nearly ten times their nominal value. It is perfectly evident that this extraordinary company would certainly be well able to attempt to avert its ruin or injury and face competition by making some reduction in its tariff; but supposing that the Panama Canal has, by competing with the Cape Horn route and the transcontinental railroads, created for itself a trade equal to half the trade of Suez; also, that owing to its admitted superiority in certain voyages now made via Suez, Panama would have its 13,699,238 gross tons as above; but also, for the above-mentioned reasons of competition, the rate per ton would have to be reduced, probably, to say $0.70 gold to obtain that result in tonnage. This trade, on the same basis as above, would give to Panama a gross earning of $9,589,466.2

As to the operating cost, the country in which the Suez Canal is situated has a dry climate, without rains, and is so healthy that the same class of invalids as go to the Riviera and other sanatoriums of Europe make it their residence in winter. It is moreover a simple canal in a sandy plain without locks, or any other artificial works of importance. Panama, on the other hand, has a disastrously unhealthy climate. Very high salaries would have to be paid and a much greater number of employees would be required than at Suez. There are unforeseen damages to be provided for, owing to the torrential rains. Difficulties have to be faced in the management of locks and the maintenance of artificial works without parallel in the present in the entire world, because of their monumental proportions. Mr. Ford, however, to err on the right side, assumes that the cost of operating the Panama Canal will be no more than that expended at Suez. The gross cost of operation at Suez for handling the traffic of 1900 was 25,648,264 francs or $5,129,653 American gold.

The Panama accounts, under these conditions, would be as follows:

<table>
<thead>
<tr>
<th>Gross earnings</th>
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<td>13,699,238 tons at the above rate of $0.70 per ton would be</td>
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<table>
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<tr>
<th>Cost of administration (the same as Suez in 1900)</th>
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<tr>
<td>$9,589,466</td>
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</table>

<table>
<thead>
<tr>
<th>Net earnings</th>
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</thead>
<tbody>
<tr>
<td>4,459,813</td>
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</table>

The minimum figure for the cost of construction of the Panama Canal, with locks, including cost of French canal works and other contingencies, may be taken at $200,000,000, according to the best available estimates. Mr. Ford then assumes another favorable absurdity—that Colombia has a credit equal to the credit of the United States and that she could therefore obtain the $200,000,000 capital required for the construction at 3 per cent interest without

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1 This, of course, is not the actual rate charged at Suez, since Mr. Ford has taken the gross and not the Suez tonnage, and the gross earnings include other charges beside the simple tonnage of the ships, but the above figure fully illustrates the point made.

2 Mr. Ford again uses here his arbitrarily deduced average rate, and not the probable actual rate.

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initial discount. She would then have in hand the $4,459,813, the net earning of the canal, to pay the interest on the invested capital. The account then stands as follows:

| Three per cent on $200,000,000 | $6,000,000 |
| Net earning | 4,459,813 |

Colombia would therefore have an annual deficit of $1,540,187 instead of the net sum of $350,000 per annum, which she would receive under the Hay-Herran treaty, leaving to the United States the above-mentioned deficit, plus the $250,000 extra rent paid to Colombia.

Mr. Ford then goes on to point out that should Colombia build a sea-level canal, costing $400,000,000 instead of $200,000,000, she would find herself with an annual deficit of $7,540,187, including the 3 per cent on the extra $200,000,000.

In the discussions which have taken place, those opposed to the treaty have argued on the fact that in previous concessions made with private parties the terms for the Colombian Government have been much more favorable. To this Mr. Ford opposes the fact that those old contracts were signed in complete ignorance of the Suez undertaking and the enormous natural difficulties and cost of building a canal at Panama which would compare at all points with Suez, and before the experience gained through the working of that canal could throw real light on the profit and loss account of such an undertaking.

The natural difficulties inherent to the working of the Isthmus of Panama, which were the cause of the failure of the French, even with their superior contract of 1878, were then all unknown. It is a mistake, says Mr. Ford, to suppose that the United States would make a contract similar to those made formerly when the same ignorance of conditions does not exist.

The canal can not be a paying concern for any country except the United States, and for the United States it is a paying concern, not from a commercial standpoint—it will therein be a loser—but on account of its Navy. To show that this statement as regards its commercial value is not exaggerated, Mr. Ford refers to the map of the continents of America. The cordillera of the Andes, from Patagonia to Panama, the Sierra Madre of Mexico, and the Rocky Mountains of the north, which end in Alaska, are so situated that on the side of the Pacific there is only a small strip of territory, very narrow and comparatively sterile, whereas on the Atlantic disk and in direct communication with Europe (where the Panama Canal will never be needed) are situated seven-eighths of its one hundred and fifty millions of inhabitants and the whole of its productive lands, i.e., Argentina, Brazil, Mexico, Colombia, Venezuela, the United States, and Canada to one hundred and fifteenth meridian west, approximately. As far as the above countries are concerned, their trade can never reasonably be expected to make use of the Panama Canal to any extent worth considering at present.

Spencer S. Dickson,
His Britannic Majesty's Vice Consul.

Mr. Loomis to Mr. Beaupré.

No. 26.]  

DEPARTMENT OF STATE.  
Washington, August 3, 1903.

Sir: I have to acknowledge the receipt of your No. 67 of July 1, last, concerning the Panama Canal. It is receiving consideration.

There is an error in translation in the twentieth line of the second page of the note inclosed. “Dos compañías” has been translated “two countries” instead of “companies.”

I am, sir, your obedient servant,

Francis B. Loomis,
Acting Secretary.

1 Three per cent on the $10,000,000 compensation under the treaty, plus the $250,000 annual rent.
Mr. Beaupré to Mr. Hay.

[Telegram.]

UNITED STATES LEGATION,

Bogotá, August 5, 1903. (Received 12.)

Referring to my dispatch of April 24, containing your cipher telegram, April 7, I have received a note from minister for foreign affairs asking if "any modification in the treaty itself would be considered in violation of Spooner law, the same as suggestions for canceling concessions of companies had been considered by the Government of the United States."

I replied July 22 substantially as follows: With the approval of the treaty by the Senate of the United States, the Spooner law, which authorized its making, was fully complied with, so far as the Panama route is concerned. Hence said law went out of active existence with reference to Panama, and can only become a subject of discussion, and then with reference to Nicaragua, in the event of rejection of the treaty by Colombia. This is my personal opinion, which I am unable at present to confirm by cable reference to my Government, but I believe it my duty to inform you that I have no reason to believe my Government will again consider or discuss any modification whatever to the treaty as it stands, which impression I gather from a careful reading and study of the notes already in your possession, for if in case of concessions of the companies my Government would consider their modifications in violation of Spooner law, then with great reason it would seem the treaty itself as the official interpretation of (the law) can not be modified at all without violating that law.

From conversations with prominent Senators I believe the Government does not consider my opinions as final or authoritative. I beg for an emphatic statement from you or instructions under my telegram of July 15. There is much danger that the treaty will be amended.

Beaupré.

Mr. Beaupré to Mr. Hay.

[Telegram.]

UNITED STATES LEGATION,

Bogotá (dated 5th). (Received August 12, 1903.)

August 5, 10 a.m. It is now apparent that the treaty will not be ratified without amendment, because the positive influence on the part of this Government can not be expected. There are but eight Senators of the twenty-four in favor of it, but more than two-thirds are in favor of the report of the committee, which is as follows:

First. In the preamble the references to the Spooner law shall be suppressed.

Second. In article 1 the condition shall be introduced that the Panama Railroad and Canal Company shall be obliged beforehand to make arrangements with Colombian Government in which the conditions shall be established under which that Government will grant consent necessary to enable these companies to transfer their rights
to the United States. It shall be expressed that Colombia shall recover ownership of all land grants which are at present in the possession of companies, without excepting any of such lands, to the end that the cities of Panama and Colon may remain effectively and completely excluded from zone which is the subject of the concession.

Third. Terms of articles 2 and 3 shall be modified in such a manner as to express clearly that Colombia grants the United States only the right of use of the zone and parts adjacent territory. It should be expressed with precision that the rights granted the United States are in nature of tenancy, excluding the idea of ownership, and establishing in a peremptory manner the perpetuity of the concession. The boundary of zone shall be indicated with the greatest precision, and the necessary properties to which concession extends shall be clearly determined, excluding from the concession, in an unequivocal manner, cities Panama and Colon; besides which it shall be stated that the guaranty of the treaty of 1846-1848 shall not be modified in any way whatever, and shall continue in its application to the whole Department of Panama, inclusive of the zone.

Fourth. In article 7 concession of the right of gratuitous use of the waters of lakes, lagoons, rivers, and the other streams, whether natural or artificial, which may be devoted to the supply of the canal or auxiliary channel, or which may be made use of during its construction, maintenance, or operation, shall be clearly limited, in order that they may be deviated in their course, elevated or lessened in their levels, converted into lakes, widened or narrowed, if necessary, for such purposes. It shall be established that this right is exclusive only in so far as it refers to use of such waters for the supply and maintenance of the canal, or of the auxiliary channels, without allowing that concessions are to prevent utilization of such waters by others in virtue of their legitimate rights for any purpose which is not one of navigation and would not disturb, make difficult, or prejudice employment that the United States may desire to give such waters for the above-mentioned purposes. The use of waters or rivers outside zone of the canal for the transportation materials, etc., shall not be an exclusive right of the United States, but the right shall be given to them to use the waters, without tax or charge of any kind, in so far as the use relates to maintenance and operations of the concession. The natural product property of the Republic which the United States may take for the work shall be determined with the greatest precision possible, limiting this concession to the Department of Panama, and determining that the compensations which may have to take place under article 7 in all things shall be subject to what is provided in article 14.

Fifth. In article 8 uncertainty of the clause shall be corrected under which no duties of any kind shall be collected in the cities Panama and Colon, with the exception of merchandise destined to be introduced for the consumption of the rest of the Republic.

Sixth. In article 13 all relating to establishment of tribunals of the United States and to application of the laws of United States in Colombian territory shall be suppressed, as it is contrary to article 10 of the constitution, and it shall be established that the regulations, police and sanitary, which will be in force in the zone shall be subject to an agreement between the two Governments.
Seventh. Indemnities which the concession mentioned in article 14 will decide upon for the seizures which may have to be made in those cases which are mentioned in the same article shall be determined and paid by the United States, in accordance with valuation at the time.

Eighth. In article 24 a clause of forfeiture shall be introduced fixing termination, which, if exceeded, and if work shall not have been executed, all the concessions must cease to exist and all properties and rights of the undertaking shall revert to Colombia. The last paragraph, article 25, beginning "But any delay," shall be suppressed.

Ninth. In an additional clause the tribunal, which must decide upon the differences which may arise between the contracting parties as to the fulfillment of the treaty, shall be indicated.

Beaupré.

Mr. Beaupré to Mr. Hay.

[Telegram.]

United States Legation,
Bogotá, August 5. (Received 16.)

August 5, 10 a.m. I have addressed a note minister for foreign affairs concerning the report of the committee appointed to consider the treaty, to the effect that the proposed modification article 1 is tantamount rejection the treaty. My opinion is that my Government would not consider or discuss the amendment; that the committee has been insufficiently acquainted with my notes, April 24, June 10, or have failed to give them importance they demand as definite expression of opinion and intention of the Government of the United States. The amendment, article 13, suppressing tribunals, will not be accepted in any event, and the other modifications, not so serious in principle, are too little value to Colombia to submit for the discussion of the Senate of the United States. They could be adjusted by assurances or by special legislation when the commission required by the treaty has been appointed. Closing with strong reminder of the dangerous consequences of further unnecessary delay, urging that if Colombia really desires to preserve friendly relations and to secure the advantages of canal, backed by so close an alliance of national interests, the treaty should be ratified without modification.

Beaupré.

Mr. Beaupré to Mr. Hay, via consulate at Colon.

[Telegram.]

United States Legation to Colombia, August 5, 1903.
(From Colon, August 18, 1903.)

No cable received since (the) 13th July, the company having closed Buenaventura office. Government does not allow cables to pass over land lines. Situation critical. American minister Bogota. August 5.

Malmros.
Mr. Beaupré to Mr. Hay.

[Telegram.]

United States Legation,
Bogotá, August 6, 1903. (Received 12.)

August 6, 10 a. m. Confidential. Note reference to treaty 1846 in the committee report. Colombia dreads above all things newspaper-reported intention of the United States to denounce the treaty in the event of rejecting canal treaty.

I have additional confirmation the statement of my dispatch No. 49 June 15.

Beaupré.

Mr. Beaupré to the Secretary of State.

No. 98.]

Legation of the United States,
Bogotá, August 7, 1903.

Sir: I have the honor to report that the telegrams which I had the good fortune to get through yesterday and the day before give a more or less accurate idea of the situation in so far as the canal treaty is concerned.

These telegrams are the only ones thus far passed since the 15th ultimo, and it was only after very earnest interviews with the vice-president, the minister for foreign affairs, the minister of government, and the director-general of mails and telegraphs that I finally succeeded.

The report of the special committee of the Senate appointed to consider the treaty presented on the 4th instant, and transmitted in my telegram of the 5th instant, was signed by seven of the nine members of the committee and was in the nature of a compromise. The two other members made independent reports amending nearly every article of the treaty, but as they will have no weight in the ultimate decision of the matter it is not necessary to mention them.

On the morning of the 5th instant I addressed a note to the minister for foreign affairs regarding the committee’s report, a copy of which is herewith inclosed.

Early in the afternoon of the same day I received the department’s telegram of the 31st ultimo, and as the instructions therein had a direct bearing upon the question I immediately dispatched another note to the minister for foreign affairs, a copy of which is herewith inclosed. A reference to my telegram of the 6th instant concerning the treaty of 1846 will give a better understanding of the last clause of this note. I have positive information that both notes were read to the Senate in secret session.

The situation is chaotic just now and intense feeling is being manifested in the debates in the Senate. Apparently there is little prospect that the treaty will be ratified without modifications, but I must still hope that a better sentiment will be brought about before the end.

I am, sir, your obedient servant,

A. M. Beaupré.

1 The telegrams referred to were not received by the Department of State until August 12, 16, and 18, respectively.
His excellency Dr. Luis Carlos Rico,

Minister for Foreign Affairs of the Republic of Colombia.

Sir: I have the honor to inform your excellency that I observe with regret the terms in which the committee of the Senate has seen to frame their report with reference to the Panama Canal treaty, and would earnestly request your excellency to take into consideration the unfortunate circumstance of interrupted cable communication which has prevented my immediate consultation with my Government, and which alone has decided me to address another note to your excellency in further interpretation of the instructions I have referred to in my previous notes as having been received from my Government.

It would appear to me that the committee has either been insufficiently acquainted with the contents of my notes dated April 21 and June 10, 1903, or that they have failed to attach to these direct communications the importance they demand as definite expressions of opinion and intention on the part of my Government.

From them it is clear that the committee’s proposed modification of article 1 is alone tantamount to an absolute rejection of the treaty. I feel it my duty to reiterate the opinion I have before expressed to your excellency that my Government will not consider or discuss such an amendment at all.

There is another important modification suggested by the committee to article 13, suppressing the forms of tribunals there provided. I deem it my duty again to express very emphatically my opinion that this also will not be acceptable in any case.

The other modifications, though not equally serious in principle, are nevertheless of such slight value to the interests of Colombia that they do not warrant the risk of further discussion by the Senate of the United States; even in the event, which I consider more than doubtful, that they be even submitted to that body by my Government, since all such amplifications or explanatory items can equally well be given, either by separate emphatic assurances of the Government itself, or be the subject of special legislation when the joint commission mentioned in the treaty shall have begun its official existence.

For the moment disregarding the probable correctness, or otherwise, of my convictions, there is one point that I would especially urge upon your excellency, and that is that the Senate should be reminded of the dangerous consequences to the whole negotiations that the undue delay hitherto experienced in arriving at conclusions will undoubtedly produce on the attitude of my Government.

If the present modifications of the committee constitute really the final decision that is likely to be arrived at by the Congress of Colombia, the matter should be voted without any delay, and so give at least a slight opportunity to my Government to consider the matter before the expiration of the time for exchange of ratifications provided in the treaty. Less than this can not be expected by my Government, which in good faith signed the pending treaty more than six months ago, and promptly ratified it without modifications.

I take this opportunity to respectfully reiterate what I have before expressed to your excellency, that if Colombia really desires to maintain the present friendly relations existing between the two countries, and at the same time secure to herself the extraordinary advantages that the construction of the canal in her territory will undoubtedly produce, if backed by so close an alliance of national interests as would supervene with the United States, the pending treaty should be ratified exactly in its present form, without any modifications whatever. I say this from a deep conviction that my Government will not in any case accept amendments.

I avail myself of this opportunity to renew, etc.,

(Signed) A. M. Beaupré.
[Inclusion 2.]

Mr. Beaupré to Doctor Rico.

LEGATION OF THE UNITED STATES,
Bogota, August 5, 1903.

His Excellency Dr. Luis Carlos Rico,
Minister for Foreign Affairs of the Republic of Colombia.

Sir: I have the honor to inform your excellency that in the matter of the pending treaty for the construction of the Panama Canal it has hitherto been impossible for me to do more than advise you of the construction I have from time to time put upon the instructions received from my Government in more or less general terms, as the various questions involved had not been brought to a definite issue.

Now referring to my several notes on this subject, it is a matter for great satisfaction to me that to-day, together with the publication of the Senate committee's report on the treaty, I have received such definite instructions from my Government as enable me not only fully to confirm, but materially amplify the terms of all my previous notes above alluded to.

I may say that the antecedent circumstances of the whole negotiation of the canal treaty, from official information in the hands of my Government, are of such a nature as to fully warrant the United States in considering any modification whatever of the terms of the treaty as practically a breach of faith on the part of the Government of Colombia, such as may involve the very greatest complications in the friendly relations which have hitherto existed between the two countries.

I am instructed to say that my Government has no right to covenant with Colombia to impose new financial obligations upon the canal company, and that the President would not submit to the Senate of the United States any amendment in that sense, but would treat it as voiding the negotiation, and as a failure to conclude a satisfactory treaty with Colombia. The amendment to Article I of the treaty proposed by the Senate committee is clearly in that sense.

I am also instructed to say that no additional payment by the United States can in any case hope for approval by the Senate of the United States. What I said to your excellency in my note of this morning, with reference to the minor amendments proposed by the committee, I can now emphasize in the language of my instructions, that any amendment whatever requiring consideration by that body (the Senate) would most certainly imperil the treaty's consummation. Your excellency's Government and Congress should realize the great risk of ruining the negotiation by improvident amendment.

It is impossible for me to express to your excellency more emphatically the attitude of my Government on this important matter, or to implore more earnestly than I now do the careful consideration by Colombia of the reasons which in the opinion of my Government should impel your excellency's Government to urge upon Congress the necessity of ratifying the treaty in its present form.

It is to be regretted that the reference to the necessity for the practical reenactment of the treaty of 1846-1848 in the Senate committee's report should constitute almost a doubt as to the good faith of the intention of the United States in its compliance therewith. I must assure your excellency that unless that treaty be denounced in accordance with its own provisions my Government is not capable of violating it, either in letter or spirit; nor should there be any fear on the part of Colombia that if ratified the clauses guaranteeing her sovereignty in the pending treaty, couched as they are in still more precise and solemn terms than those of 1846, will ever be disregarded in the slightest degree by the Government of the United States.

I avail myself of this opportunity, etc.

(Signed) A. M. Beaupré.
Mr. Beaupré to the Secretary of State.

No. 101.]

LEGATION OF THE UNITED STATES,
Bogotá, August 10, 1903.

Sir: Referring to my No. 98 of the 7th instant, I have the honor to inclose herewith a copy and translation of a note from the minister for foreign affairs, together with a copy of my reply thereto.

I am, sir, your obedient servant,

A. M. BEAUPRÉ.

[Inclosure 1.—Translation.]

Dr. Rico to Mr. Beaupré.

MINISTRY FOR FOREIGN RELATIONS.
Bogotá, August 8, 1903.

Mr. Minister: One of your attentive communications which your excellency had the pleasure to address to me on the 5th of the present month, relative to the business of the Interoceanic Canal of Panama, contained the part which I take the liberty to quote as follows:

"I may say that the antecedent circumstances of the whole negotiation of the canal treaty, from official information in the hands of my Government, are of such a nature as to fully warrant the United States in considering any modification of the terms of that treaty as practically a breach of faith on the part of the Government of Colombia, such as may involve the very greatest complications in the friendly relations which have hitherto existed between the two countries."

Wishing to give to your excellency as soon as possible the required answer to the two notes to which I refer in the present. I will appreciate it if you will inform me that if among the circumstances alluded to in the paragraph, a version of which I have transcribed, there exist any others not mentioned in the notes which your excellency has seen fit to address to me on this subject.

With this motive I renew to your excellency the assurance of my highest consideration.

(Signed) LUIS CARLOS RICO.

His Excellency A. M. BEAUPRÉ,
Envoy Extraordinary and Minister Plenipotentiary of the United States.

[Inclosure 2.]

Mr. Beaupré to Doctor Rico.

LEGATION OF THE UNITED STATES,
Bogotá, August 8, 1903.

His Excellency Dr. LUIS CARLOS RICO,
Minister for Foreign Affairs of the Republic of Colombia.

Sir: I have the honor to acknowledge receipt of your excellency's courteous note of to-day, quoting a paragraph of my note of the 5th instant, and asking if the statement therein contained is based upon information not mentioned in my previous notes.

In reply I have the honor to inform your excellency that the antecedent circumstances to which I made reference are fully outlined in my previous notes, and particularly in the one of June 10, 1903.

If your excellency will permit me a few words more on this subject I would like to refer to the extraordinary efforts made by my Government to keep faith with Colombia after an agreement had been reached between the executive Governments of the two nations.

As your excellency is aware, when the canal convention was presented to the Senate of the United States it encountered the most violent opposition. Not
only were strenuous efforts made to defeat the treaty in its entirety, but many amendments of varying degrees of importance were presented and urged. During all that period the friends of the Government were steadfast in their determination to uphold the action of the Executive and to preserve intact the agreement made with Colombia. It was a momentous struggle, and the final and close victory was secured in the end only by the most stupendous efforts on the part of the administration, imbued as they were with the idea that such a compact, made after mature and careful consideration by the executive departments of the two Governments, must be ratified as it stood.

In view of the foregoing, it is absolutely believed by my Government that any modification, as such, to the pending treaty could not be safely submitted to the present Senate.

The intense feeling over large sections of the United States in favor of the Nicaragua route on the one hand and interests on the other hand hostile to any canal at all, and especially the Panama route, are circumstances that, I fear, your excellency’s Government and the people of Colombia have not weighed sufficiently to attach to them the importance they deserve.

While my previous notes may have expressed an almost exaggerated desire to impress upon your excellency the dangers of delay or modification of any kind, they were inspired by a full knowledge of conditions in my own country, which I feared would not be fully appreciated in Colombia.

The condition which appears to me to be absolute, at least, is that the proposed treaty should be ratified as it is, in good faith with my Government, or the opportunity will be lost for any later negotiations of any kind whatever.

In my own behalf, I most earnestly desire to assure your excellency that, aside from fulfilling the instructions of my Government, I have the deepest personal concern in the honor and glory of the country to which I am accredited, and in which I have been extended so much kindness and consideration. Every conviction of my mind leads me to the belief that enormous aggrandizement must accrue to Colombia if an interoceanic canal be constructed through her territory, while the desire to bring the two countries into closer and lasting friendship is ever present. Feeling thus deeply every effort I may have made, or shall make to this end, has or will have as its incentive the ultimate good not only of the country which I represent but of that in which I have the privilege and pleasure of residing.

I avail myself of this opportunity to renew, etc. (Signed) A. M. BEAUPRÉ.

Mr Loomis to Mr. Beaupré.

[Telegram.]

DEPARTMENT OF STATE,
Washington, August 10, 1903.

Keep the department advised and embody date in messages.

LOOMIS, Acting.

Mr. Beaupré to Mr. Hay.

[Telegram.]

Bogotá, August 12, 1903. (Received 15.)

August 12, 7 p. m. The treaty was rejected by the Senate to-day in its entirety. Confidential. Do not accept this as final. There is still some hope. Wait for further advices.

Beaupré.
Mr. Beaupré to Mr. Hay.

[Telegram.]

UNITED STATES LEGATION,
Bogotá, August 12, 1903. (Received 23.)

August 12, 9 p.m. Referring to my telegram of August 12, 7 p.m., I do not believe that rejection of treaty is final, for the following reasons: Yesterday's debate and vote was undoubtedly previously arranged. This I believe both from the tone of the debate and from information which I had already received through persons of high influence. Debate lasted five hours. All communications between myself and the Colombian Government read, The fact that the Government of the United States can not accept modifications or delay was made clear to the Senate. The most important speech made was that of General Ospina. It was to the effect that while desiring canal he could not give his vote for the ratification of the treaty because the terms were contrary to the provisions of the constitution. He implied that to bring negotiations to a conclusion the constitution should be modified, so as to allow negotiations to be brought to a successful conclusion without prejudice to the honor of the country. He stated also that to effect this no delay was necessary, as two debates will be sufficient for the purpose; he intimated that the Congress should be immediately dismissed by a decree for the purpose of modifying the constitution. Upon that a new law will be passed authorizing the Executive, without further recourse to Congress, to conclude a canal treaty with the United States. Should this prove true the text of the present treaty could be accepted without hesitation. By this means Congress will be able to conclude negotiations without individual senators publicly speaking in favor of it.

Beaupré.

Mr. Beaupré to Mr. Hay.

[Telegram.]

UNITED STATES LEGATION,
Bogotá, August 12, 1903. (Received 19.)

August 12, 10 p.m. Confidential. [———] called to inform me that this day's action of Congress was in accordance with plans perfected by the Government and influential Senators and citizens in the belief that the treaty could not now be passed without amendments, but that within very short time such a reaction public sentiment can be created as will enable the President to present the treaty again to the Senate and secure its passage without amendments. I have been aware of such a movement for some days, hence my telegram advising that there was still hope.

[———] asks if you will give two weeks more for the consummation of this plan before taking other action, and requests immediate reply. He doubts whether the constitution can be amended in time, and thinks it is not necessary.

Beaupré.