

## CHAPTER XIX

### THE FUTURE IN THE PACIFIC

IT was the war with Spain which turned the thoughts of America to the possibilities of the Pacific. Before that cheap victory over a decadent Power, most people, if they thought of the Pacific at all, associated it with old tales of voyages of adventure, or thought of it as the theatre of piratical enterprise. Or, if their knowledge were later, they pictured a great somnolent ocean, occasionally disturbed by little steamers creeping round Cape Horn and stealing up the coast of Western America, or rounding the Cape of Good Hope, and pursuing a fugitive commerce at Asiatic ports.

As a business proposition, the Pacific and its borders, so far as the United States was concerned, were counted as negligible. Yet gradually a change had been coming over the scene. Savagism and indolence had been yielding place to enlightenment and industry. Large tonnage ships, sailing at regular intervals from many ports, had begun to draw innumerable intersecting lines across the waters of the ocean. Romance and adventure had been

forgotten, and prosaic commerce had taken their place.

It was not the war that made the change. It hardened it. It made men realise what had been happening. The average American may be active about the things on hand, but of the future he takes no more stock than the European. He is equally carried away by the drift of the inevitable. His place in the drift may be a big one, but it is the accident of circumstances rather than conscious design.

History shapes its own course, and the Pacific had begun the dispute for supremacy while the American was dreaming of other conquests. Freed from the enervating lordship of Spain, Southern and Central America gave itself up to internal quarrels. The Western States, with all their wealth, when not entirely neglected by Washington were thrown into the clutches of monopolies. The eyes of the American were on the Old World ; his energies were being spent in a field of many competitors. His back was to the greater world, where there was ampler scope for skilful enterprise and higher rewards. Even yet he is only giving a side glance westwards. Soon he will be compelled to wheel right round. The trend of civilisation and commerce has ever been westwards, and what the Mediterranean Sea was, and the Atlantic is, the Pacific will become.

And why not? Half the human race dwell on lands washed by the waters of the Pacific. What the proportion will be in another generation imagination refuses to limit. Remember that commerce in that great theatre is still in its infancy. Growth of trade is not measured there by the small percentage with which Europeans console themselves. Increase of population bounds forward with wonderful rapidity. I will not weary my reader with long strings of figures. But take a few as illustrations from the western coast of America. Note that since the last census the population of California has increased 60 per cent., that the increase of imports in 1911 over 1910 amounted to well over a million dollars. The exports from Oregon, Washington, Idaho, and Montana increased 50 per cent. in 1911. Take a wider sweep and embrace the west coast of South and Central America, and you will find that this coast, lying off the track of the great commercial routes of the world, has increased its foreign trade by 100 per cent. during the last ten years. These figures of external trade are in themselves eloquent of progress. They do not tell the whole tale. Internally the trade has progressed with even more striking suddenness. All along that coast, from Chile to Alaska, industry and commerce are making riot where for centuries there were silence and indolence.

You must look at the map if you would grasp in

your imagination the immensity of the Pacific prospect. On the one side you have the American seaboard, with Chile, Peru, the Central Republics, Mexico, the Western States, British Columbia, and Alaska. On the other you have Australasia, China, Japan, and Asiatic Russia. In between are islands dotting the ocean as the stars do the heavens. There is nothing, except old European masters, with which the people of these countries cannot supply each other. Save for Japan's quick change, the countries on the Asiatic side have not yet become fully conscious of their potentialities. Think of China with its four hundred million souls, and by contrast with that vast population realise that last year the United States sent to ports other than Hong Kong, where no record is kept, goods to the value of only about £5,500,000, a fraction of what she sent to Canada. China has awakened, and, whatever may eventuate from recent occurrences, the country can never again slip back to its slumbering state. Hitherto foreign trade has not penetrated to any large extent into the interior; but with the development of railways, actual and promised, and the disappearance of that hatred for the foreigner which has proved a crust preventing the natural growth of the country, it requires no straining of thought to picture China as one of the foremost centres of commerce and industry in the world.

Americans have been slow to grasp the opportunities that lay to their hands on the western side. As long ago as 1852, when the Pacific seaboard was yet hardly touched by a ripple of commerce, Mr. W. H. Seward prophesied that Europe would sink into unimportance, and that the Pacific Ocean would become the chief area of events in the world's great hereafter. That prophecy has not yet been fulfilled. But it is in the way of being realised.

What part is America going to play in this great theatre? Geographically, territorially, and by the wealth of her natural resources, hers should be the chief part. That she will play an important part there can be no doubt. That, as I have said, is the accident of circumstances. The major part is not so sure. Great Britain is not particularly distinguished among the nations of the world for special foresight. But she has been lucky, and she has a knack of clinging to what comes her way. At present she is predominant in the trade of the Pacific. Her shipping and her coal resources are important factors in that position. Nowhere is she far from a coaling station. And so long as America is content to have her goods transported in British or other foreign bottoms, so long will she be handicapped, despite her inestimable advantages in other directions.

From past experience it would be unwise to

prophesy any great expansion of shipping carried on under the flag of the United States. In the first place, her shipping laws are against any sudden or swift development. An American-owned but foreign-built ship cannot fly the American flag—though, as I have already said, that is to be changed. At first sight this would seem a desirable restriction in the interests of the American shipbuilder. In his present circumstances it is to his disadvantage, for only by a big development of American shipping, however achieved, can he hope to create that demand which is going to keep him busy. The operations of the railroad trust will have a throttling effect on any effort to engage in long-distance coastal trade. Overland transport costs about six times as much as ocean-borne, and the railway companies, having shipping of their own, will, by temporary cutting of freights, endeavour to run off all water competitors.

For more than a score of years California has been aspiring to become a shipbuilding centre. The repeated and long drawn out disappointments have almost become pathetic. All the facilities for construction, dry docks and all the rest, are there; but year by year the same tale has to be told: "Shipbuilding has not been brisk." In time, however, there must be a great expansion in that direction. With such facilities as are present, with all

the material at hand, and with the wide field offered by the Pacific in the future, nobody but a nation of fools could lie idle. An enlargement of ideas will be forced upon the ruling authorities.

Western America cannot be kept out of her own. In spite of "statesmanship" she is bound to forge ahead. Even the Central Republics, where revolutions are as frequent as the seasons, are progressing. In the midst of the confusion Capital and Labour are quietly and unconcernedly taking their share in the building of the Pacific's future. Industrial life asserts itself, and the flow of trade, though impeded for a time, or diverted temporarily, will burst into its appropriate channel. Where there is land to yield food there will be men to work it. Where the earth is charged with metals there will be hands to extract them. Along the Pacific coast is the raw material of almost every industry.

The ports of the Orient, with its teeming millions, are opening for the onrush of a new commerce. Where is there a more suitable jumping-off ground than Western America?

The legislators of the United States still imagine that they can pick up the threads of the future Pacific trade from the eastern coast. As usual, they are trusting to chance. As usual, they will find the drift of the inevitable too strong for them. The balance is already beginning to shift from east to



GANG OF 150 MEN SHIFTING TRACK BY HAND, JANUARY, 1912.





west. Keen men of business, wanting an outlet for their capital, and the mass of wage earners, eager to find opportunities for expansion, are heedless of policies so long as those policies are not in active opposition. The Western States, forgotten by the central authority, are preparing for an influx of trade and population which, warned as we have been for a big increase, will nevertheless be of astonishing proportions. Foreign capital is pouring into South and Central America. Railways and telegraphs are opening up the country. There is marked activity in dock construction and improvement. The day of the Western States and of Latin America is just beginning to dawn. The extent of resources, vast as they are known to be, will not be in any large measure properly disclosed until the development of railways, canals, and docks—now projected—have been completed.

But we know the wealth that is waiting to be exploited and we can read the tendencies. As I have indicated, the centre of trade is already disposed to shift from Eastern America to Western America. A straw will show the direction of the wind. Make cotton the straw. Virginia, Georgia, and the Carolinas, familiar to us by stories of Uncle Tom and music-hall songs, were originally the cotton-raising centres. The Mississippi then claimed a share. Now, three-fourths of the crop is grown west

of that river, and the plant is continuing its march westwards until the centre is becoming nearer the Pacific than the Atlantic. Southern California stands out as the most suitable place for the erection of new mills. Already a beginning has been made. Imperial County commenced to grow cotton in 1910, and is satisfied with the result. It was a small beginning, but the parable of the mustard seed may be fairly applied to it. The soil is rich and the product is nearly a bale (500 lb.) an acre. It has been found that the plant improves as it goes west. The rainless autumn facilitates the harvest, and insects are said to be less troublesome. In 1910 the yield in Imperial County was 300 bales; in 1911, 6,000 bales; and in 1912, 9,500 bales. The Imperial Valley Oil and Cotton Company, which handles most of the crop, estimates the yield in 1913 at 20,000 bales. At  $4\frac{3}{4}$ d. per lb., the price in 1912, the net profit to the grower on land valued at £20 per acre is £3 per acre per annum, after allowing the former wages for his work.

Just as the cotton-growing centre is moving westwards, so the cotton current is changing from New Orleans and Liverpool to California and China. Lancashire mills have begun to look elsewhere for their cotton, the South Atlantic States having mills enough to spin all the cotton they raise. Texas will find it to its advantage to send

its crop to California, to be made up for the eastern market.

Before the Spanish-American War the proportion of Asiatic trade with the Pacific States of the Union was almost negligible. The story is different now. In 1911 the steam vessels cleared at San Francisco had a total tonnage of 400,000, and of that China, Hong Kong, and Japan claimed no less than 116,000 tons. Another striking fact in this connection is that while as recently as 1909 the value of wheat-flour and wheat exported from Portland to Hong Kong, China, and Japan was only £313,678, it was in 1911 no less than £721,474. Prophecies have not a habit of coming true; but it would seem as if Mr. Chauncey Depew were really a true prophet. A few years ago he told a Chicago audience that "the open market of Japan and the open markets of China will absorb not only all the wheat grown upon the Pacific Coast, but all it can possibly produce"; and he added that Oregon, Washington, and California would in a few years be among the richest and most productive States in the Union. The time is not yet, but it is a testimonial to a seer when his prophecy is realised in part. It is true that in 1911 floods in China affected the harvest, but the real explanation of the extraordinary increase in Oriental demand for American flour lies in the fact that China and Japan are

gradually substituting flour for rice as their staple food.

Only by bearing in mind the phenomenal progress already made by the Pacific States of the Union can one be guided in an estimate of the future. There is a story in the long ago about a Queen Calafia and her black Amazons, whose only use for men was to give them as food to the griffins until, one day, the Queen yielded her sword and heart to a knight of King Amadis. Incidentally, she allowed her sister to be conquered likewise by the son of a king of Ireland. This latter conquest may account for the attractions of California for Irish emigrants. But all that belongs to the mythical legends of time. What is true is that as recently as three score years and ten, half-naked savages were still in possession of these lands. Within the memory of not very old men the natives on the western and north-western coast were trapping salmon at the waterfalls for their own use. The presence of gold and silver was unknown. Those peaceful times, when laziness was the only temptation, have quickly passed. The Fraser, the Columbia, and the Yukon rivers are now sending their fish to all the world. The great canneries are all hustle.

In a short space of time California has marked four stages of progress. First there was pasturage, then the exciting time of gold, next grain, and now

fruit. Fruit and fish are almost the currency of the west. In one year California exports and sends to the Eastern States 140,000 tons of various fruits. In the States of Oregon, Washington, and Idaho there are 275,500 acres of orchard. And the limit of capacity is still far off. There are 15,000,000 acres of land of all classes still available for homestead entry in Oregon alone. With horticulture as the booming industry the very large farms are disappearing, and the demand now is for small and medium size tracts for settlers. All this in spite of the narrow greed of the railway trust to whom the legislature has unfortunately handed over the destinies of these promising States.

No one who knows now thinks of "ice-bound Alaska." Like all the lands in the Pacific, it is a territory abounding in half-explored wealth. Gold, fisheries, furs, and copper are not its only resources. There are large coalfields waiting for enterprise and capital. With a comparatively mild winter climate, stock-farming promises to become an important industry.

Great as is the future before the Western States, I am inclined to think that it is to Latin America that the attention of the world will be turned in the next decade. A good index to the increasing interest taken in that quarter, and of the hopes which are entertained of its prospects, may be found in the

space occupied in our British newspapers by prospectuses relating to various developments in Central and South America. There is scope and profit for ten years' continuous inflow of capital. Money and skill, judiciously applied, will work a transformation in that vast region. Consult the map again, and count the Republics up to twenty, with one of them—Brazil—larger than the United States proper. The combined population of seventy millions sounds large; it is small in comparison with what the lands are capable of sustaining. A foreign commerce of two billion dollars per annum is but a mere beginning in a land where climate and natural resources, rivers and coast line can be brought into profitable combination. There is only one obstacle to an instant leap into unexampled prosperity. Revolutions are the bane of the south. But the people are beginning to grow up. A more sober population is being introduced, and is exercising a steadying influence. Mexico, though it had a recent regrettable lapse, is beginning to set an example to her neighbours. It is becoming realised that only by steady, reliable government can foreign money, which is so much needed, be attracted. Another and saner ambition, but less venturesome and less riotously picturesque, is seizing the men who compete for control. The greed for revolutionary glory is being crushed by the greed for expanding trade.

There are not so many "gentlemen," high or low, in Mexico as there were a few years ago. Work is becoming attractive to your Mexican, and speculation of a quieter and more beneficial character is being made a business as well as a pastime. The Mexican is joining with the foreigner in putting his money into the development of the rich western section of the country. He is assisting in the rapid construction of railroads. He has seen the results that have followed from the Tehuantepec Railway, which has done so much to put into communication the west coast of Mexico with the United States and European ports. In themselves those results are a signpost to the immense possibilities of the Pacific Coast. From a comparison prepared by United States Departments of Commerce and Labour between freight carried by the Panama and Tehuantepec Railways, it seems that when, in 1906, the Panama Railway offered the only rail connection via the Isthmus between the Atlantic and Pacific coasts, the total traffic amounted to about \$6,000,000. In 1907, when the Tehuantepec Railway became available, the total was \$21,000,000; in 1908, \$42,000,000; in 1909, \$62,000,000; in 1910, \$82,500,000; and in 1911, \$99,000,000, exclusive of more than 775,000 dollars worth of foreign merchandise. The growth of traffic by the respective routes was, via the Panama Railway, from \$10,000,000







CONSTRUCTING THE APPROACHING WALL OF CONCRETE AT THE PEDRO MIGUEL LOCKS,  
JUNE, 1912.



oil have also been discovered, but there again the tale is one of neglect. The banana trade is the only one which is receiving anything like attention. In that the returns are quick and not inadequate. Manufactures are in a neglected infancy. Sugar might be made a profitable undertaking, for as fine a quality of sugar-cane can be produced, particularly in Honduras, as in any part of the world.

So with Panama. There are the minerals with nobody working them. There the coffee and the cacao, the sugar-cane and the tobacco, the timber and the large tracts of land suitable for agricultural purposes. They are all waiting for capital and population. The ancient glories of Panama may, possibly, be revived. Not, however, the people think, by the Canal. Their national hopes are getting centred in the building of the proposed railway from Empire to David. This railway, extending 289 miles, should do much to open up the interior. The Pan-American railway, connecting the United States by way of Mexico with the whole of South America, seems at last to be in the way of realisation.

Panama's neighbours, Colombia and Ecuador, are equally sparsely occupied. Yet both can boast of healthy and resourceful plateaus in the interior where a big population could be sustained with abundance. Vegetable life and minerals promise

a rich harvest. Manufactures are beginning to spring up in Colombia, but agriculture still remains the chief, although by no means properly organised industry. Progress is more marked in Colombia than in some other parts of the South American continent. A 30 per cent. increase per annum in the exports, if maintained for a few years, will do much to quicken interest in the small republic. The increases are chiefly in bananas, which seem to have become the staple product of these parts. Coffee and hides are also bounding up. In time someone will tackle Colombia's virgin forests of precious woods, and there is a throne for a cotton king. Someone, too, will see the obvious advantage of building a railway into the interior, and giving to the world the benefit of the wonderful agricultural and mineral wealth to be found there.

The Government of Ecuador is waking up, and is aiming at making Guayaquil one of the important ports on the Pacific. Harbour improvement is badly needed in Ecuador—that, in conjunction with railway construction. Indeed, railway construction is the great need of the whole of South America. Given that, you would get an impetus which would make the rise of the lower part of the continent more striking and remarkable than the growth, extraordinary as it was, of the upper part.

It is in Peru and Chile that you see the effect

of railways. Both are in a highly prosperous state and neither is by any means at the end of its tether. The capitalist has already entered, and he is planning out new schemes every day. In Peru you see the pride and love of show of the Spanish-American. The Sunday afternoon promenades in all the cities would make a London suburbanite yellow with envy. There is wealth behind them. Peru is a land of raw material. Everybody knows about its rubber. It has also sugar and cotton, and there are large tracts of land under wheat and corn. The mountains are full of metal, and mining is an important industry. The coast line of Peru is nearly equal to the United States seaboard. Railways are comparatively numerous, but still far short of what they might be. In Peru and Chile the United States is making little headway. In the one place the Germans are stronger; in the other the British.

The amount of European capital being absorbed south of the United States border is another illustration of the faith of the United States in its luck. When the real boom comes it thinks continental homogeneity will give it all that others have worked for. Well, it will indeed be lucky if it can violently alter the trend it has already allowed. The two most important manufactured imports in Chile are machinery and hardware. Out of the increase

under the former heading in the year 1911, the United Kingdom obtained £93,000 as against £19,000 for the United States; and out of the increase under the latter heading the United Kingdom had £35,000 as against £8,000 for the United States. The explanation is simple. The trade of the country is dependent on the nitrate industry, and of the £27,500,000 invested in that industry, £10,700,000 is British capital. In such circumstances, all other things being equal, the preference will be for British goods.

Chile, owing to its more fortunate situation in regard to shipping, has been more progressive than its sister Republics. Valparaiso is one of the chief ports of the Pacific, a regular service being maintained by a variety of British, German, Italian and Japanese lines of steamships. The foreign commerce is increasing rapidly, but so far the main activity in this direction has been confined, in the case of exports, to nitrates and, in the case of imports, to the limited wants of the inhabitants. With a higher standard of comfort will come increased demands, to pay for which the other resources of the Republic will require to be developed. The quantity of copper exported is infinitesimal, although copper mining could easily be made an important industry. Great impetus will be given to it if the railway from Iquique to Collahuasi is carried through.

From this survey of the wealth along the Pacific coast of the American continent it will be seen how much the future will require to give to it. Across at the other side of the water Australasia, China, and Japan are bustling into active industrial life. The natural course of trade is between the two sides, and when that trade has reached its full growth the interchanges between European countries will be dwarfed in comparison. Even the islands, forming, as it were, stepping stones across the ocean, have lost all that mystery which school books still attach to them, and in their way are showing signs of trading activity. The United States has become reconciled to its acquisition of the Philippines, the total exports and imports of which rose in three years from £13,000,000 to £19,000,000. In the same period the combined exports and imports of Hawaii rose from £12,000,000 to £14,000,000. One can only surmise what the figures would have been if the United States had not persisted in a rigid application of its Coastwise Navigation Laws, by which, although the Hawaiian Islands are 2,000 miles away in the centre of the Pacific, United States vessels alone are privileged to carry passengers and cargo between Hawaii and the United States. Hawaii has suffered on account of the inadequate transportation facilities. The United States is not obtaining anything like the proportion of Pacific Ocean



transport to which its geographical position and natural wealth entitle it. In the impossible event of European shipping being driven out of the inter-Pacific trade, the United States would still have to battle with Japan, which is quietly, but none the less surely, building up a great Pacific shipping trade.

It was circumstances, rather than choice, which led to the development of the Atlantic before the Pacific coast of America. Circumstances and choice will bring about a similar and even greater rise of the western side. I have shown how in some respects the balance of wealth is moving westwards. The figures of the Tehuantepec Railway, to which allusion is made, are an example of how, given the necessary communication, the trade and commerce of the Pacific cannot but spring up suddenly and amazingly. Of the merchandise passing from the Atlantic Coast westwards across the isthmuses, aggregating \$62,500,000 in value, \$4,000,000 went to Hawaii, \$48,500,000 to Pacific coast cities, and a little over \$8,500,000 to foreign countries. Of the total eastward movement of \$37,000,000, \$18,000,000 was sugar shipped from Hawaii, \$16,000,000 miscellaneous merchandise from San Francisco, and \$1,500,000 from Puget Sound.

When the west coast of the United States is better linked up with the centre we shall see the

West striding rapidly into her own. Merely in self-defence the United States Government will be obliged to undertake something of the kind, if she is not to allow the growing commerce with Asiatic countries to pass to her competitors. In any event, the future of the American continent is with the West—that is the inevitable which Americans must recognise.

## CHAPTER XX

### WHAT IS THE USE OF IT ALL ?

WHEN you have lauded the perseverance of the Americans for cutting a waterway between the two Americas, acknowledged the engineering skill, and paid tribute to the organisation which brought triumph to the undertaking, you are confronted with the question : What is the use of the Panama Canal ?

Most folk are surprised at such an inquiry. Why, the Panama Canal is going to save distance by thousands of miles ; it is going to open a new route for the commerce of the world ; it will be a realisation of the dream of Columbus by being the western way to the Orient.

The American people expect a great traffic. That is why they are providing double locks, so that there may be no delay by the holding up of ships. While vessels going one way will be hoisted to Gatun Lake, others travelling the opposite way will simultaneously be lowered from the lake to ocean level. They assure you that their experts have made calculations which demonstrate that in spending £80,000,000 in constructing the Panama Canal Uncle Sam has made



DUMPING "DIRT" FROM CANAL EXCAVATIONS; THE STEEL WEDGE HAULED BY A CHAIN  
RAPIDLY PUSHES ALL THE DEBRIS ON ONE SIDE.



one of the best investments in his history, and that the Canal is going to be a "paying proposition."

Let us see.

The Canal will shorten the sea journey between New York and the west coast of the United States by over 8,000 miles. As I have previously pointed out, it was the need of this cut—when the *Oregon* had to steam from the Pacific to the Atlantic by way of the Straits of Magellan—which stirred the Americans to provide a gateway between the two seas. But it is on the transit of merchant shipping that the Canal must rely if it is to be a commercial success. And in the matter of sea-borne goods the markets of the Eastern States will have an advantage by thousands of miles over their present position in reaching California, Peru, parts of Chile, Australia, and Japan.

At present, however, the American mercantile marine is a bad last among the trading concerns of the world. South America is the land of to-morrow. So far as I can gather, there is not a single liner flying the United States flag running between ports on the two sides of the Equator. The trade is in the hands of foreigners, chiefly British, and the growl has been heard in American circles that their dollars are being spent to build a canal for foreign ships.

Except to West Central America, the Canal is going to be of little advantage to British shipping.

The value of the west coast trade I know ; but as part of the British shipping trade in the world it is insignificant. By Panama New Zealand is slightly nearer to England than by any other way ; but, with the Suez Canal in existence, India, China, Australia—indeed, every ice-free port in Asiatic waters—is more distant by the Panama route than by Suez. Why, taking it that both New York and Liverpool sent ships to Shanghai, the former by Panama, and picking up passengers at San Francisco, and the latter via Suez, the English ship would have the lesser distance to travel. Accordingly, on even terms, British shipping with the East and with Australia has nothing to gain by Panama.

Americans are buoyantly confident that as a commercial venture the Panama Canal will pay—not all Americans, but the bulk of them. I have already discussed the abrogation of the Hay-Pauncefote Treaty and the giving of the preference to American ships engaged in coastwise traffic. I will only remark here that, though in England this has been interpreted as an unscrupulous violation of a written compact in order that favouritism may be shown to American ships and foreign ships be proportionately penalised, it was another motive that really actuated the United States President and the two Houses. The idea was to deliver a blow at transcontinental American railways, which are

by no means popular, by relieving ships plying between Asiatic and Pacific ports from the burden of tolls and giving them a better chance to compete with the railways in the carrying of freight.

We know how elastic the American mind can be in stretching the meaning of words in a treaty. Therefore, although the proposal is for the United States Government to give free use of the Canal to coast-trade vessels only, it is not an extravagant assumption that, with the alteration of the United States law, allowing foreign-built but American-owned ships to carry the Stars and Stripes at their mastheads, a ship sailing out of New York, going through the Canal, calling at San Francisco and proceeding to Yokohama and the Philippines, will soon be counted as "a coasting ship."

Allowing American ships to use the Canal toll free—and the cheery American will tell you that as the Canal is being built with his money he can do as he likes—the important question remains: How is the Canal to be made a commercial success? Are the tolls on foreign ships to be so high that a profit will be made out of them? The main use of the Canal to foreign ships for generations will be to bring to Europe foodstuffs from the northern section of the continent and nitrates from the southern section. It is the intention of the United States Government to charge tolls not on the tonnage or





from joining. Indeed, the Canal would be the weakest link in the chain of defence. Some American authorities with whom I have spoken deny that it will be a weak link. But they recognise, more than the mass of American people have yet realised, that the Canal will be an object of attack, and that defence is a necessity. I have even met men who confidently declare that the Canal will be impregnable—a big word, and inclined to be meaningless under modern war conditions.

Anyway, what the American people will soon have to face will be, not the receiving of profits from a commercial canal, but a heavy charge put upon them to maintain the Canal as an instrument of war. The calculation has been made that the Canal, instead of being a fine investment for the United States, is going to cost that country £4,000,000 a year in efficient upkeep.

Preparing for eventualities, fortifications are being constructed, and heavy guns will be placed on the island of Flamenco, which lies at the Pacific end of the Canal. But five miles farther out in the Bay of Panama is the much bigger island of Taboga, with deep water on the west side, where the enemy's ships could ride close in and the guns of Flamenco be unable to touch them. Taboga and its neighbouring islands belong to the Republic of Panama, but if the entrance to the Canal is to be really guarded

it will be imperative for the United States to acquire Taboga and tunnel it after the manner of Gibraltar. The expense of this will startle the American people, though they will be well able to bear it.

Heavy double fortifications are intended on the Atlantic side to bar the approach of the enemy, for from deep water to the three double locks at Gatun is seven miles, and could be reached with long-range guns.

Fine specimens of massive engineering though the locks are, it would not be difficult for a daring opponent to wreck them and render the Canal useless. Ostensibly, the reason the United States Government are going completely to depopulate the Canal Zone through a ten-mile wide strip of country between the Atlantic and the Pacific is because they do not want coloured settlers ; but the actual object is to keep the ground clear of anybody who might be troublesome if the United States were at war. Not only this, but on the hills adjoining the various locks fortifications will be erected.

A military force will be stationed at Culebra. How large it will be has not yet been settled. Certainly it will not be fewer than 5,000 men. There are American military authorities who, understanding that war comes swiftly, and that it will be difficult to hurry a defensive force to the Canal during hostilities, when the first endeavour of the foe is to

block the route, feel that in peace the defence must be on a war footing, and that a force of 20,000 men will be necessary. That is Colonel Goethals' opinion, and he is a military expert as well as the man on the spot.

It is clear from all this that the United States War Department fully appreciates what the Canal means, is taking the requisite steps, and does not intend to leave much to chance. The very fact that these precautions have to be taken, notwithstanding the talk about impregnability—is an acknowledgment of the danger.

With developments in modern warfare—aero-planes, for instance—it would be nothing short of marvellous if during a conflict with a first-class Power the United States were able to keep the Canal free from mishap and open to the quick transfer of warships from ocean to ocean.

Though in the States, as with us at home, there is uneasiness about the increased expenditure on naval arrangements, there is a growing feeling that the Panama Canal, whilst useful in speedily bringing warships from one coast to the other, will soon direct public attention to the possibility of the Canal being made ineffective in war time, and must arouse thoughts about the wisdom of placing absolute reliance upon it as the gate to let American ships pass to where they are most needed, and the conse-

quent necessity for the American nation to have not one fleet but two fleets, one in each ocean.

I have had counsel with Americans, taking a quiet view of the situation, proud of the Canal, who admit that when their people grasp the full consequence of cutting the Americas in twain they will be compelled to set about having a navy second to none in the world.

I must not, however, neglect the fact that there is a body of opinion which regrets that the United States Government should have thought it necessary to fortify the Canal. Doing so brings obligations and responsibilities, the end of which is far from sight. It will mean a bigger navy, maintained on a footing and at an expense in no way consonant with the present ambition or wishes of the American people. The opponents of fortification believe that the neutralisation of the Canal could have been guaranteed by the Great Powers. How this would have been possible is hard to understand, as the United States would want to use the Canal in war time, and the other belligerent would not be likely to keep to a "hands off" policy in regard to what might prove the crack in the American armour through which the lance could be thrust.

However, the United States is committed to fortifications, and must bear the brunt of the troubles which will inevitably arise. At present the majority

of American citizens do not bother about peering into the future. The Panama Canal is nearing completion, and is a worthy monument to American enterprise, organisation, and determination. The dream of four centuries will be a reality within a couple of years. With that prospect the Americans are content.



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