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Panama Canal.

Revised

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The Inter-oceanic Canal.

I.

Introductory- Its Commercial Geography.

(Maps 2 Commerce Distribution)

10- Caribbean Sea

Great Circle Chart of N. Pacific Ocean.

The Pacific Ocean -

Lecture No I.

In view of the partial construction of two interoceanic Canals between the Atlantic and Pacific Oceans it has been deemed wise that a study should be made of the existing conditions of affairs in the vast area to be affected, directly and indirectly, by this proposed sea route; in the Naval, commercial, and so far as it may be pertinent, political aspects that are presented.

In addition to this, it is proposed to discuss, so far as time allows, the modifications, in the trade routes and trade movements which would be likely to arise, from the opening of ^a this Ship Canal, and to examine the predominance of the various Naval powers over these routes and over the bodies of water through which they pass.

While thus indicating the subject matter in general upon which these lectures are based, I feel it not out of place to give here the subject of each lecture and in this way outline more definitely the series.

The first lecture besides being introductory in its nature will treat especially of the trade and trade routes now existing between the Atlantic and Pacific, showing how both will be effected by the Canal

The second and third lectures will embrace a Naval and Commercial examination of those ports and harbors of the Gulf of Mexico and Caribbean Sea, that are important in a military or commercial sense, with respect to the trade routes to the Canal and

to the Canal itself.

The fourth lecture Embraces an inquiry ~~into~~ into the political state of the Central American countries likely to be most affected by the Canal, and a narration of the international questions bearing upon the Canal.

The fifth and final lecture will give the general conclusions derived from the preceding lectures accompanied with a ^{partial} discussion of the Canal question ~~as it affects the Pacific~~ and ^{how} it bears in its different aspects towards the United States.

It will be found as we progress, that, although the subjects of these lectures cluster about the great central one of the opening of the inter-oceanic Canal, ~~that~~ other questions of interest necessarily arise and are discussed with greater or less freedom according to their importance.

The three plans that have been of late years presented for the solution of the question of Ship transit to the Pacific from the mid Atlantic are ,

1st The construction of an inter-oceanic Canal at the Isthmus of Panama.

2nd The construction of an inter-Oceanic Canal and water route by the way of Nicaragua, and

3rd The construction of an inter-Oceanic Ship railway across the Isthmus of Tehuantepec.

The first or Panama Canal is not now in the course of construction, though the work now abandoned may be revived on some other basis.

The preliminary work having been completed the ground was broken for this Canal in 1882, and from a sifting of the various reports made it is deemed fair to assume that this great enterprise was less than one third completed when the work was abandoned.

Of the Nicaragua route it can be briefly stated that the concession from the Nicaraguan Government, recently renewed under certain conditions, is held by a Company duly and legally chartered by the Congress of the United States, detailed surveys having been previously made. This route is the final result of the many surveys carried on at various times and parts of the Central American and Mexican Isthmus by Officers of the United States Navy and is ~~the~~ the favorite one with Americans.

The last plan presented for inter-Oceanic transit, is that proposed by the late Capt. Fads, for a Ship railway across the Isthmus of Tehautepec. The concession for this has been given by the Mexican Government, couched in terms which make it virtually a Mexican affair, it has not been granted a charter by the United States but can proceed without one.

This scheme of transit is so foreign to the ordinary methods of Ship Navigation that although in a limited or occasional way it may be made an Engineering reality, it will never in my opinion become a commercial success, or solve the question of inter-oceanic transit. The death of the promoter, upon whose reputation gained in undertakings of a different nature, this scheme seemed

to rest, has been fatal ~~to~~ ^{to} its success. ~~In~~ the discussions that follow this plan will not be taken into consideration.

The ~~distances~~ between Colon and Greytown on the Caribbean side, and Brito and Panama on the Pacific side being comparatively small, the two ports Panama and Colon will be taken generally as the converging and diverging points of the trade routes on each Ocean.

(See trade route Map of Gulf) *Comⁿ.*

All the routes now existing ~~from~~ from the East coast of America, from Europe, and ~~from~~ from the Atlantic generally, enter by narrow channels into the Caribbean Sea and passing for considerable distance through this enclosed body of water finally converge at ~~Aspinwall~~ ^{Colon}.

On the Pacific side immediately after leaving the Gulf of Panama, or the coast ~~of Central~~ of Central America, the existing routes radiate in all directions upon the broad expanse of the Pacific.

The importance of the waters and passages of the Gulf of Mexico, and the Caribbean Sea, in a Military and Naval way, can be seen at once and will be made the subject of ~~minute~~ ^{detailed} examination hereafter. The present trade routes by water to the Pacific from the Atlantic are those by way of Cape Horn and the Straits of Magellan or those by the way of Colon, trans-shipping by the Isthmus to Panama. The other routes from Ocean to Ocean are those represented by the trans-continental lines of railways of the United States and Canada, or those partly rail and partly water that go

by the Gulf ^{via New Orleans} across Texas to the Pacific. Morgan Line (S.P.R.R) (Show small map) ^{As written write it one} ~~or by~~ ^{the Ladies R.P., G.M. or N.P.R.R.s -}

The present direct Steamer routes from the United States to Colon can be reduced to two, one from New York and the Northern ports of the United States, by the way of the passages of the Eastern Bahamas, the Windward passage and thence across the Caribbean to Colon.

The second route is from New Orleans and the Gulf ports, across the Gulf of Mexico, to and through the Yucatan Channel across the Western Caribbean to Colon. Besides these routes a homeward route is taken to New York and Europe by tramp Steamers and some times by the Pacific Mail when the trades blow fresh by the way of the Yucatan Channel and the Florida Straits- having the force of the Gulf Stream current to shorten the passage and coaling and safe harbors along their route in case of need.

From Europe the Steamer routes go direct across the Atlantic to the French West Indies, St Thomas, or Barbadoes, and then through the adjacent passages to the Caribbean and by that sea to Colom. From the English Channel, the Azores afford the best port for call, from the Mediterranean- Madeira. These routes are followed in a general way by the English, and French Lines, as far as the Windward Islands; but after passing this chain these lines follow routes according to the trade offered, and without regard to the direct course to the Isthmus.

Sailing vessels from Europe bound for the Isthmus run

into the trades crossing the different parallels of latitude at varying points according to the season of the year until 20 deg. N. Lat. is reached, then running due west pass through the Windward Islands and the Caribbean to ~~London~~ London

The Steamer routes from Panama in the Pacific are those taken by the Steamers of the Pacific Mail Company along the coast to the Northward and by the Pacific Steam Navigation Company along the coast to the southward, reaching by the Pacific Mail routes, the countries of Central America and Mexico, and finally San Francisco. Here this line meets and connects with the lines to China and Japan, to the Hawaiian Islands, ~~the~~ Australia, to Oregon, Washington, British Columbia and Alaska. The Southern route reaches ~~and~~ and passes along the Pacific coast of Columbia, Ecuador, Peru and Chili and at Valparaiso connects with the line of the Pacific Steam Navigation Company to Europe by the way of the Straits of Magellan.

In addition there are French and German lines which go from Central and South American ports to Europe, by the way of the Straits ~~of Magellan~~ of Magellan

There exists also a route across the Southern Pacific ~~followed~~ used by some English Steamers lines bound home from New Zealand and Australia, which following the regions of the westerly winds rounds Cape Horn ~~and~~ ⁺ passes into the Atlantic to the northward. The sailing routes to and from the West coast of America, by the way of Cape Horn, and to the islands of the Pacific, by the same route, call for no particular notice as they are at a distance from the main land and approach no islands of importance.

The sailing routes to and from Panama involve a long detour in order to take advantage of the trade and prevailing winds; excepting for vessels from Valparaiso and Callao; and to Australia, New Guinea, and the Phillipine Islands; these routes are comparatively direct having however to combat the calms and uncertain winds of the Gulf of Panama and its vicinity.

Brito the proposed terminus upon the Pacific of the Nicaragua Canal is better placed for sailing vessels as they emerge from the Canal and it has been stated with a very fair show of reason that the ^{Sailing} route to San Francisco from Brito will be nearly two weeks shorter than that from Panama, the return route being also shorter, in fact all of the sailing routes from Brito would possess decided advantages over those from Panama (~~Par.~~)

And now as to the modifications in these various trade routes that would come after the opening of the trans-isthmian Canal. The route from the Atlantic to the Pacific coast of the United States in all probability will remain the same, the route being made simply continuous; and so with all the Steamer routes now centering at Colon. The Pacific Mail Steamship Co. and the Pacific Steam Ship Navigation Co. will suffer by the Canal opening as they take the greater part of the trade at present, from the west coast of America to Panama. The various other English, American, German, French and Spanish lines, centering at Colon, will probably continue their routes to the Pacific coast and gather their trade independently of the present two great coasting lines.

The Pacific Mail will find such competition for the trade between the Atlantic and the Pacific that it will be no longer able to keep up its combination with the trans-continental railroads and the seaboard trade will become freer and less restricted between the two great coasts and Sections of the United States.

The west coast of South America being made free to all, our Steamers should then readily reach the nitrate and borax of Tarapaca and the products of Peru and Ecuador. The English and other lines to Europe by the way of Straits of Magellan would most likely be abandoned and the English hold relaxed.

The direct distance from New York to Callao and Valparaiso is not very great and the route would then be an uninterrupted one; the time now on account of the want of continuity, being unduly prolonged and uncertain. A new and shorter trade route to China and Japan, by the way of the Hawaiian Islands, ^{or the Pacific Coast of U. S.} would be opened which would become of great importance to our Atlantic Seaboard. *(Show Great Circle Chart)*

A new route to New Zealand and Australia would also be opened from our Atlantic ports by the way of the Canal calling at one of the mid-Pacific Islands, either Tahiti, the Marquesas group, or the Island of Rapa. Torres Strait will be reached by the way of the Samoan Islands, and routes to the Philippine Islands, to Java, and the Dutch East Indies, crossing the mid-Pacific south of the Hawaiian Islands will probably use the Marshall and Caroline Islands as places of call. *Swamp*

To and ~~from~~ Europe, direct routes to the west coast of

America will be established as stated before and the mid-Pacific islands will be reached directly; the Canal serving at the same time for some of the best trade routes to New Zealand. A rival route to the Suez one is likely to be established to parts of Australia from Europe though the most of the Australian Continent as well as China and Japan will naturally for European trade still belong to the domain of the Suez Canal.

And now as to the existing trade conditions.— Europe and the Eastern coast of North America furnish almost all of the trade coming from the eastward to the Pacific countries.

Europe in a general way may be said to send to these countries a trade consisting almost exclusively of manufactured articles - i.e. metals, cotton, woolen and linen fabrics, and various articles of wooden and earthen ware. The only raw material in bulk going to the Pacific is coal from Great Britain, and since the rapid development of the coal fields in the four quarters of the Pacific- British Columbia, and Washington, Japan, Chili, and Australia - this exportation is relatively declining, and is to a great extent an article of ballast.

The Eastern coast of the United States and Canada, send to the Pacific in addition to various manufactured articles, such ^{things} as ~~lumber, coal, salt~~ and other provisions, and petroleum.

The return trade from the Pacific countries is composed almost entirely of raw materials of which I will name wheat, wool, gold, silver and other ores, coffee, copra, sugar, ~~minerals~~ and

teas as the most promineng.

Let us now examine this subject more in detail. The trade to and from the West Indies through the Canal will be comparatively small there being too much similarity in the tropical products of the two Oceans to create much interchange of staples.

Whatever share of the inter-oceanic trade the West Indian countries will enjoy will probably be taken up by the Steamers passing from Europe and North America through these regions. The West Indies will receive in this way some of the fertilizers from the Southern Pacific coast, some of the canned fruits and salmon from California, and teas and rice from China.

I cannot pass from the West Indies and Caribbean coast however without calling attention to the great trade existing between the United States and these countries, more especially in articles exported to the United States by these countries and for which we are the great and almost only market. Of the countries of the entire world doing trade with us, the countries in and along the Caribbean Sea furnish us with products and exports, exceeded only in value by the articles received from Great Britain and Ireland, amounting to over \$117,000,000 in value; and to more than ^{thirteen}~~twelve~~ per cent of our entire import trade.

Thus it can be seen that the United States has an overwhelming weight commercially in these communities, to some of whom this market has become of vital importance. In the matter of sugar alone, the West Indies provides us with nearly two-thirds of our

entire supply, and as these countries are cut off more and more ^{from} the European countries by the enormous production of beet sugar under the artificial stimulus of bounties, they turn to us and our increasing demand, as their last hope for future prosperity. In the U. S. 54 lbs per capita of sugar is used, in G/ B. 74 lbs is used. Two thirds of the world's supply of sugar is derived from the beet root.

It is to be regretted that our exports to the West Indies do not balance our receipts and that so a large a portion of this trade is carried on by other flags than our own. The amount of exports to the countries of the Gulf and Caribbean from the United States is in value ~~about \$46,000,000~~ less than half of the value of the articles received. This balance of nearly \$50,000,000 against us in this trade, with countries so closely our neighbors, deserves great attention and a comprehensive study by those interested in the commercial prosperity and expansion of our country.

In regard to the volume of the Commerce that will pass through any enter-oceanic Canal that is of course a matter of estimate and speculation at the present moment. It has been estimated to be likely to amount ^{at first} to from 7 to 8 millions ^{of tons} a year.

It will of course be an increase over the amount of the present trade not only on account of the increase of facilities but also on account of the great economy of water transportation. — You may have heard of the calculation made that " a small cake of coal which will pass through a ring the size of a shilling, when

burned in a compound engine of a modern Steamer will drive a ton of food and its proportion of the Ship, two miles on its course" or of the half sheet of note paper that will develop sufficient power in a triple expansion engine to carry a ton a mile in an Atlantic Steamer but these do not convey the idea of cheapness of water transportation as much as a single concrete example of every day trade like that of the single Mississippi tug boat which transported by towage ^{at 20000 T-} 600,000 bushels of coal at an expense of \$18,000 which amount would have required by rail 1800 cars of the largest capacity. The saving in money over the lowest freight rate by rail between Pittsburg and New Orleans being \$162,000 Furthermore the time it took to carry this quantity of coal from Pittsburg to New Orleans was 15 days, while if transported by rail with the usual speed and capacity of ~~fast~~ freight lines it would have taken three months to get it all to New Orleans.

But let us proceed to the detailed examination of the Central American States with respect to their present and possible commercial conditions. Along the Pacific coast of these countries the Pacific Mail S.S. Co. has had a monopoly until of late years, and the high freight charges to the Atlantic have led to the partial construction of various inter-oceanic railways which have already resulted in a considerable diversion of the trade of these countries to the Caribbean coast.

Costa Rica in this way now sends the larger part of her great staple- Coffee-. Besides coffee, the wonderful market cre-

ated in the United States for the omnipresent banana, has caused a development and cultivation of tropical fruits to which Costa Rica adds an export of cabinet and dye woods and hides. These go mainly to the United States while manufactured fabrics of cotton, wool, silk, and linen come in return from us in part, but also from England and Germany.

Nicaragua adds to the products of Costa Rica, india rubber, the export of which is ~~only beginning to be~~ ^{of declining} of consequence; the government stimulating more particularly the cultivation of coffee and tobacco. As the only railways of Nicaragua lead to the Pacific, at Corinto, the bulk of the trade goes that way. We get ^{about} ~~one-fourth~~ ^{third} of the exports and send ~~but one-sixth~~ ^{fifth} of the imports. England, ^{United States} Germany and France being the source of the greatest amount of the exterior supplies. A Canal would of course develop greatly this country, more especially as the Pacific side is ^{better developed and} best suited for residence and commerce. *From the Casiquito River to San Francisco*

Honduras sends most of the trade from the Atlantic side, having little coast line and but one port upon the Pacific. This would be however the port of supply and outlet for the rich mining regions of this little nation, the richest mineral, as well as, the most backward country of the Central American Republics. The imports into this country are mainly from the ^{United States and from} ~~distant~~ European countries, the exports being ^{also} principally to us and besides the gold and silver ores include tropical fruits, ^{Widstock} ~~mahogany~~ ^{Coffee -} and hides.

Salvador is entirely a Pacific coast country, very thick-

ly populated and though the smallest of the Central American countries, the most closely cultivated. Coffee is here again the great staple, bringing of late years great wealth to the cultivators, indigo is still a product here though a declining one and ~~cocoa~~ ^{sugar} and balsam are exported. The United States now has the greater part of the trade which would be by its situation, to a large extent, tributary to the future Canal.

Guatemala the most important of the little Central American Republics has a fertile soil with a good climate in the high lands of the interior. This country is remarkable for having in the period of twenty years changed its chief product, by direction of the government, from indigo ^{and} ~~to~~ cochineal, become no longer profitable, to coffee. Beside the great staple-coffee- ~~is~~ excellent of its kind- india rubber, hides and tropical fruits are exported. This country is said to have an abundance of live stock, horses and mules, though I saw not long since an ammunition train pass my window in Guatemala City bound to the front and composed of Indian carriers alone.

The trade of this country amounting in exports to nearly \$10,000,000 goes principally to Germany and the United States.

The imports somewhat less in value are principally manufactured fabrics from England ^{U.S. France & Germany.} ~~and Germany.~~ In this country as in other Central American, Mexican and South American countries, German trade and German merchants have increased greatly of late years.

Many of the large Coffee plantations have been purchased by German joint stock Companies. As we will meet the German in his mer-

cantile capacity, backed by the forces of his country, at various times and places I pause for a moment from the recount of trade to speak of him. His success has been remarkable of late years in almost every civilized and semi-civilized country of the world and he is becoming a great and successful rival in many places to the English merchant who has been for ~~many~~ years, par excellence, the trader of the world. An English Consular Official in discussing this matter says " German Merchants are thoroughly trained as mercantile men. They are shrewd and hard working generally, of ample education, agreeable social qualities and of broad unprejudiced views, with the gift of ingratiating themselves with the people among whom they reside and have to deal. In such men the German manufacturer finds solid support and the most potent means for the extension of trade.

In my review of the products and trade of each Central American country I trust that I have not failed to impress you with the great wealth of its mineral, agricultural, and pastoral resources, some of which are entirely closed to the world while others are but partially developed. Especially is this the case with the production of coffee, lying so close ^{as this country does} to the United States one of the greatest of coffee drinking nations of the world.

With the completion of a Ship Canal should come the opening up of the high equable regions of the interior, so unlike in salubrity and temperature of the low and unhealthy sea coast

The Pacific coast of Mexico has a total extent of 4200 miles but though much longer than the Gulf or eastern coast it has

but one sixth of the export trade of Mexico.

The great exports of the Pacific coast ^{are} coffee, hides, chemicals and dyes, woods and minerals,

The leading Pacific Port, the third sea port of Mexico, - Mazatlan) has ^{12/13} of its exports in these precious metals. In addition to the precious metals there are undeveloped or partially developed mineral resources of iron, coal, lead and tin on this coast. Of the other articles of trade, the cocoa of Socumasco in the once Guatemalian State of Chiapas is unequalled in the world, along the southern part of the coast are virgin forests abounding in valuable dye and cabinet woods; the coffee of Colima is superior and more costly than the best Mocha. and in addition vanilla, rice indigo and tobacco are grown in the low Tierras Calientes south of Mazatlan. To the north of Mazatlan and in the Gulf of California, the country becoming almost rainless, has less vegetation but is richer in valuable mineral deposits. Here outside of the metals are found such articles of trade as pearls, and pearl shells, salt, guano, phosphates, and on the eastern side of the Gulf some wheat and other productions of the temperate regions appear.

The United States leads in the matter of trade with Mexico England being second, but in the commercial region of the Pacific the trade is principally in the hands of the German residents who ^{here} while favoring German goods when they can, do not confine themselves to them, but buy and sell where they can do so to the best advantage.

The trade of the West coast of the United States is at

present centered at San Francisco and this City will without doubt continue to be the most important port of the coast after the Canal has become an assured fact. The geographical position it has upon our coast, the magnificent harbor upon which it is placed, its navigable, internal water~~communications~~, and the great railway systems centering there give advantages that ~~with the~~ ^{the} intelligence, foresight and energy of its merchants should ~~continue its preeminence~~ ^{develop and maintain} ~~its preeminence~~.

With free and direct trade to and from the Atlantic will come great distributing trade to this City not only for the Pacific slope, but for the island world of the Pacific Ocean. The closer proximity to European and to our own Eastern markets will give it a position of advantage beyond any attainable by other ports in the Southern Hemisphere. It is a fact worthy of note that San Francisco (as well as our Pacific Coast generally) of all the great ports and coasts of the world, stands almost alone in being without direct Steamer communication with any European country. With the opening of the trans-isthmian Canal this singular isolation will be brought to an end.

The great staple exports of the Pacific Coast, north of Mexico are wheat, barley, flour, canned salmon, wool, lumber, leather, tallow, gold and silver ores and bullion, and canned fruits. Of ~~these~~ the breadstuffs, canned fish and provisions, leather, tallow, some wines and brandies, and lumber will go through the Canal while general merchandise will return in the same way from Europe and our Atlantic Coast. ~~In~~ addition, the various products of the

seas and islands at a distance, collected by San Francisco will also be sent eastward.

The number of vessels carrying the wheat crop from San Francisco to foreign ports has been as high as (548) in one year. Wheat in large quantities also comes from the Columbia ^{River} and Puget Sound.

We will now examine the West coast of South America. In the Western portion of Colombia we find that though comparatively little trade now goes to Europe, or our Atlantic States, with the opening of the Canal not only will its gold and silver ores continue to go that way, but coffee, cocoa, dyestuffs, india-rubber and hides will pass through the Canal en route to Atlantic and European countries. The rich valley of the Cauca 600 miles long, now finds an outlet on the Pacific at Buenaventura and greater development of this trade will naturally follow the opening of the Canal

Ecuador whose principal outlet is the port of Guayaquil will send increased amount of cocoa, its greatest staple, as well as coffee, india-rubber, cinchona and hides to the Atlantic and be reached in turn more freely by the civilizing and enlightening influences of commerce. Its exports are about \$6,000,000, about three-fourths being cocoa, two-thirds of its trade being carried under the English flag. Ecuador is one of those countries of South America, which can only be reached conveniently from the Pacific.

Peru, whose trade is mainly with England, has increased its trade of late with Germany and will doubtless send the bulk of

its sugar, cotton, wood and silver ores to that country by the Canal route, receiving back merchandise in return, but the United States should share in the trade in hides, chemicals and wool, sending back a greater share of its manufactured fabrics, as well as petroleum and lumber. With the Canal should come direct Steamer communication for which our countrymen and our Consular Officers in this coast have so long asked.

The proposed extension of the Oraya railroad into the fertile and valuable mining regions of the Transandine Country will call for mining and other machinery from us and give access to a region teeming with natural wealth ^{which will be} and tributary to the great Canal

Chile is a country which possesses a long extent of sea coast reaching from almost Antarctic regions to the Tropics, and for this region sea routes north and south are vitally important. The great staples of Chile, until the recent acquisitions were made from Peru and Bolivia, were wheat, flour and above all copper, in nature too much like our own to cause great interchange of trade and so England first, Germany and France afterwards, take almost all of the trade, the United States furnishing only merchandise unobtainable from other countries.

The acquisition of the guano of Peru, the nitrates, borax, iodine and the valuable metals of Tarapaca, and also the Chilean control of much of the Bolivian trade will furnish much trade to the Canal, and give to the United States a better opportunity for a greater interchange of trade.

1a Bolivia is an inland country ^{with} outlets through Chile, Peru

and the Argentine Republic, each competing for its trade. This trade belongs to the Pacific and Chile is striving vigorously and successfully for it, a railroad having been constructed from Antofagasta to southern Bolivia, while the railroads from Arica, ^{and} Molendo are endeavoring to secure the Northern trade.

It is probable that most of the trade of Bolivia will be tributary to the Canal. Besides silver, gold, copper and tin, Bolivia raises and exports cinchona or Peruvian bark, india-rubber, the famous cocoa leaf and other valuable medicinal plants. The trade that is seaborne is principally with England, France, and Germany, American goods reaching Bolivia only in an indirect way manner.

Turning from the coast of South America, we find that England, France, and Germany are rivalling each other in the absorption of the various groups of islands which dot the Pacific Ocean.

Polynesia, which has for its eastern boundary, the west coast of South America, has now its western limits at the 180th meridian. In this division of the Pacific the French predominate politically, but not commercially. The first group of islands, however that we meet with in leaving the South American coast, the Galapagos, is under the jurisdiction of Ecuador. This group contains a small and uncertain settlement of Ecuadorians, and being out of the line of the present commercial routes and with only tolerable harbors and water supply; it is at present of little trade importance. There is however, in the interior of the islands,

quite an area of good soil, capable of sustaining a considerable population, and the group, from its geographical position, may acquire a certain importance upon the opening of the Canal. The other islands off the coast of South America will remain insignificant factors in the future trade of the Pacific.

The three groups in the mid-Pacific controlled by France are the Marquesas, Paumotu, or ~~Low~~ Archipelago, and the Society Islands; and with the last classed the outlying islands of the Austral group, and the island of Rapa, all under the control of France

The principal products of these islands, is at present, copra, or the dried kernel of the cocoanut; after this follows pearls and pearl-shell, sugar, cotton, and tropical fruits. The soil of these islands is also capable of raising coffee and tobacco, and is suitable for the pasturing of live stock. Of the products just named, the sugar and the tropical fruits will find a market in the Pacific and will not be likely to pass through the Canal. For copra and cotton there is a steady demand in Europe, but as the production of cotton is restricted by the unsettled condition of the labor question in the tropical and sub-tropical Pacific, copra would be at first the only great product passing through to the Atlantic.

The various islands to the westward of the Society Islands and the French possessions, forward their produce when collected to San Francisco, Tahiti, Auckland, and Sydney; or coming within the sphere of trade of the German South-Sea Company, they send their produce to Apia in the Samoan islands. The commercial orga-

nization known as the "German South Sea Trading and Plantation Company" is the successor of the once famous Hamburg firm of Godffroy & Co. Its operations extend across the Pacific from the Society Islands, through the Samoan, Tongas, Gilbert, Marshall, Caroline, and other groups, until they reach New Guinea and Cochin China.

The firm of Godaffroy & Co., whose former principals largely hold the stock of the South Sea Co., was in existence for a Century. Before 1857 its operations were confined to the Indian Ocean, in the East, with Cochin China as headquarters, while in the West, trading on the coast of South and Central America it had Valparaiso as the central station. In 1857 a station was established in the Low Archipelago and operations extended to the westward. The Samoan Islands were finally made the headquarters in the Pacific. In 1872 the establishment at Apia numbered 34 Europeans and occupied about 5000 acres of fertile land obtained from the natives by trade and otherwise, especially by barter with fire-arms, Messrs Godeffrey & Co. from their control of a factory of fire-arms in Belgium supplying guns at a cheap rate and reasonable profit for money or land. At the present time more land is claimed in Samoa by Whites alone than the area of the whole group.

Godeffroy & Co. established at Yap in the Caroline Islands an intermediate station between Samoa and their old agencies in Cochin China and acquired 3000 acres of land. By this time the ~~firm~~ firm had an agent in every productive island of this part of the Pacific which was inhabited by natives disposed to permit white men

to reside and trade among them.

Before the Franco-German war a programme of colonization was drawn up for Upolu, the most fertile island of Samoa, and a German man-of-war, the Hertha, was en route to Samoa, to prepare the way for military settlers from the home country. These plans were suddenly ended by the outbreak of the war, the recall of the Hertha, and the French blockade of Hamburg. The suspension of all commerce with Hamburg resulted in the failure of Godeffroy & Co., and after the return of peace, the stock and goodwill of the firm were taken by the South Sea Company and, notwithstanding the fact that the company had failed to receive, so far, the direct guarantee of the Imperial Government, it has gone on with the indirect influence of the Government at its back. How actively this influence has been exerted in the past is now historical. *As to Samoa*

~~Commercially, the South Sea Company has not met with the success of its predecessor, and there are English, Americans, and even German rivals now in the field. Of late years, American firms from San Francisco, have entered into competition with the German Company, and were our trade and traders as closely followed by our flag, the American traders, who are more popular with the natives, could maintain their trade influence and acquire a firm foothold.~~

The great staples of the other islands of Polynesia, Melanesia and Micronesia, are the same as those of the French possessions in the mid-Pacific. As we go to the westward and approach the Malaysian islands the soil becomes capable of growing indigo, ginger, nutmegs, and other spices, as well as various fibre-produ-

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the*

-eing plants. The imports ~~to~~ these islands consist mainly of provisions, lumber, hardware, liquor, drygoods, and clothing, in the parts inhabited by the whites; while in the partly civilized ~~and~~ and savage islands the articles desired are tobacco, calicoes, hardware and small pieces of wrought iron; American knives and axes having the preference.

The Fiji islands since they became, in 1874, an English colony have developed a prosperity which is more particularly due to the greatly increased cultivation of the sugar-cane. This cultivation is restricted only by the want of labor; the labor problem being the one, upon the solution of which, the future prosperity of all the tropical and semi-tropical Pacific islands greatly depends.

The Fijians, Tongans, Samoans and the natives of the French islands will not, as a rule, work as plantation hands, and so the white planters have been securing their laborers by various methods (even by kidnapping), from the Hebrides, the Salomon, the Gilbert, and other islands in and about the equator. These men, of low intellectual order, make good laborers, but ~~the~~ their numbers are diminishing, and their unwillingness to go to the plantations, especially to those of the French and Germans, is manifestly on the increase. To meet this difficulty, Indian and Chinese coolies have been brought into the Fijis and employed for stated terms, and with a fair measure of success. It is among the possibilities that by these coolies or by a mixed race proceeding from them, this labor question may be solved.

If Australia be regarded as a continent, New Guinea is the largest island in the world, and its partition in 1884 between England, Holland, and Germany, will doubtless lead to greater activity of trade here, and to the opening of its resources. With its large population estimated at 5,000,000, it offers a field for commercial activity, and its soil is capable of producing all the products of the South Pacific and Malaysia.

New Zealand belongs to the domain of the American canal, both with regard to the United States and Europe. It is third in trade importance of all the Australian colonies, and is peculiarly fit for colonization by whites of Anglo-Saxon origin. Being insular with abundance of coal, great pastoral and agricultural resources, and fairly provided with good harbors, it should become, besides a wheat and wool-growing, a maritime and manufacturing country, and an important element in the commerce of the canal. Its exports, in value \$47,000,000, consist mainly of wool, frozen meats, gum, flax, tallow, and gold. The imports, (over \$33,000,000 in value) consist principally of cotton, woolen, and linen fabrics, hardware, machinery, and sugar, all supplied from Europe and the United States. The Australian colonies proper will be a meeting place for the European trade, coming by the two routes of the American and Suez canals, with certain advantages at first in favor of the latter. With the Atlantic States, the trade to and from these colonies will go through our trans-isthmian canal, and the wool of Australia should go to the Atlantic coast in exchange for cotton fabrics, hardware, petro-

leum and machinery.

The Philippine islands and the Dutch East Indies furnish us with sugar, manilla, hemp, coffee, and spices, while we send little in return but petroleum, which is meeting competition with Russian petroleum, coming by the way of Suez. The question of the control of the petroleum trade of the Pacific will be fought out by the aid of the American canal, the non-existence of which now seriously handicaps our trade in this article in the Asiatic countries.

The well known exports of China and Japan ^{to us} will find a new and economical route by the way of the inter-oceanic canal, and the balance of trade which is so greatly against us may be equalized by our improved facilities of interchange. In this field as well as in the whole of the Pacific, Germany is rapidly increasing in commercial importance.

We shall close our round of the Pacific by a reference to the Hawaiian Islands. The trade of this group, though comparatively large, is almost exclusively with our Pacific States. With the opening of the Isthmus route, some direct trade may come from Europe ~~and the Atlantic States,~~ and the excess of the Hawaiian sugar, may go through the canal, but the commerce of the islands will be almost entirely confined to the Pacific. Their importance will be increased by their position as a ^{possible} ~~mid-way~~ point of call on the routes from the canal to China and Japan, these ~~trade~~ routes bisecting ~~to~~ the existing ones from San Francisco to Australia, New Zealand and

the south-west Pacific.

In closing this review of the commercial field to be affected by the successful completion of the ship canal between ~~th~~ the two great oceans of the world, it is not difficult to see ~~the~~ that, with its opening, a great epoch in the commercial history of the world will be begun. The importance of the work to the United States can hardly be estimated. The impetus it will give to ~~our~~ our commercial activity can be checked only by ~~the~~ the want of wisdom ~~in~~ our laws, or by a lack of ~~the~~ the proper amount of intelligence, enterprise, and capital in the country. That ~~these~~ ^{latter} ~~these~~ abound among us the development of our wealth and prosperity inland sufficiently shows, and the opportunities in store for us upon the sea should ~~not~~ not be lost.