"By far the most important action I took in foreign affairs during the time I was President was related to the Panama Canal," wrote Theodore Roosevelt in his autobiography. In a speech several years after he "took" Panama, Roosevelt explained: "There are plenty of other things I started merely because the time had come that whoever was in power would have started them. But the Panama Canal would not have started if I had not taken hold of it, because if I had followed the traditional or conservative method I should have submitted an admirable state paper to Congress... the debate would be proceeding at this moment... and the beginning of work on the canal would be fifty years in the future. Fortunately [the opportunity] came at a period when I could act unhampered. Accordingly I took the Isthmus, started the canal and then left Congress not to debate the canal, but to debate me."

--Theodore Roosevelt

No action during his presidency aroused as much controversy. At the time, The New York Times called it an "act of sordid conquest." The New York Evening Post called it a "vulgar and mercenary venture." More recently, historian George Tindall labeled it "one of the greatest blunders in American foreign policy." It is often cited as the classic example of U.S. "gunboat diplomacy" in Latin America, and the best illustration of what Roosevelt meant by the old African adage, "speak softly and carry a big stick [and] you will go far."

The story has been told many times, perhaps best by David McCullough in The Path Between the Seas (1977), so this is merely a brief summary. Ever since Balboa crossed the isthmus of Panama in 1513 it was considered the future site of an inter-oceanic passage. In 1898, the Spanish-American War and the emergence of the U.S. as a world power brought new urgency to the problem posed by the long trip around Cape Horn.

Roosevelt had advocated a strong navy long before becoming President in 1901, so naturally he was "delighted" when the United States Senate approved the Hay-Herran Treaty in 1903, offering the Colombian government $10 million in cash and an annual payment of $250,000 for a six-mile-wide strip across the Colombian province of Panama. But the Colombian senate refused to ratify the treaty, holding out for $25 million. Roosevelt considered this nothing less than a shake-down and he refused to up the ante. Never known for his patience, Roosevelt was eager to make the dirt fly.

While Roosevelt and his foreign policy advisors explored their options, word reached Washington that a revolution was once again brewing in Panama, and that the terms of the treaty recently rejected by the Colombian Senate would be agreeable to the Panamanians. While careful not to endorse the revolt, Roosevelt discreetly let it be known that the U.S. would view this as a positive development and could be counted on to act accordingly.
Critics later charged that Roosevelt conspired to instigate the revolution in Panama. In fact, fearing that the U.S. might choose an alternate route through Nicaragua, an enterprising group of Panamanian businessmen—anxious to reap the commercial benefits of the canal—seized the moment. There had been numerous uprisings in the region, and the U.S. had helped suppress them in the past. As Roosevelt later put it, "While I was President I kept my foot on these revolutions... [in this case] I did not have to foment it; I simply lifted my foot."

On November 3, 1903, the Panamanian rebels successfully carried out a bloodless coup. Without having fired a single shot, they proclaimed their independence the following day. Without the contingent of U.S. Marines from the gunboat Nashville, which arrived in Panama on November 2, Colombian troops would have squelched the revolt. And the presence of no less than ten U.S. warships standing off shore prevented Colombia from sending in additional troops. The U.S. immediately recognized the Republic of Panama (as did several Latin American nations) and a treaty based on the original offer to Colombia was quickly ratified.

Work on the canal began in 1904 and was completed in 1914, just as World War I broke out in Europe. Completion of the canal, which a French company had pursued for six years (1881-87), proved to be a massive engineering feat. Once the U.S. took over the project in 1904, an additional 232 million cubic yards were excavated to complete the 50-mile path between the seas [see map]. Over 5,600 men died from disease and accidents (not including the 25,000 earlier French casualties), and the U.S. cost was about $350 million (on top of the $290 million spent by the French company). The Pacific fleet passed through the locks for the first time in 1919, seven months after Roosevelt’s death.*
The facts do not support the allegation that Roosevelt orchestrated the Panamanian revolt, but clearly U.S. naval forces ensured that the rebellion succeeded (undoubtedly carrying out his instructions). Roosevelt's "gunboat diplomacy" in the affair was overt but calculated and restrained. No shots were fired; and with the completion of the canal in 1914, the United States gained a strategic and economic advantage of immeasurable value. Roosevelt insisted that he had acted "in absolute accord with the highest standards of international morality." Military intervention, he argued, was necessary to protect U.S. interests. (In a Cabinet meeting, Secretary of War Elihu Root joked, "Mr. President, you have shown that you were accused of seduction... and proved that you were guilty of rape.")

There is also the charge that Roosevelt should have been more patient with the Colombian government and that he needlessly undermined relations with Latin America. Perhaps Roosevelt was guilty of needlessly "offending Latin American sensibilities" [a phrase commonly used by historians], but Roosevelt’s impatience can be explained, in part, by the fact that for many years a series of frustrating agreements had been pursued between the U.S., Great Britain, Nicaragua and Colombia without results. For better or worse, Roosevelt was not about to let the opportunity slip away. Moreover, Roosevelt remained immensely popular at home and abroad, and he was enthusiastically welcomed when he visited Latin America in 1906 to inspect construction of the canal [photo below] and in 1913 (to explore an uncharted river in Brazil).
There is a postscript to the Panama Canal story. After the revolution in 1903, the Republic of Panama became a U.S. protectorate until 1939. In 1921 the U.S. paid an indemnity of $25 million to Colombia, and relations with Latin America continued to improve through the "Good Neighbor" policy of Franklin Roosevelt in the 1930s. Finally, in 1978, President Jimmy Carter obtained Senate approval of an agreement by which the canal would be turned over to Panama by 1999. Today the Canal is owned and operated by the government of Panama.

*Ten years after it opened, the Panama Canal was handling more than 5,000 ships per year. Channel lighting was installed in 1966, allowing night-time transits and enabling ships to pass through at a rate of more than one an hour, 24-hours a day, every day of the year. Tolls, initially set at 90 cents per cargo ton, were raised to $1.08 in 1974. Annual revenues today exceed $420 million (an average of 40 ships per day, 14,000 ships per year). The largest toll to date was $142,000 for the Crown Princess cruise ship. The smallest toll was 36 cents, paid by American adventurer named Richard Halliburton (140 lbs.) who swam the canal through the locks in 1928.

Source: Virginia Western Community College (http://www.vw.vccs.edu/vwhansd/his122/Teddy/TRCanal.html).