



Amazing engineering and 'bittersweet' politics built the Panama Canal

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The Panama Canal, opened 100 years ago,, is lauded as an achievement for the U.S. But with the opportunity to unlock America's economic power, came soaring costs, engineering problems and a steep death toll. Gwen Ifill talks to Orlando Pérez, author of "Political Culture in Panama" and Noel Maurer of Harvard University about the political will driving the canal, plus the Panamanian perspective.

TRANSCRIPT

GWEN IFILL: For more on the engineering and economic marvel that is the Panama Canal, we turn to two who have written extensively about its 100-year history.

Noel Maurer is author of "The Big Ditch: How America Took, Built, Ran, and Ultimately Gave Away the Panama Canal." He's an associate professor of business administration at Harvard University, but is joining us from Stanford University. And Orlando Perez is author of "Political Culture in Panama: Democracy After Invasion." He's associate dean of the School of Humanities and Social Sciences at Millersville University in Pennsylvania.

Noel Maurer, you say America took, built, ran and ultimately gave away the Panama Canal. Let's start with the "took" part. What do you mean?

NOEL MAURER, Co-Author, Harvard University: The Panama Canal was created in act of force.

The United States helped the Panamanian government declare independence from Panama. That was not a made-in-the-U.S. creation, but the treaty that set out the terms of building the canal was entirely written for the old French Panama Canal Company and representatives of the American government.

There wasn't even a Spanish copy of it, and in no uncertain terms, Secretary of State Hay made it clear that the Panamanians had to sign it or get nothing. So I think taking it, which is what Teddy Roosevelt called it — he took the canal — it's not my words — is a pretty accurate summation of what happened.

GWEN IFILL: But, Orlando Perez, it was really quite an amazing engineering marvel at the time, and even now.

ORLANDO PEREZ, Author, "Political Culture in Panama: Democracy After Invasion": Oh, absolutely.

If you think about the fact that this was built 100 years ago and operates nearly in the same way that it did 100 years ago, when it opened, it — there is an expansion project to make the canal more viable for bigger ships, but this is an engineering marvel of historic proportion.

And it really ushered in the American century.

GWEN IFILL: Can I ask you, Noel Maurer, what was the human toll here? Ushering in the human — century was huge, but a lot of people, including my parents' parents, who came from the Caribbean and went to Panama, lost a lot in that.

NOEL MAURER: So, the human toll was immense, mostly because of tropical diseases.

One of the unsung wonders of the canal was the sanitation program that reduced the death rates from malaria and yellow fever. That said, there was an amazing ratio differential between death rates among black employees of the canal, mostly bring in from the Caribbean, mostly from Barbados eventually, and the white Americans who came down to work on the canal.

And that actually didn't close at all over the entire construction period. Death rates were also amazingly high. There was some positives, which was a huge amount of money sent back, particularly to Barbados, which actually transformed Barbadian society and the Barbadian economy, but that came at a very high human toll among the workers themselves in the Canal Zone.

GWEN IFILL: Well, so let's talk about the policies of this, Orlando — Orlando Perez, because it

seems that not only was — when there's a lot of money and there's a lot opportunity and there's a loss of sovereignty, as some Panamanians felt, but also there are some politics involved.

ORLANDO PEREZ: For Panamanians, it was really a bittersweet event.

They had — they had reached the — the zenith of what they wanted for Panama as a commercial hub and at the center of a global commercial system, but they did so in circumstances in which they had given up sovereignty over large parts of their territory.

And that fact shaped U.S.-Panama relations and U.S.-Latin American relations really for the remainder of the 20th century.

GWEN IFILL: So, Noel Maurer, how would you say the canal worked after the handover to the Panamanians, as opposed to how it was working as the U.S. controlled it in the last several decades?

NOEL MAURER: One of the big surprises is how much better run the canal has been under Panamanian administration.

In the last few decades of American control of the canal, it wouldn't be an exaggeration to say that the inmates had taken control of the asylum and that the organization was run almost completely for the benefit of the Zonians, the employees, and their families in the Canal Zone, rather than either the American or the Panamanian national interests.

Accidents rose dramatically. Efficiency dropped through the floor. You had problems with drunkenness among canal pilots. You had jobs staying within families. All the terrible stereotypes of a government-run organization were multiplied five-fold.

When the Panamanians took it over — and it was actually a slow process — it didn't just happen overnight in '99 — you had a couple of really important management reforms. Getting serious about drunkenness was one of them, installing higher-intensity halogen lights, trimming canal traffic, so that instead of having it be two ways, where ships could collide, you had to go one way for 12 hours and one way for another 12 hours.

So efficiency started to rise and has actually been rising quite dramatically since 1999.

Profitability has also risen quite dramatically since 1999. And now the canal is run like a really well-run business, as opposed to a really poorly run public utility.

GWEN IFILL: Orlando Perez of Millersville University and Noel Maurer of Harvard University, thank you both very much.

ORLANDO PEREZ: Well, thank you.

NOEL MAURER: Thank you, Gwen.

HARI SREENIVASAN: Online, you can see a photo gallery of the canal, learn much more about its history, and a link to watch the documentary that aired on “American Experience.”