

# DOWNLOAD PDF THE PANAMA CANAL AND INTERNATIONAL TRADE COMPETITION

## Chapter 1 : Panama Canal May Face Competition for the Future of Global Trade

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The Panama Canal is one of the most important waterways in the world for trade. However, only ships carrying a maximum of containers can currently fit through the canal. This limits the amount of goods that can flow through the waterway. Since , the Panama Canal has been under construction. An expansion is currently underway which will dramatically increase the size of the canal, and therefore the size of the vessels that can pass through it. Soon, ships able to hold as many as 13, containers will be able to pass through the Canal. This will have three important effects on world trade: Job creation The fact that the existing Panama Canal can only fit smaller ships is a limiting factor in global trade. It forces companies to use longer or more complicated routes that often pass through congested areas such as Long Beach, California. So, if larger container ships can fit through the new Panama Canal, this can increase efficiency and profits for the shipping industry by simplifying shipping route options, and decreasing the need for more expensive truck transport as part of the shipping route. Cheaper transport costs, and a simpler shipping process equate to significant growth potential for the shipping industry. Growth of an industry correlates to job creation, so the expansion of the Panama Canal can lead to an increase in jobs in distribution. This terminal will be used to move shipping containers from vessels coming up the Ohio River to trucks, so that they can reach their final destination. This one terminal alone is set to create 20, jobs by ! Boston anticipates that the Panama Canal expansions could help create more jobs for the city as well. Essentially, the expanded Panama Canal will allow goods to traverse the oceans in higher volumes. These higher volumes of goods will require higher volumes of workers in shipping, warehousing, and other supply chain management positions. Major supply chain infrastructure development If larger ships can pass through the Panama Canal, it means that they will be used more frequently in trans-ocean shipping , and will likely start going to new ports. This means that ports that make an effort to accommodate larger ships can benefit from the new business they can bring in. The expansion of the Panama Canal will result in major construction in ports to deepen channels, create new docks, and ensure they will be able to fit these bigger ships. The ports of Miami, Savannah, Baltimore, and Charleston all already have official plans to make expansions to accommodate the larger ships. When it is finished, this terminal will be capable of processing 7 million containers per year. Ships from the Pacific Ocean that were too large to fit through the canal before will now be able to easily cross to the Atlantic Ocean. This means that tons of cargo that previously had to be put on trains or trucks on the west coast can now move by ship to the southeastern United States. As a result, the Southeast will become much more important to East Coast distribution. Many supply lines will shift in order to use the Panama Canal, and the result will be the formation of new distribution centers and greater transport activity in the Southeast. Substantial increases in business between Atlantic and Pacific nations Presently, it is much easier for countries or regions that share an ocean to do business with one another. For example, it is easier for eastern Canada to do business with Europe than it is for that region to do business with Asia. However, the expansion of the Panama Canal could significantly increase the amount of trade between disparate geographic regions. Another area where the canal expansion could create benefits is in grain transport from the Midwestern United States to Asia. With the maximum capacity of ships able to traverse the Panama Canal set to more than double, there is much more incentive for the Midwest in the United States to sell grains to Asia. If vastly more product can be loaded onto a ship, then this makes the shipping process easier. If the shipping process is easier, then doing business with faraway customers is easier. The Panama Canal is the equivalent of a strategic bridge. It is a funneling point through which massive amounts of goods must flow in order to keep trade bustling. The current expansions will enable the Panama Canal to nearly triple its processing capacity. This will change the entire shipping industry as it is known

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today in a great step forward for international trade. What other opportunities do you see with the expansion of the Panama Canal? About the author Author: Currently he is expanding his freelance writing career, and enjoying the opportunity to write on a variety of business topics.

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## Chapter 2 : Panama Canal expansion underscores trade rivalry - THE PANAMA PERSPECTIVE

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It has reflected the deep pride among the Panamanian people. At the same time, an expansion of the canal currently nearing completion provides a window into intensifying rivalries among capitalist powers worldwide today and the class struggles their competition is already generating. Among the centennial events was the commemoration of a related anniversary: Laboring under conditions of virtual slavery in the mids, these bonded workers helped build a predecessor to the canal, the Panama Railroad, connecting the Atlantic and Pacific coasts nearly 15 years before the opening of the U. The gathering was organized to help participants learn about the history of this strategically located country. Washington controlled the canal and the mile-wide Canal Zone that divides the country in half from until the end of , when these were turned over to Panamanian jurisdiction under the treaties signed by Panamanian leader Omar Torrijos and U. Today the mile waterway remains a major trade link, providing passage for up to 14, ships a year about 5 percent of international shipping. Completion of a new set of locks, scheduled for the end of , will change international trade and shipping patterns. The scramble among capitalist rivals for who will win and lose in the sharpening competition has already begun. When completed, it will double the tonnage that can be shipped through the seaway. Chinese superfreighters, for example, currently dock at U. The third set of locks, now under construction alongside the existing ones, will provide a wider and deeper lane for larger military vessels, cruise liners and super-size cargo ships bearing up to 12, containers each. Altered world shipping patterns The canal expansion is fueling fierce competition among capitalist shipping companies and owners of port facilities around the world. The United States and China are the two principal users of the Panama Canal, based on tonnage and point of origin. West Coast port facilities have stepped up their drive against the wages and conditions of longshore workers, truckers and other port personnel in an effort to be more competitive. The Nicaraguan government has endorsed a plan by a Chinese company to build a waterway across its territory. And Panamanian authorities are studying a proposal by another Chinese company to dig a fourth set of locks along the existing canal route capable of handling even larger freighters. The canal expansion has also spurred a wave of construction in Panama in the past half-decade, fueled by hopes of turning Panama into a new center of capitalist finance and trade. In the capital city, office towers, tourist hotels, and high-rise condominiums have been going up, a new subway system opened its first line this year, and a beltway has been built along the shoreline to ease traffic congestion. The resulting demand for labor is attracting workers from across the region and as far away as Spain. As a result of these economic and social changes, the working class in Panama is growing. Expectations of better living standards are rising. Workers on canal construction and other big projects won an 11 percent raise and further increases over the next three years. Participants in the International Society for the Study of Chinese Overseas conference got a better grasp of that history including the place within it of Chinese workers through several conference panel discussions as well as visits to the canal. Hosted by Chinese-Panamanian associations, conference participants were taken to several sites around Panama City and at the canal. A high point was an Aug. At the visitors center, a four-story museum documents the history of the canal. One of the speakers at the event, Mario Him, a leader of the Association of Chinese-Panamanian Professionals, noted with pride that the new display was the fruit of an eight-year campaign by Panamanians of Chinese descent to gain official recognition of the place of the Chinese in the historic undertaking to build an interoceanic route. A centerpiece of this display is a replica of the Sea Witch, the U. The museum illustrates how the effort to build a short route connecting the Atlantic and Pacific, spurred initially by the discovery of gold in California, culminated with the opening of the U. Clayton in Panama and raised in an international community in Seoul, Korea, he moved to the United States to

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complete college. Graduating from the University of Florida with a Business Degree, he began his career in commercial real estate in and he has held an active Brokers license in the State of Florida since when he formed his Florida Corporation. Now after many years and travels around the world, he has returned to the country of his birth where he is a citizen. Having specialized in marketing, negotiating and closing hundreds of millions of dollars in commercial real estate transactions, he has embarked on a new career path in Panama. He is actively seeking out investment opportunities of merit for clients who also understand that while Panama has changed considerably over the last 10 years, it is still in its infancy as a global center for business, a tourist destination and a place of residence for the huge baby boomer population that Panama has yet to really tap.

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## Chapter 3 : The Panama Canal and international trade competition: [www.nxgvision.com](http://www.nxgvision.com): Lincoln Hutchinson

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World Aug 15, 6: At the time it was built, the canal was an engineering marvel, relying on a series of locks that lift ships " and their thousands of pounds of cargo " above mountains. But thousands of workers died during its construction, and its history has seen no shortage of controversy, including a contentious transference of authority from the US to Panama in the s. Work recently began on a substantial expansion effort that will allow the canal to accommodate modern cargo needs. Ovidio Diaz-Espino grew up in Panama and trained as a lawyer. Morgan, Teddy Roosevelt, and the Panama Canal. She is the author of *The Canal Builders*: Noel Maurer is an associate professor of business administration at Harvard University, and the author of *The Big Ditch*: He is the author of *Political Culture in Panama*: Steam shovels load rocks blasted away onto twin tracks that remove the earth from the Panama Canal bed circa Why did the U. This is about Teddy Roosevelt, the great nationalist, the imperialist. The canal is built in the early part of the 20th century, right after the US-Spanish war. It was when the US was sowing its oats. They had expanded their power over Puerto Rico, Cuba and the Caribbean, but also the Philippines, so the US is becoming a Pacific power, and the Panama Canal was about linking our growing Pacific power to more traditional Atlantic relationships. It was linked to the idea of the rise of the US as a global power, with both commercial and military potential. The canal was a geopolitical strategy to make the United States the most powerful nation on earth. The US for the first time was going to be able to gain control of both oceans. That was critical in times of war. There was no air power, so the way you fought an enemy was through the sea. World power was consistent with maritime power. Americans knew they needed this to move ships from east to west quickly. If they did that, they would control power because they would control the oceans. The Canal was a geopolitical strategy to make the United States the most powerful nation on earth. Also, the economic impact was massive. Now you could unite the trade between the two oceans. Starting in the s, and until WWI, global trade was just as significant as it is now, so it was important to have a commute route across the continent. This is why Wall Street was very supportive and helped fund it. The US wanted to frame a vision of itself as more selfless, more a help to the world, more advancing civilization Julie Greene: In part, the Canal was central to the US vision of itself as a beneficent power in the world. As the US was emerging as a global power, it was important to distinguish themselves from the old powers of Europe, which they saw as more crassly seeking power and control and colonialism. The US wanted to frame a vision of itself as more selfless, more a help to the world, more advancing civilization. What did it take to get the Panama Canal built? What was the cost of this project? It was in incredible project, the largest public construction project in US history. The engineering, technical, medical, and scientific challenges were incredible, first having to get disease under control and then figure out whether it should be a sea-level or a lock canal. It was 40 miles long and literally cut through the continental divide, so it was extremely difficult. The idea of an interoceanic canal dates back to the Spanish colonial period. The French attempted to do this and failed. After that failure, the US came in. The American ingenuity was of building, rather than a sea level canal, a lock canal. The way the terrain is, a sea-level canal would flood, it was prone to landslides and the terrain was not stable enough. You had to accommodate different levels. It was lower on one side than on the other side, with mountains in between. The systems of locks is what made it possible. When it rained, the dirt would turn to puddles, which attracted mosquitos, which meant malaria rips through your workforce. A key thing the US did, was they used railroads to truck out the dirt. The French were piling it up, which led to landslides. Also, when it rained, the dirt would turn to puddles, which attracted mosquitos, which meant malaria rips through your workforce. The US established medical innovations to control malaria and yellow fever. The construction itself was so significant that at one point one-third of the city of Pittsburgh was working to build the canal. Every lock of the canal, and there are four,

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has more steel, more concrete, and took more work than the Empire State Building. Something like six Empire State Building constructions are here. There was massive steel, provided by US Steel. Massive concrete provided by Portland Cement. GE had to invent new type of machineries to be able to move the ships, these huge tankards that only had a few inches on either side needed to be controlled. Railroad had to be developed with minute precision. Dredging techniques used to dredge the Port of New York had to be much more precise. With such a massive body of work it probably employed one-third of Central America and the Caribbean, and the US was heavily influenced by it and by the money that was flowing through Wall Street, the banks, the insurance companies. He staged a successful PR stunt: But on top of that had to do with the human challenges involved. The chief engineer said at one point that the real challenge of this canal, and what allowed the US to succeed, was in figuring out how to manage and discipline the humans. By that, he meant they had to build a whole society: Forty-five thousand women and men, mostly men, came from dozens of different countries, and then thousands of women and children came to be with their menfolk. To create a world for them and then to keep it orderly was a challenge. What was the human toll? The United States built the Canal between and , picking up the ball from the disastrous efforts by the French. The loss of life during the French era was much greater because disease was more widespread. The US managed to get yellow fever completely under control, and malaria largely under control. By the official US statistics, the mortality rate was about 10, people, maybe a little less. Can you imagine an infrastructure project today that cost 27, lives? Panama had not existed before this. There were some independence movements which the US decided to support, creating a new country in order to construct this canal. So Panamanians who welcomed independence welcomed the canal. But the canal was built mostly by foreign workers. They imported tens of thousands of Caribbean workers, many of whom died from disease or accidents. What were some of the controversies surrounding its construction? How was it seen on the ground in Panama and by its neighbors? The chief engineer had extensive powers thanks to an executive order. Anyone in the Canal Zone not productive could be deported. Workers who refused to show up would be, if not deported, sentenced to jail time. They had a massive police force, and did not allow strikes. Workers who might try to organize could be and were quickly deported. In the end, this kind of careful system of rules and regulations allowed order. American, white workers were paid in gold, and they had better housing and conditions. So the US found it constantly had to manage problems resulting from its own policies. Bringing in all these black laborers created a bit of a stink in Panama, and contributed to racial tensions that lasted a long time. A big chunk of the country today is descended from those workers, creating tensions. Beginning in , the effect for Panama has been massive. For Panamanian nationals at the time, this was the accomplishment of their dreams, to position Panama at the heart of a global commercial enterprise or system, to use the geographic location of Panama to its commercial advantage. Geography has always determined Panamanian politics and the economy. The problem was how that accomplishment came about, which was essentially by subordinating a chunk of their territory to an extraterritorial power, through a treaty that no Panamanians signed. So the Panamanians started with the great hope that it would place Panama at the center of world commerce, but also resenting that they achieved this victory at the cost of ceding sovereignty over the Canal itself. What impact did this shift in authority have? The Canal was administered exclusively by Americans for the interest of American military and geopolitical concerns. Panamanians felt they were not benefitting from the canal. And there was a fence. It was pure American land. This was the most valuable piece of land in the country, and it was being exploited by somebody else.

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## Chapter 4 : Maritime Services - [www.nxgvision.com](http://www.nxgvision.com)

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History of the Nicaragua Canal The various routes proposed over the centuries, with the Panama Canal. The proposed HKND canal would have followed the red route. The idea of constructing a man-made waterway through Central America has been thought about throughout history. The colonial administration of New Spain conducted preliminary surveys. The history of attempts to build a Nicaragua canal connecting the Caribbean Sea and thus the Atlantic Ocean and the Pacific Ocean goes back at least to when the Federal Republic of Central America hired surveyors to study a route via Lake Nicaragua , Many other proposals have followed. Despite the operation of the Panama Canal , which opened in , interest in a Nicaragua canal has continued. The proposed canal would be between meters and meters Daniel Ortega whose government approved the agreement within one week in June , reportedly perceived the canal as the second phase of the Nicaraguan Revolution , predicting that it would pull Nicaragua out of poverty and lead to the creation of , jobs, [42] but HKND said the project would create 50, jobs, though about half would come from abroad, mainly China. China Harbor Engineering Company , an experienced construction company, offered to design, construct, and finance a fourth set of locks in Panama, where it opened a regional headquarters. Panama is in a much better financial situation than Nicaragua to afford taking on such debt and already has a stream of income from its existing canals. Bloomberg reported in that "conspiracy theories abound" including the project was a land grab by Ortega, an attempt by Ortega to "whip up" support in elections, and part of a Chinese plan to gain influence in the region. Wang Jing does not have the reputation to push this through. If it is just him, then the chances of this happening are zero. If the PRC steps in, then it is a big possibility. Farmers feared it could cause their eviction and land expropriation. Following financial difficulties, HKND finally closed its offices in April , leaving no forwarding address or telephone numbers to be reached. The Nicaragua Lake section measures The Eastern Canal would be the longest section at A channel would have to be dug in the lake bottom, as it is not deep enough for large vessels to transit the canal. The western Brito Lock would be As locks generally define the limit on the size of ships that can be handled, the Nicaragua Canal would have allowed passage for larger ships than those that pass through the Panama Canal. No water from Lake Nicaragua was planned to be used to flood the locks; water would have come from local rivers and recycling using water-saving basins. The Camilo lock would have been built adjacent to a new dam of the upper Punta Gorda River that creates a reservoir. West of the Atlanta reservoir, the Rio Agua Zarca would have been dammed to create a second reservoir. This reservoir would have had a surface area of A hydropower facility would be built at the dam and would have generated over 10 megawatts of power to be used for Camilo Lock operations. It was estimated that each lock would have used about 9 megawatts of power. At each oceanic canal entrance, breakwaters and port facilities would have been constructed. Initially these two ports would have helped during construction and later become international ports. Their design capacity was 1. Existing port facilities at Corinto and Bluefields would have been improved to allow for shipment of material to the entry ports under construction. Fuel storage sites would be placed at the two port sites. Four lighthouses would be constructed at the entrances to the East and West Canals. A free trade zone with commercial facilities as well as tourist hotels and an international airport at Rivas were planned to be built when canal construction was advanced. Appropriate road improvements were planned. The Pan-American Highway would have crossed the canal via a bridge. Both ports would get public road connections. HKND plans to construct a private gravel maintenance road on both sides of the canal. The estimate for the workforce in was 3, people, and 12, in when traffic had increased. Transit time would have been about 30 hours. It was projected that by 3, ships would have transited the canal annually. The transit rate was expected to increase to 4, by , and to 5, by For comparison, the Panama Canal handled 12, transits in Wang spoke during the starting ceremony of the first works of the Interoceanic Grand Canal in Brito town. The preconstruction phase included getting permits,

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acquiring land and machinery, and finalizing designs and plans. The early construction phase, started in December, lasted through September; it secured access to construction sites, but it did not provide the critical infrastructure nor mobilized the workforce. During the construction phase from September to March, the canal would have been dug and the locks built along with accompanying infrastructure. The commissioning phase projected from April to June included lock testing and lock and tug boat operator training. HKND described the project as the largest civil earth-moving operation in history. Most of this would have consisted of dry excavation to form the canal with an estimate of 4, million cubic metres of rock and soil. Marine dredging of the oceanic access canal would be required on the Pacific side for 1. Two concrete plants and a steel plant were planned to support the project. While cement would have likely been imported, construction aggregate would have come from local quarries near the two locks. The management offices would be rented or purchased near Rivas. Workers would live in one of nine camps, which besides food and shelter would also provide health care and security. The work schedule calls for hour shifts for seven days a week. Domestic workers work two weeks and get one week off, while foreign workers are 6 weeks on and get 2 weeks off management or 22 weeks on, 4 weeks off blue collar workers. Kwok said anyone in the world is eligible to work on the canal. An IPO was reported to be in preparation by the end of . There had been speculation that the Chinese government would provide financial backing for the project, but China, as well as Wang, denied this. The project was expected in to be completed in , but Stratfor, an analyst agency, stated then that was an "unrealistic goal. Other problems include the possibility of dredging bringing up toxic sediments, the disruption of migration patterns of animal species, and the potential to introduce invasive species to the Lake. The Nicaraguan Academy of Sciences noted that hundreds of thousands of hectares of pristine forests and wetlands would be destroyed and pointed out that the environmental study performed for the canal was not independent. Sustainability[ edit ] The survey site was on the same side as Nicaraguaâ€™Dulce, which is the only ecotourism group in Nicaragua that is affiliated with The International Ecotourism Society, and it is located north of the proposed canal site. Further, a coast-to-coast railway line may be built by China in Honduras and could affect utilization of the Nicaragua Canal.

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## Chapter 5 : Nicaragua Canal - Wikipedia

*In the construction of the Panama Canal three Isthmian Commissions had a hand, the first, known as the Army and Navy Commission, headed by Rear Admiral John G. Walker, U.S.N.: the second, the*

Early proposals in Panama[ edit ] Satellite image showing location of Panama Canal: Dense jungles are visible in green. The earliest mention of a canal across the Isthmus of Panama occurred in 1492, when Charles V , Holy Roman Emperor and King of Spain, ordered a survey for a route through the Americas that would ease the voyage for ships traveling between Spain and Peru. Such a route would have given the Spanish a military advantage over the Portuguese. And if policy would permit, that of Panama in America were most worthy the attempt: The ill-fated Darien scheme was launched by the Kingdom of Scotland in 1714 to set up an overland trade route. Generally inhospitable conditions thwarted the effort and it was abandoned in April 1715. The success of the Erie Canal in the United States in the 1820s and the collapse of the Spanish Empire in Latin America led to a surge of American interest in building an inter-oceanic canal. Beginning in 1846, US officials began negotiations with Gran Colombia present-day Colombia , Venezuela , Ecuador , and Panama , hoping to gain a concession for the building of a canal. The new nation was politically unstable, and Panama rebelled several times during the 19th century. Another effort was made in 1846. They referred to it as the Atlantic and Pacific Canal, and it was a wholly British endeavor. It was expected to be completed in five years, but the plan was never carried out. Nothing came of that plan, either. In 1848, the discovery of gold in California, on the West Coast of the United States, created great interest in a crossing between the Atlantic and Pacific oceans. The United States initiated construction in 1850 of the Panama Railroad now called the Panama Railway to cross the isthmus and it opened in 1855. This overland link became a vital piece of Western Hemisphere infrastructure, greatly facilitating trade and largely determining the later canal route, which was made parallel to it. An all-water route between the oceans was still seen as the ideal solution, and in 1846 William Kennish , a Manx -born engineer working for the United States government, surveyed the isthmus and issued a report on a route for a proposed Panama Canal. The project was inspired by the diplomat Ferdinand de Lesseps , who was able to raise considerable funds in France as a result of the huge profits generated by his successful construction of the Suez Canal. De Lesseps wanted a sea-level canal like the Suez , but he visited the site only a few times, during the dry season which lasts only four months of the year. The dense jungle was alive with venomous snakes, insects, and spiders, but the worst aspect were yellow fever , malaria , and other tropical diseases, which killed thousands of workers; by 1855, the death rate was over 1000 per month. Conditions were downplayed in France to avoid recruitment problems, [18] but the high mortality rate made it difficult to maintain an experienced workforce. Excavator at work, in Bas Obispo, Workers had to continually widen the main cut through the mountain at Culebra and reduce the angles of the slopes to minimize landslides into the canal. Clements in Bay City, Michigan. This sentence was later overturned, and the father, at age 88, was never imprisoned. A minimal workforce of a few thousand people was employed primarily to comply with the terms of the Colombian Panama Canal concession, to run the Panama Railroad , and to maintain the existing excavation and equipment in saleable condition. In the meantime, they continued with enough activity to maintain their franchise. Phillipe Bunau-Varilla , the French manager of the New Panama Canal Company, eventually managed to persuade de Lesseps that a lock-and-lake canal was more realistic than a sea-level canal. The Culebra Cut , or Gaillard Cut, in The Culebra Cut in At this time, the President and the Senate of the United States were interested in establishing a canal across the isthmus, with some favoring a canal across Nicaragua and others advocating the purchase of the French interests in Panama. In June 1903, the US Senate voted in favor of the Spooner Act , to pursue the Panamanian option, provided the necessary rights could be obtained. Bunau-Varilla told President Theodore Roosevelt and Hay of a possible revolt by Panamanian rebels who aimed to separate from Colombia, and hoped that the United States would support the rebels with US troops and money. Roosevelt changed tactics, based in part on the Mallarino-Bidlack Treaty of 1825, and actively supported the separation of Panama from

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Colombia. Panama declared independence on November 3, 1903. The United States quickly recognized the new nation. This is sometimes misinterpreted as the "year lease" because of misleading wording included in article 22 of the agreement. President Roosevelt famously stated, "I took the Isthmus, started the canal and then left Congress not to debate the canal, but to debate me. In return, Colombia recognized Panama as an independent nation. Gorgas The US formally took control of the canal property on May 4, 1904, inheriting from the French a depleted workforce and a vast jumble of buildings, infrastructure, and equipment, much of it in poor condition. Overwhelmed by the disease-plagued country and forced to use often dilapidated French infrastructure and equipment, [35] as well as being frustrated by the overly bureaucratic ICC, Wallace resigned abruptly in June 1904. Stevens began the recruitment effort to entice thousands of workers from the United States and other areas to come to the Canal Zone to work, and tried to provide accommodation in which the incoming workers could work and live in reasonable safety and comfort. He also re-established and enlarged the railway, which was to prove crucial in transporting millions of tons of soil from the cut through the mountains to the dam across the Chagres River. President Theodore Roosevelt sitting on a steam shovel at Culebra Cut, Construction work on the Gaillard Cut is shown in this photograph from 1904. Gorgas had been appointed chief sanitation officer of the canal construction project in 1904. Gorgas implemented a range of measures to minimize the spread of deadly diseases, particularly yellow fever and malaria, which had recently been shown to be mosquito-borne following the work of Dr. Carlos Finlay and Dr. Walter Reed. Despite opposition from the commission one member said his ideas were barmy, Gorgas persisted, and when Stevens arrived, he threw his weight behind the project. After two years of extensive work, the mosquito-spread diseases were nearly eliminated. In 1906, a US engineering panel was commissioned to review the canal design, which had not been finalized. The panel recommended to President Roosevelt a sea-level canal, as had been attempted by the French. But in 1906, Stevens, who had seen the Chagres in full flood, was summoned to Washington; he declared a sea-level approach to be "an entirely untenable proposition". This would create both the largest dam Gatun Dam and the largest man-made lake Gatun Lake in the world at that time. The water to refill the locks would be taken from Gatun Lake by opening and closing enormous gates and valves and letting gravity propel the water from the lake. Stevens successfully convinced Roosevelt of the necessity and feasibility of this alternative scheme. As quickly as possible, the Americans replaced or upgraded the old, unusable French equipment with new construction equipment that was designed for a much larger and faster scale of work. About new large, railroad-mounted steam shovels were purchased from the Marion Power Shovel Company and brought from the United States. These were joined by enormous steam-powered cranes, giant hydraulic rock crushers, concrete mixers, dredges, and pneumatic power drills, nearly all of which were manufactured by new, extensive machine-building technology developed and built in the United States. The railroad also had to be comprehensively upgraded with heavy-duty, double-tracked rails over most of the line to accommodate new rolling stock. Soon to be promoted to lieutenant colonel and later to general, he was a strong, West Point-trained leader and civil engineer with experience of canals unlike Stevens. Goethals directed the work in Panama to a successful conclusion in 1914, two years ahead of the target date of June 10, 1914, Atlantic, Central, and Pacific. The Pacific Division, under Sydney B. Williamson the only civilian member of this high-level team, was similarly responsible for the Pacific 3 mi 4. This vessel crossed the canal from the Atlantic in stages during construction, finally reaching the Pacific on January 7, 1914. This was by far the largest American engineering project to date. The Iowa-class battleships were designed to be narrow enough to fit through. By the 1910s, water supply became an issue for the canal, prompting construction of the Madden Dam across the Chagres River above Gatun Lake. Completed in 1916, the dam created Madden Lake later Alajuela Lake, which provides additional water storage for the canal. The work proceeded for several years, and significant excavation was carried out on the new approach channels, but the project was cancelled after World War II. Many Panamanians felt that the Canal Zone rightfully belonged to Panama; student protests were met by the fencing-in of the zone and an increased military presence there. A decade later, in 1958, negotiations toward a settlement began and resulted in the Torrijos-Carter Treaties. This mobilized the process of granting the

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Panamanians free control of the canal so long as Panama signed a treaty guaranteeing the permanent neutrality of the canal. The Panama Canal remains one of the chief revenue sources for Panama.

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## Chapter 6 : Full text of "The Panama Canal and International Trade Competition"

*Because of the Panama Canal, the country's economy is heavily reliant on international trade. The entry of Panama into the WTO opened new trade opportunities. Panama now has the lowest tariff rates in Latin America.*

Tonnes of cargo carried Much-needed expansion Though it has operated effectively for over a century, the need for expansion has been apparent for a number of years. The existing two-lock canal has restricted the size and volume of ships that can pass through, ultimately hindering the flow of trade. As globalisation has gathered pace over the last century and new markets have sprung up, the pressure being placed on international trade routes has intensified. Coupled with the increasing size of these ships, it became clear at the turn of the millennium that a massive expansion of the Panama Canal was necessary if it was to keep up with global demand. The project would include the construction of two new locks either side of the canal, the excavation of new channels that access the locks, a widening and deepening of the existing channels, and a raising of the maximum operating level of the Gatun Lake. Originally intended for completion in the latter half of last year, the project has been beset by delays and cost overruns. In , it was announced the project would be delayed by six months to early , but that projection has since been shifted to some time at the beginning of next year. However, these figures have been contested by a number of prominent Panamanians concerned about the impact on the rest of the economy. Other opponents of the expansion have cited the impact on the environment that such a massive engineering project will have. Others have claimed the quality of water in the region will be seriously worsened, with fears water supply may also be affected. Impact on global trade Such an expansion of a key trading route will inevitably have a big impact on global trade. A report published in October by Scotiabank said: China, Chile, Colombia, Mexico and Ecuador also stand to gain as transport economics for oil, coal, copper and LNG improve, while Brazil and Argentina are unlikely to see any material benefits during the first years of operation. At the same time, some industries that previously shipped to certain ports might change their routes. A study published last year by the Pacific Maritime Association, the shipping industry body that serves the West Coast ports of the US, suggested a considerable amount of work was needed if ports were going to harness the benefits of the newly expanded Panama Canal: The risk concerns balance sheet investments that will affect volumes and shipping rates except for certain commodities such as fast fashion and electronics. Containerisation has by and large produced a steady decline in shipping rates for more than two decades. These major new investments may well continue the logic of rate decline. One is the energy market, with the US shale gas industry one of the main beneficiaries. Scotiabank suggests the US liquefied natural gas LNG industry that has emerged in recent years could get a significant boost from the increased capacity of the canal: The most obvious example of this is the large volume of US LNG export capacity that is expected to come on stream in the next few years and the Asian countries that will be the likely importers of that gas. Increasing allowable tanker sizes decreases the unit transport cost, making seaborne transit more competitive with existing pipelines, especially for natural gas. For oil, increased tanker capacity will allow for better economies of scale, facilitating improved logistics for US crude oil if Washington drops its crude export ban and refined petroleum exports, which have doubled over the past few years. For natural gas, the current LNG export capacity in the region stands at roughly 2. Higher prices will incentivise further North American natural gas development, which will have positive knock-on effects for Canadian, US and Mexican GDP growth and trade balances. According to the ACP, as many as 40, jobs will have been created during the construction of the new locks and surrounding infrastructure, while further jobs will come once it is completed. The country, located at the narrowest point of the Americas, provides unparalleled connectivity to world markets. Whether ports around the world are ready to benefit from this is unclear. It will undoubtedly mean an increase in the number of large ships sailing the seas, and many countries will need to ensure their ports and transport infrastructures are modernised to keep up with this grand new route.

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## Chapter 7 : How the Panama Canal helped make the U.S. a world power | PBS NewsHour

*The project has proven popular with a number of international investors, with the Panama Canal Authority (ACP) securing loans from the likes of the Inter-American Development Bank, the Japan Bank for International Cooperation, the European Investment Bank, and the International Finance Corporation.*

## Chapter 8 : 3 ways the expansion of the Panama Canal will affect global trade - Trade Ready

*While whether the Nicaragua canal plans become a reality is still unclear, what is clear is the fact that the competition between the larger Panama and Suez canals is continuing to heat up as global trade continues to demand more from the frequented water routes.*

## Chapter 9 : New Wider, Deeper Panama Canal Opens, Could Face Competition from Nicaragua - Sputnik

*With the increase in international trade, and shipping companies paying in excess of \$10,000, to \$15,000, for one of their 4, TEU vessels to transit the world's busiest shipping lanes, it is no surprise that the Suez and Panama Canal operators are keen to maximise the effectiveness of their channels.*