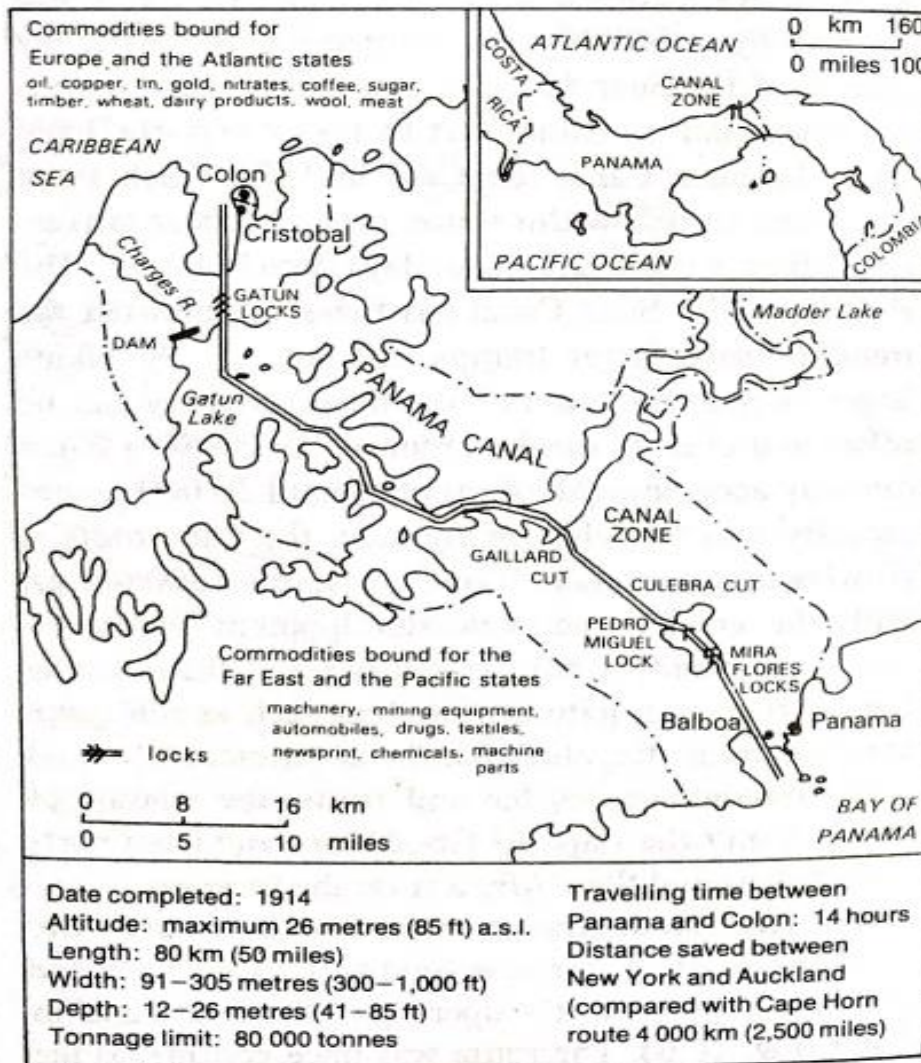


The Panama canal

The Panama Canal-West Indian-Central American route. This route, which came into use in 1913 with the completion of the Panama Canal, eliminated the long and hazardous voyage round the stormy Cape Horn. The Panama Canal is 'the gateway to the Pacific (Fig. 16.7). It has benefited countries on both Atlantic and Pacific seaboard, facilitating the trade in minerals, oil, foodstuffs, raw materials and manufactured products. But the greatest benefits have accrued to traffic between the east and west coasts of the United States. Almost half the volume of shipments through the Canal is domestic traffic of the U.S.A., e.g. the transport of Californian fruits, Prairie wheat, Pacific North-West timber to eastern U.S.A.; and the shipment of textiles, chemicals, machinery and other manufactured goods from Atlantic America to western USA. and Canada.

Panama route has also greatly facilitated trade in the West Indies islands the Pacific states of North, central South America, especially the Andean states which are rich in mineral resources and have good markets in North America. The Latin American states import manufactured goods and mining equipment from the U.S.A. and the Western European countries. Much trade destined for the Far East, the Pacific islands and Australasia from North America and Western Europe also goes through the Panama Canal. With the greater economic development of East Asian countries especially China, Japan and the South-East Asian states, the Panama route is assuming a greater role in the exchange of products between the East and West. The distance saved from Auckland to New York via Panama, instead of Cape Horn, is more than 4 000 km (2,500 miles). Plans are being formulated for a larger canal with fewer locks to cope with increasing traffic but this would require immense capital investment and might never repay its initial cost. Apart from the Panama Canal traffic there is also a brisk trade between the Caribbean states

Fig. 16.7 The Panama Canal



and the Gulf Coast Ports of the U.S.A., including Venezuelan oil, Guyana bauxite and fruit from the West Indies and Central America.

Reference

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