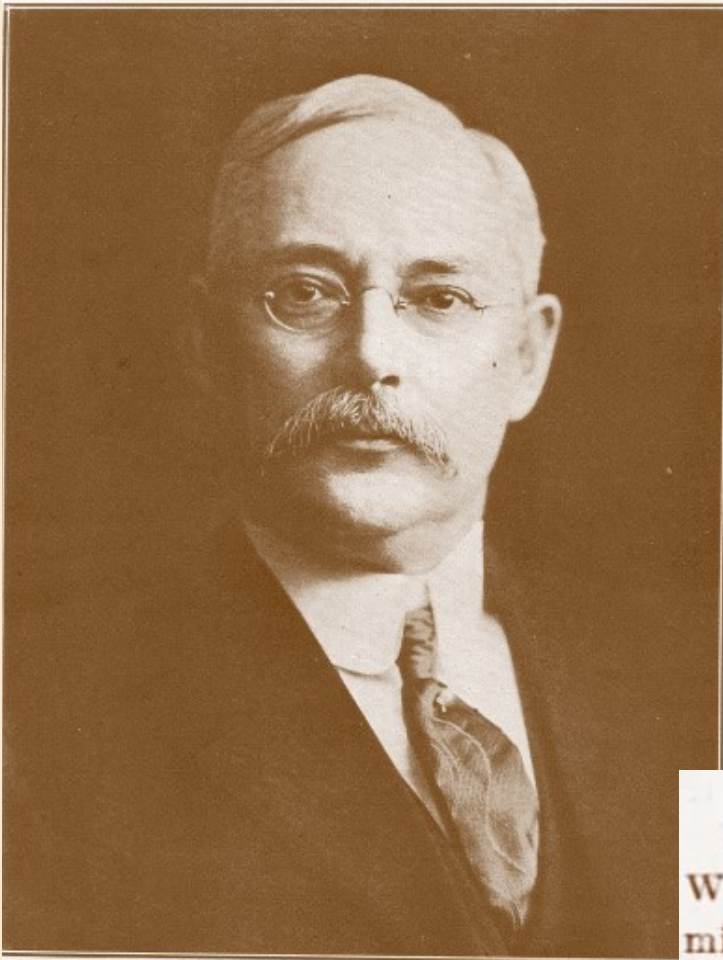


Flossmoor's Great Engineer and the Challenge of the Panama Canal

*Written for the Flossmoor Public Library
By David Martin, Adult Services Manager
September, 2024*



JOHN FINDLEY WALLACE



Flossmoor, Ill., Sept. 24.—John F. Wallace, chief engineer of the isthmian canal commission, and as such in direct charge of the construction of the canal to be built by the United States across the isthmus of Panama is at home for two weeks after a busy summer in the canal zone. Mr. Wallace will enjoy a brief vacation at his Flossmoor home and will be in Washington Oct. 6, when the bids are opened for \$1,000,000 worth of machinery and material to be used in canal construction.

INTRODUCTION

In 1904, John Findley Wallace, one of Flossmoor’s “founding fathers,” was appointed to lead the early 20th Century’s most important public works project. This appointment was an honor befitting only the most capable of civil engineers. The Panama Canal had been dreamed of for centuries; its impact on global trade and travel would be immense. Although Wallace was considered one of the best engineers in the country, his transition from private citizen to employee of the federal government was not smooth and he found himself unable to successfully advocate for himself and the project in Washington. After 13 months as chief engineer, he abruptly left the Panama Canal project under duress and returned to Flossmoor looking to redirect his career—and rebuild his public reputation. This is his story.

PART 1: JOHN FINDLEY WALLACE’S EARLY LIFE AND HIS IMPACT ON FLOSSMOOR

John F. Wallace was born in 1852 in Fall River, MA. His father David was a Presbyterian minister and academic who was appointed to be the first president of Monmouth College in Monmouth, IL in 1856. With that appointment, the Wallace family relocated from the east coast to western Illinois when John was four years old. John graduated from Monmouth in 1872 with a degree in civil engineering and soon took on a succession of surveying and engineering jobs for various railroads as they built their rail networks westward. Much of his work in this era centered on building bridges across the Mississippi River, but he also worked in the Rocky Mountains and in southern Louisiana.

In 1882, John completed a second degree in civil engineering with the University of Wooster in Ohio. Later, in 1904, he earned a doctorate from the Armour Institute of Chicago (now the Illinois Institute of Technology). As his credentials grew, he also advanced professionally. In 1891, he was hired by the Illinois Central Railroad (ICRR) to assist them in planning for the 1893 World’s Fair to be held on the south side of Chicago. By 1892 he was chief engineer for the ICRR system. In 1902 he was promoted to general manager.

As a lead executive for the ICRR, Wallace surely knew of Flossmoor from when it was just an idea on paper¹. In fact, Wallace had a profound affect on the new village. He was a charter member of the Flossmoor Country Club (established in 1899), and his interest in the club was a direct influence on the decision by the ICRR to build a train station two blocks west². In 1901—the year the station opened—Wallace began building a house in Flossmoor. Like many Flossmoor homeowners in the early days, Wallace was not a full-time resident. He and his wife Sarah lived in a handsome home at 4427 Greenwood Avenue in Chicago’s Kenwood neighborhood and in 1901 they started spending their summers at “Red Top Cottage,” their affectionately nicknamed summer house in Flossmoor. Despite being part-time residents, the Wallaces were both well-known and well-liked in the young community. Most of their social activity centered on the country club where they both attended and sponsored many dinners and other social events. From 1901—1904 John served as the second president of the Flossmoor Country Club.

¹Please read my article entitled “A History of Flossmoor Before 1924,” available on the library’s local history page, for a more thorough account of the role the Illinois Central Railroad had in developing Flossmoor.

²Austin Stanley (see works used page) directly credits Wallace with establishing the station, but doesn’t provide details to specify exactly what role he played. Wallace was assistant general manager of the ICRR when the Flossmoor station opened.

NEW SUBURB IS PLANNED.

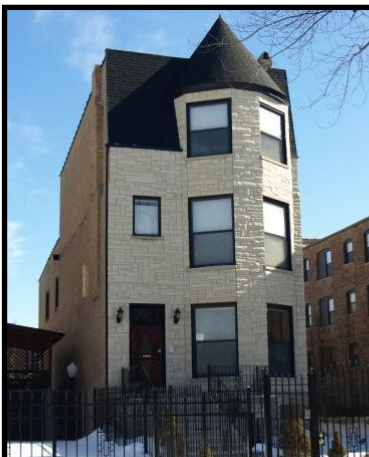
Illinois Central Railway Company to Establish a Handsome Town.

Flossmoor is the name given to a new suburban town that is being laid out by the Illinois Central Railway company, which the company hopes to make one of the most attractive suburbs south of Chicago. Street and underground improvements costing \$100,000 are to be made. The site is on the main line of the railway, twenty-five miles from the Randolph street station, and is within Cook county. The nearest towns are Homewood and Matteson.

The tract is one of 120 acres purchased by the railway company in 1892, when the elevation of its tracks began. It was bought to afford a supply of filling. The engineers of the road found that they could use Lake Michigan sand for filling as well as inland soil, and the company has kept the tract as it was bought.

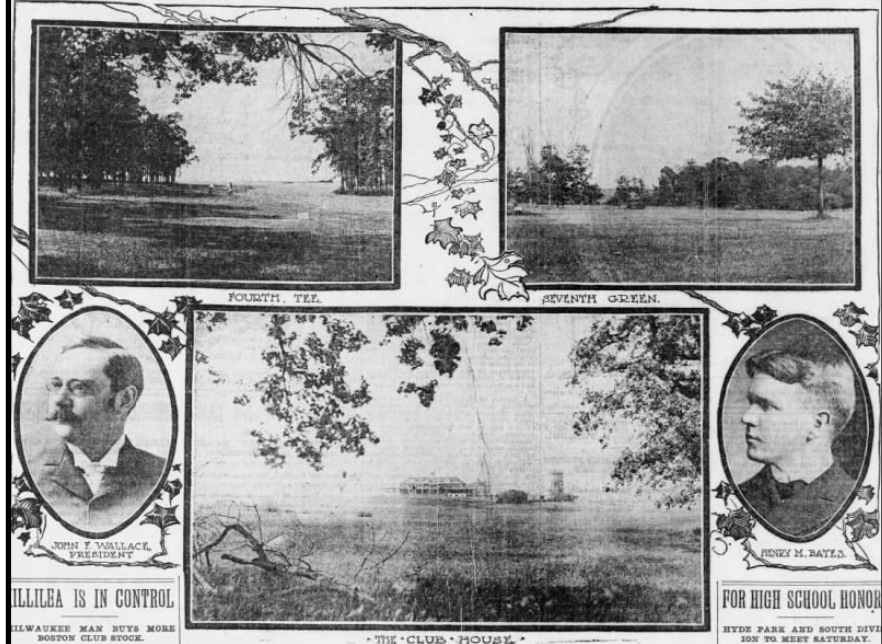
The minimum cost of dwelling houses to be erected has been fixed at \$3,500. Several houses are planned already. John F. Wallace, assistant general manager of the railway, is building one for a summer home. The lots are to be not less than 100 feet in frontage, and all are to have a depth of 200 feet. The Homewood Golf club is located near by, and another golf club is considering a proposal to establish itself in the neighborhood.

Wallace appears in one of the earliest articles announcing the creation of the village of Flossmoor. From The Daily Journal of Freeport, IL on February 9, 1901.

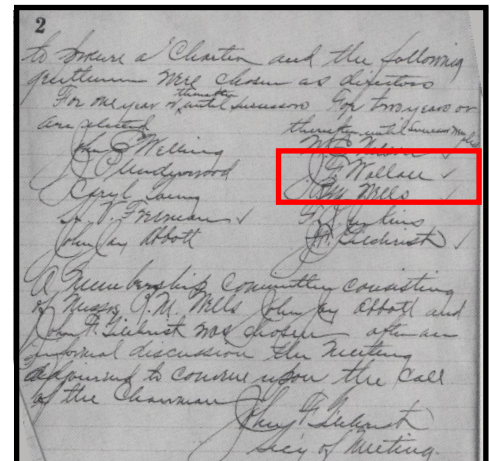


The Wallace home at 4426 Greenwood in Chicago as photographed in 2008. No known photograph exists of their cottage in Flossmoor.

SCENES AT THE HOMEWOOD COUNTRY CLUB AT FLOSSMOOR, AND TWO PROMINENT OFFICIALS.



As club president, John Wallace's picture was featured at the lower left of this pictorial article about the "Homewood Country Club" (the original name of the Flossmoor Country Club). From the March 16, 1902 edition of the Chicago Tribune.



Wallace's signature (in red box) appears in the minutes of the very first meeting of the Flossmoor Country Club. As a charter member and an Illinois Central Railroad executive, Wallace exerted influence in establishing a train station for Flossmoor.

PART 2: A BRIEF BACKGROUND OF THE PANAMA CANAL

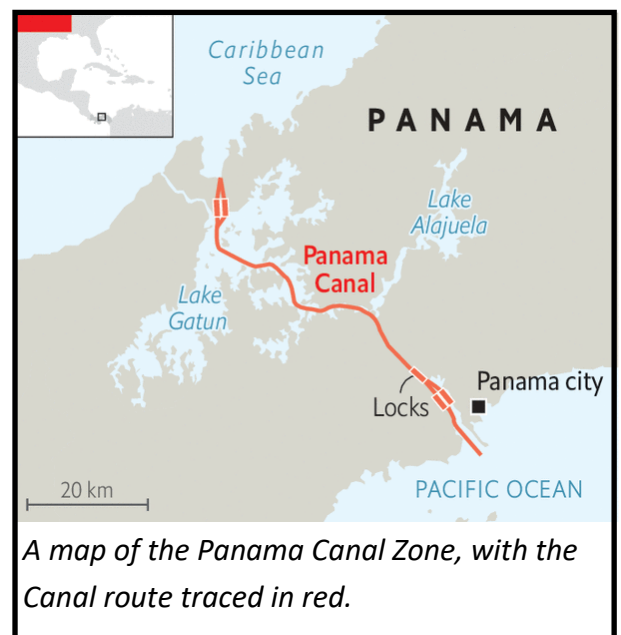
A canal to connect the Atlantic and Pacific Oceans across the narrow isthmus of Panama was first discussed in the early 1500s, soon after Spain colonized the region. The early explorers knew that a water passage of approximately fifty miles would eliminate the thousands of miles a ship needed to circumnavigate South America. However, they lacked the technology to follow through on such a project, and settled for building a road through the jungle to connect the an east coast port to a west coast port.

The idea of a canal persisted throughout the 1600s and 1700s but no progress was made until after the Erie Canal (1825) and the Suez Canal (1869) convinced the world that these large-scale digs were both possible and profitable. In 1881, France began work on the Panama Canal . This move by France somewhat undercut the United States' activities in the region. The U.S. had been in negotiations with the local government to dig a canal about 20 years beforehand, but—given the difficulty of the mountainous terrain—decided to build a railroad to cross the isthmus instead. When France began their project, control of the railroad, called the Panama Railway, was also transferred to them.

France’s canal project was an unmitigated disaster that failed to produce much results. The Panama jungle was filled with threats to the European workers: venomous snakes, insects, and spiders abounded. The worst challenges were yellow fever, malaria, and other tropical diseases, which killed thousands of workers; by 1884, the death rate was over 200 per month. At the time, the role of the mosquito in spreading these diseases was unknown, so battling the spread was nearly impossible. The high mortality rate made it difficult to establish an experienced work force. By 1889, the French were out of money for the project and looking for someone to buy the canal rights and take over the dig. In eight years, they had only dug eleven of the fifty miles needed to cross the isthmus.

In 1904, President Theodore Roosevelt negotiated a buyout of the French project for \$40 million. This price included all the French digging equipment and buildings as well as control of the Panama Railway, which the French had been operating. Roosevelt also paid the country of Panama \$10 million upfront and \$250,000 each year for the life of the lease—which lasted until 1999.

The U.S. formally took control of the canal property on May 4, 1904. A U.S. government commission, the Isthmian Canal Commission (ICC) was established to oversee construction. The ICC reported directly to Secretary of War William Howard Taft. On May 6, 1904, President Roosevelt appointed John Wallace as chief engineer. Wallace was to report to the seven-member ICC as well as Taft. Wallace’s job was seen as so important that he was given a \$25,000 salary—the second-highest salary given by the federal government at the time, after Roosevelt’s. Wallace soon resigned his position with the Illinois Central and made arrangements to spend that summer in Central America instead of his beloved Red Top Cottage in Flossmoor.



A map of the Panama Canal Zone, with the Canal route traced in red.

PART 3: WALLACE'S YEAR AS CHIEF ENGINEER IN PANAMA

John Wallace set sail for Panama on June 21st, 1904, from New York City; his wife Sarah spent the summer in Flossmoor. It is clear from later reports that Wallace was dismayed at what he saw while surveying the scene in Panama. The equipment left behind by the French was old, dilapidated, and undersized for the task at hand. The French buildings—dormitories, cafeterias, infirmaries and workshops—were likewise old and rundown. Several abandoned work camps had been swallowed up again by the jungle, covered in vines and bamboo. The operating capacity of the Panama Railway was woefully inadequate for the needs of the project.

In September 1904 Wallace was back in Flossmoor for a two week vacation after spending three months in Panama. At this time he gave an extensive interview to the press that tried to paint things in a positive light and gloss over any personal misgivings he may have felt. Between 1889 and 1904 scientists had discovered the mosquito's role in spreading yellow fever and malaria. Armed with this new wisdom, over 500 sanitation engineers were on the ground in Panama to reduce the spread of these diseases. Drainage systems had been established to reduce pools of stagnant water where mosquitoes lay their eggs. Wallace boasted that, of the 1500 men at work in Panama that summer, only two died of yellow fever. Wallace also noted that the federal government had agreed to purchase \$1 million dollars in new equipment for the dig that October. He estimated the dig would take nine years and an additional \$150 million.

After two weeks in Flossmoor, Wallace went to Washington D.C. to further plan for the canal. Behind the scenes, things weren't going as swimmingly as Wallace made it seem to the press. In addition to dilapidated facilities and the lingering threat of disease, Wallace found that the 7-member Isthmian Canal Commission (ICC) was a bureaucratic hindrance to him, acting as a middleman between him and the funding he needed. Absurd restrictions stymied the project at every turn. To hire a day laborer required filling out six separate vouchers. Carpenters were forbidden to saw boards over ten feet in length without a signed permit. Issuing a paycheck to 1800 workers required 7500 separate sheets of paper, weighing over 100 pounds total. Washington would also make bizarre mistakes when sending supplies—for example, an arrival of 12,000 new doors needed to rehabilitate the French buildings was accompanied by 240,000 pairs of hinges, twenty times more than needed. At other times, his financiers would act extremely miserly; if Wallace sent too many telegrams, Washington would snidely respond "Remember that these telegrams cost money."

In November 1904, Wallace returned to the Canal Zone, this time taking his wife Sarah. This visit was marred by a flare-up of yellow fever among the locals and workers. The Wallaces left to spend Christmas at home in Illinois. While they were away, the flare-up grew worse. Although the death toll was not high, a sort of social panic began. Over 75% of Americans fled the Canal Zone during this time. Wallace returned to Panama in May 1905 to find the situation had devolved into chaos. After spending three weeks in Panama, Wallace and his wife left again to go to New York. He told the press he needed to personally speak with Secretary Taft. This was the beginning of the end of Wallace's involvement in Panama.



Abandoned equipment left behind by the French in the Canal Zone. Picture courtesy of the Library of Congress.

PART 4: WALLACE'S RESIGNATION

Wallace scheduled a meeting with Taft on June 25, 1905 in New York City. Although accounts differ, everyone agrees that the meeting did not go well. Taft had heard a rumor that Wallace intended on quitting the project due to a lucrative offer from a private corporation. As historian David McCullough writes:

“The genial Taft, the man known for ‘the most infectious chuckle in the history of politics,’ was in a towering rage.... To Taft, so self-serving an ethic as [displayed by Wallace] was neither understandable nor tolerable.”¹

For his part, Wallace was upset by the presence of William Cromwell—a Panama Railway attorney who he did not trust—in a meeting he thought would be just between Taft and himself. Two days later, a supposed transcript of the meeting was released to the press by Cromwell. Wallace disputed the contents of the transcript, but by then the damage was done. The allegation by Taft and Cromwell that Wallace simply chose money over civic duty tarnished his public reputation. Wallace viewed the release of the misleading (in his eyes) transcript as a personal attack. He was not given the opportunity to offer his account of the meeting until February 6, 1906, when he was called upon to testify in front of Congress.

In front of the Senate Committee in Interoceanic Canals, Wallace told his side of the story. He acknowledged that he had been offered the higher paying job, but had hoped through meeting with Taft he would be able to negotiate a solution that kept him working on the Panama Canal for the government. He told Congress of many issues and concerns that had arisen over the year of his work in Panama. He felt the project was unduly burdened by red tape restrictions, had difficulty getting the necessary supplies, and was under-supported by the administration. He felt that he was serving too many masters by being beholden to the members of the ICC—some of which he butted heads with—and Secretary Taft himself. He was also suspicious that Cromwell was using his influence in Panama to personally enrich himself through graft. His goal in meeting with Taft, he told the committee, was not to ask for a higher salary but for more autonomy and control over the project and a reduction in the amount of red tape. However, Taft and Cromwell would not listen to him due to their preexisting hostility, and so Wallace resigned. He offered to stay on for three more months while the administration searched for a replacement engineer, but Taft flatly refused this offer.

After leaving the Panama project, Wallace criticized the government's approach to digging the canal. In a 1906 speech in Chicago, he advocated that work on the canal be taken over by an independent contractor: “He saw nothing but delay and expense, if not disaster, in the present programme².” Eventually, he just wanted to move on: “I don't want to hear anything about it. I am done with Panama³.” Wallace's replacement as engineer, John Stevens, only lasted twenty months before he too resigned. Wallace's and Stevens's complaints about the shortcomings of the project were finally heeded in Washington, which gave the third chief engineer, George Goethals, the autonomy and money needed to complete the project. The Panama Canal opened in 1914, at a final cost of \$500 million (\$18.5 billion in 2024 dollars).

¹ McCullough 456

² “One Man Should Build Canal: John F. Wallace Sees Disaster in Panama with Present Plan”

³ “John F. Wallace is Done with Panama, and Doesn't Want to Hear About It.”



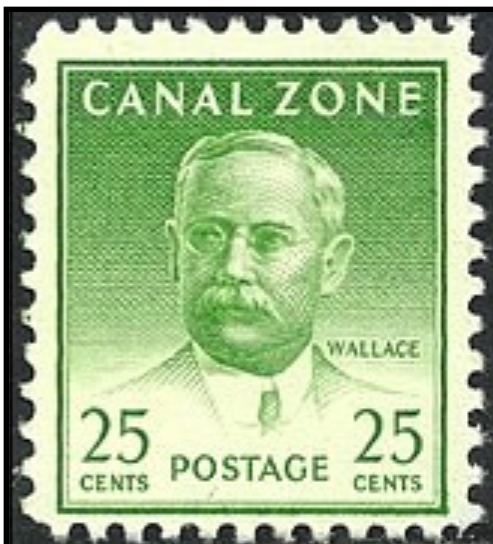
Wallace was severely criticized by the press after leaving the Panama Canal project. Many people believed the rumors that Wallace left the project strictly because of a high-paying job offer from a railroad tycoon. In this political cartoon by artist Udo Keppler, entitled "The Main Obstruction at Panama," a figure representing Uncle Sam stands before a tycoon caricature labelled "Railroad Interests" thwarting progress in Panama. Shoved headfirst into the pocket of the tycoon is a small man labelled "Wallace." Courtesy of the Library of Congress.

CONCLUSION

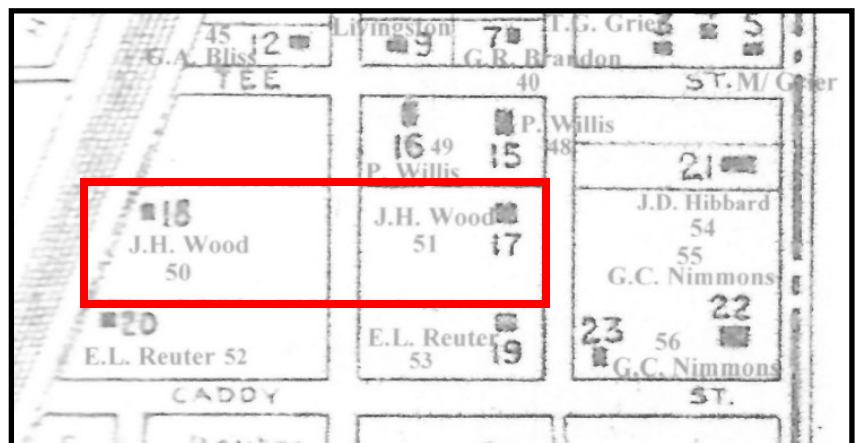
When testifying before Congress in February 1906, Wallace said that he did not accept the job offer that led to his ill-fated meeting with Secretary Taft. In fact, after leaving the Panama project in June of 1905, he did not work at all the remainder of that year. Finally, in March of 1906, Wallace took a position as president of Westinghouse, Church, Kerr, & Co., an engineering firm in New York City specializing in electric street-cars and trains. Wallace was later named chairman of the board and stayed with the company until 1917.

When he took the Westinghouse position in 1906, Wallace and his wife moved to Manhattan to be closer to company headquarters. However, Wallace did not sell the property in Flossmoor immediately. In the summer of 1908, he rented the Red Top Cottage to Carson, Pirie, Scott executive John H. Wood and his wife Myrtle, who also rented the cottage in the summers of 1909 and 1910. In 1911, the Wood family finally bought the Red Top Cottage outright. John and Myrtle's youngest son, Warren K. Wood, was a famous golfer of the era who won the 1913 Western Amateur Open at Flossmoor Country Club, as well as an Olympic gold medal in 1904. Sources indicate that the Wood family later bought a larger second house in Flossmoor but kept Red Top Cottage as well; please see map below for details.

John F. Wallace died at the age of 68 of arteriosclerosis—possibly exacerbated by hot weather—on July 3, 1921 in a Washington hotel room. He had travelled from his Manhattan home to testify as an expert witness before a Congressional committee on railroads. He left behind his wife Sarah and two adult children, son Harold and daughter Birdena. His obituaries mostly lauded him as the leading engineer of his generation—but did not fail to note of his significant “failure” in Panama. Locally, while his time in Flossmoor was short it was at a crucial moment for the village and he is credited with establishing the link between golf and railroading that would come to define Flossmoor throughout the early 20th century.



As a U.S. territory, the Canal Zone issued its own postage stamps. Wallace was commemorated on this stamp issued in 1946.



This detail of a map of Flossmoor homeowners in 1924 shows John H. Wood's holdings outlined in red. He is listed as owning home #17 on Brassie and home #18 on Braeburn, both between Caddy St. and Tee St. (now Hawthorne Lane). House #17 on Brassie is a large farmhouse style home that was built in 1904 and still exists. Therefore, house #18, close to the railroad tracks, was likely John F. Wallace's original Red Top Cottage from 1901. It no longer exists.

WORKS USED

The map of Flossmoor homeowners in 1924 was provided by Richard Condon to the Foundation for the Preservation of Flossmoor History. Thank you to Richard and to Jeffrey Hamrick for forwarding the map to me.

McCullough, David. 1977. *The Path Between the Seas: The Creation of the Panama Canal, 1870-1914*. New York: Simon and Schuster.

Stanley, Austin. "A Story of Flossmoor: Name of Village Means 'Dew on Flowers on Moor'." *Chicago Heights Star* (Chicago Heights), July 20, 1954.

The Tradition Endures: Flossmoor Country Club 1899-1999. Flossmoor Country Club, 1999.

Wikipedia. 2024. "John Findley Wallace." Wikimedia Foundation. Last modified August 27, 2024. https://en.wikipedia.org/wiki/John_Findley_Wallace.

Wikipedia. 2024. "Panama Canal." Wikimedia Foundation. Last modified September 6, 2024. https://en.wikipedia.org/wiki/Panama_Canal.

The contemporary newspaper articles below were also used. Journalistic practices in the early 1900s were that most newspaper articles did not have identified authors, thus articles here are listed under their titles.

"Builder of the Canal: General Manager of Illinois Central is Selected." *The Times Democrat (New Orleans, LA)*. May 11, 1904.

"Engineer Wallace Tells Why He Quit." *Green Bay Press-Gazette (WI)*. February 6, 1906.

"Golf at Homewood Country Club: Board of Directors Elected." *Chicago Tribune*. February 15, 1901

"Grievances: Former Engineer Wallace of Panama Canal Gives Reasons for Resigning." *News Journal (Mansfield, OH)*. February 6, 1906.

"In the World of Society: Homewood Country Club Opens for the Season Today at Flossmoor." *Chicago Tribune*. September 8, 1900.

"John F. Wallace Dies; Was Panama Engineer." *The New York Times*. July 4, 1921.

"John F. Wallace is Done With Panama, and He Does Not Want to Hear About It." *The Owensboro Messenger (Owensboro, KY)*. March 9, 1906.

"The National Comedy." *The Brooklyn Eagle (NY)*. February 6, 1906.

"New Suburb is Planned: Illinois Central Railway Company to Establish a Handsome Town." *The Daily Journal (Freeport, IL)*. February 9, 1901.

WORKS USED (CONTINUED)

- "News of the Society World." *Chicago Tribune*. June 17, 1911.
- "Nine Years Will Finish the Canal." *The Dispatch (Moline, IL)*. September 24, 1904.
- "Notes and Personals of People of Prominence." *The Inter-Ocean (Chicago)*. June 26, 1904.
- "One Man Should Build Canal: John F. Wallace Sees Disaster in Panama with Present Plan." *The Watertown News (Watertown, WI)*. March 7, 1906.
- "Panama Canal Talk." *Portage Daily Democrat (Portage, WI)*. September 24, 1904.
- "Personal Notes." *The Inter-Ocean (Chicago)*. July 14, 1901.
- "Senators Hear W.N. Cromwell." *The Champaign Daily News (IL)*. February 28, 1906.
- "Wallace Gets Good Position." *The Walter New Era (Walters, OK)*. March 16, 1906.
- "Wallace is Home Again; Declines to Discuss his Controversy with Taft." *Chicago Tribune*. July 4, 1905.

As always, I have endeavored to create a truthful, fact-based narrative based on available resources and references. Should the reader note any errors, please e-mail flossref@flossmoorlibrary.org and they can be corrected in a future update.