

Popular rumors, lack of information, personal experiences with individuals who belong to certain groups, all go to form the popular ideas about all other individuals who are part of that certain collectivity. By methodical, logical analysis, it would be easy to prove to ourselves that there is a great difference among the individuals of any given group and that they are far from being determined in their character by the fact that they belong to that group. But this would call for a little mental exertion, and it is much easier to be intellectually lazy and let our emotions rule our thoughts and behavior. And thus the individual is thought of and treated in accordance with the scheme or pattern that prevails in the minds of the «public» in regard to the group to which he belongs.

This social schematization is very much at work in our environment and produces among us frictions and antagonisms. Among the two groups of Panamanians and North Americans, as seen by the typical man in the street, there do not exist persons, individuals as it were, but only «Latins» and «gringos». And the idea that one might form about any given individual is already prejudiced, already half-formed, before one really gets to know him, because that individual is a «gringo» or a «native». The opinion which is formed about the problems of one or the other of these groups has been swayed by common gossip, residues of personal resentments, conjectures, by pre-conceived ideas.

These two terms: the belief in the superiority of our own group (and consequently in the inferiority of all groups outside our own), and social schematization, already in themselves indicate such a tangle of concepts that it is not hard to see the difficulties in solving logically and reasonably this delicate problem of relationships between North Americans and Panamanians. This problem involves the existence of social dissociation and racial differences which are enormous obstacles in the path of positive relations.

On the other hand, the origin of the problem is so complex that while its roots come basically from the emotions, they seem to stem merely from economic competition and other material causes whose practical settlement appears to be easy.

Perhaps this will help us understand why it is that public treaties, agreements between governments, have in effect become hardly more than literary attempts, efforts which affect only the paper on which they are written. The abstract terms which we have used in order to analyze the state of affairs and which necessarily compress the long strife-ridden trajectory in which an immense variety of mental and emotional processes agitate, are perhaps incapable of giving a sufficiently concrete impression to those who

prefer to remain indifferent to the entire problem. But as relatively precise scientific concepts they are a great aid to those who are in search of the truth, to those who suffer for want of knowledge as to the origin and solution of a problem.

There is no Panamanian who is interested in this problem who has not crudely expressed time after time that the «gringo» thinks he is superior and that the Panamanians are inferior. This concept carries such influence with people that we think it worthy of a short analysis.

5.—*The Complex of Superiority of the Own Group.* That which is known as the «superiority of one's group» is a complex of prejudices and emotions which tend to form in the mind of the individual the conviction that his group is superior to all other groups, that the qualifications of his group are superior, stronger, better developed. A great many times this attitude is brought about by actions and occurrences which have nothing to do, even remotely, with the individual in question. In speaking of pugilists, he claims that those in his group are always the best, the women of his group are always the most beautiful, his country's factories turn out the best products, his country's race horses and airplanes are the fastest in the world, the graduates of his schools and their professors have always distinguished themselves more than any others. He considers as a personal asset the fact that in this country there are a great many millionaires although he, himself, may be a pennyless beachcomber, and he elaborates upon the graces of «his» type of women although he may be a bachelor by reason of never having been accepted. He bolsters his self-confidence and personal standing by taking advantage of the prestige his country may have earned by virtue of its skyscrapers and its «record» achievements in other «biggest and best» things.

Under this idea that the characteristics and creations of his group are always the best there is born the concept that everything outside this group is inferior and by being inferior is worthy only of contempt and subject to continual criticism.

This concept of superiority seems to be at the bottom of the relationship between Panamanians and North Americans in the Canal Zone and *in general, of the relations of North Americans with Latin Americans everywhere.* The North American thinks that he is superior because he likes the «American Spirit» of «going places and doing things». Affected by the belief of superiority of his group he conducts his individual contacts accordingly. And if the international policy turns to the search for certain material

advantages, this «American Spirit» can be put to very good advantage. The imperialistic policy can be explained in part by the belief in the superiority of the own group and the inferiority of the outside world. The Big Stick policy and the effects that it left upon those who lived under its reflected splendor are still being felt today, at least in the repercussions they produced.

But there is a well-known phenomenon, easily noticed, which throws considerable light on some factors which contribute to the attitude of the typical North American in the Panama Canal Zone.

He comes from a country considered as a great power and he knows it and he says it. He comes to a people considered as inferior. He knows and says this also. He takes the attitude of the city man who has come to the country to spend a few vacation days. A city man, although he may be lazy or poor or incapable, feels that he is representing the progressive spirit of the city when he visits the country. He considers himself superior just because he comes from the city. He feels that country folk are less capable than he, he tells them how they should do things, and he complains about the lack of modern conveniences and how this unsatisfactory state of affairs could be corrected if only the country folks would acquire the city spirit.

To a certain degree this is the basic attitude of the typical North American in Panama. He believes that he represents a more advanced, a more efficient and thus superior civilization. To him, the Panamanians are like country people—they are ignorant, inefficient and should arrange their lives according to the superior standards and methods which they could learn from him. In this respect it never occurs to him that in his country he might have been a country hick himself, that he might have been a poor stump farmer or poorly paid worker, someone incapable of ordering others, only capable of receiving orders. The concept he has about the superiority of his own group is so strong that he considers himself primarily a representative of a country which has such a large army, such a well equipped navy, Ford's factories, Kaiser's shipyards, New York's night clubs, Hollywood's legions of beauties; etc., and so many other things which in his eyes are desirable; and even though they may be quite inaccessible to him, they become «his» property through his identification of himself with his country; thus, he, as a representative of that country, we repeat, is superior to the members of the «inferior» group that has none of all those things and whom he is, «naturally», entitled to treat accordingly and to order about.

It is inevitable that these notions should result in constant bad feelings and frictions. Although to explain it, it may be necessary

to fall back on the theory of self-defense: one attacks by reason of having been attacked; one insults by reason of having been insulted; all these are very natural actions—but also irreflexive ones.

6.—*The Concept of Racial Superiority.* And to fan the flame of emotion still higher, we always have the racial complex. A people of «Negroes and half-breeds», an inferior group, to be despised for having once been enslaved, hated for having been one of the main issues of the Civil War in the United States, for having mixed with the Indians which recalls the hatred these had for the «pale faces» all this argues that they should be denied the right of being met as equals. There is nothing more human and more widely practiced than this searching for someone in whom one can find defects and whom one can classify as a subordinate by virtue of a «natural law». On the other hand, if man has to govern his actions according to the pattern set by his forefathers who sought war and conquest, he will always have to look for an enemy, someone against whom to unite. This is an atavistic residue of the nomadic tribes of hunters who subjected the sedentary agricultural peoples and those of the cities who had to defend themselves in bitter struggles from the onslaught of the invader, of the constant struggle of humanity against itself. Perhaps this is also the most charitable form of defending human egoism, that emotion which finds in battle the means of shaking off the impositions and restrictions of the ordinary rules of social control. But, realistic conditions being what they are, they can be summed up for an explanation of this idea of superiority of one group and its desire to triumph over the group which is considered inferior.

We have seen one existing condition in the descriptive part of this essay: the inevitable state of subordination of the Panamanian in the Canal Zone, and the position of prestige and command which falls to the North American.

The idea of superiority and the desire for power over other peoples, while being universal in scope, in the meaning that it does not characterize any specific nation only, is not universally felt. Or better said, it is not the acme of ambition for all men. There are those who prefer to obey, to be ordered; there are entire countries which indicate this feeling very clearly.

But when a person represents, or when he thinks he represents the prestige of a powerful nation, the natural thing for him to do is to take the attitude of one who looks for and expects a position of command. This attitude is easy to describe by calling attention to the typical attitude of the city dweller, who considers himself the representative of the technical and cultural achievements of urban

existence, in his relations with the country man. It is this emotional motive that always pushes the North Americans to the places of prestige. The popular version is that the average North American, thanks to his practical common sense, would prefer a less important job, but well paid, to an important job, but poorly paid. But we do not feel that these problems can be solved by the popular version. Practice shows us that social prestige or the desire for it is capable of opposing material consideration—even the desire for pecuniary gains. Discriminatory laws do not necessarily have as their goal the division of men into groups of rich and poor. Rather they tend to create an «aristocracy», a privileged class, set apart from the rest, the inferior class. This corresponds to that state of mind which is based on the belief in the intrinsic superiority of the own group and in the comparative inferiority of the other groups, a state of mind which looks for some group to qualify as inferior with the idea in mind of getting one's own group to unite against a common enemy, some group which can be used as a scapegoat and around which can be built an atmosphere of disgust, dissatisfaction and mistrust. In this manner the Metal Trades Council, for example, is able to represent the interests of the privileged group, and the actions taken by this organization can be likened to the requirements necessary for such an imaginary state of warfare.

Some people feel that the discriminations of the Canal Zone have as an object the prevention of competition which could result if equal opportunities were granted to Panamanians and North Americans. Up to a certain point they are right. Material motives do have a great deal to do with it. But even stronger than this factor is the one based on the idea of the inferiority of the «half-breed», the racial discrimination, and the idea of the superiority of the own group and the inferiority of the outside world.

## VIEWPOINTS OF A NORTH AMERICAN

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### *Principal Factors Responsible for the Existing Situation.*

In dealing with the relative scarcity of positive relations based on friendship between Panamanians and North Americans, hereafter referred to as Americans, I believe this fact can be attributed mainly to three aspects in which the two peoples differ radically—that of racial extraction, cultural and social development, and political organization. It should be made clear from the outset that awareness of these differences and their true significance is no reason to breed any antagonism. It would be better to say that *lack* of such knowledge is the breeder of antagonistic reactions.

1.—*The Racial Factor.* As to racial extraction I think it wise to take a look at the ethnic origin of the average American. While the United States has been quite a «melting pot» of different nationalities, it has not been such regarding different races. In the United States each different race has been quite well segregated within itself; there has been no intensive intermarrying among races. Therefore, as the great majority of Americans are of purely European stock, we must consider the typical American as being «white».

The Indians of North America could possibly have changed this situation to some degree, had their blood been allowed to mingle with that of the white immigrants. But such was not the case. The immigrants did not come in bands of single men, as they did to Spanish and Portuguese America. They came in families, practically the same proportion of women as men. There was no need to marry Indian women, as there was in Hispanic America. Consequently the skin of the American stayed white, although in the course of time his national extraction became so mingled with that of others that it was hard to say from which countries his forefathers originally came.

In the United States the social status of the Indian is rapidly changing in the eyes of the Americans, but he is still held in a peculiar category. As the Indian was not absorbed into the white race, he was practically exterminated, but at a great sacrifice of life

on the part of the white man. Having proven himself a capable warrior, an intelligent individual and one who stood up for his rights and would not be kicked without kicking back, the white man could not justly say that the Indian was inferior. He had to give him credit for being a man among men. So the only thing the white man could do to cover up his bad treatment of the Indian was to build up hatred against him—hatred based upon the cunning wit of the red man and his ruthless manner of warfare. Naturally the Indian was only doing what we would do if some aggressor should start taking our land and our native homes from us. We would fight as never before and resort to all forms of trickery, however brutal they might be. But—the fact remains, the white people hated the Indians with a hatred that knew no limits, and the old saying that «The only good Indian is a dead Indian», was not just idle prattle. It was a doctrine sincerely adhered to. In fact, it has only been within the last thirty years that the Indian has been coming out of the hole into which the white man threw him. But coming out he is and with flying colors, as demonstrated by outstanding Indian students, athletes, commercial men, in fact, in all walks of life. But I repeat, while the white men respected the Indian, they also hated him, unjustly, yes—but they hated him.

I believe therefore that all this figures basically in the American's disdain for, and superior attitude toward the Latin people. The American asks, «What is a Latin?» Someone replies, «A typical Latin is the product of Spanish or Portuguese and Indian blood». Immediately the first says, «Oh, a half-breed!» and he remembers the stories his father or grandfather used to tell about the «Siwas-hes» back in the States. Result— another prejudiced American before he ever comes to establish direct contact with Latin Americans.

The relationship of the American toward the American Negro is, as is generally known, a most delicate subject. Perhaps I am not the one to say anything about it, as being a Westerner I have no first-hand acquaintance with the problem. But I feel that the relationship of the Americans and Panamanians largely runs aground over this very issue.

I believe that the Westerner looks at the Negro with a bit of curiosity, because Negroes are so rare—especially in the North West. But equality was given the Negro, or better, it was not given to him—it was simply there for him to take advantage of and enjoy. For it was, and still is, except in the larger cities, a policy of the West to accept a man at face value, regardless of race or religion, until the man himself proves himself to be inferior. In my home town in Central Idaho, for example, there was one Negro family. These people had about the same education as the other townsfolk,

the husband followed the trade of all the other people there, that of mining. This family was accepted in the town society the same as anyone else. When a party was given they were invited, and they came. When they gave a party, other people went to their house.

The attitude of the Southerner, however, differs very much from that of the West. He wants to keep the Negro in «his place» which, unfortunately, I have never heard defined.

The following reflects the attitude of the Southerner as nearly as I can come.

The Negroes were brought from Africa as slaves, which fact alone proves that their place as men among men was not very high—for what race of real men will subject itself to slavery for any length of time? Real men are supposed to prefer death to slavery. The slaves did not free *themselves* in the Civil War, it was the Northern industrialists, who were afraid that cheap slave labor might infringe upon some of their markets. Nevertheless, the War was fought, and it was a bloody war, with the South supplying such a huge percentage of the battlefield that it still bears the signs of ravage. The South was beaten and then overrun by hordes of carpetbaggers who heaped insult upon injury.

All this time the Negroes were standing idly at one side, looking. They, upon whom was founded the entire social and economic structure of the South, did not suffer the wounds that did the white man.

While the Civil War was not fought because of slavery as such, it was fought because of a civilization which had grown up around the Negro slave labor. When the axe fell it did not fall upon the Negro, who was the heart of this civilization, it fell upon his white master. Those white masters have not forgotten, nor have they forgotten how the Negroes were attracted to the bally-hoo of the carpetbaggers, how they sopped up the Northern propaganda; how they puffed up overnight with high hopes of dominating the whites until the formation of the Klu-Klux-Klan evolved from the chaos to put a bridle on the spirit.

The Southerner wants the rest of the United States to leave him alone with the Negro. It is his problem, he brought the slave here in the first place, he knows how to handle him—but he wants no outside interference from anyone, because how can a damned yankee who never saw a Negro tell a Southerner how to run his business.

The Southerner has been raised from the cradle to handle Negroes. It is instilled in him to regard them in a certain light.



He has heard only one language spoken—that of the inferiority of the Negro.

How then, can we honestly expect a Southerner to come to Panama and treat a Panamanian Negro as his equal? It would be just as logical for us to expect that same Southerner to speak excellent Spanish upon his arrival here. Nor does the Southerner draw the line at full blood Negroes. In the eyes of the Southerner anyone who has a drop of Negro blood should be treated the same as a genuine Negro. Also, a white person who mixes socially with Negroes is «white trash» and is announcing before all that he wishes to be considered the same as a genuine Negro.

And here we come to a very vital point. Many Americans in the Canal Zone see Latins on the Silver Roll working side by side with Negroes, getting the same pay, drinking at the same fountains, living in the same quarters. So the Southerner says, «O.K. If they want to lower themselves to the level of the Negro, they are telling the world that they wish to be considered the same as Negroes. We'll treat them accordingly».

So, when speaking of the average American and his attitude toward Latin Americans on the Isthmus of Panama, one must consider where the individual came from: South of the Mason-Dixon line, or North of it.

2.—*Cultural and Social Development.* When the average American sets foot south of the Rio Grande he enters a world for which he is totally unprepared. He has read a few articles on Latin America, he has perhaps seen a show or two with a Latin setting. But he is not prepared for the full reality. The people of which he has read is, as Senator Butler puts it, «the twenty per cent of the population».

The other eighty per cent, which represents the average Latin, is composed of a group as different from the American as day is from night. Usually, with little or no formal education, living in remote rural districts exactly as they lived two or three centuries ago, or perhaps crowded together in dismal slum sections of the larger cities, they present a picture which is extremely difficult for the American to understand. That a fallacy exists here in the general educational system of the United States is self evident. For a country as deeply involved in Latin America as is the United States, it seems strange that it is very difficult to find a school that teaches Latin American history, civilization, and sociology in a realistic light.

That the languages form a barrier between the Panamanians and the Americans is only natural. But it is a barrier that should only temporarily exist. I believe that good will can exist between

two persons even though they cannot converse freely. It is precisely this attitude of good will and the wish to develop more satisfactory relations that will induce at least one of the two to learn the other's language.

Religion, like the languages, I also consider not to be a major source of friction—especially from the American point of view. The Americans are used to living in a country where one may be Catholic, Protestant, or what have you, without any criticism or condemnation by his neighbors. Therefore, while the majority of Latins are Catholics, and the majority of Americans are Protestants I firmly believe that no general barrier to positive social relationships is formed because of this difference, at least as far as the American is concerned.

One of the greatest handicaps to a positive appreciation of Panamanian civilization by the average American on the Isthmus is the realization of how dependent the Panamanian people are upon the Americans. I have occasionally received the impression that Americans became somewhat disgusted when some Panamanian, who drives an American made car, wears American made clothes, and is nourished largely by foods grown in the United States, drops a Panamanian coin, which is coined in the United States, into an American made juke box, and complains about the superior attitude of the American toward the native Panamanian.

Then the American finds out that the very streets of Panama were paved by the Americans, the sewers were constructed by Americans, and that the garbage disposal system was organized and operated by Americans, and is, in fact, still administered by Canal Zone Americans.

The Panamanians set forth the apparently feeble argument that all this was done in accordance with treaties between the two governments; that the United States would agree to clean up Panama as a necessary measure for the construction and operation of the Canal. But this does not set any too good on the ears of the average American. To him it is simply an admission of laziness and lack of self-respect to admit to the world that the Panamanians were not, and are not, capable nor desirous of disposing of their own sewage and garbage.

Also to have given a lease to the United States of the Canal Zone right of way, in the very heart of the country, involving complete jurisdiction over all those native Panamanians who resided there, or may enter thereafter, looks to many Americans like a sell-out:

The American becomes quite bored with hearing the Panamanian silver roll laborer gripe about «Mucho trabajo—poca plata»

But when he asks the Panamanian why he doesn't quit the Zone and go to work in Panama, the answer usually is that there is no work in Panama or that he can earn more by working in the Zone. Yet that workman will shout to high heaven that the Gringos are taking advantage of him, who is maybe a carpenter by trade, when they make him work as a helper to an American carpenter and maybe pay him 30 cents an hour. It really seems a little comical to the American to hear a Panamanian complain about the unfairness of the Zone wages, when, by his own complaints, he is admitting that his own government will not pay him as much as a skilled laborer as the American government will as a lowly helper.

The American figures that the wages he receives are good wages, he is content with those wages. But it was not always that way. There was a time when the American laborer was forced to work in sweat houses at miserable wages, day in and day out. But he finally figured something was wrong. Then he figured out a way to change things. But it wasn't easy. Labor Unions were formed and some hard battles were fought. Also, it took patience to educate the rich man to seeing that the more wages he paid, the bigger would be his return in the long run. But finally, the American got what he was fighting for—fair wages and decent living conditions. And the battle was fought among the American people themselves. They realized that if a strong nation was to be had, it must be conceived of its own people—not handed out as a present from some other country. The domineering vested interests had to be stripped of their unlimited power and the workman emerge from obscurity to take his seat as an individual among men.

Therefore, the American figures that he has earned the wages and living conditions he enjoys. He also figures that no outsiders are entitled to have these blessings bestowed upon them without effort on their part. If Panamanians desire good wages, good homes, good education, let them get these things, but let them start at home, where there is the root of the trouble. Let them start in the Republic of Panama and when they have cleaned house there, and have risen in an economic sense to the level of the American, they will find Uncle Sam ready to meet them half way.

I really believe that this general thought was the main idea behind the creation of the gold and silver rolls. I don't believe that it was intended to segregate people because of color, nationality or cultural reasons. I believe that basically it was established to provide for an *economic* division and nothing more.

That is has deviated from his thought is self evident. Now the silver and gold rolls are used as a social dividing line, and are used

as a guide in determining the place within society of the members of the various ethnic and national groups.

Let me refer back to what I have said regarding the Negroes and the Southerners. When people who are Southerners, or those who have adopted Southern attitudes, see Panamanians working side by side with Negroes, living in close association with them, accepting them socially, intermarrying with them; the immediate reaction is, «If they want to be with Negroes, accept the same pay, live in the same apartment houses, we'll consider them as Negroes».

I have heard many Panamanians complain about the Negroes, how they are inferior to the Latin people. The Panamanian tells me it is repulsive to his people to have to work equally with Negroes, eat with them, use the same fountains, toilets, etc., but at the same time (and this is the point that the American 'doesn't understand)—they do it!

Complaints are made not only by Panamanians against Americans but also vice-versa. The American on the Isthmus constantly feels that he must be on his guard, and the night prowler who has been partying in Panama breathes a little sigh of relief when he finally crosses the line in the Zone. For once, he figures, he has beaten the thugs out of what little money he might be carrying in his pocket. In view of the great number of policemen that there are in Panama it seems incredible that there happen as many infractions of the law as occur. And the American feels that most of the crimes are directed against Americans, who seem to have little or no appeal to the Panamanian police. Let me cite an example or two.

One American told me that he and a friend had been partying late in Panama. They had returned to the Zone to get the friend's car in which to go to work. The friend figured he would like to bring his alcoholic content a little more up to par before leaving for work, so they returned to Panama, stopping before a cantina in Chorrillo. The American telling the story said he did not want any more to drink, so he climbed into the back seat of the car and stretched out for a little snooze. The windows of the car were open.

He had almost dozed off when he felt a hand fumbling in his hip pocket where he usually carries his wallet. Without raising his head or giving any sign of being awake—he made a grab; caught an arm, and started twisting it. The catch turned out to be a Panamanian Negro who was rendered powerless by his arm being twisted behind him by the enraged American. The American still holding his victim, succeeded in getting out of the car and, seeing a policeman across and down the street, started yelling until he had drawn

his attention his way. When the policeman arrived the American told him that the Negro had tried to steal his pocketbook, that therefore the Negro was a thief and should be taken to jail.

«Well,» said the policeman, «did he get your pocketbook?»

«No» replied the American, «I got him first».

«Then I can't do anything about it», said the policeman. «If he didn't actually steal anything, you have no case against him and I can't hold him».

And the Negro was turned loose so that he may have better luck next time.

Another story heard from several different sources:

An American had parked his car on Central Avenue and entered a store to make a purchase. He happened to notice a young boy making off with a variety of articles which he had left in the car. He hurried from the store and grabbed the boy, whose arms were laden with articles belonging to the American.

The boy, realizing his predicament, started kicking and scratching and biting, so the American had to use considerable force to keep the youngster from making off. When the police arrived the boy was turned loose and the American spent the night in jail for having mistreated a minor.

I had not put much stock in the yarns about how certain elements in Panama would ramsack an American car if given a good opportunity. But that was only because I had not parked my car in Panama. One evening I went to a theatre in Panama City, leaving my car out in front. There is very little glass left in my car, which is of rather ancient vintage so I did not lock it. (I couldn't have locked it any way, as the doors don't fit good enough and I haven't any key anyway).

When I came from the show I was minus my tire pump. Since then I leave my car in the Zone. I have left my car for ten hours on the streets in Cocoli, in the Zone, without having suffered any loss, although it sported a very excellent spare tire unhampered by straps or locks. I dare say that in many sections of Panama, the motor would still be warm while the spare tire would be rolling down the street in someone else's hands.

Many Americans have no respect for the Panamanian policeman who, garbed in his American made clothes and riding an American made motorcycle, blows a Panamanian blast on an American made whistle and informs some Gringo that he has just committed a traffic error. The same policeman does not command respect when

he suggests, as so often happens, that for a nominal sum, he will forget the whole episode. The American will usually pay off rather than lose time from work by going to court, but he certainly does not think much of the policeman who will accept a bribe.

Many Americans feel that the Panamanian regards the American as some sort of creature on which there has been declared an open season. Usually, any attempt at friendship on the part of the Panamanian is regarded by the American as an approach to the latter's pocket book, directly or indirectly. He expects the Panamanian to sooner or later want to borrow some money, or at least to have the American purchase some article for him in the Government commissaries. I think that this attitude holds true especially with Canal Zone workers. I have heard many Americans complain that their helpers have borrowed money from them to be paid back on pay day but when the payment didn't show up and the American inquired as to its whereabouts, the helper replied that he was a poor man and made very little money whereas the American made big money and was rich like a bank and surely wouldn't expect to be repaid.

The lack of organized labor in Panama seems to the American admission by the Panamanians of lack of faith in themselves as a group.

Democracy has, for a heart, recognition of the individual as such. But this individual recognition can be achieved only by collective or group action. When the Panamanian complains of the atrocities committed against him in the Zone in the form of racial and wage discrimination, type of labor he performs, and in the superior attitude of the American, he is forgetting that he has the same weapon in his power that the American had when they gained their present economic structure. That weapon is group action. I have seen Panamanians punished for some fault that was not theirs, by some stubborn American bosses that did not respect personal rights, and who were unjustified in taking the action they did. But the Panamanians took it lying down, ignored the administration building with its «Complaint Section», and retired to Panama to heap more fuel upon the already burning fire caused by American «imperialism». I maintain that the Panamanian who does not complain to the right people when he has a complaint coming is just as much to blame as the American boss who unjustly deals out punishment.

For example—there was a Panamanian working on the same job with me a few months ago. He belonged to the Elks Club and was an active member. It so happened that the Club was having a meeting on a certain Saturday night and the Panamanian had made plans to be there. It also so happened that the boss on the job want-

ed this man to come back and work Saturday night, after he had already put in his eight hours on the same Saturday. The fellow said he couldn't as he had to attend this meeting. The boss said either be there or else.

The Panamanian did not come in Saturday night, and Monday morning when he reported for work he was suspended for five days. But did he complain? No—at least not to those who should have heard his complaint. Had this happened to an American, the Administration Building would have rocked. And if no results had come—the Union would have taken up the matter.

In summary I think it safe to say that the average American considers himself superior to the average Panamanian in that he, the American, has bettered the life of the common man, by the collective action of the common man, whereas, the Panamanian has allowed himself to suffer injustices for years, injustices dealt by his own government as well as by outsiders.

3.—*The Differences of Political Organization* between the two civilizations are often quite overlooked by both sides. The American criticizes the Latin as being a person half asleep at the switch, one who lets opportunities slide by without trying to grasp them. But all of this has its foundations a long way back. When England started the colonization of North America, she had pulled away considerable from the old feudal system, and a notable amount of self-government was allowed in the English colonies. Class distinction was dying out rapidly and the individual as such was beginning to claim his rights and sound ideas originating from the layman were accepted. It was conceded that perhaps, after all, the *brains* of the country were not entirely limited to a select group. In this is largely found the root of the Americans' rugged individualism. Competition has become accepted as a driving power in the American culture.

However, Latin America is still suffering from the effects of the traditional semi-feudal class system and a lack of true popular government. Latins are still inclined to accept their individual economic and social standing as somewhat of a heritage and do little or nothing to try to change it to their advantage. This is why, in some Latin American countries, semi-dictatorial or totally dictatorial governments exist. The indifferent attitude of the people favor them. The people accept conditions as inevitable and, except for brief revolutionary skirmishes, do little or nothing to change the basic conditions.

But this should not reflect upon the character of the people. Given the proper chance at truly democratic institutions there is no reason to believe that the Latin people will not shine as well as the North Americans in regard to productive and creative capacity in the modern world.

## II

*Typical Mistakes in Regard to Our Relations with  
Latin Americans.*

So far we have acquainted ourselves with at least a few of the criticisms and complaints made by Americans against Panamanians and in which the unsatisfactory state of relationships between the bulk of the two nationalities on the Isthmus expresses itself. It would now seem to be logical to determine just why their cutting accusations are made. I don't believe it necessary, however, to take each and every statement by itself, each and every story where the Latin person has been portrayed as a villain, and track it down to its origin.

We probably would find no tangible source at all, except in the case of a few individuals having differences with a few other individuals, where probably each one was just as much in the wrong as

the other. The sad part of this, however, is that only too often



The employment of American personnel in the Canal Zone is based almost entirely on the applicant's ability to carry on his particular trade. Usually a thorough examination is given the person before he leaves the States to ascertain his fitness for the job. Also, a physical examination is given to see whether or not he is adaptable to the tropical climate.

It seems, however, that an examination could also be included to determine whether or not the applicant would be able to live in harmony with his immediate neighbors—the Latins. If prejudices appear the application should not be accepted. All newcomers to the Zone should be obliged to attend a lecture course shortly after their arrival to facilitate them an adequate understanding of the Latin people. Informal meetings and discussions among Americans and Panamanians should be encouraged. To think that a perfect knowledge of the Latin culture could be attained in such a way would of course be unrealistic but if nothing more than an attitude of «Live and let live» resulted, a great advancement would be made.

The American would find it easier to attain a sympathetic understanding of the Panamanians if he would learn to consider Panama as a nation of commerce. Panama was never intended to be a manufacturing center, as she is lacking in nearly all of the natural resources which are essential. Panama should not be criticized for her lack of native products any more than any one state or city in the Union is criticized for not being entirely self-supporting along all lines. Taken as a whole, Panama simply cannot be self-supporting, due to the inevitable effects of her geographical position as a clearing house between the two oceans. The phrase, «Look how much Panama depends upon the United States» should be changed to, «Panama seems to be a very good customer of the United States».

Americans should not lose sight of the fact that the Canal Zone, while inhabited largely by United States citizens, is not a representative cross section of the United States. Nowhere in the States can such a place be found—where there is no unemployment, no slum section, no serious problems of social disorganization. Therefore, when the American finds himself comparing Panama City with the Canal Zone he is making an unfair comparison.

The American working in the Zone should remember that it is the middle class person who is really the true representative of a people. Unfortunately, not many Americans come in social contact with the middle-class Panamanian. Americans at work in the Zone are limited to associations with the uneducated type of Panamanian, the «helper» class. Americans seeing the social night life in Panama usually rub shoulders with the well-to-do people of the «play-boy»

type. But usually, the backbone of the people, the truly representative group, the middle class is left unknown.

The individual who generalizes about the Latin people, who maintains that they are all a bunch of so-and-sos, and backs up this statement by relating a fracas of a purely personal nature he once had and which has no bearing whatsoever on the Panamanians as a people, is a type found quite often in influential positions of the Panama Canal. He and his fellows plant the seeds of prejudice in the fertile minds of new arrivals. They usually portray themselves as a protector of the innocent, but in reality they are often the ones who have failed hopelessly to mix as friends with the Latin people and need some kind of generalization with which to cover up their shortcomings.

These people are the ones who maintain that the good neighbor policy is a one-sided affair and that the United States dishes out all sort of material help to Latin America without receiving anything of value in return. What is more, they believe that Latin America does not have anything which could be considered as having any intrinsic value. In other words, they feel that the United States already enjoys everything that could possible have any worth—with the exception of course, of basic minerals, oil, and other such geological products which have the same value the world over. But as far as any cultural, spiritual, and intellectual achievements, or human values which are typical Latin are concerned, the average American is not interested.

2.—*The Idea that Latin Americans Should «Americanize» Themselves.* On the other hand, the American expects the Latin to go into ecstasy when given the opportunity to somewhat Americanize himself. This expectation undoubtedly comes as a matter of fact to the American who has seen so many millions of Europeans, who were fed up with life in the old country and wanted to leave their old culture behind them, come to the United States solely for the purpose of becoming Americans.

He cannot, therefore, conceive of any person with a grain of sense, not jumping at the slightest opportunity to pattern himself upon the American model.

Some Americans apparently do not realize that true enduring friendship can come only from complete understanding. Nor do they realize that understanding between two different cultures is something that requires a certain amount of honest endeavor to achieve. While the American undoubtedly has a great deal of technical knowledge that the Latin needs and is willing to accept, he is often sadly

lacking in that knowledge of historical and social background that is necessary for an understanding and a sympathetic disposition to interpret adequately his experiences with Latin Americans.

3.—*Failure to Offer the Panamanians Opportunities of Learning Trades in the Canal Zone:* Too many Americans seem hesitant toward teaching the Panamanians when they show an interest in learning some particular trade. Panamanian apprentices in the Canal Zone shops are practically unheard of. The American should ask himself why he is reluctant to see Panamanians learn a skilled trade. Does the American feel that perhaps the Panamanian would become as good a skilled worker as the American, and, because of this, that eventually the Panamanians might take over the Canal Zone jobs?

4.—*Belief in the Superiority of the White Race:* Let us admit that the racial problem is quite pronounced in relations between Americans and Panamanians. If harmony is desired between these two peoples, one would naturally assume that those individuals harboring decidedly pronounced racial prejudices should not be given the opportunity to practice these prejudices where they might incite ill feeling.

That the Panamanians feel the emphasis placed by the American on the question of color has been greatly overdone, can be born out by noticing that among the various points on the recent petition presented by the Panamanian laborers in the Canal Zone to the International Labor Conference, in Philadelphia, in 1944, first on the list of importance was the alleged segregation and discrimination against Panamanians solely as a direct result of «racial» differences.

The average American likes to pride himself on his scientists. He will accept their research work on practically any field of endeavor and he will faithfully apply it in his business, whenever it should happen to affect him. If he is a mining man he will accept the latest scientific findings on the extraction of any type of mineral. If he is a fruit grower, and his favorite botanist tells him of a superior hybrid class of peach, he will endeavor to achieve it. But he stubbornly refuses to accept the findings of scientific research on the question of race. When exhaustive research has definitely proven that the physical differences between all races are nonfunctional, the American does not believe it. On this subject, the layman considers himself a better authority than the scientist with years of sound study behind him.

This peculiar emotionally conditioned attitude of the American is perhaps one of the greatest obstacles to his really becoming friends with the Latins. In spite of his being told by outstanding

scientists that «No race has a monopoly of superior individuals; the arrogance of race prejudice has no scientific support», (1) the average American considers himself superior to anyone who does not have a light colored skin.

The American has not yet realized that the main differences between conflicting societies and between individuals are not biological. They are cultural.

Latin culture never has approved of race prejudice. Most Latin American populations are predominately the result of miscegenation between the Red and White races. Nor is as a rule any stigma attached to Negro blood as such when it happens to occur. The American, maintaining that everyone who does not have a fair skin shall forever be held in an inferior position, is reluctant to recognize a culture which believes in race equality.

Many Americans believe that the culture of the Latin people is a direct outgrowth of their color and, therefore, is inferior. As a matter of fact, the color of the Latin people is a direct outgrowth of their culture — in so far as this latter adheres to the belief in the essential equality between races and therefore is not opposed to ethnic miscegenation. Thus we find that just the reverse of the commonly accepted American version is true.

Until the American can completely rid himself of color prejudice, he will never achieve true friendship with the Latins.

In this respect I believe that the Panama Canal has overlooked an opportunity to better relations between the two peoples. In fact I believe it has allowed relations to backslide somewhat regarding the color question. While I maintain that the basic idea of the Gold and Silver rolls was originally intended only to differentiate between contrasting economic standards, it has degenerated into a standard of color classification.

While everyone realizes that in a part of the United States there exists a very strict racial division, and that the people of the United States have every right to carry on racial discrimination in their own country if they want, the problem arises as to just how far their prejudices should be carried on foreign soil and should be expressed in cases in which they affect unfavorably the relations between the United States and other countries.

5.—*Our Impatience to See Results*: One of the outstanding characteristics of the American is that when he sets out to do some-

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(1) Ruth Benedict (Professor of Anthropology, Columbia University), «Recognition of Cultural Diversities in the Postwar World», *The Annals of The American Academy of Political and Social Science*, Vol. 225, July 1943, p. 102.

thing he usually expects results over night. Hence we have boats built in one day or so and airplanes that cross the continent in less than twenty-four hours. When the American gets an idea, he does not rest until it has been put into action and results achieved.

Therefore, when it appears that the good neighbor policy has perhaps not achieved the desired results quite as rapidly as the American would like to see, he becomes impatient and imagines that the Latins are taking advantage of his good nature. The American does not realize that the «good neighbor» policy must be considered as a long-term investment; that it follows a long period of what our neighbors considered as «Yankee imperialism»; and that the Latin people will have to be shown that the policy is not just a passing fancy of the Americans but is really something desired by all as a permanent state of affairs.

If the Americans hope to eventually gain the confidence and friendship of the Latin people, they must be prepared to suffer some decided reverses along the way. These reverses may occur as the result of nonconformist foreign policies, nationalistic measures directed against foreign investments or in other ways, which the American will no doubt interpret as a lack of appreciation toward something which in his own scale of values ranks high. These unfortunate happenings may be attributed at least in part to the failure of most Americans to realize that they are dealing with people who have placed different values upon things and attitudes than the values to which the American is accustomed. A reward which may seem irresistible to the American people may arouse little or no desire in the Latins and consequently may not stimulate them to take action. In fact it may seem absurd to them.

6.—*Failure to Take Account of the Differences in the Scales of Values of the Two Civilizations:* Such differences of the scales of values can develop into a common misunderstanding between Latins and Americans. An American, bubbling over with enthusiasm for the good neighbor may start out to put the policy in actual practice by doing something for his Latin acquaintances. Naturally, with his American mores behind him, he makes his friendly gesture in the manner his own society accepts as fitting and proper. If he is lucky, everything turns out all right. But if the difference in the two cultural groups begins to enter the picture, his friendly gesture may be received with half-hearted gratitude, or even with a bewildered appearance, as though his actions and intentions could not be adequately interpreted.

So many Americans when this occurs simply wash their hands of the Latins, saying that they are an inappreciative lot and that

they will take whatever is offered them as a matter of course—as though the Americans owed it to them. A lot of times the Latins have accepted such friendly gestures simply because the «Gringo» was offering them something and they figured the proper thing to do was to accept it. As to just what result the Gringo expected, they didn't know, so they followed the old adage of, «When in doubt, do nothing.»

The Americans often accuse the Latins of non-reciprocity. When a person does some one a good turn or a favor he likes to see it come back in some form or another. Some Canal Zone American, for example, may become friendly with Panamanians as a result of working in close association with them. He may invite them to his house in the Zone. He assumes that sometime he will be invited to their homes in Panama. The catch in the program is that while the American in question may be considered, according to *his* standards, as living in a house which is middle class, or even under middle class, the average Panamanian feels that the American's home is so much superior to typical homes in Panama that he would feel uncomfortable in coming to them. In other words, the average American enjoys a standard of living so much higher than the average Panamanian that the latter is reluctant to invite the American to share his less comfortable surroundings. The Panamanian will perhaps take his American friends, although his pocketbook may suffer heavily, to the nicer nightclubs in Panama, but an invitation to a middle class Panamanian home is a rare occurrence.

This little point of pride of the Panamanians, while on the surface it may seem like the proper way to treat their American friends, really can, and does, bring about a misunderstanding in many cases. After a while the American begins to feel that he is not wanted in the Panamanian homes; that perhaps the friend is ashamed of him and would rather not be seen entertaining Americans in his home. After a while, the American tires of having the Panamanian in his home without ever receiving a reciprocal invitation, and gradually, or bluntly, according to the individual technique, the friendship is dissolved.

But here again is a difference in culture at work. The typical American would say, «To heck with what the house looks like, if he is my friend, why shouldn't I go there.»

But the Panamanian thinks differently. The notion of «decoro» has been bred in him so deeply that one might even say that «appearance» to him means more than the cultivation of friendship, if by such cultivation his sense of «decoro» would suffer. Personal

dignity to the Latin is all-important, whereas to the American it is a thing to be desired, but which can be placed to one side, should it interfere with the general existing state of conditions.

A final word of advice to the Americans is not to be too easily swayed by what other people say about the Latins. Meet them with an open mind, give them a fair chance to be your friend and give them the acid test without letting yourself be influenced by other, more prejudiced Americans.

## FINAL RECOMMENDATIONS

BY RICHARD M. BOYD AND RAMÓN CARRILLO

We believe that the application of the following recommendations, based on our study of the situation, would contribute to the improvement of the relationships between Panamanians and North Americans on the Isthmus of Panama:

1. Intensification of the teaching of the two languages in each of the two groups.
2. An interchange of lectures to be given by really qualified lecturers from the other side.
3. The introduction of courses in the Geography, History, and Civilization of Latin America and of Spanish in the Canal Zone, to be taught by carefully selected Panamanian teachers, and of courses in the Geography, History, and Civilization of the United States and of English in Panama and Colon taught by equally carefully selected North American teachers, for the purpose of mutually and adequately presenting the essential aspects of the life and culture of the two peoples.
4. The creation of mutual understanding and positive relations between the individuals of all cultural, national and ethnic groups living on the Isthmus by means of free associations, groups from the schools of Panama and the Canal Zone, clubs, such as «English Clubs» and «Spanish Clubs», formation of cultural societies interested in the problems of the other groups, like the «Center Ricardo Miró» in the Canal Zone Junior College and the «Grupo Musical Herbert» in the National Conservatory of Music in Panama. The participation of suitable individuals from all groups should be encouraged.
5. The formation of small mixed groups, which are most advantageous to real understanding, among people who are interested in the same problems (e. g., school teachers, professionals, skilled workers, musicians, sport fans, engineers, etc.).

6. Stipulation of absence of racial prejudices in new applicants for work in the Canal Zone, as a prerequisite for employment, in the same way as physical and technical qualifications.

7. Extension courses for new North American arrivals to the Canal Zone dealing with the civilization, social problems, and customs of the Latin Americans in general and of the Panamanian people in particular. At least a part of these courses should be given by really representative and well qualified Panamanians, and they should put the newcomers in contact with appropriate Panamanian institutions and circles.

8. A policy designed to eliminate in the Canal Zone a bureaucratic regime influenced by family relationships or by a majority of functionaries born in a certain region.

9. Removal of the Southern elements among the North American employees or, if this is not possible, the combination of these elements with other more numerous ones from other areas. (This measure is particularly pertinent while the influence of the «old-timers» prevails).

10. Labor Unions to encourage the joining of their ranks by qualified men from both countries.

11. Abolition of the current practice of excluding Latin Americans from apprenticeships in the skilled trades through the monopoly of using certain technical and mechanical tools enjoyed by the gold roll employees.

12. The acceptance of young Panamanians in the apprentice schools of the Canal Zone. (This would not necessarily mean that they would be given Canal Zone employment upon graduation, but they could possibly be considered as a source of skilled labor in times of crisis involving a shortage of North American labor. Moreover, it would initiate a relationship of very positive cooperation).

13. Introduction in the schools of Panama of preparatory classes in skilled trades and mechanized office work.

14. The classification of the employee on his eligibility card, not according to his exterior physical appearance (color), but in accord with his ability in his chosen line of work.

15. Elimination of the denominations «gold roll» and «silver roll», even though it be only in official documents and public places.

16. The establishment of offices by both governments with the idea of determining the causes of friction and of detecting the public opinion of each particular group, and with the obligation of reporting their findings to the office of the other group.



# THE EMERGENCY RUBBER PROGRAM IN RELATION TO THE RURAL ECONOMY OF PANAMA

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*Editor's Note:*

The writer of this paper was the business manager of the Panama office of the Rubber Reserve during 1943 and early 1944. Although a North American he had become well acquainted with the problems which are peculiar to Panamanian economy before assuming this position. Most of the contents of this paper are his personal observations of the rubber program in action in the areas with which he deals.

## INDEX

	PAGE
I. Introduction . . . . .	787
II. Operating Agreement of Rubber Reserve Company. . . . .	791
III. Organization of Rubber Reserve Operations in Panama . . . . .	794
IV. The Mariato Project. . . . .	807
V. The Coclé District. . . . .	813
VI. Other Pacific Side Production. . . . .	818
VII. Atlantic Side Production. . . . .	820
VIII. Panama Rubber Production by Provinces. . . . .	823
IX. Post War Prospects of Rubber in Panama . . . . .	826
<i>Resumen en Español.</i> . . . .	823

# I

## *Introduction*

When the Japanese forces seized the rubber-producing regions of the Orient it became necessary for the rubber-consuming members of the United Nations to seek sources of supply in regions in other parts of the world. The Government of the United States undertook to perform the functions of collection of crude rubber for the national manufacturers, in as much as it could operate on a scale unknown to the private companies and absorb losses in the development of known sources and in the opening of new ones.

The Rubber Reserve Company was a subsidiary of the Reconstruction Finance Corporation of Washington which had been established to handle the purchasing of natural rubber at its source and transport it to the continental United States, where it would be sold at a fixed market price to the established rubber manufacturers in the United States. By this control of collection at the source the government could divert the crude rubber into channels where it could do the most good for the war program. This fixed price minus the cost of transportation determined the local prices at the sources of production.

It was to the tropical regions of Central and South American that the Rubber Reserve turned her attention as being the most likely sources of crude rubber close to the continental United States and to whom she could best maintain lines of supply. Although there were several regions in the upper Amazon basin where rubber had been a traditional product of export, the greater part of the peoples of the tropical Americas lacked any experience in its production, which had been let to lapse at the turn of the

century when the plantations of the British and Dutch East Indies had assumed world ascendancy with their high standards of production and low wage scales.

With Brazilian hevea seeds transplanted to the Orient and the methodical patient laborers of the East it had become possible to produce a very high grade of sheet rubber which could be sold to the manufacturers ready to fabricate with a minimum of preparation. The plantations had come into production at the height of the rubber-boom at the turn of the century and had paid for themselves at the high profit figures and it was from competition among themselves that they lowered the price so much that other sections of the world found it difficult to compete with them. Only the very cheapest producers in the Amazon basin remained in the business after these drops in market prices.

Previous to this shift to the East there were numerous regions of minor importance which had become rubber producers in the days of the premium prices, but which were of very doubtful character at the time of Pearl Harbor. Whether these regions still had any rubber potentialities was the subject of extensive surveys in the spring of 1942. All of the regions which had been known to have been producers in the past were investigated for their present possibilities.

Panamá was one of the countries in this category and the Board of Economic Warfare sent experienced rubber men into the Republic in the spring and summer of 1942 to investigate possibilities here.

The first investigations were made in those districts of the Republic which had been known to have been producers of rubber at the turn of the century and many of these were found to have reasonably preserved stands of rubber trees but in much smaller numbers than had existed in the past. Some of these stands had been planted, but

most of them were wild stands which simply grew where they were because seeds had fallen in soil which was highly conducive to their growth.

Of the plantings the majority were castilloa trees, located in the Darien region, which is the name of the extreme southeastern province of Panama on the Pacific side of the Isthmus, although there were other large plantings in Bocas del Toro province, at Mariato in Veraguas province, at Las Margaritas in Las Minas de Los Santos across the Azuero Peninsula from Mariato, and at Las Cascadas in the Canal Zone near the Summit Experimental Gardens.

In the Darien the principal plantings were at Arusa, where about a quarter of a million trees were set out in 1903 by the Darien Gold Mining Company, but most of them had disappeared from lack of care and from unskillful tapping. Of those remaining some had reached a mature growth with diameters up to fifteen inches. At Arusa in addition to the castilloa plantings there had been set out about 200 trees of a species «*ficus elastica*» which were found to have matured to a condition very favorably comparable to the *ficus elastica* in its native East Indies. (1)

In addition to the Arusa plantings, the Darien Gold Mining Company set out over a million trees in the Darien. One of the other important planting was located at Santa Cruz de Cana near the site of one of the oldest gold mines in Panama. It is located at the headwaters of the Tuira River at an altitude of about 2000 feet above sea level, and is connected with tidewater points by a narrow gauge railway now fallen into disuse. It was when the mines became a losing proposition that the Company hedged by planting

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(1) See John C. Treadwell, C. Reed Hill, and H. H. Bennett: *Possibilities for Para Rubber Production in Northern Tropical America*. Washington, D. C.: Government Printing Office, 1926. (Department of Commerce, Bureau of Foreign and Domestic Commerce, Trade Promotion Series, No 40.)

the rubber trees as a source of wealth to replace the failing mines. But like most of the other plantings in the Darien these trees came into production about the same time that the bottom fell out of the rubber market and the trees were left to rest a quarter of a century until the second World War made their tapping worthwhile.

The village of Yavisa near the mouth of the Chucunaque river had once been a prosperous trading post for the gathering of wild rubber along this fabulous river, but this came to a stop when the Indians on the upper river became infuriated by the treatment accorded them by the Negro and mestizo caucheros from the lower river districts and as a result established an arbitrary line across the river valley above which only Indians may pass with safety. The hostility which they had borne toward the white man from the times of Balboa and Pedrarias were extended to include all except Indians, and as a result the upper Chucunaque, which is one of the richest regions in the Republic, had been shut off from modern development of agriculture.

In addition to the castilloa plantings there was one important hevea planting set out at Coclé-del-Norte by a group of French speculators. This is the only known stand of hevea to have prospered in Panamá. The next most important stand of hevea was set out by the Goodyear Company in 1936 along the west shore of Gatun Lake, but most of these young trees had become diseased and the plantation was turned over to an experimental agricultural group for the study of hevea diseases.

Although hevea is considered the best producing rubber tree, it does not seem to prosper in Panama, in contrast to the castilloa which grows like a weed. Hevea is native to Brazil and gives a small quantity of milk daily for an annual yield almost twice that of the castilloa, which gives its milk in bulk quantities and can be safely milked once every five or six months.



After several weeks of negotiation an agreement was reached which was to serve as the legal basis for the development of Panama's rubber potentialities for the duration of the emergency. In return for guaranteed priority for the purchase of 240 tons of manufactured rubber goods from the United States each year, Panama granted to the Rubber Reserve the right to buy all crude rubber produced in the Republic.

The Rubber Reserve on its part agreed to buy all the rubber produced in Panama at the current established price. The established price in the case of the Panama rubber was forty-four cents at the port of embarkation for each pound of dry first grade sheet rubber and a proportionate price scale for lower grades of sheet rubber and slab rubber. Allowing two cents per pound for trucking, handling and warehousing for embarkation, the top price was actually forty-two cents at the Panama City warehouse, which was the central collection point.

Almost the entire production of rubber in Panama is in the hands of the campesinos, (1) who live on a subsistence scale in much the same manner as their ancestors, and were not only inexperienced in preparation of rubber, but were not in a position to acquire and operate the roller-mills, which are necessary to prepare a first grade sheet rubber. Therefore it was necessary to adjust the price scale so as to give them the maximum price possible for their lower grade product. It was an unusual case of the buyer, Rub-

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(1) A campesino is a rural inhabitant of the interior of the Republic who lives on a subsistence scale rather than producing a specific crop for sale on a cash market. In as much as generations of his ancestors have proven to be self sufficient in this simple mode of life he is not inclined to risk his general welfare by devoting his time to one specialized product and shows little concern for the modern agricultural methods. Although there is some tendency away from this manner of livelihood it is very



ber Reserve, being vitally interested in seeing that the tapper would get the greatest share of the market value of the rubber, in order to stimulate a greater production. If the rubber passed through the hands of private buyers, there would be no control over what they would pay the campesino, who might be exploited to such an extent as to lose interest in the production. This was the reason why Rubber Reserve always strove toward the ideal of dealing directly with the tapper and eliminate the middleman who tended to dissipate the value which should justly go to the tapper. Rubber Reserve's interest in the tapper getting his share was for the very selfish reason of maintaining the tapper's interest and stimulating production. This ideal way of dealing directly with the tapper often ran into practical difficulties in the way of the local merchants and buyers, who were accustomed to giving the rural laborer the smaller share of the market value of his produce.

The Rubber Reserve assumed all trans-isthmian railroad-freight charges for rubber produced on the Atlantic side of the Isthmus. This was done to put the producers of both sides on an equal footing. (1)

Although 240 tons of manufactured rubber goods was more than Panama imported in normal times, and although all other countries were having to exist on restricted amounts, there were various reasons why Minister Fábrega's insistence on this minimum was more reasonable than it may seem at first glance. Even at this figure it was necessary to maintain a strict ration program of automobile tires in the Republic. In addition to this a considerable portion

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(1) Transportation costs in other parts of the Republic are very irregular. By coastwise boat on a ton basis it costs about half as much from Panama to Darien as to transport a ton overland by truck the same distance into the central provinces. Trucking charges on a ton of rubber from Soná to Panama City is greater than the ocean freight on a ton of rubber from Singapore to New York via the Panama Canal.

of the Panama tire quota would be used in the Canal Zone on defense contracts by truckers who were not eligible for tires from the Canal Zone Ration Board. In as much as there would be no new automobiles imported into the Republic, this former source of five tires each would cease to exist.

Because of the difficulty of obtaining a gasoline ration book for newly registered cars their importation was virtually discontinued. Although this rationing was originally undertaken to decrease tire usage it had the indirect result of diverting hundreds of better grade automobiles of departing Canal Zone employees from their normal market in the Republic and making them available to speculators from nearby countries who shipped them away from the Isthmus to be sold in the inflated markets of their native lands.

### III

#### *Organization of Rubber Reserve Operations in Panama*

In November 1942 the Rubber Reserve of Panama established their warehouse in the city of Panama and began to purchase the rubber brought to them by the producers and merchants from the Interior. These were paid by checks drawn against a letter of credit established at the Banco Nacional de Panamá solely for rubber purchases.

As each shipment was exported from the country this account was repaid by drafts drawn against the shipping documents presented at the bank. This revolving feature guaranteed a continuous source of operating funds for the purchase of rubber for the duration of the agreement.

All cost of administration salaries, office expenses, the exploration of new rubber sources and the expenses of maintaining technical advisers in the interior were paid from an independent fund, established by the United States Treasury and charged off as unrecoverable expenses.

By this separation of funds it became possible to make sound expenditures of money and effort in the interest of

stimulating new producers and teaching improved production methods to the present producers. Thus these expenses would not be charged against the net value of the rubber paid to the tapper. In those cases where it was possible for the Rubber Reserve to deal directly with the tapper, the difference between the market value at tidewater point and the purchasing price in the interior was represented in the actual transportation and warehousing expenses, thus eliminating the element of commission-men, whose charges exceeded the value of their services.

In those cases where private buyers handled the rubber, the net value, as against the fixed market price, was proportionately lower after the buyer's commission was subtracted. In some cases the tapper got less than half of the actual Panama City value.

In practice this ideal situation of direct contact between the Rubber Reserve and the tapper was very difficult to achieve, especially in the early days of the program, when there was a scarcity of trained personnel, who had sufficient contacts in the interior to reach out directly to the tappers.

Probably the greatest handicap facing the program was this scarcity of personnel, who had any training in the collection of crude rubber. There were a few North American technicians who had some rubber experience in the Orient and in the plantation experiments in Africa, but when distributed over the great areas of tropical America there were very few in any given region and few had any knowledge of local conditions. Throughout Central America there were some technicians who were entrusted with the supervision of areas including several republics. The chief reason for this scarcity of American technicians was the fact that the United States rubber manufacturers had for several decades purchased the bulk of their crude product from British or Dutch sources, instead of undertaking to develop their own sources.

The traditional mono-linguality of the North Americans did not present such a problem in Panama as in other Latin American countries. The Rubber Reserve contracted with the Chicle Development Company to act as propaganda agents in Panama on a modified form of guaranteed expenses for their field men. In peace time the Chicle Company gathers the gum of the chicle trees for use by manufacturers of confections, and several of their field men were very well acquainted with the interior of Panama. These field men which were put at the disposal of the Rubber Reserve were Panamanians who spoke both Spanish and English and were accustomed to living in the bush for weeks at a time. The field men were trained by the North American rubber technicians in English and then sent out into the interior to teach the campesinos the same techniques in their native tongue. (1)

In December 1942 the Panama Ministry of Agriculture translated and published an elementary booklet explaining the rudiments of tapping and coagulation. At the time that it was printed the nature of the rubber tree in Panama was still somewhat of a unknown subject, as the majority of the trees in the Republic were of the variety «castilloa elastica», which is essentially a jungle tree which prospers in those regions where the soil, the humidity and climate are to its favor.

The castilloa of Central America had been abandoned as a source of rubber just after the turn of the century when the scientifically selected and cultivated plants of the

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(1) In different parts of Latin America these appeared a great variety of terms to express the same thought concerning rubber. In Panama these words were often literal translations from the English term, as to other countries the writer is not in a position to state. Panama's «cauchero» was termed «hulero» in Costa Rica and «seringero» in the Andean regions. Panama's «trepadora» was «faja y riata» in Central America. The act of extracting the rubber latex might be «cauchar», «agotar» or «sangrar,» depending upon the country.

Brazilian hevea proved so far superior on the Oriental plantations. The castilloa had been the subject of much interest about the beginning of the century, but in spite of numerous attempted plantings in Central America, there was practically no literature about its culture. Most plantings were originally set out from jungle seeds, and were little more than intensification of the wild growths on ground which was favorable for its nourishment. A piece of ground would be selected as suitable by the fact that wild trees were growing on it. After the total exclusion of other trees, young shoots would be planted in orderly rows and the plantation would become a reality. There was no real selection of plants and scientific cross-breeding for more productive plants. Once planted the young trees needed little care until the time they reach the eighth year and were ready to be tapped. The chief dangers to the life of a castilloa tree were the worms which enter excessively large tapping canals and the campesino's *hacha*. By felling the tree, the campesino can obtain about twice as much latex, but he eliminates a tree which could be carefully tapped twice a year for a decade or more.

Gradually it became known that there were subdivisions within the species and that all castilloa trees were not the same. The most important relative of the castilloa is a tree known as «caucho macho» by the campesinos, because its latex has peculiar properties which prevent its coagulation into an elastic substance, but remains a tacky mess without commercial value. Technically it is known as «castilloa fallax».

Unfortunately, all of the castilloa trees in the Province of Chiriquí were of this fallax type, and this rich agricultural province with its hard working independent farmers did not figure as an important source of crude rubber. (1)

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(1) This province sometimes referred to as the «Texas of Panama» is next to Costa Rica on the Pacific side, and has attained

Next to the scarcity of rubber technicians, the biggest problem for the program was the campesino himself. First of all, he was skeptical. For some four hundred years the Panamanian campesino had seen thousands of strangers come into his Interior, but none of the numerous enterprises had ever yielded much to the campesino himself. He tends to view any new enterprise with tolerant skepticism, until he is definitely convinced that there is really something in it for him which is worth the effort necessary to take part in it. This attitude is not correctly called laziness, because once convinced, he is willing to dedicate himself to work with a singleness of purpose.

The Chicle field men were known personally in many of the rural communities and thus were more easily trusted by the simple country folks than technicians from the outside. These men, backed up by cold cash for each pound of crude rubber, were able to break down the natural reluctance of the campesinos to consider the new field in a serious manner. After becoming willing to engage in rubber tapping, they had to be showed the best techniques at the very beginning.

A pair of expert Mexican tappers were brought to Central America by the Rubber Reserve's chief technician, George Seeley, who realized the value of correct technique shown to the simple campesinos by another who could speak not only in native tongue, but also with the simplicity of the country folks and in details which they could understand.

These Mexicans had several years of experience in tapping in their homeland in regions where small quantities

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agricultural leadership among the other provinces. The «chiricanos», of somewhat larger physique than the other Panamanians, are mostly of white Spanish descent with some strains of mestizo blood. They are very independent and industrious and tend to be clannish toward non-chiricanos. They have a physical endurance and vigorous application to work, which is less frequent among laborers around the terminal cities.

of rubber had been tapped over the years, and were exponents of the climbing-harness, which consisted of a woven saddle about the tappers hips, and a loop of about two meters of rope. This loop was thrown around the trees and by means of a series of short steps and a slight lunge, the tapper was enabled to climb to the top of any tree. The Mexicans climbed in their bare feet and had attained a great degree of proficiency which interested even the most reluctant campesino. Even the Mexicans, for all their skill, found the trees in Panama's damp regions to be a bit slippery during the tapping hours of the early morning, and it was found advisable to use spurs attached to the climber's shoes beside his ankles. The few spurs on hand in Panama were rapidly distributed and hundreds of pairs ordered from the States, which were sold at cost to the tappers.

The advantage of climbing the tree in castilloa tapping was to be able to cut a very fine canal the full length of the tree. A series of these finely-cut canals in the shape of a herring-bone, directed the fresh rubber-milk into a pail at the foot of the tree without spilling any on the ground. A finely-cut herring-bone canal could reach up to the lower limbs, above which tapping yielded little or nothing in the way of rubber-content in the milk, and was able to obtain a maximum of production and yet leave the tree in a healthy condition for future years of tapping.

Unfortunately in some parts of the interior, especially in the Darien the campesinos did not have the patience to tap in this method and continued to fell the trees in the crudest fashion and then hack the trunk to pieces, letting the milk run onto the ground, into a trench dug the length of the fallen tree.

It is quite probable that many trees which were felled in the early months of the rainy season, when at the height of the seeding period, were able to scatter some of their seeds at the time of the felling. Sometime in the next

decade these may result in a new growth of young castilloa trees, but this is not significant for production during the present emergency, when rubber was so badly needed. By correctly tapping the standing tree, the campesino of Darien would have retained a source of wealth for the semiannual tappings for number of years.

In other sections of the country, especially in the central provinces the campesinos responded in a sound economical system of tapping which brought out relatively clean rubber and yielded a far better price per pound.

The leading region of the Republic in the production of rubber is the Darien, in the Southeast of Panama, which produces half of Panama's rubber. Like the Beni district of Bolivia, its population and its rubber production are in an inverse proportion. <sup>(1)</sup> It is one of the most sparsely settled regions in Central America, but the castilloa tree grows along almost all of its numerous valleys. Aside from the Indians along the Chucunaque river, the population consists of a few thousand Negros and mestizos scattered around the tributaries of the San Miguel Bay who ordinarily hire themselves out as laborers when needed in the banana plantations or in the lumber holdings of Panama City furniture dealers. In as much as the banana market ceased to exist as a result of the wartime shipping restrictions, many of these banana laborers turned to rubber as a source of income to tide themselves over the emergency.

The Darien as unit is economically weak for one very basic reason which had changed very little throughout the years. It is one of the sections of the nation with the

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(1) In Panama outside the terminal cities, the population tends to settle in places which have a pronounced dry season, as a pleasant relief from the heavy rains, and which dryness makes the tropical heat less oppressive to the human body. On the Pacific side from the Canal westward the dry season takes on very positive aspects during the first three months of the year and makes rubber growth impossible in this region.



lowest average income, and yet a district in which the cost of the basic food is the highest in the republic. The people live in a tradition of debt to some banana or lumber company or to some local merchant who extends them food on credit. Centuries of this economic curse together with the depressing climate around tidewater has dulled most of their ambition and very few ever show any signs of initiative to better themselves by extra expenditure of personal effort.

The high prices of basic food in the stores of the local merchants in Darien can not be explained satisfactorily in terms of profiteering. Each of the small merchants engage in trade on such a small scale that he is unable to buy at wholesale discounts, which are available to those dealing in larger lots.

The Banco Agropecuario e Industrial, although a governmental institution, operates very much like a purely commercial concern, and in their handling of basic food-stuffs, such as rice, sugar and beans, extend handsome discounts to those who buy in large wholesale lots. Thus a large retail grocer in the prosperous city of Panama, whose stock turns over five or six times annually, can buy large quantities at wholesale and obtain discounts, thus enabling him to offer the same goods to his retail customers at a cash price lower than the shelf-cost of the small merchant in the poverty-stricken Darien. The latter must then write-up his cost sufficiently to cover coastwise freight and to allow for some bad debts occasioned by his continual extension of credit to his customers.

These merchants became the first rubber buyers or «factors» in the Darien region when they began to accept crude rubber in barter for goods. Many of them went into the business immediately after the time of the preliminary surveys and were holding the rubber to sell it to whatever agency would be set up. By the time that the Rubber

Reserve opened their warehouse in Panama City it had already become an established practice in the Darien to exchange crude rubber for the merchant's groceries.

Usually the merchant was aware that the rubber-slabs he was buying contained a large percentage of water and foreign substances, and he was forced to make allowances for this in his purchasing price. It was like manna from heaven for the tapper to get anything at all for the rubber, because they were in a poor financial condition as a result of the cessation of banana trade, and even the very rough calculations of the inexperienced merchants were sufficient to spur the people into continuing their rubber collecting.

When this buying began the merchants were taking great risks and thus the extra profits which they realized in this pre-program buying could be readily justified in the light of the risk involved. At that time it had not been definitely established that there would be a sure market for the rubber nor any indication of the price which would prevail in case the market did materialize. It was likely to be somewhat above the ten cents a pound which would buy first grade sheet-rubber in the Orient in prewar days, but much below the old dollar per pound days of the last Latin American rubber boom.

For several months there was no one but the Darien merchants to do the buying and it was during this period that their willingness to trade acted as a stimulant for the tappers to stay in the forests seeking the stands of rubber trees.

The slabs in these early days contained from thirty to forty percent of water-content and in some cases were bought for as low as fifteen cents in trade towards the goods on the merchants shelves. In this way the merchant was risking about ten cents per pound as represented in the cost price of the goods used in the trading. As events worked out in reality, it became possible for the merchant to

sell in Panama in a market with a pegged minimum of thirty-one cents. Allowing for shrinkage of ten percent of moisture before arrival at the market, ninety per cent of this rubber bought at fifteen dollars per hundred was marketed at thirty-one dollars minimum, for an absolute relationship of fifteen to twenty-eight, over the retail profit of the goods used in purchasing the rubber. Against this was to be charged the fixed cost of about thirty-five cents per hundred for coastwise freight and ten cents local trucking charges. This resulted in a net ratio of fifteen to twenty-seven and a half, or six to eleven.

Thus the merchant made his legitimate profit on the goods traded plus a potential speculative profit of some eighty percent on his investment. In return for the chance to make these lush profits he ran the risk of misjudging the rubber content of the slabs and might finish the transaction with a net loss at market. Later as the risk element was lessened there developed a keen competition among the merchants which raised the price offered to the tapper until it reached a point around twenty cents per pound in trade.

This situation was charged with explosive possibilities when the time came to establish a more direct contact between the tapper and the Rubber Reserve in which the tapper would receive the benefits of the market value less the bare costs of transportation to Panama. The transition came so suddenly that the merchants could only see themselves robbed of a lucrative source of speculative profits and no consideration was given to the great increase in purchasing power suddenly thrust into the hands of the individual tappers.

In July 1943 the Rubber Reserve through its operating agent Chicle Company opened a chain of five buying stations in the Darien to deal directly with the tappers. On top of this shock to the merchants came the realization that each

tapper could use up to one fifth of the value of rubber to purchase basic foodstuffs in the buying stations. Most tappers achieved a sudden solvency over night which they had never known before. Instead of their usual debt-ridden condition they suddenly found themselves able to satisfy their needs for basic foods on less than one fifth of the product of their labor and still have some eighty per cent left over for purchase of non-necessities. Because there was little else for them to buy in the Darien stores, the chief non-necessity indulged in was the consumption of hard liquors.

In other sections of the country the local merchants adapted themselves to the establishment of the buying stations, by stocking up on goods of secondary need and semi-luxuries which were offered to the tappers for purchase with the eighty per cent remaining after the satisfaction of his basic needs in the Rubber Reserve's buying stations. Where this adaptation was made the private merchants of the interior enjoyed an unprecedented prosperity in dealing in non-essential goods which offered much higher retail profits. For their part the tappers were enjoying a standard of living they had never before experienced and the Rubber Reserve was achieving maximum production by keeping a greater number of tappers avidly interested in the rubber collection. This adjustment was much easier in sections outside the Darien, because the merchants had not become accustomed to acting as rubber buyers, and because their adjustment consisted only in losing the basic food trade of the tappers and gaining a huge volume of trade in higher-profit secondary goods. In Darien mercantile trade consists almost entirely of basic needs.

Whereas the merchants of Darien were constantly protesting to the National Government about the competition of the buying stations in their region, the merchants of La Pintada in Coclé province actually pleaded for the retention

of the buying station in their town at a time when it was rumored that the Chiclé Company planned to discontinue it.

In the region around La Palma on the shores of San Miguel Bay in Darien the rubber was prepared more crudely than at any other place in Panama. It took the form of very thick slabs called «planchas», which varied from one square foot up to a meter square. The thickness might be a mere inch in the smaller planchas or up to four inches in the larger ones.

La Palma is the trading center for all the territory around the Bay which is drained by the Savanna, Sabalo, Congo, Sambú and lesser streams. In addition to draining the region they serve as the only transportation outlets between the district and outer world.

The people of this district never deviated from this form of production in spite of the inducements of much additional effort. They literally defied all economic inducements to better themselves or their product, and continued to turn out the lowest grade rubber possible. In the eyes of these people the planchas offered the best opportunity to get maximum return on their time. The only effort which they exerted was the purpose of conserving the greatest better prepared rubber which would require very little possible water content in order to have the greatest number of pounds at time of marketing. (1)

In the composition of the plancha only the outer  $\frac{1}{8}$  inch of the surface was able to dry out and the inner part of the slab remained in a semi-congealed condition, very spongy and retaining almost equal portions of water and rubber substance. In order to preserve this ratio and pre-

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(1) Prewar oriental sheet rubber of uniform thickness of less than one-sixteenth of an inch had sold on world markets for less than ten cents per pound. This was in form of clean dry sheets which arrived at the plants ready for fabrication after a superficial washing.

vent any risk of the rubber drying out in the slightest, the slab was often stored in a pool of water until time to market it in La Palma. (1)

Further up the estuary at El Real de Santa María the position of the speculating merchant was somewhat better. There was less production of planchas and more production of several higher grades of rubber. This village is located near the junction of the Chucunaque and the Tuirá rivers, and a natural trading post for the Cholo Indians of the regions up both rivers. It was also the home and center of operations for Pablo Othón, the political chief of the Darien and the special representative of the Chicle Company, in this district, which kept the district in closer contact with the central organization and thereby it was possible to pass improved techniques to the people of this district so that all parties concerned were benefited. When it became known that thinner rubber meant less water content and thus a higher price per pound, the Indians of this upper region began the laborous process of pressing out flat pieces of rubber by stomping on it with their feet until the resultant product resembled a phonograph disc, about one-half inch thick, and retaining only about ten percent water-content. In dealing in a product of this nature with a somewhat constant factor of allowance the merchants

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(1) Sometimes people went to great lengths to increase nature's water content by punching their fists into the rubber during the coagulating period from various angles and then let the resulting space fill with water. When cut open in the market, some slabs would reveal these bubbles up to two inches in diameter.

In the Djambi district in Sumatra the natives are notorious for having rejected the scientific methods of neighboring districts and have continued to coagulate into thick slabs and store it in water until marketing; then they drag it to market behind their boats. There was some unwritten code of ethics among them which forbade them to do anything so crude as to insert rocks or stones as artificial weight aids, which could have easily been hidden in the thick slabs.

of El Real district were operating on more secure ground than the La Palma merchants who were offered only the thick planchas.

Some El Real merchants who did get occasional planchas set about to cut these into thinner pieces resembling the disc produced by the Indians in the stomping process. This was a tedious process and some months later it became standard practice to cut the planchas into strings in the manner of the Coclé tappers.

In general the merchants of Darien were unable to adapt themselves to the rubber program of the Rubber Reserve. They resented the loss of their speculative profits in direct rubber buying and the loss of a portion of their basic foods trade to the buying stations. The apparent solution of the latter problem by mere conversion to catering to the secondary and semi-luxury needs of the tappers was not in reality a solution for them in as much as the bulk of all trade in the Darien was restricted to basic necessities and the only widespread demand among the Darien tappers for non-necessities was confined to the liquor traffic. The people of the region had very little acquaintance with anything above prime necessities, and seldom had sufficient of even these things in their past lives. Aside from liquor they had few demands for things that could not be satisfied at cost in the buying stations, which dealt in rice, beans, lard, sugar, flour, salt, canned fish, canned milk, kerosene and machetes. The net result was that the Darien merchant felt a severe curtailment of trade with few if any compensating factors from the tappers' surplus earnings.

#### IV

##### *The Mariato Project*

During the first decade of the twentieth century some fifty thousand trees were set out in the fertile valleys of the west side of the Azuero Peninsula facing Montijo Bay,

on the Pacific. This location was selected because of the manner in which the wild castilloa trees prospered in this region. Unlike most of the Central Provinces of the Pacific side, the dry season is not very pronounced in these high valleys of the southeastern part of Veraguas Province.

The best stands of trees were along the watersheds of the Mariato and Suay rivers and thousands of them were still in a fine state of maturity at the outbreak of World War II.

The land in this section of the province of Veraguas belonged to the Boston Panama Development Company which had concentrated on the production of copra after the bottom had fallen out of the rubber market.

After the preliminary investigation had verified that there were thousands of mature trees that were ready to be tapped, the Rubber Reserve entered into a contract with Mr. Emmet Arnold, who held an operating lease on the properties from the Boston Panama Company. Under this contract the rubber potentialities of the property were to be developed by Arnold with the technical assistance of the rubber technicians of the Rubber Reserve. The latter was to pay Arnold a royalty on each pound of rubber marketed at Panama City. This development was known as the Mariato Project.

With the exception of a few hundred pounds of sheet produced on the Arusa (Darien) plantings, this project was the sole source of high grade sheet rubber in Panama.

It was decided to operate the Mariato Project as a centralized program on a large scale with sufficient equipment to produce the best grade of sheet rubber possible. With the entire project under the direct supervision of the best rubber technicians available it was hoped to turn out uniformly high grade sheet in all of the scattered camps, which would be kept in constant contact with the central camp on the shore of Montijo Bay.