

Prize Possession
The United States and the Panama Canal
1903–1979

JOHN MAJOR



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Introduction

On 10 July 1992 the erstwhile *caudillo* of Panama, General Manuel Antonio Noriega, was sentenced by the U.S. District Court in Miami to forty years in jail for conspiring to smuggle cocaine into the United States. So ended a five-year campaign against Noriega waged by the U.S. government, beginning with the suspension of economic and military aid to Panama in July 1987. In February 1988 he was indicted by two federal grand juries for drug trafficking, and following his dismissal of the Panamanian president shortly afterwards the Reagan administration imposed a drastic set of financial sanctions. Noriega's access to Panama's dollar accounts in New York was blocked, revenues from the Panama Canal Commission were withheld, and all payments to Panama by American citizens were prohibited. At the same time, the U.S. garrison in the Canal Area was reinforced, a coup by the Panamanian army was encouraged, and an attempt was made to persuade Noriega to step down in return for dropping the drug indictments.¹

None of it worked. After more than a year of pressure, the resourceful Noriega had still not been destabilised, even though the sanctions inflicted more economic damage, in the view of a former U.S. ambassador, 'than . . . since Henry Morgan, the pirate, sacked Panama City in 1671'. In May 1989 he prevented the winner of the presidential election, Guillermo Endara, from taking office. In October a second army putsch failed, and in November Noriega again refused a deal which would have sent him into early retirement. So President George Bush decided to mount Operation JUST CAUSE, a large-scale military intervention involving 24,000 U.S. troops launched on 20 December. In the process, 26

¹ *Guardian Weekly*, 19.7.92, 17/3-5. Andrew Zimbalist and John Weeks, *Panama at the crossroads: Economic development and political change in the twentieth century* (Berkeley, Calif., 1991), 146-9. Bruce Watson and Peter Tsouras (eds.), *Operation JUST CAUSE: The U.S. intervention in Panama* (Boulder, Colo., 1991), 201-4.

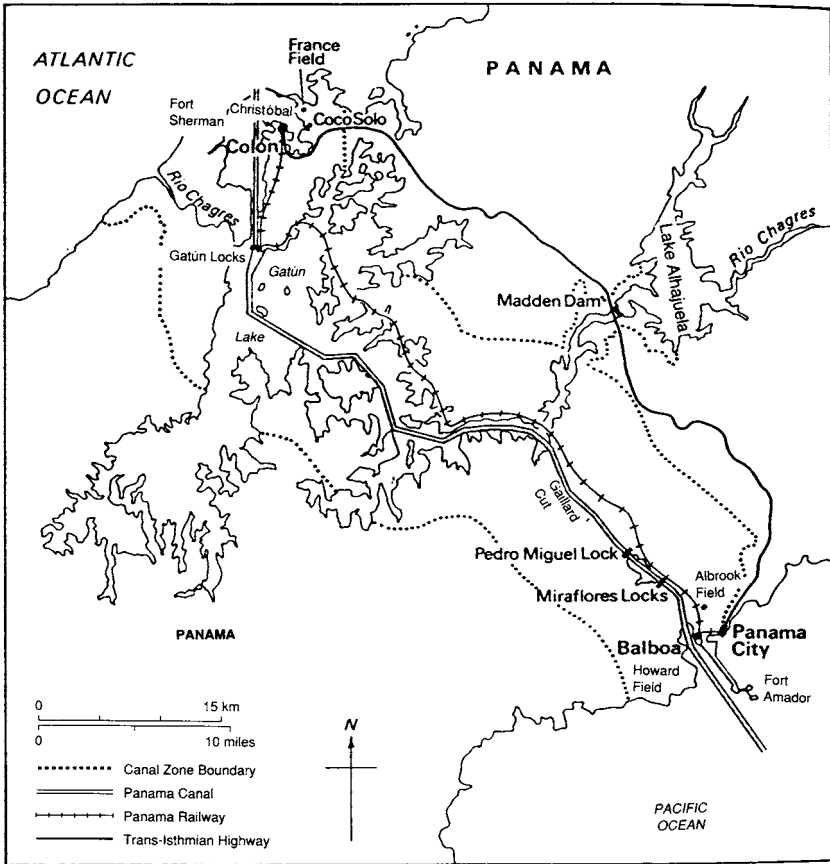
Americans lost their lives, along with at least 700 Panamanians. Some 18,000 Panamanians were reportedly made homeless, and estimates of the losses caused by the invasion ranged between \$1 and \$2 billion. All this was the price paid for the installation of Endara and the capture of Noriega, who surrendered on 3 January, to be taken to Florida for his eventual court appearance.²

The objectives of the intervention, as Bush outlined them, were fourfold: 'to protect American lives, to defend democracy in Panama, to apprehend Noriega and bring him to trial . . . , and to ensure the integrity of the Panama Canal Treaties [of 1977]'. In the opinion of most of the international lawyers who have given their verdict on the operation, none of these justifications was valid. JUST CAUSE, in their view, was a grossly disproportionate response to the threat posed to the American community in Panama by the Noriega régime and went far beyond the administration's claim to have acted in self-defence. Despite Noriega's atrocious record on human rights, intervention to change a country's political system had always been deemed an infringement of national sovereignty. The seizure of Noriega was likewise a violation of Panamanian sovereignty, since U.S. law enforcement had no right to trespass on a foreign jurisdiction, even though Noriega was charged with an international crime. And although the canal treaties gave Washington the authority to safeguard the waterway, Noriega had made no move against it during the entire period of the pre-invasion crisis, and riders to both accords expressly excluded intervention in Panama's politics from the scope of U.S. military action.³

If all these arguments held good, then other forces underlay the American strike. It could simply be that the chief executive of the most powerful state in the world would no longer endure the humiliation of being outfaced by such a petty challenger as Noriega. Some years earlier, Reagan's UN ambassador, Jeane

² Statement by Ambler Moss of 4.5.88 in U.S. Congress, House of Representatives, Committee on Foreign Affairs, Subcommittee on Western Hemisphere Affairs, *The Political situation in Panama and options for U.S. policy: Hearing*, 100th Cong., 2d ses. (1988), 37. Zimbalist and Weeks, *Panama*, 152–5. Watson and Tsouras, *JUST CAUSE*, 207–20.

³ *Public papers of the presidents of the United States: George Bush: 1989*, vol.2 (Washington, D.C., 1990), 1734. Hostile commentaries on the invasion include Charles Macchling, 'Washington's illegal invasion', *Foreign Policy*, no. 79 (Summer 1990), 113–31; Louis Henkin, 'The invasion of Panama under international law: A gross violation', *Columbia Journal of Transnational Law*, 29 (1991), 293–317; Jennifer Miller, 'International intervention – The United States invasion of Panama', *Harvard International Law Journal*, 31 (1990), 633–46; Ved Nanda, 'The validity of United States intervention in Panama', *American Journal of International Law*, 84 (1990), 494–503; and John Quigley, 'The legality of the United States invasion of Panama', *Yale Journal of International Law*, 15 (1990), 276–315. For papers sympathetic to the action, see that by the former legal adviser to the State Department, Abraham Sofaer, 'The legality of the United States action in Panama', *Columbia Journal of Transnational Law*, 29 (1991), 281–92, and Anthony D'Amato, 'The invasion of Panama was a lawful response to tyranny', *American Journal of International Law*, 84 (1990), 516–24.



The Panama Canal Zone

Kirkpatrick, had drawn a distinction between communist and non-communist dictatorships, the totalitarians and the authoritarians. The latter, she claimed, were 'less repressive' than their Marxist counterparts, 'more susceptible to democratic change' and 'less likely to be hostile to the interests of the USA'. Noriega's whole performance since taking over in 1983 had effectively shifted him into the totalitarian category. Once the ally of Washington in its vendetta against the revolutionary Sandinista government of Nicaragua, he had begun to run out of control, and his time was up. Other equally baleful satraps who had outlived their usefulness, Diem in South Vietnam and Marcos in the Philippines, had been taken care of by their internal opposition, but that had not happened in Panama. The stage was thus set for the death-blow administered to such

errant figures as Mossadeq in Iran, Arbenz in Guatemala, Bosch in the Dominican Republic, Sukarno in Indonesia, Allende in Chile.⁴

Or, as a pair of recent analysts have suggested, the long-term history of relations between the United States and Panama may help explain the climacteric of 1989, though not quite in the way they and others seem to think. Washington had been closely involved with Panama from 1848 on, by virtue of a treaty which allowed it a right of way across the isthmus, soon given body in the shape of the American-owned Panama Railroad. But the U.S. Navy detachments landed periodically over the next half-century were under orders to protect the railway, not to sort out the often factious politics of the province, and the same priority governed the policy of Theodore Roosevelt in 1903. He sent in the Marines to fulfil the ambition of 'a canal under American control', and abetting Panama's secession from Colombia, as he did, was only a means to that end. The canal treaty he then secured established a Canal Zone straddling the line of the waterway, where the United States was sovereign and from which Panama was entirely excluded. Britain was master of the Suez Canal via its occupation of Egypt as a whole, but the United States had no need to colonise Panama, thanks to possession of a private enclave. With the dissolution of the Zone in 1979, this immunity was lost overnight, and the Americans on the isthmus were at once exposed to the Panamanian nationalism they had hitherto kept at a very safe distance. And with the collapse of Noriega they found themselves drawn into Panamanian affairs to a degree never required in the Zone's lifetime.⁵

This is not to say that the impact of the Zone on Panama was not extensive and profound. The Roosevelt corollary of 1904, whereby the United States asserted its right to be the policeman of the Americas, was not applied so seriously in Panama as it was elsewhere, in Cuba, Nicaragua, Haiti, and the Dominican Republic. Direct intervention on the isthmus ended in the mid 1920s, and the protectorate set up in 1903 was formally relinquished in 1936. Yet no Panamanian government could ignore the bearing of the American presence on its electoral politics or its public order and its national budget. The Zone administration, by contrast, was well able to keep to a minimum the interference of Panama – and Washington – in its own business. Its labour

⁴ *Encounter*, 61 (November 1983), 31. Professor Kirkpatrick's thesis was first published in her book *Dictatorships and double standards* (New York, 1982).

⁵ John Weeks and Phil Gunson, *Panama: Made in the USA* (London, 1991), 18. Colby Chester, 'Diplomacy of the quarterdeck', *American Journal of International Law*, 8 (1914), 443–76. John Major, 'Who wrote the Hay–Bunau–Varilla convention?' *Diplomatic History*, 8 (1984), 115–23. The point about the impact of the Zone's disappearance is made by Ruth Wedgwood, 'The use of armed force in international affairs: Self-defense and the Panama invasion', *Columbia Journal of Transnational Law*, 29 (1991), 610, and by Richard Millett, 'Looking beyond Noriega', *Foreign Policy*, no. 71 (Summer 1988), 58. Watson and Tsouras, *JUST CAUSE*, 127–32.

policy largely cut Panamanians out of a canal work force made up of Americans and West Indians, and its provision of Commissary stores for the Zonians denied Panamanian suppliers entry to a lucrative market. Panama was also expected to place itself at U.S. disposal whenever the defence of the canal demanded it, subjecting its railroads, its highways, its radio broadcasting, and its air traffic to American regulation and handing over whatever land outside the Zone might be earmarked for canal purposes, operational or strategic.⁶

The Panamanian struggle against these manifold restrictions made comparatively little headway for decades but finally triumphed in the treaties of 1977 abrogating the 1903 convention and promising the withdrawal of American troops and the transfer of the canal to Panama at the close of 1999. But, as the crisis of the late 1980s proved, the instinct to hegemony in Washington still ran deep in a State Department determined to pursue what Bush's admirers called a 'muscular' foreign policy and in a Pentagon reportedly set on having a Panamanian government agreeable to a permanent U.S. military base on its territory.⁷

As one commentator put it soon after the swoop on Panama and the simultaneous end of the Cold War with the Soviet Union, 'military intervention by the United States in Central America antedated the East–West contention, and the Panama invasion demonstrated that it has outlived it'. In November 1915 Secretary of State Robert Lansing wrote with brutal candour that the Monroe Doctrine was 'founded . . . upon a fact, namely the superior power of the United States to compel submission to its will. . . . In its advocacy of the Monroe Doctrine, the United States considers its own interests. The integrity of other American nations is an incident, not an end.' Lansing was speaking of the need to protect the canal as a vital national asset and to keep alien influence well away from its approaches. Neither of these requirements was of much consequence at the dawn of the new world order: The canal had long since lost the status of a prize possession, and Japanese participation in studies of a replacement raised few American qualms. But Panama remained a significant U.S. concern as a vantage-point at the heart of the hemisphere from which to keep close tabs on developments in the region as long as it continued to be politically cyclonic. Judging by past experience, that would be for some considerable time to come. If Washington has climbed down from its isthmian watchtower when General

⁶ On the various repercussions of the Zone on Panama, see John Major, 'The Panama Canal Zone, 1904–1979', in Leslie Bethell (ed.), *The Cambridge History of Latin America*, vol. 7 (New York, 1990), 645–61.

⁷ *Ibid.*, 665–7. Robert Love, *History of the U.S. Navy 1942–1991* (Pittsburgh, Pa., 1992), 808. Zimbalist and Weeks, *Panama*, 142–3, 165. Joseph Lombard, 'The survival of Noriega: Lessons from the U.S. sanctions against Panama', *Stanford Journal of International Law*, 26 (1986), 317 n. 234, cites a Pentagon spokesman's description of Elliot Abrams, the most prominent State Department interventionist, as 'extremely arrogant and a zealot in the Oliver North mode'.

Noriega applies for parole in January 2000, it will be remarkable, to say the least. President Arnulfo Arias once described Panama and the United States as 'Siamese twins'. In the century to come, as in the century gone by, their destinies are almost certain to stay interlocked.⁸

⁸ Quigley in *Yale Journal*, 315. Arthur Link (ed.), *The Papers of Woodrow Wilson*, vol. 35 (Princeton, N.J., 1980), 249, 252. Ambler Moss, 'A policy dilemma: The future of United States interests in Panama' (typescript of lecture delivered in October, 1988 at Bridgewater College), 9-10. For Arias's remark, see Chapter 11 at n. 34.