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### **The Role of Credibility Concerns in U.S. Panama Policy, 1903-1985**

The administration's proposed abandonment of sovereignty over the Panama Canal and the Canal Zone...would probably put the last nail in the coffin of the Monroe Doctrine...If we will not stand fast in our own backyard, if we compromise and equivocate and retreat about an issue as vital as the Panama Canal and an area as strategic as the Caribbean, where will we stand?

**AEI Defense Review, 1977<sup>1</sup>**

The left has had...their civil rights causes and their Vietnam war protests and ecology...Now conservatives can get excited about the Panama Canal giveaway and they can go to the polls, look for a person's name on the ballot who favored the treaties and vote against him.

**Richard Viguerie, GOP political organizer, 1980<sup>2</sup>**

George Bush's choice of Noriega as an issue in 1988 was similar in many ways to Reagan's strategy of attacking Carter for his support of new Panama Canal treaties in the 1979-80 electoral season. In fact, Panama policy had been a recurring issue in domestic U.S. politics for much of the Cold War. As home of the canal and the U.S. Southern Command (SOUTHCOM), Panama played an important role in a U.S. overseas presence, and White House policy there, if perceived as weak, was sure to receive attention in the domestic political arena. Indeed, perhaps no U.S.-Latin American relationship provides a better example of how concerns with both international and domestic political credibility could

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<sup>1</sup>Quoted in John Major, Prize Possession: The United States and the Panama Canal, 1903-1979, (Cambridge, UK: Cambridge University Press, 1993), p. 327.

<sup>2</sup>Quoted in Robert A. Pastor, Whirlpool: U.S. Foreign Policy Toward Latin America and the Caribbean, (Princeton, NJ: Princeton University Press, 1992), p. 9.

drive White House policymaking during the Cold War than United States-Panamanian relations.

At the opening of the twentieth century, the Herculean construction of the canal signaled to the world that Washington was indeed a global power to be reckoned with; at the century's close, George Bush's invasion of Panama signaled much the same thing. Yet the intervening decades were hardly marked by stable bilateral relations between the two nations. U.S. interests, first tied to the canal's strategic importance and later to Cold War balance of power concerns, required Washington to maintain a firm grip on its territorial possessions in Panama and, by extension, on Panama itself. In turn, Panamanian leaders quickly realized that those same U.S. objectives provided them with a tool they could use to further their country's national interests. Again and again during the period from 1903 to 1989, and with special intensity during the Cold War—in a classic case of “tyranny of the weak”—Panama managed to wring concessions from Washington by playing on U.S. concerns tied to both international and domestic political credibility.

In 1903 U.S. primacy in the Caribbean region waxed triumphant when the newly independent republic of Panama signed a treaty with Washington permitting the construction of a U.S. operated interoceanic canal on its territory. The U.S. role in Panama's declaration of independence from Colombia had been pivotal: the Roosevelt administration hinted strongly that it would support the secessionists; the day before the uprising, an American gunboat was dispatched to prevent Colombian intercession; within days of the 1903 uprising Panama was granted official recognition by Washington, and within weeks the new government signed a treaty that made it, at best, a semi-autonomous protectorate of the

United States. The patron-client relationship established in 1903 was a major step in the United States' rise to global power. The canal would not only carry United States merchant ships to the four corners of the earth, but also greatly enhance the ability of the United States to project its naval power abroad. As a result, for much of the twentieth century, the Panama Canal and Washington's unchallenged control of its operation and defense stood as an emblem of the United States' de facto dominion of the Americas.<sup>3</sup>

After riding its way to independence on Teddy Roosevelt's coat-tails, Panama quickly adopted the role of dutiful dependent. It had no other option: its economy was reliant upon the commerce and employment generated in the Canal Zone, and the 1903 treaties granted the United States virtual sovereignty in the fledgling republic: a large swath of land on either side of the canal became U.S. territory, and the Panamanian constitution ceded Washington license not only to employ force for the defense of the Canal but also the right to intervene anywhere in the country to "restore public peace and constitutional order."<sup>4</sup> Indeed, the U.S. interceded 12 times in Panama between 1906 and 1928.<sup>5</sup> The overall dynamic of the relationship was straightforward:

The United States...intervened in Panama on numerous occasions to preserve order during elections or to quell rioting that often stemmed from friction between Panamanians and American military personnel. Yet American intrusions upon Panamanian sovereignty were not limited to preserving order. Throughout the canal-building era and beyond the United

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<sup>3</sup>Connell-Smith, pp. 104-105; Michael L. Conniff, Panama and the United States: The Forced Alliance, (Athens, GA: The University of Georgia Press, 1992), *passim*; Lawrence O. Ealy, Yanqui Politics and the Isthmian Canal, (University Park, PA: The Pennsylvania State University Press, 1971), *passim*; Michael H. Hogan, The Panama Canal in American Politics: Domestic Advocacy and the Evolution of Policy, (Carbondale, IL: Southern Illinois University Press, 1986), chapters 1 and 2; Walter LaFeber, The Panama Canal: The Crisis in Historical Perspective, Updated Edition, (Oxford: Oxford University Press, 1989), chapter 2.

<sup>4</sup>George Priestly, Military Government and Popular Participation in Panama: the Torrijos Regime, 1968-1975, (Boulder: Westview Press, 1986), p.11.

<sup>5</sup>*Ibid.*, p.11.

States also controlled radio communications in Panama, dictated the nation's foreign policy, dominated its economy, and repeatedly expropriated additional lands outside the Canal Zone.<sup>6</sup>

FDR's Good Neighbor Policy did little to diminish Washington's political domination of the small country. In 1940, for example, the United States—under the perception that newly-elected president Arnulfo Arias was sympathetic to Nazi Germany—encouraged the National Police to oust him, which it did on October 9, 1941.<sup>7</sup>

In the decades after World War II, however, the dynamics of the U.S.-Panama relationship changed considerably. At home, many regarded the Canal as a monument to U.S. power and technological superiority; in Panama and elsewhere overseas, however, the privileged U.S. position in Panama came to be regarded as a blatant anachronism in a decidedly anti-colonial era. As Third World nationalism gained momentum in the late 1950s and early 1960s, recurrent expressions of Panamanian indignation associated with the Zone became a concern to some policymakers in Washington.<sup>8</sup>

In the early years of the Cold War, a new style of Panamanian diplomacy emerged.<sup>9</sup> The slogan coined by President Augustin Remón as he prepared to negotiate treaty terms with Washington in 1952-1955—"Neither charity nor millions: we want justice!"—signaled that Panama would no longer be content with piecemeal concessions; considerable alteration

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<sup>6</sup>Hogan, p. 66.

<sup>7</sup>Richard L. Millett, "The Aftermath of Intervention: Panama 1990," *Journal of Interamerican Studies and World Affairs*, (Spring 1990), p. 48; Priestly, p. 7; p. 14; Scranton, *Noriega Years*, p. 51.

<sup>8</sup>As early as 1922, Panama's government complained internationally of the "unilateral and oppressive character" of the U.S. presence in its country. In 1945, U.S. demands for the continued presence of military bases on additional lands ceded temporarily by a wartime treaty ran aground of popular unrest of such intensity that the Panamanian congress reversed course after agreeing to U.S. demands and rejected the extension of base-rights. It was the first time, Walter LaFeber notes, that "a massive nationalist movement successfully thwarted United States Policies in Panama." By the late 1940s, anti-American riots were increasingly commonplace in Panama. See "Panamanian Proposals for the Negotiations of a New Treaty; Minister Alfaro to the Secretary of State, April. 2, 1921,"

of the status quo was now the goal, and it would be achieved with dramatic flair. In the months leading up to the negotiations, Remón convoked numerous rallies with labor unions and other organizations on the home front. At the same time that Washington's worries about the Arbenz regime in Guatemala were peaking, Remón's wife announced at an OAS meeting that the United States' "lamentable discrimination" in Panama was strengthening the communist cause there.<sup>10</sup> The message was clear: meet Panamanian demands, or the country might go over to the East. These new tactics were born of political necessity. Panama's upper classes had monopolized power and dominated the national economy since before independence, and by the mid-1950s the frustration of the country's lower classes was reaching fever pitch. By playing on nationalist sentiment and anti-Americanism, Panama's leaders focused attention away from themselves in addition to fashioning a negotiating tool. Earlier leaders had done the same during World War II; now, however, the anti-colonialism sweeping the Third World gave Panamanian nationalism a new intensity.

As a result, popular sentiment in Panama took a decidedly anti-U.S. turn in the 1950s. Violent anti-American riots and demonstrations broke out on independence day in 1957. A 1958 student-led campaign dubbed "Operation Sovereignty" led to a confrontation with police in which one protester was killed. The funeral for the victim erupted into renewed street fighting, and the Panamanian government declared a state of siege and eventually had

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*Background Documents Relating to the Panama Canal*, Committee on Foreign Relations, 95th Congress, 1st Session, (Washington, D.C.: GPO, 1977), p. 752; Hogan, p. 68; LaFeber, *Canal*, pp. 94-102.

<sup>9</sup>Conniff, p. 107.

<sup>10</sup>Quoted in *ibid.*, p. 108.

to negotiate a truce with student leaders.<sup>11</sup> In 1959, the Cuban revolution inspired Panamanian insurgents to launch a revolt at Cerro Tute; later that same year two separate “invasion forces” landed, one at Nombre de Dios and another (formed in part by Cuban nationals and led by Arnulfo Arias’s nephew) at Santa Clara. Late in 1959 several attempts (one directed by politician and future ambassador to the UN, Aquilino Boyd) to raise Panama’s flag in the Zone led to broken windows in the U.S. embassy, burned American property, 18 dead, and 120 wounded. 1960 was no different, with several anti-American riots focusing on the flag issue or low employment in the canal zone.<sup>12</sup>

The heightened international tensions and Cold War zero-sum context surrounding Panamanian unrest increased the importance U.S. policymakers attached to the situation. One scholar has noted that Washington “found it increasingly inexpedient simply to stand pat on its legal rights,” because of the emerging Cold War need “to compete for allies among the smaller nations.”<sup>13</sup> The final nail in the coffin of the British Empire, Nasser’s 1956 expropriation of the Suez Canal, inspired fears that Panamanian patriotism might run a similar course. The United States, Eisenhower warned at the time, “must be exceedingly careful that the future years do not bring about for us, in Panama, the situation that Britain has to face in the Suez.”<sup>14</sup> Washington became increasingly concerned that complaints of imperialism linked to its presence in Panama lent credence to the arguments of regional

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<sup>11</sup>The events in Panama in 1958, coupled with Vice President Richard Nixon’s dismal reception in Latin America that same year, prompted President Eisenhower to dispatch his brother Milton on his famous fact-finding tour of the region.

<sup>12</sup>Conniff, pp. 11-112; LaFeber, *Canal*, p. 100.

<sup>13</sup>Edwin C. Hoyt, *National Policy and International Law: Case Studies from American Canal Policy*, (Denver: Social Science Foundation and Graduate School of International Relations, University of Denver, 1967), pp. 45-46.

<sup>14</sup>Quoted in Major, p. 329.

communist sympathizers. As early as 1947 U.S. officials began to worry that popular expression of dissatisfaction in Panama was being harnessed by communist agents.<sup>15</sup> Both nationalism and communist subversion in its clients challenged U.S. credibility as the patron of inter-American solidarity and the leader of the Western alliance.

In 1956 the canal's significance was not what it had been just ten years earlier. Military advancements of the Second World War made it clear that the canal was virtually undefendable. In 1947 Admiral Daniel Gallery assessed that

the strategic importance of the Panama Canal...is largely based on its economic value to our commercial shipping. So far as actual naval operations are concerned, [it] is of a secondary nature...The ability to move naval forces from the Atlantic to the Pacific or vice versa via the canal is not as important as it was...and crippling the canal would not be a decisive blow to our defense...I do not believe that permanent closure of the canal would jeopardize the national security.<sup>16</sup>

Nonetheless, the military bases centered around the canal zone gave the United States a massive strategic presence in the lower Americas. As Cold War tensions escalated, intelligence operations based in the zone were viewed by Washington as increasingly important: a jungle warfare school established after WWII trained thousands of Latin American officers in counterinsurgency; the U.S. presence in Panama kept Washington's finger on the pulse of the inter-American defense network; and U.S. forces could be rapidly deployed from the isthmus to any part of the hemisphere.<sup>17</sup> Ultimately, however, whether the

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<sup>15</sup>"Defense Sites Agreement of December 10, 1947 and Rejection of the Agreement by Panama," *Background Documents Relating to the Panama Canal*, Committee on Foreign Relations, 95th Congress, 1st Session, (Washington, D.C.: GPO, 1977), p. 967.

<sup>16</sup>Quoted in Major, p. 191.

<sup>17</sup>Conniff, pp. 109-110. In 1989, SOUTHCOM's commander assessed the role of U.S. installations in Panama as to: "defend the Panama Canal and the southern flank of the United States and advance U.S. national interests in Latin America...support counterinsurgency operations in El Salvador and help other Latin American militaries combat insurgency, terrorism, and narcotics trafficking; reverse Soviet, Cuban and Nicaraguan influence and their attempts to

U.S. lost control of the canal, its military bases in the canal zone, or the hearts and minds of the Panamanian people, any setback in Panama represented a potentially fatal blow to the international credibility of the United States and the domestic political credibility of the administration that let it happen. The goal, Eisenhower said, was “to head off any developments...comparable to what had occurred in Egypt.”<sup>18</sup> (His successor would be of like mind. For his Panama policy, JFK advocated “[a]n appropriate flow of concrete results in order to contain Panamanian pressures for immediate and radical treaty revision.”)<sup>19</sup> After Castro’s revolution in Cuba veered into alignment with the Soviet bloc, maintaining Panama as a U.S. ally became even more crucial.

As Cold War administrations struggled to find a policy that would satisfy Panamanian nationalism without sacrificing U.S. influence, their efforts often served as a focal point for the foreign policy criticisms of their political opponents. Overtures that offered the slightest concessions to Panamanian complaints of U.S. hegemony gave ammunition to those in Washington arguing that a retreat from Panama would have adverse effects on America’s international stature. When the Eisenhower administration responded to the particularly violent riots of 1958-1960 by suggesting that Panama be allowed to fly its flag in the canal zone, the House of Representatives swiftly passed a resolution that no Panamanian flag

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destabilize democratic process in Latin America; plan for contingencies in the theater and be prepared to conduct operations in consonance with U.S. interests; enhance U.S. military influence and strengthen cohesion with and among our allies,” See Gen. Fredrick Woerner, U.S. Army, “The Strategic Imperatives for the United States in Latin America,” *Military Review*, Vol. LXIX, no. 2, (Fort Leavenworth, KS: U.S. Army Command and General Staff College, February 1989), p. 23.

<sup>18</sup>Quoted in *ibid.*, p. 112.

<sup>19</sup>Quoted in Margaret Scranton, “Changing United States Foreign Policy: Negotiating New Panama Canal Treaties, 1958-1978,” Doctoral Dissertation, (Pittsburgh, PA: University of Pittsburgh, 1980), p. 19.

should ever fly in the zone.<sup>20</sup> The administration's idea was, to quote from a speech on the Senate floor by Daniel Flood, "an appalling example of American...loss of leadership, and weakened integrity in the eyes of the world" and came at a time when "the hidden hand of cunning and malignant Sovietism" was manipulating "radical efforts in the Caribbean and isthmian areas."<sup>21</sup> (Vice President Nixon cautioned that only "the little irritating things" should be subject to negotiation, arguing that "if the United States retreats one inch in this respect, we will have raised serious doubts about our bases throughout the world.")<sup>22</sup>

Eisenhower found himself obligated to by-pass Congress in September 1960, authorizing via presidential directive a series of economic concessions to Panama that raised employment opportunities and wages for Panamanians in the canal zone. He also forestalled additional rioting on Panama's independence day, November 3, by waiting until Congress was not in session to approve the raising of Panama's flag in the zone via executive order.<sup>23</sup> The idea, according to Secretary of State Christian Herter, was "to avoid particularly the increase of sentiment favorable to Castro in Panama where there was much social pressure on the part of unhappy elements."<sup>24</sup> Implicit in the decision were domestic political considerations as well. 1960 was an election year and it would hardly boost the public's perceptions of GOP foreign policies to permit another outbreak of bloody riots in Panama the evening before voters went to the polls to choose between Kennedy and Nixon.<sup>25</sup>

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<sup>20</sup>Major, p. 332.

<sup>21</sup>Quoted in Ealy, p. 113.

<sup>22</sup>Quoted in Major, p. 340.

<sup>23</sup>From his home district, Rep. Daniel Flood referred to the President's decision as "Munich in spades" and called for Eisenhower's impeachment.

<sup>24</sup>LaFeber, *Canal*, p 101; Quoted in Major, p. 332.

<sup>25</sup>LaFeber, *Canal*, p. 101.

By the mid-1960s the undeniable and increasingly significant push for non-alignment and greater sovereignty by the Third World bloc, coupled with Washington's dilemma in Vietnam, meant that Panama's national aspirations had to be taken seriously. Historian Michael Conniff observes that:

Behind the scenes, the 1958-1959 riots produced a sea change in official U.S. thinking about Panama and the canal. It is best seen in the policy revision of the National Security Council (NSC). On 30 January 1959, the NSC policy for Panama read: "Maintain in force all the rights, powers, and authority granted the United States by the Convention of 1903 with Panama, as the basic treaty covering the status of the Canal Zone." The updated version of 16 February 1959 read: "No sound alternative has offered itself to the policy of maintaining U.S. rights under the Treaty of 1903, but interpretive problems and severe operational difficulties, including violence against the Zone, arise in the implementation of this policy in light of the increasingly volatile situation."<sup>26</sup>

It was growing quite clear that a refusal to readjust the relationship could quickly become an untenable policy position, and the credibility concerns of U.S. policymakers led them to reorient their approach—despite strong domestic opposition—toward accommodation of Panama's requests for augmented sovereignty.

Panamanian dissatisfaction with the status quo reached its boiling point early in the Johnson administration, when a violent spate of protests in Panama City and Colon caught the world's attention and brought the issue of the U.S. presence in Panama into the international limelight. The catalyst for these events occurred on January 9, 1964, when a group of Panamanian students marched to Balboa High School in the Canal Zone with the intention of raising their country's flag. In the preceding decade, the debate regarding Panama's "titular" co-sovereignty in the Zone—a token concession granted by the 1903 treaties—had crystallized around the flag issue. President Eisenhower's 1960 directive that

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<sup>26</sup>Conniff, pp. 113-114.

the Panamanian flag be flown “in some ceremonial spot along with the American flag” had not laid the issue to rest.<sup>27</sup> His brother Milton had warned that “Panama wanted its flag flown in the Zone as an acknowledgment of its sovereignty. I pounded my desk and raised my voice...because I was convinced that there would be the devil to pay in Panama, probably on the next Independence Day, unless we made a good showing before then.”<sup>28</sup> Three years later, responding to similar pressures, JFK ordered that the Panamanian flag should fly at fifteen canal sites, including Balboa High.<sup>29</sup> The ultra-patriotic U.S. residents of the Zone—known as ‘Zonians’—resisted the directive. It was this noncompliance that inspired the 1964 march to Balboa High.

The Panamanian protesters were met by Zonian resistance, and a scuffle ensued that led to four days of frenzied rioting. The U.S. Information Agency was burned, as were several U.S.-owned factories. Throngs of enraged Panamanians swarmed the streets surrounding the U.S. embassy and lobbed bottles and stones at the compound. When U.S. troops defending the Canal Zone drew sniper fire, they reciprocated. By the end of the four-day tempest, at least 22 people had been killed, four of them American soldiers. Property damage approached \$2 million.<sup>30</sup>

Panamanian President Roberto Chiari hoped that U.S. embarrassment over this unrest in its neo-colonial appendage could be made to work to Panama’s benefit. He broke

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<sup>27</sup>FRUS 1958-1960, 5: MS, 719.00/11-2759, cited in Major, p. 332.

<sup>28</sup>Milton S. Eisenhower, *The Wine is Bitter: The United States and Latin America*, (Garden City, NJ: Doubleday, 1963), p. 216; pp. 221-222.

<sup>29</sup>Thomas M. Leonard, *Panama, The Canal, and the United States: A Guide to Issues and References*, (Claremont, CA: Regina Books, 1993), p. 84

<sup>30</sup>Johnson, *Vantage Point*, p. 181; LaFeber, *Canal*, pp. 108-109; Leonard, p. 85; Major, p. 335.

diplomatic relations with the United States on January 10 and petitioned OAS mediation.<sup>31</sup>

“I feel, Mr. President,” he told LBJ by phone, “that what we need is a complete renegotiation of all treaties which affect Panama-U.S. relations because that which we have at the present time is nothing but a source of dissatisfaction which has recently, or just now, exploded into violence.”<sup>32</sup>

From Johnson’s perspective, the problem of treaty renegotiation was twofold. Some U.S. leaders feared that a capitulation on the terms of the 1903 treaties would be read as a sign of weakness overseas. And cables from the U.S. embassy in Panama indicated that “known communists” had played central roles in the violence.<sup>33</sup> Assistant Secretary of State Thomas Mann concurred that “armed...Castro agents” were involved, and officers at the U.S. Southern Command in Panama (SOUTHCOM) attributed the fighting to “a pro-Castro, violently anti-U.S. revolutionary group” and warned of future attacks by “terrorist groups composed of pro-Castro personalities, some of whom have received guerrilla-type training in Cuba.”<sup>34</sup> Conservative political commentators contended that the status quo in Panama was “more vital to this nation than victory in Vietnam” and that any slip in U.S. authority there could “trigger communist takeovers of governments in Latin America.”<sup>35</sup> This sentiment was echoed on Capitol Hill. “We are in the amazing position of having a country with one

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<sup>31</sup>LaFeber, *Canal*, p. 110; Leonard, p. 85.

<sup>32</sup> Johnson, *Vantage Point*, p. 182.

<sup>33</sup>H.W. Brands, *The Wages of Globalism: Lyndon Johnson and the Limits of American Power*, (NY: Oxford University Press, 1995), pp. 31-32, footnote 1.

<sup>34</sup>*Ibid.*, pp. 31-32, footnote 1.

<sup>35</sup>Quoted in Major, p. 340.

third the population of Chicago kick us around,” one Senator insisted. “If we crumble in Panama, the reverberations of our actions will be felt around the world.”<sup>36</sup>

In a more sober assessment, however, Senator J. William Fulbright pointed out the other side of the coin: “the basic problem,” he argued, “is the exercise of American control over a part of the territory of Panama in this age of intense nationalist and anticolonial feeling.”<sup>37</sup> Even Dean Rusk acceded that “[t]here is a difference between 1903 and 1963.”<sup>38</sup> If the United States hoped to avoid the discomfiture of being repudiated by its long-time client, concessions would have to be made. LBJ was unwilling to discuss treaty renegotiations until the violence had ceased, but opined that “it was indeed time for the United States to take a fresh look at our treaties,” pointing out that “we had known for some time that the canal could not handle the volume of traffic that future trade would require.”<sup>39</sup>

The second problem associated with the implementation of new treaties was a domestic political one. The canal’s symbolic value as emblem of American power had not depreciated in the eyes of the American people. A 1964 Gallup indicated that of the 64 percent who knew about the dispute with Panama, half supported a “firm policy.”<sup>40</sup> National Security Advisor McGeorge Bundy informed the president that telegrams to the White House ran ten or 15 to one in favor of a staunch position, and passed along the results of a *Washington Post* poll showing that 85 percent of respondents rejected the idea of

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<sup>36</sup>Quoted in LaFeber, *Canal*, p. 111.

<sup>37</sup>Quoted in Major, p. 328.

<sup>38</sup>Quoted in *ibid.*, p. 340.

<sup>39</sup>Johnson, *Vantage Point*, p. 183.

<sup>40</sup>LaFeber, *Canal*, p. 112.

concessions.<sup>41</sup> Concessions of any sort would open the administration up to policy criticisms. Adviser Richard Scammon warned Johnson that he should avoid the impression of “getting pushed around by a small country about an area which every grade school history book features with an American flag, a snapshot of Teddy Roosevelt, and an image of gallant engineers overcoming the mosquito.” Any perceived cave-in to Panama’s demands would give Johnson’s Republican opponents a “real solid muscled hit at the Administration,” a “ready-made ‘wrap-us-in-the-flag’ kind of situation.”<sup>42</sup>

Indeed, Representative Daniel Flood—who had once called Eisenhower’s decision to fly the Panamanian flag in the Canal Zone “another Munich”—now asserted that “accessions to unjustified demands from the mob-dominated Panama government” would only lead to “greater blackmail.” Panama’s demands, he declared, were “part of the audacious, cunning, and far-reaching strategy of the Soviets.”<sup>43</sup> Kenneth Keating weighed in with the opinion that “Castro-Communist agents” had orchestrated the riots, and Senate minority leader Everett M. Dirksen, mobilizing resistance to new treaties, argued that U.S. prestige and security would be severely damaged by capitulation to Panama. Other countries, he maintained, “would learn that the way to get the American government to negotiate about grievances was to assault Americans and sever relations with Washington.”<sup>44</sup> On the campaign trail, presidential candidate Barry Goldwater quickly expressed his support for the

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<sup>41</sup>Brands, *Wages*, p. 39.

<sup>42</sup>Quoted in LaFeber, *Canal*, p. 112.

<sup>43</sup>Conniff, p. 119; LaFeber, *Canal*, p. 111.

<sup>44</sup>Brands, *Wages*, p. 36.

Americans in the Zone, who, he said, had been correct to resist the Panamanians' efforts to raise their flag.<sup>45</sup>

Johnson knew that "while a Democrat might safely appear too tough on foreign affairs, he must not risk appearing weak" and feared that he might be accused of "knowing exactly what was going to happen and not doing anything." He did not want, he said, "a Pearl Harbor type situation on [his] hands."<sup>46</sup> The only solution would be to meet the Panamanians at the negotiating table. The president, however, adroitly found a way to both counter Panama's campaign to embarrass the United States internationally and avoid a domestic political onslaught. On December 18, 1964—once the 1964 presidential elections were over—he announced that "an entirely new treaty" would be negotiated.<sup>47</sup>

This was the first solid step in a process of foreign policy experimentation that would drag on for the next 13 years before culminating in Jimmy Carter's 1977 signing of a new set of canal treaties with Panama. U.S. policy toward Panama following the 1964 Flag Riots was emblematic of Washington's growing acceptance of the role of Third World nationalism in the Cold War. In 1961 President Kennedy had prophesied that "[t]he great battleground for the defense and expansion of freedom today is the whole southern half of the globe—Asia, Latin America, Africa, and the Middle East—the lands of the rising peoples."<sup>48</sup> For the administrations that succeeded him it became increasingly clear that the United States would have to learn how to accommodate the nationalistic aspirations of its clients if it was to

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<sup>45</sup>LaFeber, *Canal*, p. 111.

<sup>46</sup>Quoted in Brands, *Wages*, p. 37; Quoted in Major, p. 336.

<sup>47</sup>United States Department of State, *Department of State Bulletin*, January 4, 1965, p. 5.

<sup>48</sup>John Fitzgerald Kennedy, "Special Message to the Congress on Urgent National Needs, May 25, 1961," PPP-CD, John F. Kennedy, 1961, Item 205, p. 397.

prevent the growing Non-Aligned Movement (NAM)—rapidly becoming a third pole in and of itself in the 1960s and 1970s—from posing a serious threat to U.S. global leadership. Washington’s tolerance of the leftward leaning Panamanian strongman Omar Torrijos (1968-1981) and the signing of new canal treaties in 1977 were emblematic of this shift in the dynamics of international power.

In 1968, Panama’s military establishment came into its own when it removed recently elected President Arnulfo Arias from power in a bloodless coup. The Cold War environment had wrought a transformation of the National Guard: influenced by the national-security doctrines circulating among militaries of the region and increasingly concerned with the inability of civilian leaders to either lead effectively or stimulate economic development, a young group of Guardsmen began to contemplate a larger role for the military.<sup>49</sup> The election of Arias gave them their chance. A perennial presidential candidate mistrusted as an incompetent populist, Arias had already been ousted twice by the Guard—once in 1941 and again 1951.<sup>50</sup> When he assumed office for the third time on October 1, 1968, Arias immediately attempted to reorganize the Guard’s command structure in order to bring the institution under his control and, it is presumed, avoid a third ouster. The military’s response was predictable.

By mid-winter, a young officer named Omar Torrijos emerged as the unchallenged leader of the new military government. Torrijos, from the start, was something of an enigma. On one hand, he had longtime ties to the U.S. intelligence community and may, in fact, have

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<sup>49</sup>Millett, *Aftermath*, p. 48.

<sup>50</sup>Priestly, p. 15

been encouraged to take power by U.S. agents after other members of the Junta refuse to crack down on anti-American demonstrators.<sup>51</sup> He had also spent several years training at the School of Americas during the heyday of the Alliance for Progress, an experience which he later admitted had a profound impact on his thinking.<sup>52</sup> On the other hand, Torrijos shared the resentment felt by many Panamanians for the United States' economic and political predominance in his country. Despite an excessive spread of official corruption during his regime, Torrijos worked to diminish foreign influence in Panama, disassemble the elite's power structure, and redistribute wealth and political power. For all his ties to the U.S. military community, Torrijos initiated a program of state-led economic development, established relations with Cuba and other eastern bloc countries, and actively emulated the leadership style of Fidel Castro, aggressively cultivating the support of the lower classes with promises of labor and agrarian reform (which he soon enacted).<sup>53</sup>

In another time, in a different global context, the left-leaning Torrijos regime might have prompted a U.S. counter-reaction. But U.S. efforts to contain and roll back international communism appeared to be failing worldwide. As Jack Hood Vaughn, ambassador to Panama under the Johnson administration, later recalled, "the feeling at the time was that a deal cut with a military government would be much more to our liking than one with a democratic and hostile civilian government."<sup>54</sup> The United States had played a major role in expanding, professionalizing, and inculcating an anti-Soviet zeal into the

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<sup>51</sup>Conniff, p. 126, footnote, 126; LaFeber, *Canal*, p. 126.

<sup>52</sup>LaFeber, *Canal*, p. 133; Paul Ryan, *The Panama Canal Controversy: U.S. Diplomacy and Defense Interests*, (Stanford, CA: Hoover Institution Press, Stanford University, 1977), p. 66.

<sup>53</sup>Conniff, p. 127; Smith, p. 219.

National Guard during the 1950s and 1960s. Torrijos was in large part a product of those efforts, and both he and his colleagues were known quantities to the officers and agents based at SOUTHCOM.<sup>55</sup> In spite of his theatrics, Torrijos's regime was as much born of the Alliance for Progress as it was of the Cuban revolution. He always remained carefully engaged with the United States and kept channels of communication with officials in the Canal Zone wide open.<sup>56</sup> As one scholar remarks, "to a U.S. government concerned with the spread of communism from Castro's Cuba, the mildly militant Torrijos regime was a hopeful development."<sup>57</sup>

Additionally, the Third World anticolonialism of the postwar years had blossomed into the Non-Aligned Movement (NAM) which significantly altered the bipolar nature of the Cold War. America's experience in Vietnam convinced many in Washington and elsewhere that the era in which the United States could exercise unrestrained power and influence overseas had passed. This perspective—sometimes called the "Vietnam Syndrome"—was reflected in the writing of men like Arthur Schlesinger, Jr., who argued that

everything in the world is not of equal importance to us. Asia and Africa are of vital importance for Asians and Africans...but they are not so important for us...we cannot do everything in the world. The universalism of the older generation was spacious in design and

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<sup>54</sup>Quoted in "America's Blind Eye: The U.S. for Years Has Ignored Corruption in Panama," *The New York Times Magazine*, May 28, 1988, p. 25.

<sup>55</sup>During the 1968 coup Torrijos purportedly had been given refuge in the home of a U.S. military officer in the Canal Zone. Later, rumor had it that the CIA assisted Torrijos in the barracks coup which gave him power over the military junta.

<sup>56</sup>Steve C. Ropp, "National Security," *Panama: A Country Study*, 4th ed, Sandra W. Meditz and Dennis M Hanratty, eds., (Washington, D.C.: GPO, 1989); LaFeber, *Canal*, p. 126.

<sup>57</sup>William H. Drohan, "When All the Old Bills Came Due: The Development of U.S. Panamanian Relations Through 1989," *Operation Just Cause: The U.S. Intervention in Panama*, Bruce W. Watson and Peter Tsouras, eds., (Boulder: Westview Press, 1990), p. 21.

noble in intent. Its flaw was that it over-committed our country—it over-committed our policy, our resources, and our rhetoric.<sup>58</sup>

Washington's days of unfettered hegemony were over. The United States would now pick its fights more carefully.

Omar Torrijos recognized that the United States was increasingly sensitive to the Third World's rising influence in international fora and nervous at the growing reluctance of allies to mutely conform to Washington's expectations. West German chancellor Willi Brandt's policies of *Ostpolitik*, for example, seemed to indicate that the United States' ability to guide even its oldest allies was fading, and reinforced Washington's scramble to find credible new policies for the multi-polar era. Richard Nixon incorporated this logic into his foreign policy making when crafting the Nixon Doctrine, and remained engaged in the canal negotiations his Democratic predecessor had initiated.

Torrijos skillfully moved to capitalize on the new global context, building international sympathy for Panama's claims. Throughout the early 1970s he consulted regularly with the leaders of neighboring Latin American countries, focusing in particular on staunch U.S. allies like Colombia, Venezuela, and Costa Rica.<sup>59</sup> The Panamanian caudillo also courted support among Asian and African members of the Non-Aligned Movement and nations of the eastern bloc.<sup>60</sup>

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<sup>58</sup>Michael Roskin, "From Pearl Harbor to Vietnam: Shifting Generational Paradigms and Foreign Policy," in Ikenberry, *Essays*, p. 48, quoting Arthur Schlesinger Jr., "Vietnam and the End of the Age of Superpowers," *Harper's Magazine*, March, 1969.

<sup>59</sup>Mark Habeeb and William Zartmen, *The Panama Canal Negotiations*, Pew Case Studies in International Affairs, Case 407, (Washington, D.C.: Institute for the Study of Diplomacy, Pew Cases Studies Center, Georgetown University, 1989), p. 29; Ropp, *Politics*, p. 104.

<sup>60</sup>Leonard, p. 88; Ryan, p. 78.

By 1972, Torrijos had garnered a great deal of international support on the issue of the canal treaties and in November, Panama, which occupied a temporary seat on the UN Security Council, convinced the Council to convene a special meeting devoted to the issue of the canal treaties. Torrijos also proposed that the meeting take place on Panamanian soil “so the world community could witness first hand the inequities that Panama has endured.”<sup>61</sup> Foreign Minister Juan Antonio Tack later told author Michael Conniff that he “hoped to move the venue to Panama [in order to] mobilize international opinion against the United States.”<sup>62</sup> U.S. opposition to the meeting, spearheaded by ambassador to the UN George Bush, was vigorous, but the weight of international opinion favored Panama. A meeting in Panama was scheduled for March 1973.<sup>63</sup> After the decision, Washington hurriedly ordered SOUTHCOM to dismantle sections of a nine-foot wall separating the Canal Zone from Panama proper, concerned with the impression the barrier would give visiting delegates.<sup>64</sup>

The meeting was a disaster for the United States. Torrijos gave an impassioned speech which denounced “the colony in the heart of my country.” His sentiments were echoed by Carlos Andres Perez, president of democratic Venezuela, who publicly wondered how “the United States...a leader of democracy in the world, [could] take a colonial’s stance?” A U.S. failure to remedy the situation, Perez warned, would mean that “very bad relations will develop between the two Americas, North and South.”<sup>65</sup> Eventually, Panama and Peru cosponsored a resolution urging that a new treaty be drafted that would “fulfill

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<sup>61</sup>Habeeb and Zartman, p. 30.

<sup>62</sup>Conniff, p. 130.

<sup>63</sup>Drohan, p. 21; Habeeb and Zartman, p. 30.

<sup>64</sup>LaFeber, *Canal*, p. 143.

<sup>65</sup>Ibid., *Canal*, p. 143.

Panama's legitimate aspirations and guarantee full respect for Panama's effective sovereignty."<sup>66</sup> The United States, horrified, found itself casting the sole negative vote. Even Great Britain declined to offer firm support for its ally, abstaining from the balloting.<sup>67</sup> To prevent the passage of a resolution supporting Panama's position on the canal, Washington was forced to cast a veto—only the third time a member of the Security Council had done so since the UN was created.<sup>68</sup> Bush's successor as UN ambassador, John A. Scali, wryly noted after the vote that "the United States may have vetoed the resolution, but Latin America has vetoed the United States."<sup>69</sup>

The 1973 meeting demonstrated that Panama's push for new treaties was significantly bolstered by the rising tide of Third World demands for greater political autonomy, and reinforced the opinions of those in Washington who advocated a readjustment of U.S. policy. David H. Ward, U.S. Special Representative for interoceanic canal negotiations, commented afterwards that the meeting had "the effect of raising questions in the mind of people in this country, and in the mind of the President, and in the mind of Congress as to just how can we work this problem out."<sup>70</sup> The U.S. ambassador to Panama contended that "to insist on a U.S. presence in perpetuity" was not only "unrealistic but dangerous," because it would produce "persistent tension" in Panama. "We no longer can—nor would we want to be—the

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<sup>66</sup>Habeeb and Zartman, p. 30; LaFeber, *Canal*, p. 143.

<sup>67</sup>Habeeb and Zartman, p. 30.

<sup>68</sup>Ropp, *Politics*, p. 104.

<sup>69</sup>Quoted in Habeeb and Zartmen, p. 31.

<sup>70</sup>Quoted *ibid.*, p. 31.

only country in the world exercising extra-territoriality on the soil of another country,” he said.<sup>71</sup>

Both Bunker and Henry Kissinger expressed their belief that in the eyes of all Latin Americans, the U.S. handling of the canal negotiations was “a test of American good intentions in the hemisphere.”<sup>72</sup> Kissinger judged that “the global order of colonial power that lasted through the centuries has now disappeared [and] the cold war division of the world into two rigid blocs has also broken down and major changes have taken place.” His conclusion: “it is time to go beyond the doctrines left over from a previous century that are made obsolete by modern reality.”<sup>73</sup> Indeed, two months after the disastrous UN meeting in Panama, the NSC prepared a report for Nixon to present to Congress which admitted that the time had come to establish a new relationship with Panama.<sup>74</sup>

In addition to the rise of the Third World’s international power, a number of other factors produced this new outlook. The U.S. failure in Vietnam, as one analysis notes, “was apparent to all; it was now clear that, with sufficient commitment to its cause, the weak could defeat the strong.”<sup>75</sup> Concurrent with this seeming failure of U.S. might were a number of other contextual factors that helped shift the balance: the Soviet Union had emerged as a first-rate power in both military and political terms, Castro’s success in Angola hinted that small Latin American countries were capable of stunning military successes, and the

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<sup>71</sup>Quoted in Ryan, p. 101.

<sup>72</sup>Ryan, p. 101.

<sup>73</sup>Quoted in McCormick, p. 166.

<sup>74</sup>Leonard, p. 89.

<sup>75</sup>Habeeb and Zartman, pp. 31-32.

Organization of Petroleum Exporting Countries' (OPEC) oil embargo during the 1973 Arab-Israel War indicated that the Third World could indeed shape the course of global events.<sup>76</sup>

Yet despite the obvious shift in the global context, Washington's post-Vietnam experimentation with policies of accommodation did not go unopposed domestically, even though cold warriors like Eisenhower, Kennedy, Nixon, and Kissinger had initiated the process. When the administration of Jimmy Carter sought to relocate the vision of American foreign policy toward the far end of the spectrum that the Nixon Doctrine had only hinted at, it inspired a domestic political backlash wholly comparable to those that had followed the losses of China and Cuba.

The U.S. adjustment to a multipolar perception of world affairs reached its apogee during the Carter administration. As historian Thomas McCormick notes,

the United States had to confront the unhappy legacy of the Vietnam War, one that suggested that America did not respect Third World nationalism, that it supported right-wing military dictatorships and was contemptuous of non-white races. In Latin America, the failure of the Alliance for Progress in the 1960s and America's part in Allende's violent overthrow compounded that legacy. Carter responded with a new good neighbor policy to improve America's image.<sup>77</sup>

Torrijos' efforts to publicize the Panamanian cause had gained momentum after the 1973 UN Security Council meeting in Panama, yet the U.S. response stalled as a result of post-Watergate shock and domestic political infighting. Damaged by the threat of impeachment, Nixon could no longer afford to push hard for the new treaties. His weak successor, Gerald Ford, was in much the same position, and when vociferous opposition to new treaties emerged both on Capitol Hill and in the Pentagon, U.S. willingness to negotiate

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<sup>76</sup>Ibid., pp. 31-32; McCormick, p. 155; Leonard, p. 89; Ryan, p. 78.

<sup>77</sup>McCormick, p. 201.

faltered.<sup>78</sup> Carter, however, believed that the dispute with Panama over control of the Canal had become the keystone in the arch of inter-American relations. He later wrote that the successful completion of new canal treaties “had become a litmus test throughout the world, indicating how the United States, as a superpower, would treat a small and relatively defenseless nation.”<sup>79</sup> If U.S. credibility in the Third World was to be salvaged, the United States had to follow through on its promise to transfer the canal to Panamanian authority. Upon assuming office, the Carter team identified Panama as one of its two most pressing foreign policy priorities.<sup>80</sup>

The extended debates over the new treaties revealed that U.S. concern with its international credibility remained undiminished. The crux of the matter was what kind of policies would address that concern. Carter argued that Washington’s traditional hard-line stance on the canal issue endangered both the canal and U.S. prestige. A new approach, however, would serve to protect the canal and send a signal of “confidence in ourselves” to international observers.<sup>81</sup> Senator Frank Church reiterated this logic when he told his colleagues on the Hill that

[a] natural tendency exists, after the Vietnam tragedy, to want an end to what some see as yielding and retreat by the United States [but] the point must be made, and made emphatically, that the treaties now before us do not represent a retreat [but] a sign of strength, not of weakness...These treaties, in short, will weaken our adversaries and strengthen our friends throughout the Western Hemisphere.<sup>82</sup>

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<sup>78</sup>LaFeber, *Canal*, pp. 141-146.

<sup>79</sup>Quoted in Habeeb and Zartman, p. 39.

<sup>80</sup>LaFeber, *Canal*, p. 158.

<sup>81</sup>Quoted in Robert Pastor, *Whirlpool: U.S. Foreign Policy Toward Latin America and the Caribbean*, (Princeton, NJ: Princeton University Press, 1992), p. 46.

<sup>82</sup>Senator Frank Church, “General—Pro,” *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, Record Votes and Relevant Events*, Prepared for the Committee of Foreign Relations, United States Senate, by the Congressional Research Service, Library of Congress, (Washington, D.C.: GPO, February 1979), pp. 24-25.

Senator Patrick Moynihan concurred, arguing that the treaties, “far from being a retreat in American policy” showed “potential to become an extraordinary forward movement in our relations with the rest of the world.” In the UN, he said, the new treaties could well “reverse completely the understanding...of what the United States stands for and what Cuba stands for.”

A decade ago Cuba said it stood for resistance to imperialism [and] we were said to stand for armies, for occupation of other people’s lands. But pass this treaty and we will be the people of the future, while the Cubans, murdering and killing and burning their way through Africa, will be the discredited militant imperialists...and completely rejected in Latin America. The turning point will be this treaty.<sup>83</sup>

Even some members of the military establishment weighed in with the opinion that a new set of treaties would favor U.S. strategic interests in Latin America. One army general testified that “conflicts over the canal should cease to be a confrontation between an overbearing Uncle Sam, the Goliath of the affluent industrial world, and tiny Panama, the David representing Latin America and the world’s have-not community.”<sup>84</sup>

The argument for adjusting to nationalist aspirations rather than confronting them in order to strengthen U.S. international credibility was aptly summed up by Gale McGee, former Senator and U.S. representative to the OAS. In 1979 McGee wrote that

Deservedly or not, the role of the United States in Panama under the terms of the 1903 treaty had become an albatross around our necks in our dealings not only with Panama but with all of Latin America... It had become a living symbol of the type of colonial relationship...that every administration since Franklin Roosevelt has been trying to get away from in dealings with the nations of this hemisphere...Today the world is a much changed place, and continued U.S. leadership in the community of nations depends on our recognizing the changes and

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<sup>83</sup>Quoted in “General—Pro: Senator Ernest Hollings, February 23, 1978,” Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, Record Votes, and Relevant Events, Prepared for the Committee on Foreign Relations United States Senate by the Congressional Research Service, Library of Congress, (Washington, D.C.: GPO, February 1979), p. 40.

<sup>84</sup>Quoted in Church, *General—Pro*, p. 28.

acting accordingly... [The issue] had indeed taken on such symbolic significance that until [it] was resolved, it was all but impossible to proceed credibly and productively on any other problems in our hemispheric relations... [F]rom the standpoint of much of the rest of the world, the outcome of the debate was important less because of the future of the Panama Canal itself than as a test of the ability of our own constitutional system to respond to the demands thrust upon it by our role as a world leader. This question is of vital importance to our NATO allies, to Japan, and to all those in the international community who look to the United States for creative and effective leadership in a changing world.<sup>85</sup>

But the push for new treaties was not driven by foreign policy concerns alone. In addition to his internationalist vision of foreign affairs, Jimmy Carter also perceived that the presidency's fall from grace had as much to do with the policies and failures of the Vietnam conflict as with Watergate. During the campaign of 1976—which was fraught with the language of idealism thanks to the bicentennial—Carter declared that “we’ve lost in our foreign policy the character of the American people. We’ve ignored or excluded the American people and the Congress from participation in the shaping of our foreign policy.”<sup>86</sup> Carter was working under the assumption that the shift away from a frigid foreign policy outlook, both in the corridors of Washington and the attitudes of the electorate, was final. But as early as 1974, the “flabbiness” of U.S. policy toward Panamanian demands had been the rallying cry of an internal GOP attack on President Ford’s re-nomination as the Republican candidate.

Carter’s attempts at renovated relations with the Third World represented the views of one extreme of an increasingly divided foreign policy establishment, and his push for new canal treaties provided an issue around which the vanguard of a right-wing reaction to the experiments of accommodation of previous decades could crystallize. In 1976, the

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<sup>85</sup>Gal McGee, “After Panama: Some Lessons and Opportunities in the Aftermath of the Canal Treaties Debate,” *The South Atlantic Quarterly*, Vol. 78, No. 1, (Winter, 1979), pp. 5-14.

<sup>86</sup>Jimmy Carter, *A Government As Good As Its People*, (NY: Simon and Schuster, 1977), p. 213.

Republican governor of California, Ronald Reagan, rode to national prominence by strongly critiquing both Ford and Carter for their support of new treaties. Reagan and his staff saw the canal as “a symbolic issue” that could be used to catapult a more conservative vision of foreign policy into the limelight.<sup>87</sup> The sentiments evoked by the canal debate, Reagan reflected, “made all other issues possible.”<sup>88</sup> Campaigning for the Texas primary, Reagan declared that “we should tell Panama’s tin-horn dictator just what he can do with his demands for sovereignty over the Canal Zone. We bought it. We paid for it. And they can’t have it.” Soon after, a reporter asked Reagan how far he would go to retain the canal. “How far would we go to stop someone from taking the state of Alaska?” the candidate replied.<sup>89</sup> The right wing of the GOP responded positively to Reagan’s rhetoric, and he won a string of primaries against Ford. The edge of his attack was dulled, however, by Ford’s cautious dealings with Panama and the support of conservative giants like Barry Goldwater and William F. Buckley for treaty revision.<sup>90</sup>

Yet despite the fact that an emerging group of Republican hard-liners poised to challenge Carter’s presidency was capitalizing upon the canal issue as “a pivotal event in their long range plan for building a new, more effective conservative political coalition,” the push for treaty renegotiation was successful. After much acrimonious debate on Capitol Hill, the United States signed a new set of Canal treaties with Panama in the summer of 1977. The treaties increased Panamanian participation in the management of the Canal and outlined the eventual transfer of total Canal authority to Panama by the century’s end. “There can be

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<sup>87</sup>Quoted in LaFeber, *Canal*, p. 149.

<sup>88</sup>Ibid.

<sup>89</sup>“Panama Theatrics,” *Time*, April 1976, p. 16.

no going back,” Secretary of State Cyrus Vance asserted, “to a time when we thought there could be American solutions to every problem.”<sup>91</sup>

The Canal Treaties did indeed mark a major turning point in the formulation of U.S. foreign policy; but the experiment in accommodation would end with Carter’s departure from office. In 1980 Reagan’s criticism of “America’s retreat from the role of global leader and responsible ally” had even wider appeal than during the 1976 campaign.<sup>92</sup> The Carter administration had hoped, Paul Ryan notes, “that public opposition to the so-called ‘give-away’ treaty could be successfully countered if the treaty signing could be identified as a major diplomatic event.” All heads of state in the Western Hemisphere except Fidel Castro were invited to the signing, and

an elaborate three day series of receptions, state dinners, and presidential ‘summit’ conferences was arranged. The fanfare and pomp were described by *Newsweek* as a ‘Panama production right out of Cecil B. DeMille’ and the biggest extravaganza in years. This was not the first time that presidential politics had motivated the White House in its dealing with Panama. Like President Theodore Roosevelt in 1903, Carter was faced with coming elections: the congressional in 1978 and the presidential in 1980. He also was aware that his administration had achieved no triumphs in diplomacy. Like TR he needed a major foreign-policy breakthrough to convince the nation’s voters of his effectiveness.<sup>93</sup>

Instead, however, as Richard Viguerie, a key conservative organizer, predicted, even though the GOP lost the canal treaties vote, they successfully “rallied many new people to our cause.” He observed that “[t]he left has had...their civil rights causes and their Vietnam war protests and ecology...Now conservatives can get excited about the Panama Canal giveaway and they can go to the polls, look for a person’s name on the ballot who favored the treaties

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<sup>90</sup>LaFeber, *Canal*, p. 149.

<sup>91</sup>Hogan, p. 58; Vance quoted in McCormick, p. 191.

<sup>92</sup>Ibid., pp. 177-178.

<sup>93</sup>Ryan, p. 161.

and vote against him.”<sup>94</sup> Indeed, during the 1980 presidential race it became apparent to the emerging “New Right” that a rollback of Carter’s experiments in the Third World offered “a way, after Vietnam, and Watergate, and Angola, of reasserting the glory of the country. People once more see a chance for Americans to stand up as Americans.”<sup>95</sup>

Indeed, by 1980 Carter’s policies toward Panama and Latin America in general were under constant attack from a revitalized GOP. The transfer of the canal, Reagan charged, had been “a case where Uncle Sam put his tail between his legs and crept away rather than face trouble.”<sup>96</sup> Carter’s actions were accused of having “contributed...to the growth of neutralism, the destabilization of friendly governments, the spread of Cuban influence, and the decline of U.S. power in the region.”<sup>97</sup> The “loss” of the canal and the larger issue of decaying American credibility proved to be effective rallying points, and Reagan won an overwhelming victory in 1980.

Both Reagan and Carter were concerned with maintaining U.S. credibility overseas; they simply had different visions of how to accomplish that goal. On one side were those who felt that Washington’s recent experiences as a global leader had demonstrated, all too clearly, the limits of American power. They sought to readjust U.S. policy toward Third World nations and allies in order to accommodate those countries’ demands for increased political sovereignty and protect the United States’ interests and reputation. This logic had matured through the course of several administrations: Kennedy’s Alliance for Progress, the Nixon Doctrine, and Jimmy Carter’s approach to the Panama Canal treaties all reflected its

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<sup>94</sup>Quoted in Pastor, *Whirlpool*, p. 9.

<sup>95</sup>Unidentified Reagan aide quoted in LaFeber, *Canal*, p. 149.

<sup>96</sup>Quoted in Conniff, p. 135.

influence. On the other side of the fence were those who argued that the new thinking amounted to capitulation and represented an explicit admission of weakness. Reagan and his supporters rejected the policy of innovation and accommodation Carter had practiced. “From the beginning,” Reagan later remarked, “our administration has insisted that this country base its [foreign policy] upon realism, not illusion. [W]hen we took office, the historical record needed restatement. So, restate it we did.”<sup>98</sup>

When he assumed power in 1981, Reagan made it clear that in the future U.S. foreign policy would be taking a different tack. “We have it in our power,” he said, “to remake the world over again.”<sup>99</sup> The world envisioned by the Reagan foreign policy team reflected the chilliest moments of the Cold War. In it, U.S. foreign policy would be grounded upon hard-line rhetoric and militarization, not negotiations with and accommodation of Third World partners. “We can’t abdicate our responsibility to protect our interests to a committee of Latin American countries,” Reagan’s Assistant Secretary of State, Elliot Abrams, once explained. “The notion that if we have interests at stake, we should ask Latin Americans what to do about it is wrong...they want to know what we are going to do. They want to know if we have the guts to protect our interests, and if we don’t, then they are going to walk away, and that is the way it should be.”<sup>100</sup>

Reagan’s initial approach to the Torrijos regime reflected this logic. Robert Pastor relates how, early in Reagan’s first term, Secretary of State Alexander Haig “sent a strongly

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<sup>97</sup>Jeane Kirkpatrick, “U.S. Security and Latin America,” *Commentary* 71, (January, 1981), p. 29.

<sup>98</sup>“President Reagan’s Remarks at West Point, October 28, 1987” in U.S. National Security Policy and Strategy, 1987-1994: Documents and Policy Proposals, Robert Vitas and John Allen Williams, eds., Greenwood Reference Volumes on American Public Policy Formation, (Westport, CT: Greenwood Press, 1996), p. 45 (hereafter Vitas and Williams *National Security*).

<sup>99</sup>Quoted in McCormick, p. 191.

worded message to General Omar Torrijos.” He “let Torrijos know that the flabbiness in U.S. foreign policy had been firmed up; no longer would the United States tolerate Torrijos’s adventures with Salvadoran guerrillas or Cubans. Torrijos would have to shape up, or else.” The Panamanian leader’s response did not auger well for U.S.-Panama relations. “I cannot acknowledge receipt of this message,” he replied. “It was obviously sent to the wrong address. It should have gone to Puerto Rico.”<sup>101</sup>

Reagan was spared a conflict with the Panamanian strongman due to Torrijos’ mysterious death in a 1981 airplane crash. And the man who replaced Torrijos, Manuel Noriega, was a longtime CIA informer and eager to cooperate with U.S. foreign policy demands in order to secure his position and enhance his personal fortunes. During Reagan’s first term in office, Noriega collaborated with the United States in a number of areas, and while the legacy of Omar Torrijos required that Noriega make the occasional reference to “northern imperialists” in public speeches, U.S.-Panama relations had all the trappings of a traditional Cold War partnership. Everything seemed to be back on track.

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<sup>100</sup>Pastor, *Stalemate*, p. 233.

<sup>101</sup>Quoted in Pastor, *Whirlpool*, pp. 3-4.