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From Riots to Sovereignty: United States Policy Makers Ideas, Perceptions, and Reactions to the Panamanian Struggle for Sovereignty

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FROM RIOTS TO SOVEREIGNTY: UNITED STATES POLICY MAKERS IDEAS, PERCEPTIONS, AND REACTIONS TO THE PANAMANIAN STRUGGLE FOR SOVEREIGNTY

A Thesis

Presented to the Faculty

Of the

College of Arts and Sciences

In Partial Fulfillment

Of the

Requirements for the Degree

Of

Master of Arts

In History

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 $\mathbf{B}\mathbf{y}$

William Edward Humphrey

Abstract:

After the Hay-Bunau-Varilla Treaty of 1903 the Panamanian people had to live in an occupied country. The U.S. took control of a ten-mile stretch of land surrounding a canal of immense importance to world trade. The U.S. policy makers ignored the pleas, complaints, and demonstrations of the Panamanian people as they struggled for sovereignty in their country. This thesis will show, through the use of primary sources from the U.S. government that U.S. policy makers refused to see the importance of sovereignty to the Panamanian people until the 1964 Panamanian Flag Riots. After that episode, U.S. policy makers dramatically shifted their ideas about Panamanian sovereignty and began working on handing the Canal to Panama. South Carolina politicians and others would continue to oppose sovereignty for Panama, while more moderate politicians prevailed in working toward a compromise for Panama, which resulted in the Carter – Torrijos Treaties of 1977.

Acknowledgments

The need to thank many people for their help in this adventure is truly great. The staff at the Special Collections Department Library of Clemson University were a great help in finding the papers of Strom Thurmond. They were in the process of reorganizing his papers and were a great help finding the papers needed even though the index used was no longer valid nor had they completed a new index. Thanks for the extra effort. The staff of Dacus Library have been of great help when the microfilm printers would get tired of printing or finding a copy of this or that not found without their help. Special thanks goes out to the government documents specialist, Jackie McFadden, for her help in pointing to research options in the government documents section and her help in researching things if more questions arose. Now to the group of advisers that gave me encouragement and put up with me for longer than they should have. Dr. Edward Lee, Dr. Don Rakestraw, and Dr. Virginia Williams make up the thesis committee for this project. Dr. Lee is a most encouraging professor. His encouragement before and during this project have been a Godsend. Dr. Rakestraw gave wonderful advice and helped keep this project focused. The head of this committee was Dr. Williams. Dr. Williams has put up with questioning this or that process and encouraging me to continue to push through adversity and time issues to finish this project. This completion of this project was by the help, encouragement, and guidance of this thesis team. Lastly, my wife Cindy, and daughter Brooke, deserve thanks for putting up with the time devoted to this project and away from them.

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Chapter 1 - History

The year 1964 brought changes to Panamanian - U.S. relations. For sixty-one years, the two governments had lived by the terms of the Hay-Bunau-Varilla Treaty of 1903. The Treaty was patently unfair to the Panamanian people. It gave the United States sovereignty over a ten- mile wide stretch of land called the Canal Zone "in perpetuity". The payment plan to Panama from the United States in gold coin was ten million dollars down and two-hundred fifty thousand dollars per year in gold coin. The terms of Hay-Bunau-Varilla were adjusted twice – 1936 (Hull-Alfero Treaty) and 1955 (Treaty of Mutual Understanding and Cooperation Between the United States of America and the Republic of Panama). Designed to improve the relationship between the countries, these revisions were minimal. The major change in both treaties was an increase in the yearly payment. In 1936, the payment increased to \$430,000 Balboas, and in 1955, it increased to \$1,930,000 U.S. dollars annually. The Panamanians, however, wanted even more concessions, but the United States government was unwilling to make any additional concessions.

The issue of the Panamanian flag provoked the Panamanians to demand further talks toward American concessions. The refusal of the Americans to fly the Panamanian flag in the Canal Zone created a major problem. President Eisenhower and President Kennedy tried to appease the Panamanians by allowing the flying of the Panamanian flag beside the American flag in a few places within the Canal Zone. The youth of Panama seized this appeasement as an excise to venture into the Canal Zone and to plant their flag on occasions. On January 9, 1964, students from Balboa High School supported by

parents for a total group of around 500 Americans raised the American flag and stood guard around it. A group of 200 Panamanian students came to raise their flag and the struggle turned violent. Twenty Panamanians lost their lives because of this event; they are the first martyrs of Panama (killed by or allegedly killed by American soldiers). The 1964 Panamanian Flag Riots, indeed, brought about changes to Hay-Bunau-Varilla and exposed the unfair treatment experienced by Panamanians. As a result, the American government reassessed its treatment of Panamanians and the resulting perception by Latin America of the U.S. toward its conduct in Panama. President Johnson assigned his most trusted advisors to handle the disruption in the relations between the two countries. Robert Anderson and Cyrus Vance understood that American relations with Latin Americans would continue to decay if the administration did not address the Panama Canal issue in a manner that did not exhibit the imperialism or colonialism of the past. Receiving a share of sovereignty was the least the Panamanians would accept, and these demands ultimately evolved into an official American withdrawal and transfer of the Canal Zone to Panama.

The Flag Riots were a symptom, but were not the major cause of the strained relations between the countries. The Hay-Bunau-Varilla Treaty of 1903 had forced Panama into a deal of expediency, rather than one that was in its long- term interest. The United States had orchestrated Panamanian independence from Colombia in 1903, and the treaty was American compensation. This negotiation gave the United States control over the Canal Zone as if Americans were sovereign over that part of Panama. The

¹ US Southern Command, After-action Report of Panama Disorders, 9-16 January 1964. National Security File, Box 63. LBL Library.

treaty's inclusion of the phrases "as if it were sovereign in the Canal Zone" and "in perpetuity" eventually contributed to building frustration that spilled out in the 1964 Panama Flag Riots. The agitation continued to fester until the ultimate abrogation of Hay-Bunau-Varilla and the signing of the 1977 Carter – Torrijos Treaty. The American withdrawal from the Canal Zone would start gradually in 1979 and continue until the withdrawal of all Americans by December 31, 1999.

A visit to Panama conceived this paper. In 2010, a soccer team took a trip to Panama. The team toured the Panama Canal and stayed in a hotel that was in the former Canal Zone. Panama City was flag draped celebrating "Ten years of our Canal". Americans asked questions about the signs. The guide answered, "the United States turned the Canal over to Panama in 2000 and thus the ten-year celebration." This project has been a most difficult task. Many emotions have gone into its creation: sadness, anger, excitement, tears, happiness, and joy.

The central hypothesis of this paper is that U.S. policy makers ignored and thwarted Panama's long struggle for sovereignty, through bribes, talk of better treatment, and neocolonial policies, from 1903 until the Panamanian Flag Riots of 1964. The 1964 Flag Riots had a dramatic impact on U.S. policy makers. It dramatically shifted their attitudes and actions toward Panama's sovereignty. They gradually relinquished control over the Panama Canal. How did the Flag issue become the firestorm that would end in a new set of treaties and change U.S. policy makers' perceptions of that nation's sovereignty? Could one issue be the cause of the Panamanian struggle for sovereignty?

How was the Panama Canal treated in the U.S. presidential elections from 1964 – 1976 - between the Flag Riots and the new treaty that eventually gave the canal to Panama?

A broad range of secondary sources on the Panama Canal Zone and the treatment of Panama by the United States exist. Many of the books focus on the Canal's early history and U.S. reasons for building the Canal. Some sources focus on the entire period of U.S. control of the Canal, most focusing on national security and the Canal's strategic importance to U.S. security. The secondary sources researched for this paper cover the six decades since the Flag Riots.

Three of the four articles written in the 1960's agree that Panama sought sovereignty, but American policy makers refused to discuss the sovereignty issue. J.C.J. Metford documented the history of the relationship of Panama and the United States.² He feels, as this paper argues, that the United States should have understood the Panama position. There were many similarities between the treatment of the Panamanians by the United States and the treatment of the American colonists from the British Empire of the late 1770's. Metford concluded his article with the quandary the 1964 Flag Riots put the Panamanian and U.S. relationship in: "Nothing less than the return of the Zone to Panama will satisfy them. To ask this is to ask the impossible." American policy makers and the American public made their minds up that American sovereignty of the Canal Zone was not an issue open to debate at any time. Robert G. Mead Jr. discussed the struggle that America had in trying to convince the world they were anti-colonialist when dealing with

² J.C.J. Metford, "The Background to Panama," *International Affairs* 40, no. 2 (1964): 277-286.

³ Medford, 286.

countries, when in fact they were acting colonialist in their dealing with Panama: "However, we cannot masquerade as anti-colonial unless we are wholly so; there is no such thing as a partial virgin". R.R. Parihar's article discussed the way the people of the Zone and America would fight against Panamanian sovereignty over the Canal Zone. Parihar used the words of the Treaty of 1903 to argue that America was not sovereign in the Zone but only given the rights as if it were sovereign. He used the Monroe Doctrine and the defense of it as the status quo to show how the attitude of the Zonians (American residents of the Canal Zone) had reached an unacceptable slap in the face to the people of Panama. The final article from this decade discussed the proposed treaties that would come about because of the Flag Riots. Mercer Tate and Edward Allen did not discuss what caused the proposed treaties; they just broke them down and sequentially followed them through each article of the proposed treaties.

Two articles researched from the 1970s approached the issue from very different angles. Lester Langley covered the point of view that America could have avoided the problems in the Zone with a few different management techniques. The Zone operated with the Americans getting the best jobs and pay. This article joins a consensus that, more than anything else, Americans wanted sovereignty for themselves, not for Panamanians. It said, "We did not want to leave one grain of evidence that could a hundred years hence be interpreted as implying any admission by the United States that

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⁴ Robert G. Mead, "The Hispanic World," Hispania 47, no. 2 (1964): 390.

⁵ R.R. Parihar, "National Sovereignty in Panama Canal Dispute," *The Indian Journal of Political Science* 25, no. 3 / 4 (1964): 60-66.

⁶ Mercer D. Tate and Edward H. Allen, "The Proposed New Treaties for the Panama Canal," *International Affairs* 45, no. 2 (1969): 269-278.

we possess and exercise anything less than 100 percent of the rights of sovereignty in this area." American politicians were trying to pacify the Panamanian government by giving some things and hinting on the sovereignty issue but not going all the way with sharing the rights of sovereignty. The American policy makers were willing to discuss the purchasing of goods from Panama instead of other countries to help the economic needs of Panamanians. Another issue was the Panamanian desire for closing Canal Zone businesses that competed with Panamanian businesses. Milton Charlton, in his article, covered the same period as this paper. Charlton tackled the issue of the policy changes in Panama and their effect on foreign policy. He discussed how presidential interest changed and how that affected the degree of change in negotiations. His work, however, does not agree with the proposed thesis that the Flag Riots changed the relationship between the two countries.

In the 1980s, scholars such as Michael Conniff cover the entire period of 1903 to the 1980's. He looked at the issue from the economic perspective, discussing how the United States and Panamanian governments worked with each other in this area. He stated that the Panamanian government wanted more from the Canal than they were getting and the Flag Riots helped in that regard. "President Chari used the riots as an excuse to break relations with the U.S. and to press for more jobs and profits from the canal." One of the articles from this decade focused mainly on the treaties and the

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⁷ Lester D. Langley, "U.S. Panamanian Relations Since 1941," *Journal of Interamerican Studies and World Affairs* 12, no. 3 (1970): 347.

⁸ Milton L. Charlton, "The Making of U.S. Policy Toward the Panama Canal Treaty Negotiations, 1964 – 1976," *Journal of International Affairs* 32, no. 1 (1978): 135-139.

⁹ Michael L. Conniff, *Black Labor on a White Canal: Panama, 1904-1981* (Pittsburgh: University of Pittsburgh Press, 1985) 146.

voting in the Senate. James McCormick and Michael Black focused on the treaties and only mentioned 1964 as the opening of serious consideration leading to the treaties. ¹⁰

Van Alstyne wrote, "Panama remained a ward of the United States, its independence a fiction." He continued throughout the article to discuss U.S. imperialism from the 1903 treaty until the transfer of the canal.

Later historians began to change the U.S. outlook on Panama in the 1990's. The focus started to veer to some of the minor points and not just sovereignty of the Canal. Marco Gandasegui addressed the Panamanian government and the changes it made over time. He stressed that all of the Panamanian governments (there were many during seventy-four years between Treaties) wanted to change the terms of the original treaty of 1903. He continued to say that the Flag Riots brought the labor organizations into the political arena. He did not look at the U.S. response to the desire to change the treaty by the Panamanian government. The second article from this decade discussed how public opinion and foreign policy do not agree with one another. In this article Philip Powlick and Andrew Katz focus on the ratification of the 1977 treaty and how President Carter went against public opinion in pushing for ratification: "President Jimmy Carter insisted he would rather be a one-term president and do the 'right thing' on the Panama Canal Treaty than do what was popular." This article concluded the 1990's evaluation with

¹⁰ James McCormick and Michael Black, "Ideology and Senate Voting on the Panama Canal Treaties," *Legislative Studies Quarterly* 8, no. 1 (1983): 45-63.

¹¹ Richard W. Van Alstyne, "The Panama Canal: A Classic Case of An Imperial Hangover," *Journal of Contemporary History* 15, no. 2 (1980): 306.

¹² Marco A. Gandasegui, Jr., "The Military Regimes of Panama," *Journal of Interamerican Studies and World Affairs* 35, no. 3 (1993): 3.

¹³ Philip J. Powlick and Andrew Z. Katz, "Defining the American Public Opinion / Foreign Policy Nexus," *Mershon International Studies Review* 42, no. 1 (1998): 46.

the theme of sovereignty as the main issue. Neither of these articles focused on how the American policy makers viewed the sovereignty issue, but the Panamanian government and people wanted sovereignty.

The next set of articles and books were from the 2000's and take a different approach from the 1990's in that they look at some of the smaller issues that led to the new treaties. John Lindsay-Poland's book addressed the U. S.' lack of concern for the Panamanian people. 14 The U.S. fixated on the Canal Zone as a part of America, fueling the sovereignty issue. Michael Donoghue concentrated on the United States keeping the status quo of Canal Zone governance.¹⁵ Donoghue stressed that the culture and race of Panama had major impact on how the U.S. and its citizens treated Panamanians. Alan McPherson has contributed a great deal of recent research concerning the Panama Canal. McPherson focused on many aspects of the relationship between Panama and the United States. His book presented the "domino effect of anti-Americanism" 16 as a side to the Cold War that was unique. He used many angles in his articles that touch on sovereignty, but with a slight twist for each article. He talked about colonialism. He said, "Panama won the flag riots in spirit by appealing to the courts of world opinion."¹⁷ Panamanians did not outright win the fight during the riots, but they set the stage to garner world attention to gain an upper hand. In another article, McPherson described Panama as a

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¹⁴ John Lindsay-Poland, *Emperors in the Jungle: The Hidden History of the U.S. in Panama* (Durham: Duke University Press, 2007) 86-87.

¹⁵ Michael Donoghue, *Borderland on the Isthmus: Race, Culture, and the Struggle for the Canal Zone* (Durham: Duke University Press, 2014).

¹⁶ Alan McPherson, *Yankee No! Anti-Americanism in U.S. – Latin American Relations* (Cambridge: Harvard University Press, 2003) 106.

¹⁷ Alan McPherson, "The Courts of World Opinion: Trying the Panama Flag Riots of 1964," *Diplomatic History* 28, no. 1 (2004): 86.

boy growing to manhood, with the flag riots a rite of passage for the nation.¹⁸ This idea of growing up appeared in another of his articles. He discussed how parents and teachers taught Canal Zone students to follow the rules, but the Panamanians started to break them by planting their flag in the Zone.¹⁹ This act of planting flags would lead directly to the Flag Riots of 1964, which would lead to Panama getting new Canal treaties with the United States.

The 1964 Flag Riots were the catalyst that started the process that was resolved in the 1977 Carter - Torrijos treaties. Were the Flag Riots the only issue between the two countries? Absolutely not! There were many issues discussed by different authors that include but are not limited to race, status quo, culture, imperialism, colonialism, economics, and job equality. All of these trace their origin back to the issue of sovereignty in the Canal Zone. The emphasis of this paper will be on the reaction of the United States policy makers to all of the events leading up to the Flag Riots of 1964, and the impact they had on the relationship of the two countries. The Flag Riots were not the first sign of tension between the countries. Neither country can accept full blame for the Riots. Both countries have responsibility in how the events played out. The 1964 Flag Riots, however, were the most dramatic expression of Panama's struggle for sovereignty, and their impact was game changing.

This paper presents the policies of the United States leading up to the Flag Riots as a push toward the conflict. The U.S. policies, the enforcement or lack thereof, and the

¹⁸ Alan McPherson, "Rioting for Dignity: Masculinity, National Identity, and Anti-US Resistance in Panama," *Gender and History* 19, no. 2, (2007).

¹⁹ Alan McPherson, "From Punks to Geopoliticians: U.S. and Panamanian Teenagers and the 1964 Canal Zone Riots," *The Americas* 58, no. 3 (2002).

youth of both countries created a political nightmare for the United States government. The U.S. agreed to talks about a new treaty with the thought of a sea level canal coming into existence, making the current canal obsolete. This idea of a new canal committed the United States to start negotiations, and the world was watching. Talks and negotiations continued into 1968 and then stalled until 1974, when a new president, Gerald Ford, reignited the negotiations that would finish under President Carter in 1977.

The search for an inter-Oceanic path through the Americas had been pursued since Charles V of Spain in 1516²⁰. The importance for the quest would rise and fall, but never quite go away. In 1825, the United States showed interest. Henry Clay, the Secretary of State, discussed with the Republic of Centre America "that the importance of uniting the two seas by canal navigation was fully realized"²¹. The U.S. and Great Britain reached agreement in the Clayton -Bulwer Treaty of 1850 for duel control of an inter-Oceanic path. Great Britain relinquished its demands after fifty years of searching and agreed to U.S. control of a canal in the Hay-Pauncefote Treaty of 1901. The United States continued the quest until the opportunity came in Panama. Panama was a part of Columbia. U. S. negotiations for a canal did not succeed with Columbia. Panama wanted independence from Columbia and President Theodore Roosevelt surreptitiously helped them gain it via a well-orchestrated and brief rebellion in 1903. With the Republic of Panama now in control of Panamanian territory, the United States pressed for an inter-Oceanic transit path.

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²⁰ John G. Walker, Report of the Isthmian Canal Commission, Government Printing Office, 1904, page 22.

²¹ Walker, page 29.

The independence of the Republic of Panama opened the door for the creation of the Hay-Bunau-Varilla Treaty of 1903. This treaty was the work of U.S. Secretary of State John Hay and Philippe Bunau-Varilla working on the behalf of the Republic of Panama. The Treaty was twenty-six articles long and set up the governance of the Canal Zone and the relationship between the two governments. The Canal Zone was set up in Article II as "the width of ten miles extending to the distance of five miles on each side of the center line of the route of the Canal to be constructed."²² Article II used the words "in perpetuity". Webster's dictionary defines the word as "endless or indefinitely long duration or existence; eternity." This treaty was set up in favor of the United States and the U.S. would maintain exclusive control of the Panama Canal. Article III set up the U.S. as sovereign in the Canal Zone: "the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama."²³ The U.S. would not have ratified a Treaty that gave other countries power over it, implied or straight forward. The United States did not ratify the Treaty of Versailles or the fourteen points of Woodrow Wilson because Americans felt that signing them would limit U.S. sovereignty and control over its future foreign policies. These two articles from the 1903 treaty would cause problems for the next seventy-four years.

Articles IV – XIII continued to set up the running of the Canal Zone.

Article XIV set up the payment amount for the Canal committing the United States "to pay to the Republic of Panama the sum of ten million dollars (\$10,000,000) in gold coin

²³ Treaty, Article III.

²² Hay Bunau-Varilla Treaty, November 18, 1903, Article II.

of the United States ... and also an annual payment during the life of this convention of two hundred and fifty thousand dollars (\$250,000) in like gold coin, beginning nine years after the date aforesaid."²⁴ This amount became an issue and changed the future relations of the two countries. The remaining twelve Articles continued the details of the agreement.

In 1936, in keeping with the Good Neighbor policy of Franklin Roosevelt, the United States and the Republic of Panama updated their Treaty relationship with the Hull-Alfero Treaty of 1936, also called the Treaty of Friendship and Cooperation between the nations. It contains twelve articles that updated the original Treaty of 1903. Articles one and two explain the terms of the agreement and that the current treaty was not replacing the original, but making some updates and changes to it. Articles three through six discuss the issues of taxes, goods and purchasing of goods in the Canal Zone, people and ships entering ports, and eminent domain. Article seven increased the annual annuity payment from \$250,000 to \$430,000. Another change was that the payment was not in gold coin. "Beginning with the annuity payable in 1934" the payment "shall be four hundred and thirty thousand Balboas (B/430,000.00) as defined by the agreement embodied in an exchange of notes of this date. The United States of America may discharge its obligation with respect to any such payment, upon payment in any coin or currency, provided the amount so paid is the equivalent of four hundred and thirty thousand Balboas (B/430,000.00) as so defined."²⁵ Articles eight and nine detailed the jurisdiction of land. Article ten described the coordination of the governments against

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²⁴ Treaty, Article XIV.

²⁵ Hull-Alfaro Treaty of 1936, Article VII.

threats. "Any measures, in safeguarding such interests, which it shall appear essential to one Government to take, and which may affect the territory under the jurisdiction of the other Government, will be the subject of consultation between the two Governments."²⁶ The United States and Panama would work together to prevent an overthrow of the government or to address any outside problems. Article eleven reiterated that this Treaty did not replace the original but just updated it. Article twelve is the ratification article. This Treaty remained in effect and unchanged until 1955.

In 1955, the two nations once again came together to update their Treaty relationship. Once again, the thirteen articles of the Treaty changed very little from the original 1903 Treaty except for the annuity amount and the existing wage practices in the zone. Article one of the Treaty of Mutual Understanding and Cooperation Between the United States of America and the Republic of Panama began with the change of the annuity amount. "Beginning with the first annuity payable after the exchange of ratifications of the present Treaty" payment "shall be One Million Nine Hundred Thirty Thousand and no/100 Balboas (B/1,930,000.00)..."²⁷

The remaining twelve articles made minor changes to certain areas of the relationship. The treaty did not mention wage practices; there were changes in the wage practices because of the negotiations. The following changes in the wage practices were to be implemented by the U.S. Government: "The basic wage for any given grade level will be the same ... without regard to whether he is a citizen of the U.S. or of the

²⁶ Hull-Alfaro Treaty of 1936, Article X.

²⁷ Treaty of Mutual Understanding and Cooperation Between the United States of America and the Republic of Panama, January 25, 1955. Article 1.

Republic of Panama."²⁸ This did away with the Silver and Gold rolls of the past and paid Panamanian citizens from the Silver roll and the U.S. citizens from the Gold roll. The pay was higher with the Gold roll status than the Silver roll. Another change was "The United States will afford equality of opportunity to citizens of Panama for employment in all United States Government positions in the Canal Zone for which they are qualified…"²⁹ This was a big step for the United States during the era of Jim Crow and at the start of the Civil Rights Movement. The power of the dollar and the cunning of the American diplomatic machine brought the Panamanian officials to their knees.

The issue of planting flags started after the 1955 Treaty of Mutual Understanding and Cooperation Between the United States of America and the Republic of Panama. The Panamanian youth began protesting the different policies and standards in the Zone and the rest of Panama. The youth started going into the Zone and planting the Panamanian flag. In a press conference in 1959, President Eisenhower fielded a question about flying the flags together and his response changed U.S. policy. Eisenhower determined that, "The one question of the flag has never been specifically placed before me; no decision has ever been made about it, but I do in some form or other believe that we should have visual evidence that Panama does have titular sovereignty over the region." This admission by President Eisenhower allowed the Panamanian flag and the U.S. flag to fly together at the entrance to the Zone and angered many in the U.S. Congress. The House of Representatives debated and passed House Concurrent Resolution 459 with three-

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²⁸ Congressional Record, 84th Congress, 1st Session, Volume 101, Part 9: page 12003.

²⁹ Congressional Record, 12003.

³⁰ Congressional Record, 86th Congress, 2nd Session, Volume 106, Part 2, page 1798.

hundred eighty two voting in favor and only twelve against.³¹ This resolution tried to take the power of this foreign policy change away from the president and put it in treaty form, rather than as an executive order. Daniel J. Flood of Pennsylvania became one of the most vocal critics of any change in American sovereignty in the Panama Canal Zone.

Mr. Flood brought evidence against flying the flags together in the Canal Zone from the Balboa Teachers Association.³² The teachers association saw the flying of the Panamanian flag in the Canal Zone as a way for the Panamanian people to demand more concessions from the American government. These teachers felt the same as Mr. Flood that the American Government was opening a door that most people would not understand. The American Government saw this as a sign of goodwill that did not give up sovereignty rights. The Panamanian Government saw this as a win in their fight for sovereignty over the Canal that bears their name.

In late 1961, President Kennedy and President Chiari of Panama exchanged letters concerning the relationship between countries.³³ After this exchange, the National Assembly of Panama passed a resolution listing what the Panamanian people wanted.³⁴ The Panamanian people wanted a new treaty granting them sovereignty over the Canal Zone. To this new challenge, the Congress of the United States passed House Concurrent Resolution 525.³⁵ This resolution stated that the United States was sovereign in the Canal Zone by treaty rights and that the flying of any other flag beside the United States Flag

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³¹ Congressional Record, 1808.

³² Congressional Record, 2540.

³³ Congressional Record, 87th Congress, 2nd Session, Volume 108, parts 15-16, page 20220.

³⁴ Congressional Record, p. 20221.

³⁵ Congressional Record, p. 20223.

was illegal. The Kennedy policy was to have dual flagpoles and flags of both countries flying together. This flag policy went to District Court, Canal Zone, and Balboa Division in *Doyle v Fleming (1963)*.³⁶ The majority of the legal fight by Mr. Doyle and his lawyers was based on 36 U.S.C. § 175(c).³⁷ The decision of the court upheld the policy as legal, but the court did make a statement about the flag situation: "The flying of two national flags side by side in a disputed territory for an undeclared purpose is a position of weakness that can lead but to further misunderstanding and discord."³⁸

The failure to address the question of sovereignty only appeased the tension with each change to the original treaty. The two governments had agreed to "flying the Panamanian Flag with the United States Flag on civilian installations in the Canal Zone, but not over military installations or on ships transiting the Canal."³⁹ The New York Times reported on January 3, 1964 that the flags of the two countries were flying together in seventeen areas of the Canal Zone. This was "a suggestion made by Senator George A. Smathers, Democrat of Florida, as far back as 1960."⁴⁰ Civilian locations had the two flagpoles, but "not military installations or at schools for United States dependents."⁴¹ Governor Robert Fleming declared on December 30, 1963 full implementation of the dual flag policy on January 2, 1964 and the U.S. flag would not fly alone at schools in the Zone.⁴² When classes started by in January, the American students did not think the

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³⁶ District Court, Canal Zone, Division Balboa, "Doyle v. Fleming," 1963. www.leagle.com/decision/1963496219fsupp2771441.

³⁷ "Doyle v Fleming."

^{38 &}quot;Doyle v Fleming."

³⁹ Document 408, Foreign Relations of the U.S. 1962

⁴⁰ New York Times, January 3, 1964, 2:7.

⁴¹ New York Times.

⁴² U.S. Southern Command, After-Action Report of Panama Disorders, National Security Files, LBJ Library.

policy applied to them and raised the American flag. The students had the support of parents and veterans associations.⁴³ For a week, the American students put up their flag only to have it taken down by school administration officials. At first, the Panamanian people and press supported the students, thinking of flying dual flags. They soon realized the American students did not intend on flying the Panamanian flag.⁴⁴

Governor Fleming held a press conference and tried to appease the American students by allowing them to fly their flag, but flying the Panamanian flag also. The American students refused to go along with Fleming and stood guard around their flag and flagpole at their school on Monday, January 7, 1964. By Wednesday, January 9, the Panamanian students were ready to act. The American students stood their ground against civil authority and against what they deemed an unjust demand by the Governor. The major disturbance would start at the flagpole at Balboa High School in the Canal Zone.

With this brief review of the history between the United States and Panama, it is clear that a powder keg was charged and a fuse was set. The Hay-Bunau-Varilla Treaty of 1903 was revered in the U.S. and abhorred in Panama and became that powder keg. The Panamanians would find the fuse in their flag and the Canal Zone. On January 9, 1964, the youth of both countries lit that fuse. The students did not act alone. Adults supported them. The youth of both countries had an understanding of their country's side of the story.

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⁴³ U.S. Southern Command.

⁴⁴ U.S. Southern Command.

⁴⁵ U.S. Southern Command.

The American youth misunderstood how their role in the foreign policy of the United States. Their education should have led them to play a role that eased the tension between the two countries. The failure of the Canal Zone educators to educate the American students of this fact contributed to the events of January 7th – 9th. The American students only saw their rights and the rights of American sovereignty infringed on by a rule of the Governor. The Governor of the Canal Zone would try to get the Americans to see their role in American foreign policy, but a culture had developed by this time and he did not succeed. The Zonians failed to see how their actions affected American foreign policy. They only saw their rights infringed and they fought back through the students of Balboa High School.

Chapter 2 - The Flag and Panamanian Nationalism

For sixty-one years, the Hay-Bunau-Varilla Treaty of 1903 dominated the relationship between Panama and the United States. Both governments encouraged their citizens to show pride in their country. How you see your national flag reflects your pride in your country. The Panamanian people did not see their flag in a very high profile section of their country, the Canal Zone and harbored ill feelings about this fact. The American flag was the only flag in that section of Panama. The Americans saw the Canal Zone of Panama as part of the United States and took great pride in that fact. The flag issue became more and more of an issue between the two countries. The Canal Zone Governor tried to calm the situation with a rule that said no flags were to fly if the flags from both countries were not together⁴⁶. This rule resulted from of an agreement between the two governments after the 1955 Treaty and tension in the late 1950's. The Eisenhower and Kennedy administrations both implemented the dual flag policy in the Canal Zone.

The Canal Zone Governor was only following agreements made between the countries with his policy of either flying both flags or no flags. Governor Robert Fleming in a statement about the flag issue said, "I believe it unnecessary ... to remind U.S. citizens about the official commitments of their government, but in the Canal Zone where our actions are in view of citizens of other countries.⁴⁷" The governor was trying to get the Americans to help calm the situation and not stoke the fire between the two countries,

⁴⁶ Southern Command.

⁴⁷ U.S. Presentation "Background and Chronology of the Events in Panama", National Security Council Histories, LBJ Library.

but the citizens of the Zone did not support this policy. The Zonians saw this policy as a slight to their sovereignty and rights.

The Americans complained about the no-fly rule and the Panamanian press heard their anger. The press soon realized the anger was not about the Panamanian flag not flying, but that the American flag was not. The Panamanian press took the normal leap that news media outlets do with stories like "U.S. foreign policy brings on a move toward annexation.⁴⁸" Radio Miramar delivered this broadcast on January 8, 1964. On the morning of January 8, 1964, students, contrary to Governor Fleming's policy, hoisted the American flag in front of Balboa High School. A group of Panamanian students led by Guillermo Guevara Pas came to the Principal of Balboa High School to discuss plans for a Panamanian demonstration the following day.⁴⁹ The principal did not calm the situation by allowing the American flag to fly in front of his school. He did take the flag down a couple of times; but he did not make sure that it did not go back up as soon as he left the flagpole. This peaceful meeting between the principal and Pas should have been a place to calm the situation, but the principal failed to calm anything.

January 9, 1964 dawned and another beautiful day in Panama began. Students from Balboa High School raised the stars and stripes against the order of the Canal Zone Governor once again, and got support from parents, civic organizations, and other adults. A group of 200 Panamanian students organized a peaceful march to Balboa High School after school to show their flag and sing their national anthem. Zone police escorted this

⁴⁸ U.S. Southern Command, After-Action Report of Panama Disorders, National Security Files, LBJ Library.

⁴⁹ Events in Panama, International Commission of Jurists. NSC Histories, Panama Crisis 1964, LBJ Library.

group to the Balboa High School. Then a group of leaders, including Pas and four others, went toward the flagpole to display their colors and sing their national anthem.



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There were around 500 Americans at the flagpole to protect the singular flag and not allow another flag on the pole. The situation was tense and the police decided the ceremony was over and forced the Panamanians to leave. The police pushed the Panamanian students back across the Gorgas road to the remaining 195 Panamanians.

⁵⁰ Photos, NSC History, Panama Crisis 1964, LBJ Library.

The Panamanian delegation "carried a number of provocative signs and placards of various sizes bearing slogans such as the following: PANAMA IS SOVEREIGN IN THE CANAL ZONE, FLEMING GO HOME, PANAMA IS NOT A PROTECTORATE, IT IS FREE AND SOVEREIGN, AND THE PANAMANIAN FLAG ONLY." It was reported that during the move from the flagpole and the Gorgas road, the students carrying the Panamanian flag fell twice and their flag was torn. ⁵²



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⁵¹ United States Presentation, NSC History, Panama Crisis 1964, LBJ Library.

⁵² Events in Panama, International Commission of Jurists. NSC History, Panama Crisis 1964, LBJ Library.

⁵³ Photos, NSC History, Panama Crisis 1964, LBJ Library.

This photo seems to discredit the report that the Panamanian students fell and ripped the flag. Five Panamanian students went to the flagpole and five are standing in the photo. The focus of the photo is of people that seem to have fallen, but they are not the Panamanian students because all five of them are on their feet. The adults in the crowd did nothing to help bring calm to the situation. The Canal Zone police failed to protect this group of students from the Americans and their failure makes them a part of the catastrophe that became the Flag Riots of 1964.

The governments of Panama and the United States had an agreement about the flags that was not part of a treaty, only an agreement from the executive branch of the U.S. government. The legislative and executive branches of the U.S. government disagreed about whether the Panamanian flag should fly in the Canal Zone. The House of Representatives carried on debate about this policy on January 13, 1964. Mr. Clarence Cannon of Missouri spoke about the decision to fly the Panamanian flag and said, "The statement is made that some years ago an agreement was entered into between the United States and Panama under which this right was ceded to Panama. Certainly no such right was ever authorized by Congress." Mr. Cannon spoke for over twenty minutes to the House of Representatives about the flag issue. The tone of his speech went along with the view of the Americans in the Canal Zone. The House of Representatives was concerned that the State Department was giving away the sovereignty of the United States over the Zone. Mr. Cannon's final statement sums up the argument of the Congress against the decision of the Executive Branch. "It is high time that our State

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⁵⁴ Clarence Cannon, "Panama Canal Zone," 88th Cong., 2nd sess., *Congressional Record*, January 13, 1964. 300.

Department realized that its position with regard to Panama must be to preserve the integrity, the authority, and the sovereignty of our Government if we are to maintain our standing in any chancellery on the globe."⁵⁵ The Americans living in the Canal Zone rejected the changes by the Canal Zone Government. The Zonians were in agreement with the American Congress, not the executive branch.

The students of both countries had a rudimentary knowledge of how their actions affected the foreign policy of their country. The students took the issue of flags to a level that the United States policy makers did not want or realize was coming. The American students were not thinking about foreign policy. They thought about the disrespect of their flag by allowing the Panamanian flag to fly beside it equally. Canal Zone adults and some parents encouraged their students to protect American rights. They did not see any consequences to the actions of American students inside the Canal Zone. The Panamanian students wanted to get the reaction out of the Canal Zone that they expected and experienced many times before. The schools taught both the Americans and Panamanians of their civic duties. They instructed them about how they could make a difference in their world. Now the youth of the countries lit the fuse. It was time for the others to get involved.

The Panamanian Press watched and reported their perspective. The news outlets of Radio MIA, *The Star and Herald*, *Critica*, and *El Dia* reported that the U.S. students from Balboa High School were not willing to allow the Panamanian flag to fly at their

⁵⁵ Cannon. 300.

school.⁵⁶ These media outlets stirred up the Panamanian people with article titles such as "Zonians say no to Panamanian flag." The radio stations were also reporting on the situation. Radio Aeropuerto Network reported, "No regrettable incidents have occurred except for the burning of Canal Zone autos." Onda Popular reported, "University students are burning an American flag in retaliation for the Balboa High School demonstrators that stepped on and tore apart a Panamanian flag." Radio MIA reported, "That Santo Tomas Hospital was treating 15 – 25 gunshot victims." These reports carried on as the fighting continued throughout the night and into the next day.

The *New York Times* ran stories about the Panama situation with titles of "Flags of U.S. and Panama Fly Side by Side at Canal"; "Panama Demands Canal Treaty Revision"; "U.S. Embassy Evacuated"; "20 Die in Riots"; and "Panama Suspends U.S. Tie and Charges Aggression After Riot in Canal Zone: Capitol Stunned". Both countries had their version of the story reported to their people. The news of both countries pushed their people toward a hardline. The truth existed somewhere between the sides.

On January 24, 1964, the State Department published "An American Opinion Summary" that allowed news organizations to weigh in on the issues in Panama. One of the sections, Reasonable Concessions said, "The proposition is repeated among most observers that the U.S., in its dispute with Panama, should discuss anything, remedy what is remediable – but U.S. ownership and control of the Canal must not be regarded as

⁵⁶ U.S. Southern Command, After-Action Report of Panama Disorders, 9-16, 1964. National Security Files, LBJ Library.

⁵⁷ Radio and TV Broadcasts, NSC History, Panama Crisis 1964, LBJ Library.

⁵⁸ Radio.

⁵⁹ Radio.

negotiable."⁶⁰ This was the American view of the whole situation: the Panamanian people should be happy with the deal they got in 1903 and should not want more from the United States. American policy makers needed a major event to change their focus from protection of the hegemony of the region that had become the status quo view of the situation. Another example of U.S. intentions to perpetuate the status quo was apparent when it was reported, "Life magazine holds that reaching an accord with Panama is partly a matter of symbols like the flags, partly of more generous payments and, most important, patience and tact."⁶¹ The belief in American opinion was that Panama did not have the capacity to run the canal.

Police took over two hours to get the Panamanian students to leave the Canal Zone. As the students left the Zone, they caused minor property damage. The Canal Zone police tried to keep a handle on the situation but control decayed the longer they allowed the Panamanian students to remain in the Zone. Governor Fleming left Panama to fly to Washington, D.C. to attend to some business the day before all of this boiled over.

Between 7 and 8 PM the acting governor of the Canal Zone asked the military (commanded by General O'Meara) to take control of the Canal Zone. The crowd outside of the Canal Zone had grown to thousands of people, some with hostile intent and others curious of the situation. During the six to eight o'clock period, the Canal Zone police contacted the Panamanian Guardia National to ask for assistance in dealing with the crowd that was forming outside of the Zone. The Panamanian Guardia never

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⁶⁰ American Opinion Summary, National Security File, Country File, LBJ Library.

⁶¹ American Opinion Summary.

⁶² U.S. Southern Command, After-Action Report of Panama Disorders, 9-16, 1964. National Security Files, LBJ Library.

responded or discouraged the crowds. After the military took control of the Canal Zone, the Canal Zone Information Officer, Mr. Frank Baldwin called Colonel Bolivar Vallarino to find out why the Guardia National did not help with crowd control. Colonel Vallarino replied that the crowd was too big and that if the Americans posted the Panamanian flag the problem would go away.⁶³ The problems and the crowd continued to grow and became more and more violent. The Canal Zone police were instructed to use tear gas and ammunition only if needed and then only firing over the heads or into the ground. The military relieved the Canal Zone police sometime around nine P.M. The crowds continued to try to enter the Zone and damage property. The fighting continued throughout the night with shots fired from both sides of the Canal Zone border. The fighting would continue off and on for the next couple of days. The relationship damage was complete. Twenty Panamanians and four Americans were dead. The Republic of Panama directed United States personnel to leave Panama and severed diplomatic ties with the United States on January 10, 1964.

Panamanian Foreign Minister Galileo Solis sent a letter to U.S. Secretary of State

Dean Rusk detailing the reasons for termination of diplomatic relations on January 10,

1964. Foreign Minister Solis described American "acts of ruthless aggression on a weak

and unarmed people, determined to protect their inalienable rights as unjustifiable."

With this letter, the Republic of Panama severed diplomatic relations with the United

⁶³ U.S. Southern Command.

⁶⁴ Solis, National Security Council History, Panama Crisis, LBJ Library.

States. There was no mention of Treaty negotiations or any of the issues dealing with the flag, only the acts of brutality.

In a telegram to the State Department, Undersecretary Thomas Mann, as his group was preparing to leave on January 14, summed up some things that Governor Fleming should do to help relieve the tension. As the top suggestion Mann said, "Fleming should put up both Panamanian and United States flags on front of all zone schools as soon as possible, do not wait for permanent flagpoles."65 The Panamanian people complained for years about not having their flag in the Canal Zone and the Canal Zone Government ignored the complaints. On January 12, 1964, Mann met with Panamanian Foreign Minister Solis to discuss the reestablishment of diplomatic relations and a reduction in tensions. During the meeting, Mann told Solis that the flags of both nations would be flying together in up to 35 locations in the Zone soon. "Solis pointed out Vance's decision involve no new concession but only execution of prior agreement."66 Panamanian officials told the American policy makers their demands and the Americans ignored them. There was a serious disconnect between Panama and Washington, and even in Washington between the State Department and the Congress. Congress did not want any kind of concession on the flag of Panama in the Canal Zone. The executive branch on the other hand tried to patch the problems between the two governments. By not acting on the issues placed before them, the President and his policy makers let the problem of the flag continue until the Flag Riots of January 9-10, 1964.

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⁶⁵ State Department Telegram, National Security File, Country file, LBJ Library.

⁶⁶ State Department Telegram, National Security File, LBJ Library.

On the morning of January 10, Senator Richard Russell of Georgia received a call from President Lyndon Johnson to discuss the situation in Panama. Senator Russell was the chairman of the Armed Service Committee during this event. President Johnson asked questions to find out the information Senator Russell knew about the situation and then asked his opinion. Senator Russell followed the line of the Congress and suggested a hard line against any kind of concessions. Senator Russell said, "So anything that's happened out of that canal is more of an injury to Colombia than it is to Panama." Senator Russell felt the Panamanians should be happy to have their country and the deal they had with the United States.

The Organization of American States formed a Peace Committee at the request of Panama that started meetings on January 13, 1964. The chairman of the committee asked the American delegation when the flags would be up at all the schools as promised. The Americans replied on January 14, 1964 they would be flying on temporary poles at 35 locations. To this American concession, "President Chiari had said the break in diplomatic relations was irrevocable until U.S. agreed to abrogate 1903 Treaty and negotiate complete new one." The comments took the committee by surprise and they struggled for a while to understand if they needed to continue meeting in the face of this Panamanian intransigence. Most of the delegates understood the position of Panama, but also knew their goal of peace would fail if they gave up with this difficulty. The delegates discussed their options and vowed to continue the process. This meeting concluded with a speech by Panamanian Representative Eloy Benedetti where he called

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⁶⁷ Office of Historian, Foreign Relations of the U.S., 1964 – 1968, document 369.

⁶⁸ State Department Telegram, National Security File, LBJ Library.

for Panama to "become truly free by removing the colonial position created by the Treaty."⁶⁹ This speech left the committee no option but to realize the situation was at a stalemate that they could not fix. They reported their findings and hoped the two countries would be willing to sit down and find a solution.

The diplomatic work really began after the severed diplomatic relations. Panama took their plea to the United Nations, Organization of American States (OAS), and the International Commission of Jurists. Panama accused the United States of aggression and violation of the Declaration of Human Rights. This got the issue of sovereignty of the Canal Zone on the world's stage. Panama would take full advantage of the world watching how the United States would handle the situation. President Johnson appointed Robert B. Anderson as the representative for the United States to discuss the problems between the two countries. The Panamanians saw this agreement to discuss, as a U.S. agreement to renegotiate the treaties concerning the Canal, but the U.S. did not see it that way. In order to reestablish diplomatic relations the United States had to commit to talks that could include the renegotiation of treaties.

As negotiation talks began, the United States started looking for an alternative sea level canal route. A sea level canal would make the current Panama Canal obsolete and would solve the problems between the two countries without the renegotiation of the 1903 Treaty. As the discussion of a new canal progressed, the Johnson administration was more willing to talk about renegotiation of the 1903 Treaty. In March 1965, President Johnson appointed Ambassador John N. Irwin II as Special Representative of

⁶⁹ State Department Telegram.

the United States for Sea-Level Interoceanic Canal Negotiations.⁷⁰ The countries of Panama, Columbia, Nicaragua, and Costa Rica held the possible routes of the new canal. The U.S. and Panama conducted negotiations concurrently for both canals.⁷¹ The thought of the sea level canal replacing the Panama Canal helped make the Americans willing to discuss joint control of the Panama Canal.

The O.A.S. committee met on January 31, 1964 to hear the case Panama brought against the United States. Panamanian Representative Miguel Moreno started the argument that "the U.S. Army troops in battle gear, using machine guns, tanks, long range and automatic weapons imposed a virtual state of war" on peace seeking Panamanians trying to post their flag as promised. Moreno offered a picture of Panamanians peacefully walking down the street when the Americans attacked them. He went on to show the poverty of his country, lacking an army to protect against the most powerful nation on the planet. His plea had a similar propaganda quality as that portrayed in the silver engraving by Paul Revere concerning the Boston Massacre during the American Revolution. In the engraving, Revere evoked the sympathy of Americans against the brutality of the British. Moreno solicited the sympathy of the world against the brutality of the United States of America.

The American Ambassador Ellsworth Bunker refuted the claims of Panama and offered encouragement to the committee for their power to act in the current situation.

Ambassador Bunker thanked the International Peace Commission for their work. He

⁷⁰ Panama and the Canal Treaty, Administrative History Department of State, LBJ Library.

⁷¹ Panama and the Canal Treaty.

⁷² Department of State, National Security Council Histories, Panama Crisis 1964. LBJ Library.

said, "We do not think that violence is the way to settle disputes. Nor, may I add, is emotion. This is a time for calm and reason." The Americans admitted the events were tragic, but this was no time for over dramatic speeches, it was a time for order and cool heads. It was time for frank discussion of the issues for both sides. In defense of the allegations, Bunker invited the OAS to investigate fully the events. He was confident the investigation would clear the United States of any wrongdoing. He also felt the Panamanian government did not use their power to calm the situation.

In a memorandum from Thomas Mann to Secretary of State Rusk, Mann gave his views on how the situation of the Flag Riots turned into the renegotiation of treaty talks. Mann charged that President Chari used "a tactic of pressure" to guide the events to Panama's ultimate goal of renegotiation of the 1903 Treaty. The reason for the tactic was the election campaign for the May presidential elections. President Chari was taking a hard line in order to gain support in the coming election. Mann continued that the U.S. must continue to resist the pressure of negotiation of new treaties. There seemed to be confusion in the communications. The United States State Department was saying they were willing to talk about all the issues and work them out, but were not willing to renegotiate the 1903 Treaty. The chief problem of the Panamanians was the wording of the 1903 Treaty.

⁷³ Statement by Ellsworth Bunker, Council of the Organization of American States, National Security Council Histories, Panama Crisis 1964. LBJ Library.

⁷⁴ Thomas Mann. The Panama Problem. National Security Council Histories, Panama Crisis 1964. LBJ Library.

On February 29, 1964, President Johnson declared, "that we would not commit to negotiate a new treaty with Panama, a country that we do not have diplomatic relations with until we have re-established relations." He continued that the United States was willing to discuss any issues with Panama as soon as they restored relations. President Chari replied to President Johnson's declaration on March 2, 1964. He said that Panama was willing to re-establish relations with the understanding that the Treaty of 1903 would have to be re-negotiated. The difference between the two declarations was semantics. The United States was willing to re-establish diplomatic relations as long as Panama did not force them into re-negotiation of the treaty. Panama was willing to re-establish diplomatic relations if the United States would commit to re-negotiating the 1903 Treaty. This banter would go on another three weeks before new announcements by both Presidents.

President Johnson spoke on March 21, 1964 about America's desire to re-establish diplomatic relations with Panama. In a speech, he explained that Panama was an ally of the United States that the two nations had shared tough times. He went on to say that the U.S. would send an Ambassador to Panama as soon as Panama made the request. When that happened, "we shall also designate a special representative. He will arrive with full authority to discuss every difficulty." The Panamanian government complained that the past American representatives came without the authority to discuss everything.

⁷⁵ Statement by OAS. National Security Council Histories, Panama Crisis 1964. LBJ Library.

⁷⁶ Statement by OAS.

⁷⁷ Statement of the President, National Security Council Histories, Panama Crisis 1964. LBJ Library.

President Chari replied to this speech with agreement and within two weeks, an announcement came from the Organization of American States.

On April 3, 1964, the OAS announced the re-establishment of relations between the United States and the Republic of Panama. They agreed to appoint special representatives to start immediately to solve all problems between the two countries. These representatives would have the power to create a fair and lasting relationship between the two sovereign nations. Later that day, President Johnson announced, "The United States has selected the former distinguished Secretary of the Treasury, a great law professor, Mr. Robert B. Anderson, to be our Ambassador to carry on these discussions." Anderson had served with distinction in the Eisenhower administration and went on to serve as an advisor to both the Kennedy and Johnson administrations.

On September 22, 1964, Congress passed *Public Law 88-609* to authorize the study of a Sea Level Canal. The committee, funded at \$17.5 million, was to report their findings by July 31, 1965. The canal could be a "conventional or nuclear excavation."⁷⁹ The idea of a truly sea level canal however, was not feasible. Congressman Daniel Flood, a representative of Pennsylvania gave a speech in the House of Representatives on September 27, 1966 about the Interoceanic Canal Study Commission report. In his speech, he quoted a former Canal Zone Governor that said a sea level canal would always have proponents, but it was not feasible. He concluded his comments on the sea level canal observing, "Every sea-level plan at Panama so far conceived since the time of De

⁷⁸ President Johnson, Text of Statement, National Security Council Histories, Panama Crisis 1964. LBJ

⁷⁹ Public Law 88-609. National Security Council Histories, Panama Crisis 1964. LBJ Library.

Lesseps has provided for tidal locks."⁸⁰ A truly sea level canal is impossible because of the tidal differences in the Atlantic and Pacific oceans and the threat of earth slides from the depth of that canal.

On December 2, 1964, Ambassador Anderson met with President Johnson to present his findings from meetings with the Panamanian representative. Anderson presented negotiation of a new treaty with Panamanian sovereignty and a timetable for the ending of the treaty (perpetuity clause) as the basis for ending the disputes between the two countries. These two items were the cause of problems between the two nations since the signing of the 1903 Treaty. After this meeting, President Johnson presented to the world his thoughts on the situation. He said, "We should continue to press forward with a sea level canal and the negotiation of an entirely new treaty on the existing canal."81 Former presidents Truman and Eisenhower who were knowledgeable of the situation fully supported the decision. This decision had the support of Johnson's administration secretaries and the Joint Chiefs of Staff. Ambassadors Anderson and Jack Vaughn's views heavily influenced this decision. The decision was not rushed, or taken lightly. "These two steps I think are needed now - - needed for the protection and the promotion of peaceful trade - - for the welfare of the hemisphere - - in the true interests of the United States - - and in fairness and justice to all."82 President Johnson saw that

⁸⁰ Daniel Flood. 90th Cong., 2nd Sess., *Congressional Record*, September 27, 1966: 2,461.

⁸¹ President Johnson. Remarks of the President, National Security Council Histories, Panama Crisis 1964. LBJ Library.

⁸² President Johnson.

American dealings with the Panamanian people had been unfair and like his predecessors had eased from the hard line position still held by a majority in Congress.

The Flag Riots of January 9 - 10, 1964 were not the first problem between these countries; they were the lighting of the fuse that would ultimately end the problems. The main difficulty between the United States and Panama went back to the wording of the 1903 Treaty. The wording of "as if it were sovereign" in the Canal Zone and "in perpetuity" were the main source of frictin between these allied countries. Panamanians wanted a redress of these issues over the years and the American policy makers were not willing to discuss any changes in these two points. The youth of the countries would make the policy makers of both countries stand up and pay attention.

No single group was responsible for the 1964 Flag Riots. Everyone involved played a small part in what would become the end of the American Canal Zone in Panama. The American youth of Balboa High School refused to obey the Canal Zone Governor and flew the American flag in front of their school. These same students shouted at, snarled at, and eventually pushed and shoved the Panamanian students. The principal of Balboa High School could have controlled the students in his high school better. He met with the leaders of the Panamanian students to discuss the peaceful rally on the ninth. The Canal Zone Governor chose a bad time to take a trip to Washington, D.C. and was not in the Canal Zone during all of the trouble. The Canal Zone police should not have allowed the group of students into the Zone to have a ceremony or they should have protected them. The Canal Zone adults did nothing to calm the situation when their students started protesting the Panamanian students being in the Zone. These

adults encouraged the American students in their shameful bullying of the Panamanians. The Panamanians were not without a hand in the incident. Adults should have accompanied this group of students to help control the expected American anger. The governments of both countries share a part of blame as well. The Panamanians were looking for a way to show the United States they were serious about the changes they wanted in the treaties governing U.S. – Panamanian relations. The United States was ignoring all signs of trouble as a way of making the Panamanians live up to the treaties in place. In due course, the fuse lit and the situation got out of hand quickly. Did it all start with some kids and their flag or could there have been some sinister Cold War plot?

Chapter 3 - The Cold War affects decisions

After the victory in World War II, the United States and Soviet Union embarked on a conflict called the Cold War. For approximately forty-five years, they fought with words and actions, but fired no bullets at each other. The Cold War influenced most of the elements of the foreign policy of the United States during the 1960's and 1970's. Some Americans saw a Communist in every decision that did not fully support the United States. This view was contagious and spread into some of the formulations of American policy makers.

In a telegram from Edwin Martin to Undersecretary Thomas Mann, Martin explained that the situation in Panama was not good because people were only hearing news reports from the Panamanian view and most of those were anti-American. Martin further explained that the U.S. needed to get information out to Americans living in Panama so they could counter the Panamanian press with the truth. Martin continued that the Panamanian "government can muster will and ability to repress communist or Castroite led disorders." Martin saw the problems of the Flag Riots as led by communists. Canal Zone Governor Robert Fleming concurred with Martin's view that the Communists had a leadership role in the events.

Fleming sent a telegram to Undersecretary Mann about supporting Dr. Arnulfo
Arias as a successor to President Chiari in the upcoming presidential election. Fleming
praised Arias as a supporter of U.S. policy and as one who tried to calm the disorders, but
also saw the danger of Communist support in Panama. Fleming saw President Chiari as

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⁸³ Martin to Mann telegram, NSF Country File – LA Panama, LBJ Library.

allowing Communists in his inner circle of advisors. "He said that Jorge Illuica, ex-UN delegate and now general manager – editor of *El Panama American* newspaper and his group are urging President Chiari to immediately open negotiations with Soviet Russia." Dr. Arias was President of Panama three times in a span of thirty years. He was a wealthy, powerfully connected, and well-liked leader of Panama for more than fifty years. Fleming continued, "Arias would appreciate United States giving some thought to a 'scapegoat' that his people can attack." Arias wanted a way for the people to release the resentment of their economic problems without the nationalist cries desired by communist agents. Arias needed U.S. support to attain the highest office in the land, but he was always in the political fray from the early 1940's until mid-1980. Another person of interest to Washington policy makers was Bishop Mark McGrath for his knowledge of Panama and his opinions.

McGrath was a Zonian as a child and came back as a priest to serve the Panamanian people. McGrath wrote an article for the *Panama Canal Review* in which he tried to educate the Americans on how to improve the relationship with Latin Americans. He went into vivid detail of how stereotyping Latin Americans had been detrimental to the relationship with the United States. He stated that the reason that poor countries turn to communism is that it offers a false hope to them. He offered a solution to communism, "If...they at once encourage and guide socio-economic changes (tax reform, land reform, broader technical education, etc.) into healthy, productive channels, communism in the

⁸⁴ Governor Fleming telegram, NSF Country File – LA Panama, LBJ Library.

⁸⁵ Fleming.

Americas will wither and die, for its roots will have been cut."⁸⁶ McGrath used his experience as a priest working with the people of Panama to influence powerful people with his ideas to help the relationship between the United States and the Panamanians. With a firm anti-communist stance, the Bishop attended a lunch by Governor Fleming of the Canal Zone for his opinion of the situation after the Flag Riots.

McGrath had been in contact with President Chiari and advised Governor Fleming concerning the situation. McGrath was concerned that Communist agents were using the Flag Riots and the disunity of the situation to gain control in Panama. He hoped to use his power in the Church to get his people to stop exhibiting nationalist or anti-American feelings around the communist people in Panama. He was concerned with the presence of Communism in Panama and hoped his views would influence government officials to change policies to help the relationship between the U.S. and Panama. He also explained that; "President Chiari's main concern is to maintain his position as protector of Panamanian interests. If people get to feel that they must look to communist leaders for this role, government could not control the situation." McGrath explained the position of President Chiari to the American policy makers from a point of view they were not considering, the non-American view. Chiari was in a tough position: his rivals held almost enough power to oust him, he could not appear to be pro-American or he would lose more power; he could not afford to lose American support because he knew his

⁸⁶ Mark G. McGrath, "Inter-American Relations," Panama Canal Review 13, no. 9 (April 5, 1963): 16.

⁸⁷ Martin, January 21 telegram, National Security File, Country File – LA Panama, LBJ Library.

country was dependent on the Canal and its revenue. Chiari needed his people to view him as a man, not as a child begging for the attention of a parent (the United States).

McGrath felt the Communists were using the situation to break the relationship between the U.S. and Panama. He believed "that once U.S. and Panama are seated at a table together communist influence will be diminished." He pushed Governor Fleming to understand that repairing the relationship between the two countries was the only solution to stop the threat posed by the Communist influence in Panama and Latin America. His belief in economic change was not a present reality and would not become one without the reconciliation of the relationship.

The United States Southern Command created an After Action Report of events leading up to the Flag Riots and reported about the Communist strength in Panama. They reported two Communist Party groups – PDP (Partido del Pueblo) and VAN (Vanguard of National Action). The PDP was the strongest with around 1,500 members or supporters and VAN had around 200 members. Of these 1,700 members and supporters, around 125 received training in Cuba. ⁸⁹ The report told the details of the events leading up to the disturbance of the Flag Riots. After the student protest turned into violent protest, "CAS sources reported that several Panamanian Communists and members of the Vanguardia Accion Nacional (VAN) were active in promoting rioting and destruction of U.S. property after the rioting started." The report went on to name some of the Communists and pro-Castro people involved in the rioting. On January 11, at 2 PM it

⁸⁸ Martin

⁸⁹ U.S. Southern Command, "After Action Report", LBJ Library.

⁹⁰ U.S. Southern Command.

was reported, "Agitation by identified Communist agitators has resulted in at least 1,000 active demonstrators within a few blocks of the Canal Zone." A little over an hour later, at 3:15 PM, "Mob forming in vicinity of Legislative Palace, led by known Communists. Mob, estimated at 700-1000, ransacking the area, overturned and burned three automobiles." Another report of Communist activity by the Southern Command dealt with one of the presidential candidates, Arnulfo Arias. "Later reports indicated that Arnulfo would attempt to join with the Communists to overthrow the government. No attempt was made." This report went against Governor Fleming's opinion of Arnulfo Arias.

The conclusion section of the report entitled "Intelligence" has many references to the Communists in Panama and the Flag Riots. There were eight sections and sections two through eight dealt with communism in Panama. Section two named "Manuel Solis Palma, Minister of Education, who is extensively connected with and cooperates with VAN and PDP leaders, as well as extreme leftist pro-Castro elements. He is considered to be a Communist sympathizer." Sections three through eight have various statements about the involvement of Communists in the events of the past days. Section six said activities "were consistent with Communist patterns of agitation and violence" and section seven said many "received training in Cuba or Russia." These statements were consistent with the Cold War foreign policy of the United States during this time.

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⁹¹ U.S. Southern Command.

⁹² U.S. Southern Command.

⁹³ U.S. Southern Command.

⁹⁴ U.S. Southern Command.

⁹⁵ U.S. Southern Command.

On January 21, the Southern Command sent a telegram to POLAD (Office of the Coordinator of the Foreign Policy Advisor Program) for Secretary of State Rusk concerning comments made by President Chiari. Chiari stated, "The break in relations came from the Treaty of 1903... Panama has been protesting this treaty for the past forty years... the break in relations was the dignified answer to the American treatment." He felt the U.S. ignored the sovereignty argument. He "categorically denies that there is Communist infiltration in the events which occurred." Chiari defended his government, his officials, and his people from the charge of Communism and restated that the mistreatment by the United States was the cause of all of the events of the Flag Riots. The refusal of the United States to renegotiate the Treaty of 1903 was the reason for the break in relations.

There were conflicting accounts coming from American policy makers about the influence of Communism in the Flag Riot situation. Mike Mansfield was the majority leader in the Senate and sent a memorandum to President Johnson on January 31, 1964 concerning Panama. Mansfield advised the President, "Avoid boxing ourselves in at home against change through the fanning of our own emotions by crediting Castro and Communism too heavily." Mansfield wanted more proof before giving any credit to Communism. Another report that denied Communist involvement came from the Mann delegation in Panama.

⁹⁶ U.S. Southern Command, Telegram to POLAD January 21, 1964, National Security Council History, Panama Crisis 1964, LBJ Library.

⁹⁷ U.S. Southern Command.

⁹⁸ Mike Mansfield, "Panama Situation", NSF, Country File – LA Panama, LBJ Library.

Assistant Secretary of State Thomas Mann and his delegation arrived in Panama on January 10, 1964. Their task was to obtain information about the problems that would become the Flag Riots. Within twenty-four hours, they sent a preliminary report about the situation. This report did not contain many details about how, what, and why, because those involved had not had time to prepare any statements. They made two statements about alleged Communist involvement. The first statement was, "one mob seen with commie banners and another with Arnulfo Arias' placards, though latter has issued call for calm." This statement reinforced the influence of Arias as pro-American. The second statement was, "while cannot preclude undercover communist inspiration to student march and first mob actions, evidence for it is not now on hand."100 This delegation was not willing to place all of the blame for the Flag Riots on the Communists. The Cold War mentality that the communists were involved was on their minds, but this group wanted to get more firsthand accounts of Communist involvement before taking the easy step. They knew their job was to find out the facts and not just jump to conclusions without all of the facts or at least as many as they could get.

In a speech before the Organization of American States special meeting, Ellsworth Bunker spoke in defense of the United States for the events of the Flag Riots.

Representative Bunker said the United States welcomed a full investigation into the events of January 9 – 12, 1964. "It will show that violent mobs, infiltrated and led by extremists, including persons trained in communist countries for political action of the

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⁹⁹ Thomas Mann, January 11 telegram, NSF, Country File – LA Panama, LBJ library.

¹⁰⁰ Mann.

kind that took place, assaulted the Zone."¹⁰¹ Bunker was convinced that the OAS investigation would show the United States did not attack defenseless citizens. This investigation finished and proved the United States was not guilty of unwarranted aggression. They did not look into the charges of Communist involvement by the United States. President Chiari disagreed with the belief of Bunker that Communists played a part in events of the Flag Riots.

President Chiari held a press conference on February 19, 1964 to answer questions about the relationship with the United States. Chiari did not deny the presence of communists in Panama but said, "Communists played little if any role in the riots." Chiari agreed with the United States that his country had communists. He went a step further and said that most countries in the world contained communists and there were even communists in America. Chiari defended his government and his ministers against the claims of Communism. The U.S. accusation of having communists in high-ranking positions of his government justified his comments.

The Cold War was alive and well in the United States in 1964. There were supporters of the belief of Communist infiltration all over the world and there were doubters to Communist infiltration and their desire for world domination. The policy makers of the United States were not immune to this division. The executive branch did not agree that Communists were behind the Flag Riots. The division in the legislative

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¹⁰¹ Statement by Ellsworth Bunker, Council of the Organization of American States, National Security Council Histories, Panama Crisis 1964, LBJ Library.

¹⁰² Robert Fleming, State Department Telegram – February 19, 1964, National Security Council Histories, Panama Crisis 1964, LBJ Library.

branch was similar to that of the executive branch. Two very vocal Congressmen saw Communism behind these riots and Communists inching between the United States and Latin America. These Congressmen were Representative Daniel Flood of Pennsylvania and Senator Strom Thurmond of South Carolina. They fit the classification as hawks in this Cold War. Both were very outspoken on the Communist threat in the world and in support of the containment policy and domino theory prevalent in the United States Cold War policies.

In a television clip on January 23, 1964, Senator Strom Thurmond spoke of the importance of the Panama Canal to America, Latin America, and the world. The Treaty of 1903 protected the importance of the Canal. "Any real or apparent appearement of mob pressures by the U.S. would completely undermine already weakened confidence of non-communist Latin Americans in the U.S. will and ability to meet communist tactics." Thurmond took the hawkish stance that giving any concessions from the Treaty would give the Communist reason to apply pressure. America must maintain and protect the Treaty of 1903 thereby protecting the Canal against any threat, internal or external, but most importantly against any Communist threat.

Thurmond, in his weekly radio address for January 26, 1964, gave a brief history of the economics of the Canal. He noted the inadequate revenue generated from the Canal when compared to the investment by the United States and that Panama continued to expect more from the United States. Support from the Canal revenue and supporting businesses were the main source of economic support in Panama. They were dependent

¹⁰³ Strom Thurmond, Speeches, TV clip January 23, 1964, Special Collections Library, Clemson University.

on the Canal and therefore the United States. "This is the background against which communist agitators, trained in Cuba... such as Solis Palma, Minister of Education... have not only instigated riots ... but have caused Panama to "break" diplomatic relations with the U.S." Thurmond suggested that the Communists were instrumental in getting the Panamanians to break their relationship with the United States. The U.S. Southern Command also accused Solis Palma of being a communist; President Chiari defended Solis Palma. Thurmond continued that the Communist used this situation to weaken the Chiari government in hope of more power for a Communist friendly government. If a minister in the Panamanian government was communist, how could there be any more friendly government unless there was a Communist takeover? Thurmond would answer that question in his weekly radio address the following week.

Thurmond laid out the Communist plans for world domination in his February 2-3 weekly radio address. He explained the Soviet policy of 'peaceful coexistence' as a two-part plan by Communists to take over weak and dependent countries. The first part was to create nationalistic wars for independence. The second part was to bring these new nations into the Communist bloc. He grouped the Communist nations of China, the Soviet Union, and Cuba into one group seeking more nations to gather into their bloc. He said, "The flame of emotion are fanned in an effort to create the necessary turmoil which can serve as a screen for an attempted Communist coup. This is apparently the plan in

¹⁰⁴ Strom Thurmond, Weekly radio address for January 26, Clemson Special Collections Library.

Panama."¹⁰⁵ Thurmond was convinced that the Communist governments of the world were working together and planning to take over Panama and the Panama Canal.

Two weeks later, Thurmond singled out Cuba as America's biggest foreign policy problem. He cited Cuba as a base for training Communists from all of Latin America and even Africa. He gave a short history of problems that Cuba instigated for the Americans: one was a water problem for Guantanamo Naval Base and another was the Cuban Missile Crisis. Shortly after Fidel Castro came to power, the Cuban government stopped the potable water supply to the Naval Base. He tried to show that Cuba was a pawn of the Soviets and a training ground for Communists throughout the world. He used the Senate Preparedness Subcommittee report to show, "Cuba is an advanced Soviet base for subversive, revolutionary and agitational activities in the Western Hemisphere and affords the opportunity to export agents, funds, arms, ammunition, and propaganda throughout Latin America." He continued to argue that the U.S. should prioritize wiping out Communism in Cuba.

In a speech at Winthrop College on September 30, 1965, Thurmond proved himself a true hawk in regards to Communism. He consistently demanded attention in his discourses that Communists were trying to take over the world. He started his speech with this statement, "The Communist effort to dominate Latin America is designed primarily to isolate and defeat the United States, which the Communists consider to be

¹⁰⁵ Strom Thurmond, Weekly radio address for February 2-3, Clemson Special Collections Library.

¹⁰⁶ Strom Thurmond, Weekly radio address for February 16-17, Clemson Special Collections Library.

the principle remaining obstacle to world conquest."¹⁰⁷ Thurmond stressed that Latin America was a high value target and that Communists were investing huge amounts of energy there. The Communists knew that the United States vowed to help the countries of Latin America from any outside influence. He focused his attention on Cuba and its importance in Latin America. Cuba had been a focal point for control of Latin America since Philip II of Spain said, "Whoever owns the island of Cuba, has the key to the New World."¹⁰⁸ He continued to show regret for the American failure to keep Cuba under U.S. influence with the conquest of Cuba by the Soviet Union in their helping of Fidel Castro's regime. Thurmond finished his speech with a plea to his audience to value their freedom and fight Communism in every possible.

After the Gadsden Purchase in 1853 completed the continental United States, some felt that Manifest Destiny become international. The extension of slavery in Cuba received support for a short time, but abolitionists won that fight. The Spanish American War of 1898 opened the door for the United States to extend influence over the island for a time. The Platt Amendment kept troops in Cuba until the Good Neighbor Policy of President Franklin Roosevelt ceded everything except Guantanamo Bay to the Cubans. The island had a revolution in 1959 and Fidel Castro came to power. The United States fought against his revolution and drove him to our enemy, the Soviet Union. Castro learned quickly that his island held power in Latin America because they overcame the domination of the United States.

¹⁰⁷ Strom Thurmond, "The Threat of Communism to Latin America", Clemson Special Collections Library, page 1.

¹⁰⁸ Strom Thurmond, page 4.

By September 1965, Thurmond suggested that military action against Cuba was the best way to deal with Communism in Latin America. The United States had just invaded the Dominican Republic with support from Latin Americans countries to overpower a Communist coup. The fight against Communism divided American policy makers. Thurmond was on the hawk side of the aisle in Congress and called for military intervention as the best way to halt the spread of Communism in Latin America. He finished his weekly broadcast with this question, "The real question is ---Should the octopus of Communism in the Western Hemisphere be fought by wrestling with each tentacle, or does it make more sense to strike at the heart ---Cuba?" Thurmond beat the drum of real war during this Cold War period.

Thurmond gave another statement about Communism and the Panama Canal on August 3, 1967. The governments of Panama and the United States had agreed on three new treaties concerning the Panama Canal. Thurmond was against these treaties for many reasons, but a Communist takeover of Panama was a big reason. Control of the Panama Canal "is not an isolated problem but the part of a highly organized long range program of Communist revolutionary power for world domination through gaining control over strategic waterways and areas." He continued his distaste for the new treaties as a giveaway of epic proportions. He feared, "The proposed cession of sovereignty over the Canal Zone would inevitably lead to a Red takeover of Panama and the transforming of that country into another Cuba at a time of unprecedented peril." 111

¹⁰⁹ Strom Thurmond, Weekly radio address for October 3-4, Clemson Special Collections Library.

¹¹⁰ Strom Thurmond, Statement regarding article by Antony Harrington on Panama Canal, Clemson Special Collections Library.

¹¹¹ Strom Thurmond.

Thurmond regretted the loss of Cuba to the Communist forces and campaigned hard against the loss of another country to them. His voice was not the lone cry against Communism taking over Panama, nor the loss of sovereignty in the Panama Canal Zone. He would have a vocal ally in Mr. Daniel Flood, Representative from Pennsylvania.

After the 1958 flag-planting incident took place by a group of Panamanian students, Flood became a student of the Panama Canal Zone and the problems that were starting to arise. On January 13, 1960, Flood gave a speech in the House about the problems with Panama and the Canal Zone entitled "The Panama Canal: Symbol of a fourth front". In his speech, he gave examples of times that the United States eroded their treaty rights by giving into Panamanian demands for more money and control of the Canal. More importantly, he talked about how the Communists infiltrated Panama to fulfil their goals of getting a foothold on the mainland of Latin America. He cited the 1958 flag planting in the Canal Zone as the beginning of the Communist led destruction of relations between the United States and Panama. "There is no more talk. Let us go and take it. This is a sop for Communist operations. Now we get the activists in a carefully organized raid into your Canal Zone on May 2, 1958. What did the Panamanians call it? What name did they give to this? Operation sovereignty. Do you think they are kidding? They do not."112 Flood did not believe these were the actions of students. He believed these were the actions of Communist trained agents operating in Panama. He went on to say these so-called students left the Canal Zone without any repercussions: "Well the schoolboy angle was the official Department of State and Canal Zone Government explanation."113

¹¹² Daniel Flood, 86th Cong., 2nd Sess., *Congressional Record*, January 13, 1960: 420.

¹¹³ Flood.

Representative Gary Scherer of Ohio questioned Flood about his statement about Communists infiltrating Panama. Scherer's question was, "When did the Communists enter the event or did they start the whole event? Flood answered; I did not say the Reds started this business. They just moved in when it got nice and hot." Flood asked the House to get involved in the matter of Communist involvement in Panama and other Latin American countries. "In this foreign intervention from Soviet Russia and her trained allies into these endemic revolutionary and politically disturbed neighbors and friends of the South, we must declare ourselves." He called on Congress to authorize military action if necessary to prevent the fall of any other country in Latin America to Communism. His argument resonated with that of a Senator from South Carolina.

On March 5, 1964, Representative Frank Bow of Ohio spoke about concern over Communism in Panama in a speech entitled "Panama Canal: The Communist Stake Therein." Bow spoke highly of his colleague from Pennsylvania, Flood, and his work in the House to educate its members to the dangers coming from the Panama Canal Zone. In his speech, Bow introduced an article by Dr. Robert Morris about the Flag Riots. In the article, Morris said, "The Communists are now pressing for nationalization of the Canal Zone under the Republic of Panama. What they really want is internationalization, unless, of course, they make more progress than they have in infiltrating the Panamanian

¹¹⁴ Flood.

¹¹⁵ Flood.

Government."¹¹⁶ Bow was in agreement with Flood that the Communist International was trying to take over the waterways of the world to help in their plan for world domination.

On March 5, 1964, Flood introduced two articles from the Dan Smoot report. The two articles were from the conservative activist on the importance of keeping United States sovereignty over the Panama Canal and Canal Zone from the Dan Smoot Report from January 20 and January 27, 1964. He spoke of the importance of the articles and praised the research that went into them. He suggested that everyone in the United States government – legislative and executive branches read the articles. The first article from January 20 summarized the history of the Panama Canal. Smoot suggested, "From the day the Republic of Panama was born, her economy has revolved around benefits provided by the United States...yet, Panamanian politicians, guided and goaded by Communists, maintain a perpetual drumfire of criticism of the United States." 117 Smoot suggested that the Communists had the Panama Canal in their conquest plans from the beginning of the Communist Party. He finished his first report with the thought that the United States had made only one mistake with the nation of Panama, "Our government's efforts to comply with the outrageous demands of Panamanian politicians - thus encouraging them to keep their nation in turmoil, making it profitable for them to play politics with the "Yankee-imperialism" propaganda of Communism." ¹¹⁸ He agreed with the hardline Americans that any problem faced by the United States had to come from the

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¹¹⁶ Frank Bow, "Panama Canal: The Communist Stake Therein," 88th Cong., 2nd Sess., *Congressional Record*, March 5, 1964: 4527-4528.

¹¹⁷ Daniel Flood, "Panama Zone Crisis: What to do," 88th Cong., 2nd Sess., *Congressional Record*, March 5, 1964: 4539.

¹¹⁸ Flood.

Soviet Union. In part II of the Dan Smoot report, from January 27, 1964, he continued his uncovering of the Communists' plans for the fall of the Panama Canal since their birth as a controlling political party in 1917. He continued to make his points with a quote from Marshall Rokossovshy to Communist leaders in Poland, "The Panama Canal has considerable advantages for the Soviet Union...has an outstanding position in communications with South American States and is one of the hubs of the imperialistic policy of the United States." His argument concluded that the United States had done no wrong and everything negative about the events of the Flag Riots stemmed from the Communist influence on the Panamanian government and people.

Flood gave a speech on March 9, 1964 entitled "Panama Canal: Focus of Power Politics." Flood focused on two problems during the Flag Riots: Communism and the giving away of sovereignty rights by the executive branch of the U.S. government. He praised the students of Balboa High School for standing up for the stars and stripes against an unlawful agreement by the Governor of the Canal Zone. He also defended their actions: "Though some students exchanged insults, at no time was there any encounter between large groups of Canal Zone students and Red-led Panamanian students who invaded the zone." After praising the students and the armed forces for their outstanding protection of American soil from the onslaught of invaders, he turned his attention to the news media in America. His humiliating remarks about their coverage of the events in Panama went too far. He stormed, "Large sections of the

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¹²⁰ Daniel Flood, "Panama Canal: Focus of Power Politics," 88th Cong., 2nd Sess., *Congressional Record*, March 9, 1964: 4706.

controlled mass news media in the United States and their un-American commentators, publicists, and propagandists, following the contemptible Red pattern...have endeavored to place responsibility on our Balboa High School students."¹²¹ He went too far in saying the news media were Communist controlled. They did not have to agree with his side of the story. To say they were un-American and Communist directed for that reason is out of line. Flood continued that the United States government should advise Panama that if Panamanians continued their actions, these actions would force the U.S. to stop all funding to their country. This tactic failed in Cuba. Before Fidel Castro went to the Soviet Union for aid, he petitioned the United States, who rejected his plea. Now Flood wanted to end funding to Panama and hoped they would be more loyal to the United States than Cuba. Obviously, Flood was not in agreement with McGrath on how to keep countries from falling to Communism.

On May 5, 1964, Flood addressed the House about the problems in Panama. His speech was entitled, "Under Two Flags: Blunders, Confusion, and Chaos at Panama." He addressed the Flag Riots of January 9-11, 1964 as, "The bloody Red-led and directed mob assaults on the Canal Zone... Panamanian radicals, led by Red agents trained in Cuba and elsewhere, were awaiting an incident on which to base their attack." He believed that Communists gained control over the people of Panama and stirred up this nationalistic fight to get the Americans out of the Canal Zone and Panama. He did not believe this was a single incident but that it had been building for years. He believed,

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¹²¹ Flood

¹²² Daniel Flood, "Under Two Flags: Blunders, Confusion, and Chaos at Panama," 88th Cong., 2nd Sess., *Congressional Record*, May 5, 1964: 10032.

"The sanguinary lawlessness and disorders in January of this year, in effect, were rehearsed on November 3, 1959." Flood was convinced that the Communist International had made plans to overthrow the Panama Canal Zone and the Panamanian government by getting the United States out of the country. He said all of the events that happened in Panama were part of the Communist International plan for world domination.

A number of articles from the *New York Times* shed some light on how the Cold War influenced the United States policy makers. In an article by Jack Raymond entitled "Vance Links Panama Riots to Reds Trained in Cuba", Secretary of the Army Cyrus Vance gave his opinion as to the causes of the Flag Riots. Vance said, "Castro Communist agents were responsible for having measurably increased the violence of the Panamanian Riots." President Johnson sent Vance down to Panama to examine the disturbances that would become the Flag Riots. Armed with information from the Army that was present and active in the events, Vance wasted no time crediting the Communists with infiltration. He did not identify the agents, but said, "at least ten persons suspected of being agents, including one sniper had been taken into custody by Panamanian authorities at the request of the United States." He finished the news conference with the comment, "If Castro agents had not been present the violence would not have reached the peak that it did." Vance as Secretary of the Army came back to

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¹²³ Flood.

¹²⁴ Jack Raymond, "Vance Links Panama Riots to Reds Trained in Cuba," New York Times, January 15, 1964,

¹²⁵ Raymond.

¹²⁶ Raymond.

Washington with concrete information about the situation, while some State Department officials took more time to get much of the same information.

An opinion piece in the *New York Times*, January 15, 1964, entitled "The Panama Lines Harden" gave an opinion that did not come from the policy makers. The executive branch may have read this because they started to follow the plan suggested in the article. It started with the calm restored; now the hard part would begin. A major crisis in affairs had taken place, "Of course, Communists, Fidelistas and demagogues will take advantage of it." The author understood that when a crisis comes every group that wants power exploits it to establish themselves. During this crisis, there was a presidential election gearing up in Panama. The author continued, "It is inherent in Panamanian politics that votes are gained by castigating the United States and making extreme demands. This state of affairs antedated the Bolshevik Revolution, let alone the Cuban Revolution."128 The author showed that the Communists may be closely watching the events, they may have agents involved to a certain extent, but Panamanians have fought against the American Yankee since their beginning as a country. The conclusion of the article suggested a new way to handle the Panamanian situation with a broader comprehension. The United States would gain nothing by going with a hard line and ignoring the facts or opinions of the Panamanians. The Panamanians had shown a steely resolve to get the United States to negotiate a new treaty for the Canal that shares their name. The new suggestion was to listen and then discuss the matter.

¹²⁷ New York Times, "The Panama Lines Harden," New York Times, January 15, 1964, 30.

¹²⁸ New York Times.

Thelma King Harrison featured in a short article in the *New York Times* entitled "Panamanian Leftist Warns of New Riots." She was a member of the VAN and a deputy in the Panamanian government. Harrison was a proudly nationalistic Panamanian that wanted the United States out of Panama. After the Flag Riots and the break in political relations she warned, "The Panamanians are proud of having been able to stand up to the United States Army and now they would not be afraid to stand against the Panama National Guard." She felt the next riots would be more destructive. The article ends with her comment, "The government of Roberto F. Chiari might be overthrown if the President backed down. Mr. Chiari has asserted that relations with the United States would not be renewed until negotiations for a new Canal treaty were promised." This was an example of Panamanian politics in action. The President must not support the United States too much or risk losing power with the people, but being too anti-American could end in less money coming into the country – he was literally stuck in a difficult situation.

Fidel Castro entered the debate in an article for the *New York Times* entitled, "Castro Would Aid Panama Against U.S." Castro weighed in on the debate about Panama by saying that he and his forces had nothing to do with the problems in Panama. He supported the Panamanians in their struggle against the great imperialist nation of the North. He pledged, "Cuba is ready to enlarge any joint Latin-American fund to help Panama. Cuba is also ready to help Panama help herself even if it implies sacrifice." ¹³¹

¹²⁹ New York Times, "Panamanian Leftist Warns of New Riots," January 22, 1964, 1.

¹³⁰ New York Times.

¹³¹ New York Times, "Castro Would Aid Panama Against U.S.," January 25, 1964, 6.

Castro and his government were ready to assist any nation fighting against the United States. The coffers of Cuba were not deep, but they had an ally that was willing to help fight American imperialism and they had deep coffers.

The Cold War was a complicated era for the world. The policies of two great nations had ramifications throughout the world. The United States and the Soviet Union spent great amounts of money, resources, and time to combat the other without firing bullets at one another. By 1964, the two sides were drawn and each tried to gain power while the other nation fought against them. American policy makers were divided over how to proceed against the enemy in this non-military action. Most American policy makers were happy without shots fired, but actions of the participants made the division more complicated. The issue started out with students putting up a flag to show their patriotism. The issue got complicated when actions of one group pushed the other group to start damaging property.

The policy makers were not involved in the actions until it was too late on January 9, 1964. Both sides wanted to succeed. The Communists wanted Panama to get the United States out of the country. Americans did not understand the behavior of the Panamanians because they should be happy being affiliated with the most powerful nation on the planet. As the students lost control, adults stepped in and escalated the situation. Bullets started flying and people began to die. The army moved in and things were well out of hand. Twenty Panamanians and four Americans died in the Flag Riots of 1964. The American policy makers wrestled with a possible response, but first they needed to determine what was happening. Some of the policy makers took the short leap

to Communist involvement. Others were not as convinced that Communists were involved and that this was part of a great plan for world domination.

The Cold War played a part in the decisions by the policy makers because of the Flag Riots of 1964. It was not the primary cause of broken relations, but it was a factor. What then made 1964 such a pivotal year in the U.S. Panamanian relationship?

The Flag Riots of 1964 were not the first time the two nations disagreed about flags and where they flew. The year 1964 was not the first time the Panamanians cried foul about the 1903 treaty. Sovereignty, colonialism, imperialism, "in perpetuity," communism, flags, money, Panamanian politics, and mistreatment were all long-term issues that changed the relationship; however, January of 1964 was the first time Panamanians died fighting for their sovereign rights of their country.

The United States and Panama had a relationship based on the 1903 treaty that gave the U.S. rights over the Canal Zone as if it were sovereign in perpetuity. Everything was great from the American perspective, but the Panamanian perspective was quiet different. For close to sixty years, the Panamanians tried to get two things changed in the 1903 treaty: U.S. sovereignty and the "in perpetuity" timeframe. The United States did not want to change the treaty but Panama did. The treaty of 1903 had updates in 1936 and 1955. Both of these changes did little more than increase the amount of yearly payment to Panama. Neither of these treaties addressed the sovereignty issue, they only addressed a few of the minor issues and the monetary payment for the use of the Canal and Canal Zone. Each time the Panamanians felt as if they did not get want they wanted, but got something out of both revisions. Many items added up and resulted in the break of relations between the two nations in 1964. They all pointed to the issue of sovereignty over a ten-mile wide piece of the Republic of Panama.

The year 1964 was not the first time that Panamanians revolted and protested mistreatment by the United States and the hated 1903 treaty. Every time the Panamanians protested, the United States would offer some new concession to appease the Panamanians and forget the issue. The Panamanians did not forget; but continued to fight, protest, complain, and persist bringing up the main problem of sovereignty. Each new complaint taught the Panamanians how to deal with the United States and get things from their treaty-bound relationship. By the late 1950's the flag became the firestorm of protest by the Panamanian people. From 1958 – 1964 there were no less than four

different clashes between Panamanian people and the Americans as they tried to post their colors in the U.S.- controlled Canal Zone. The difference in 1964 was Panamanians died in the clash.

The relationship changed beyond repair with the death of twenty Panamanian people at the hands of the United States in the 1964 Flag Riots. In the years preceding 1964, the United States had chances to act against the protests of the Panamanians, but the policy makers of the United States sent mixed messages to the Panamanians. There was division in both the legislative and executive branches of the United States as to how to handle the Panamanian situation. This division allowed the Panamanians time to experiment with how to get what they wanted.

In a speech on March 30, 1960, Representative Flood spoke about the situation in Latin America and Panama directly. He ended his speech with copies of House Concurrent Resolutions 33 and 450. Both of these resolutions dealt with the Panama Canal and the United States sovereignty rights to the Canal and Canal Zone. HCR 33 dealt with the pressure to turn the Canal over to the United Nations. The majority in Congress agreed that, "It is the sense and judgment of the Congress that the United States should not, in any wise, surrender to any other government or authority its jurisdiction over, and control of, the Canal Zone, and its ownership, control, management, maintenance, operation, and protection of the Panama Canal, in accordance with existing treaty provisions." This resolution was in response to the Communist international

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¹³² Daniel Flood, "Hemispheric Security – Congress Must Reaffirm Our Historic Policies," 86th Cong. 2nd Sess., *Congressional Record*, Volume 106, Part 6, March 30, 1960: 7005.

pressure to get the United States to give up their control over one of the major waterways of the world. HCR 450 spoke more to the current situation in 1960 of flags in the Canal Zone. The third statement in the resolution stated, "That the formal display of any official flag over the Canal Zone other than that of the United States is violative of law, treaty, international usage, and the historic canal policy." This resolution was the response of Congress to the President authorizing titular sovereignty and the flying of the Panamanian flag in the Canal Zone at certain locations.

President Eisenhower started the process of titular sovereignty against the advice of the Congress. Eisenhower responded to the protests of the Panamanian people about flying their flag in the Canal Zone. In 1958 and 1959 there were flag planting protests from the Panamanians. In the President's news conference on December 2, 1959, Eisenhower answered a question from Marianne Means about the dual flags flying together in the Canal Zone. Eisenhower answered, "This is one of the points that's been talked about for many years, since for 50 years the United States has recognized the titular sovereignty of Panama." Eisenhower noted a comment by Secretary William Howard Taft before he became President close to fifty years before.

On February 3, 1960, Representative Armistead Selden of Alabama quoted William Howard Taft from 1906 in a speech entitled "Panamanian – United States Relations".

Taft said, "The truth is that while we have all the attributes of sovereignty necessary in the construction, maintenance, and protection of the canal, the very form in which these

¹³³ Flood

¹³⁴ Dwight Eisenhower, "The President's News Conference", December 2, 1959, *The American Presidency Project*.

attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama."¹³⁵ Selden continued to say that titular sovereignty did not give away the sovereign rights of America with regard to the Canal Zone and the treaty rights surrounding the Canal, but Congress felt they should be included in the decision to fly both country's flags. The House of Representatives passed House Concurrent Resolution 459 that said a treaty amendment and not just executive authority should pass any change from the status quo. Selden finished his speech suggesting that there were two views on the flag issue. One view saw the flying of both flags as a nice gesture that did not mean a lot. The other view saw, "The flag matter to be an opening wedge in a long chain of demands leading to the ultimate assumption by Panama of complete sovereignty over the canal."¹³⁶ Selden agreed with Flood that the executive branch must make consultation with Congress on any changes in sovereignty issues in the Canal Zone. Selden and Flood would be in the latter group that saw the flag issue as an opening for Panamanian demands for more.

On January 13, 1960, Flood gave a two-hour speech entitled "The Panama Canal: Symbol of a Fourth Front." He began his speech with a brief history of the sovereignty issue and its defenders; he then discussed the demands of the Panamanian politicians. Flood disputed the quote above by then Secretary Taft with a summary of an Executive Order by President Taft of December 5, 1912. Flood summarized the order as, "A declaration that all land and land under water within the limits of the Canal Zone are

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¹³⁵ Armistead Selden, "Panamanian-United States Relations," 86th Cong., 2nd Sess., *Congressional Record*, February 2, 1960: 1798.

¹³⁶ Selden.

necessary to the construction, maintenance, operation, protection, and sanitation of the Panama Canal, and the sovereignty of the United States of America."¹³⁷ By this summary, Flood concluded that President Taft was overruling the comments made earlier by then Secretary Taft about titular sovereignty. Flood continued with the demands of the Panamanian politicians about the sovereignty issue.

Flood quoted a letter from Panamanian Secretary of Government Thomas Arias to Canal Zone Governor George Davis from 1904. Arias wrote, "The Government of the Republic of Panama considers that upon the exchange of ratifications of the treaty for opening the interoceanic canal across the Isthmus of Panama, its jurisdiction ceased over the Zone." A few months later, Arias would question Secretary of State Hay about sovereignty over the Canal and Canal Zone. Flood continued with a quote from Ambassador Ricardo Arias of Panama about the sovereignty issue. Flood warned that the objectives of the Panamanian government were, "rescission of the perpetuity and sovereignty provisions of the 1903 treaty, early establishment of dual sovereignty over the Canal Zone, and finally nationalization of the Panama Canal." The State Department did not heed his warning and even questioned it.

"It is incomprehensible that today the Secretary of State of the United States would write me a letter saying for fifty years the United States has recognized titular sovereignty, whatever in the world that is, to Panama. And, these people have

¹³⁷ Daniel Flood, "The Panama Canal: Symbol of a Fourth Front," 86th Cong., 2nd Sess., *Congressional Record*, January 13, 1960: 417.

138 Flood.

¹³⁹ Flood, 419.

tortured – tortured, I say – and taken completely and entirely out of context - a matter which is disgraceful – the words of great Presidents, great American Cabinet members, great Secretaries of State, for reasons that I cannot understand, to say there is a titular sovereignty, if that makes you feel better, in Panama."140

To say that Flood did not believe in titular sovereignty is an understatement. This was the major divide between the policy makers of the United States in regards to sovereignty. The job of the State Department was to improve relations with Panama. The State Department did this by getting to the heart of the problems between the countries and finding a compromise. Flood and many of the members of Congress did not like the proposed compromise and felt that it was a giveaway of United States power and prestige.

Flood summed up his argument with these words, "But let me say again that I am concerned with the Constitution and the law. If Congress ... sees fit to amend the treaty with Panama ... No President, no Secretary of State by administrative action can impinge upon the sanctity of a treaty or upon the law of the land, which a treaty is under that constitution." Flood resolved the issue as a power struggle between the branches of the United States government. Panama just happened to be the country this struggle affected in 1964.

In his press conference on February 3, 1960, President Eisenhower answered a question from Felix Belair of the New York Times about how the U.S. would show titular

¹⁴⁰ Flood, 418.

¹⁴¹ Flood, 421.

sovereignty. Eisenhower avoided a direct answer to the question, but said, "A flag flown as a courtesy to the nation in which titular sovereignty still resides, that this would be a very, very great abdication of American rights and responsibility... because the treaty says that the United States may act, and in all respects can act, as if it were completely sovereign. Such language means that there is a titular sovereignty in the other nation, in my opinion." Eisenhower explained titular sovereignty and that some people in the United States did not like the thought of titular sovereignty. Many of those people would make up the Congress of the United States. This disunity in the government of the United States would affect the U.S. citizens living in the Canal Zone often referred to as Zonians.

The Zonians were in a tight spot. They were the Americans that the Panamanian people saw and interacted with personally. They were the players in the diplomatic scene that was underway. Most of the Zonians took the side of Congress in this fight about the flags. Zonians saw the flag as a representation of United States sovereignty. They did not want to see another flag-flying with stature equal to the stars and stripes. Most American adults in the Zone saw the problem and remained supportive of their children in the events that ended this struggle. The Flag Riots of 1964 were the culmination of many events and the youth of Balboa High School were on the frontline. As discussed earlier, the Canal Zone Governor gave an order: fly the flags of both countries or fly no flag. The students disobeyed this order and the spark lit the fuse. The Zonians of 1964 do not bear the burden alone. By the early sixties, the life of the Zonians was one of

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¹⁴² Dwight Eisenhower, "The President's News Conference", February 3, 1960, *The American Presidency Project*.

privilege and prestige. They did not create their position of prestige, but they would defend it. Mike Mansfield in a letter to the President summed up the attitude of the Zonians and the current situation in Panama on January 31, 1964. He said, "Stress with our own involved bureaucracy that our national interest is trouble-free water-passage, not the safeguarding of an outdated position of privilege (Zonists, understandably, might have difficulty differentiating between the maintenance of their special interests and the national interests)." Mansfield made suggestions to help reduce the status quo belief of privilege in the Zone, but they were about a month late. The Zonians played a part in the events because of their colonial view of the Canal Zone.

On June 12, 1962, members of the Panamanian government sat down with members of the United States government to discuss problems between the two countries.

President Kennedy welcomed President Chiari of Panama to Washington, D.C. The discussion started quickly about the sovereignty issue. Chiari wanted the renegotiation of the treaty of 1903 and Kennedy said that he could not get Congress to pass a new treaty at this time. Kennedy then said, "because of our lone experience with the Canal.

Sovereignty of the Canal by Panama has been recognized; we are there for operating, maintaining and defending it." Kennedy felt the Eisenhower administration settled the sovereignty issue by the flying of flags of both countries. The Panamanian delegation then proceeded to bring up other complaints and asked for the creation of a delegation to work out the problems between the countries. Under Secretary George Ball joined the

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¹⁴³ Mike Mansfield, "The Panama Situation", LBJ Library.

¹⁴⁴ Department of State, Memorandum of Conversation, *Foreign Relations of the United States, 1961-1963, Volume XII, American Republics,* Document 405.

conversation and said, "That we are seriously preoccupied with the possibility of a sealevel Canal." ¹⁴⁵ Consideration of a sea-level canal made it impossible to renegotiate the current treaties. Chiari became frustrated and said, "It was a Panamanian right to have flags at every point but this would not mean Panama had jurisdiction over that particular place." ¹⁴⁶ Frustrated by the fact that his country did not have control over the Canal Zone, Chiari disagreed with Kennedy's assertion that Panamanian sovereignty was with their flags. The Panamanian delegation stepped in to say that they would not be looking for a new treaty in the next year, but they wanted the process started. They also wanted to get some issues with job status corrected. They wanted to end the practice of the gold and silver payrolls. The 1955 treaty had decided to absolve the practice of two payrolls – one for Americans- gold and one for Panamanians - silver, but the practice remained into 1964. Armed with this information, the committee began working. Each time they agreed to something the subject turned back to sovereignty. Chiari complained about the way the Panamanian flag was flown and Kennedy responded, "It might have been 'raised in the dead of night and in the middle of the woods it was still recognition' of Panamanian sovereignty."147 Kennedy believed the sovereignty issue was complete and was not willing to renegotiate the treaty for this reason.

Just days after the meeting, Kennedy sent a message to his chief advisors to follow up on the meeting with Panamanian officials. He categorized the Panamanian demands into practical and symbolic problems. The symbolic problems were the flag, postage

¹⁴⁵ Department of State.

¹⁴⁶ Department of State.

¹⁴⁷ Department of State.

stamps, and court cases involving Panamanians and American interests. The practical problems were labor issues concerning job categorization and direct benefits from the Canal for Panama. He informed the secretaries of Defense, State, and the Army that, "These discussions should, over time, produce an appropriate flow of concrete results in order to contain Panamanian pressures for immediate and radical treaty revision. This will require some extra attention by the responsible Departments." Kennedy continued the U.S. policy of patching the relationship with Panama instead of taking the heated issue to debate in Congress. The committee would work on resolving issues into 1963 when Panama requested the committee stop its work. The government of Panama wanted to stop the committee working because they were preparing for upcoming elections and the results from the committee were not coming fast enough for President Chiari. In due course President Kennedy went to Dallas, Texas to campaign for his reelection. The assassination of President Kennedy on November 22, 1963 only complicated the problems between the two countries.

Joseph S. Farland, an Eisenhower appointee, was the Ambassador to Panama from August of 1960 until August of 1963. Ambassador Farland went into a tense situation in Panama. He was a team builder, went into the Embassy in Panama, and started changing things to help the relationship between the United States and the Panamanian people. He did not want to just get a paycheck, but make a difference. He started meeting Zonians and Panamanians. He became very popular with the Panamanians in his three years. He listened to people and did what he could do to help each situation. Shortly after his

¹⁴⁸ Department of State.

arrival in Panama, the American election happened and Kennedy became the President.

Farland was a Republican and thought his time was going to be short in Panama.

Surprised to remain in his position, he stayed and battled with the new Democratic administration.

Shortly after his arrival in Panama, riots were threatened. He called the staff together and said, "We have to work to prevent the riot. There is one coming up. We're all dedicated to preventing that." He prevented the riot and any others during his time in Panama. He started building a community of people that would help him do his job. He got people from both sides and asked questions, but more importantly, he listened. He listened to the community he brought together and heard that, "Panamanians basically wanted to be considered part of the partnership." The Panamanians wanted to be more than laborers on the Canal. Farland did his best to bring the Panamanians onto a level playing field. He helped abolish the different wage scales that had not changed in practice but by treaty. The 1955 treaty had outlawed the different wage scales for U.S. citizens and Panamanians but the practice remained the same in 1960. While Farland was working to build relationships in Panama between the Zonians and Panamanians, he also had to deal with the Democratic leaders of the State Department.

Ambassador Farland's appointment by the Eisenhower administration did not help his situation with the new administration. His relationship with the Panamanians did.

Secretary of State Dean Rusk came to meet Farland and cautioned him, "In no uncertain

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¹⁴⁹ Joseph S. Farland, "Interview with Joseph S. Farland," Farland, Interview by Charles Stuart Kennedy, *The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project*, January 31, 2000. ¹⁵⁰ Farland, interview.

terms that I was not his choice as ambassador and I'd better mind my Ps and Os." ¹⁵¹ He did not get along well with Edwin Martin, Under Secretary of State at the time. The President of Panama, however, sent a letter to President Kennedy to ask that Ambassador Farland retain his position in Panama. During his post in Panama, Farland developed a friendship with President Chiari who he referred to as President Shoddy. Farland was proud of what he accomplished during his three years in Panama. He said, "We never had a riot. President Shoddy a couple days before I left said, "You know, Joe, I'm glad you're leaving." I said, "I don't understand that. You were the one who not two days ago said how sorry you were that I'm leaving." He said, "You stayed two more weeks and you would have had my job." So, that is when I left Panama. I left with regret." 152 Farland wanted to help Panama and needed more aid money. He went to Washington to ask for more funds and got an answer of no more money to Panama. He resigned his post in Panama that day. The post of Ambassador to Panama lay vacate until May of 1964. There were two interim appointments in the ten months between Ambassadors. There was no United States Ambassador to Panama during the Flag Riots, another reason, cause, or excuse for 1964 changing the relationship between the two countries.

A telegram from the American Embassy to the State Department reported nine comments made by President Chiari on January 21, 1964. Chiari addressed many of the questions U.S. policy makers had about the Panamanian government; primarily the problems between the U.S. and Panama resulted from the 1903 treaty. He then explained how for sixty years Panama tried to get the United States to listen to Panama concerning

¹⁵¹ Farland, interview.

¹⁵² Farland, interview.

Morris and said the break in relations "was thirty to forty years late." He continued by saying the recent problems were caused by the Zonians and not by Panamanians. He then made two denials that the United States Congress was accusing his government; there was no Communist pressure or presence in his government and a mob did not pressure him to break relations with the United States. The U.S. Congress, led by Flood, leveled both claims against the Chiari government. He finished his statements with encouragement to the Panamanian people and told them the struggle was not over but together they would overcome. The two charges by the U.S. government were things that all of the U.S. policy makers agreed on. Most believed that the Panamanian government would not stand up to the mob mentality of their country because they were too weak or ill-equipped to deal with the mob pressure and the presence of Communist influence.

By the end of March 1964, the two countries had reestablished formal relations with each other. On April 2, 1964, President Johnson called Robert Anderson to discuss the problems in Panama and to get his help with solving the problems. President Johnson asked Anderson to serve as the chief negotiator for the treaties with Panama. President Johnson said, "I just want some fella that I have absolute confidence in. And I want to be measured by only one standard, and that's what is right and just and fair. And I think if you do that, you could be very helpful." Ambassador Anderson started right away and began working toward new treaties with Panama.

¹⁵³ American Embassy, "Chiari Comments", LBJ Library.

¹⁵⁴ Lyndon B. Johnson, "Telephone Conversation Between President Johnson and Robert Anderson," Foreign Relations of the United States, 1964-1968, Volume XXXI.

Many things added up to cause the violence that would flare up on January 9, 1964. The American students protecting their flag was the spark that ignited the explosion, but it was only the catalyst. Building tensions included: The United States policy makers protecting the status quo, even if it was a colonial relationship with Panama, a lack of unity among United States policy makers concerning how to relate to Panama, the Panamanian government searched for something to initiate the Americans to listen to their complaint, there was no American Ambassador to Panama in January 1964. The 1903 treaty itself was a problem, the existence of Communism and the Cold War fight against any more loses to Communism, and one of the most important causes was the death of twenty Panamanian people at the hands of the American Army. No one item caused the break in relations. The addition of so many of these items created this storm. The perfect storm exploded on January 9, 1964 and caught the United States policy makers totally off guard. The Flag Riots of January 1964 forced the United States policy makers to renegotiate the 1903 treaty that Panama had fought to get changes in for fifty to sixty years.

The renegotiation of treaties would take thirteen years to complete and was full of twists and turns along the way. There would be presidential elections in each country that would slow down the process. There was a military coup in Panama that changed the dynamics of the negotiation process. The public opinion of the renegotiation would take a toll on the process. Most of all was the new treaty itself. Would the treaty be a Sea-level Canal treaty? Would it be a treaty covering the current Canal? Who would be in control of the Canal? Would the United States Congress accept any change to

sovereignty? The Vietnam War further complicated the timing of the negotiation process.

Chapter 5 - Thirteen years of treaty debate

The Flag Riots of 1964 set the stage for the negotiation of treaties to replace the 1903 treaty between the Republic of Panama and the United States of America. Panama desired this, argued for it, fought for it, and in the Flag Riots twenty Panamanians died for the negotiation of a new treaty. The policy makers of the United States did not want to lose the Panama Canal and they stalled the negotiation process for many reasons and many times. One of the best stalling tactics was the consideration of the sea level canal. Another delay in the process was the divisions among American policy makers. The executive branch tried to work on repairing the relationship with Panama, but the legislative branch wanted the treaty to be enforced not changed. Panamanian politics would also play a part in it taking thirteen years to complete the negotiation of the treaty. Once again, there was not one thing that can be pointed to as the cause of the delay; but many things added together to create it. A review of the sea level canal from the Congressional and executive views is in order. The focus will shift back to the reestablishment of relations and the treaty negotiations from 1964 – 1967. The chapter will end with the debate that would lead to the 1977 Treaty.

Flood asked the Congress of the United States on March 11, 1964 to create an independent commission to study the Canal issue. The purpose was to bring information to help the decision-making process to the clear path for moving forward with the sea level Canal. Flood asked Congress to, "Pull together on this vital matter and provide the Nation and the Congress with the indispensably needed independent commission so that

this crucial policy matter can be resolved on the highest plane of statesmanship." ¹⁵⁵
Flood backed his argument with the history of the Canal and the debates about having a lock canal or sea level canal. He went back to documents from Theodore Roosevelt and others that showed a sea level canal was not the best approach up to this point. He pushed this commission to study the situation and bring back to Congress options on how to proceed. The commission's charge was to get information about a sea level canal or widening the current canal. They needed to bring information on how to complete the work and estimated costs. The projected makeup of the commission was a minority of military people and a majority of civilian engineers. Flood would have support for a commission to study the canal issue from Representative Joseph Evins of Tennessee.

Evins spoke on June 22, 1964 for the creation of a commission to study the need for a sea level canal. He described the need for a new canal and expressed his support for a sea level canal. He said, "The canal has inherent physical limitations due to its intricate and complex locks...Its channels have a minimum depth of only forty-two feet. Thus, the Panama Canal is rapidly becoming inadequate." Evins argued three reasons for a sea level canal beginning with the fact that some ships could not fit into the current Canal. The second reason involved national defense. A sea level canal would be less vulnerable to attack than the current lock system. His third reason was a proposed

¹⁵⁵ Daniel Flood, "Panama Canal: Formula for Future Canal Policy," 88th Cong., 2nd Sess., *Congressional Record*, March 11, 1964: 4948.

¹⁵⁶ Joseph L. Evins, "A Bill to Provide for Study of a Proposed Sea-Level Canal Connecting the Atlantic and Pacific Oceans," 88th Cong., 2nd Sess., *Congressional Record*, June 22, 1964: 14659.

reduction time in transit through a sea level canal. Evins and Flood agreed on the need for the commission, but disagreed on the need for a sea level canal.

On June 24, 1964, Flood rose to speak to the House about why renegotiation of the treaty was a bad idea. He argued that the Soviets desired to see the United States lose control of the Canal and Canal Zone for their benefit. He also gave ten reasons why the United States must maintain sovereignty over the Canal and Canal Zone. The first seven reasons defended why the retention of sovereignty was the only way to stop the Communist takeover of the Canal and the Canal Zone. The last three reasons were about the sea level canal. Flood was not in favor of a sea level canal. The main reason for opposition to the sea level canal was the cost of the project. He said, "The expenditures of vast sums on an extravagant so-called sea-level project in the Canal Zone in the name of security and national defense will inevitably divert huge sums from other, more pressing programs for the defense of the United States."¹⁵⁷ Another cost to the sea level canal would be the physical process of digging the canal. The two ways to complete the canal were conventional digging or nuclear excavation. Both would be expensive, but nuclear excavation would be much cheaper according to some. Flood saw through the debate and saw that it was going to take large sums of money to test the nuclear excavation. He said, "The use of nuclear explosions for excavation... is still in the conjectural stage, requiring from 7 to 10 years of experiment and the expenditure of some

¹⁵⁷ Daniel Flood, "Prognosis for the Panama Canal: comment and discussion," 88th Cong., 2nd Sess., *Congressional Record*, June 24, 1964: 14961.

\$250 million to develop proper devices for such excavation." The cost of the sea level canal was too great for Flood to overlook and give his support.

On September 1, 1964, the House of Representatives decided the question of the Interoceanic Canal Commission as bill S 2701. After a long debate, the bill passed with twenty-three voting against and 320 voting in favor of the bill. A major portion of the debate was about how to dig the sea level canal. The use of nuclear excavation received a lion's share of the time. The supporters of nuclear excavation focused on the speed and cost of this as compared to conventional excavation. Representative Thor Tollefson of Washington was in support of the use of nuclear excavation. Representative Harold Gross of Iowa was not in support of nuclear excavation and questioned Tollefson about his support. Gross brought up a major problem with the use of nuclear devices and said, "That leads to this question: How are you going to use nuclear explosives since there is a nuclear test ban agreement in effect? Mr. Tollefson, this presents a problem." ¹⁵⁹ Representative William Mailliard of California came to the aid of Tollefson. Mailliard reported, "That the chairman of the Atomic Energy Commission indicated that it is quite possible...Mr. Gross. The gentleman really does not believe that you can explode enough nuclear devices to dig a canal forty or more miles long and the Russians will give you permission to do this?" ¹⁶⁰ Mailliard responded that the technology would get to the point where we will not need permission. Gross finished his argument with the request for written permission from the nations that signed the nuclear test ban treaty for us to use

¹⁵⁸ Flood.

¹⁵⁹ "Sea Level Canal Connecting the Atlantic and Pacific Oceans," 88th Cong., 2nd Sess., *Congressional Record*, September 1, 1964: 21171.

¹⁶⁰ Congressional Record. 21172.

nuclear excavation on this canal project. The debate over the bill finished, but the debate over the sea level canal continued for many years. The executive branch would deal with much more on the subject during the years between 1964 and 1968.

In the President's news conference for April 16, 1964, President Johnson introduced the thought of a sea level canal to the press. He said, "As part of the necessary studies, the United States and the Government of Colombia have already reached an agreement to conduct studies relative to a survey for a sea level canal." President Johnson showed that his administration was working on the sea level canal plan and carrying that forward during the break in formal relations with the Republic of Panama. The President continued to push the sea level canal plan and tried to get Congress to support it.

On September 24, 1964, President Johnson announced the approval of a bill to have a site study for a sea level canal. He recognized that the future of the Panama Canal was in jeopardy with the events of the Flag Riots and subsequent break in relations with Panama. He also knew that the idea of a sea level canal had been around for a long while and been rejected. This bill was the start of the Interoceanic Canal Commission. He understood, "Construction of a sea level canal presents formidable obstacles even after a suitable site is selected. There are enormous technical problems and complex and

¹⁶¹ Lyndon B. Johnson, "The President's News Conference," April 16, 1964, *The American Presidency Project*.

interrelated political, military, and economic considerations that must be weighted."¹⁶² He wanted help in the decision for improving sea travel for world commerce.

On December 18, 1964, President Johnson announced his decision to pursue a sea level canal and a new treaty with Panama over the current canal. He gave his reasoning as, "These two steps I think are needed now – needed for the protection and the promotion of peaceful trade, for the welfare of the hemisphere- in the true interests of the United States and in fairness and justice to all." President Johnson expressed why he thought it was time to pursue the sea level canal which came down to bigger ships cannot fit into the locks and that is a problem. It is time to look to the future and a sea level canal could be the best way to go. The second announcement was a new treaty for the current Panama Canal. He said that fair play and justice played into his appointing former Secretary of the Treasury Robert Anderson special Ambassador. Anderson worked with Ambassador Jack Vaughn, Secretary Mann, and Secretary of the Army Stephen Ailes to discuss the problems and seek answers with the Panamanian representatives. This group recommended a new treaty. President Johnson said, "They have recommended that we should propose a new treaty for the existing canal. After careful review with my senior advisers, I have accepted this recommendation." ¹⁶⁴ President Johnson viewed the negotiation of a new treaty with Panama as the right thing to do. It was fair and just to continue to work toward the future.

Lyndon B. Johnson, "Statement by the President Upon Approving Bill Providing for a Site Study for a New Interoceanic Canal," September 24, 1964, *The American Presidency Project*.

¹⁶³ Lyndon B. Johnson, "Remarks on the Decision To Build a Sea Level Canal and To Negotiate a New Treaty with Panama," December 18, 1964, *The American Presidency Project*.

¹⁶⁴ Johnson.

The President sent to Congress on September 3, 1965 the first annual report of the Atlantic Pacific Interoceanic Canal Commission. In this report the committee was announced, "Robert B. Anderson, Chairman; Robert G. Storey, Vice Chairman; Milton S. Eisenhower, Kenneth E. Fields, and Raymond A. Hill." The President praised the commission for getting into their assignment very quickly and for their diligence in their planning. The Senate accepted the report by Johnson.

Shortly after this first report of the Interoceanic Canal Commission, President Johnson made a statement concerning the negotiations of new treaties with Panama. On September 24, 1965, President Johnson updated the American people on the progress of negotiations with Panama. He announced five areas of agreement reached in the negotiations. These five areas were: a treaty to replace the 1903 treaty, Panamanian sovereignty over the Canal Zone, a time frame for termination of the treaty, an orderly transfer from American leadership to combined leadership of the Canal administration, and lastly, to be fair to the employees of the Canal. He ended his message congratulating the work by the negotiators and said, "All that we do is in the mutual interest and the welfare of the United States, Panama, and we believe, the world at large." While the negotiations proceeded, the Interoceanic Canal Commission continued to complete its task.

¹⁶⁵ "Messages From the President – Approval of Bills," 89th Cong., 1st Sess., *Congressional Record,* August 3, 1965: 19060.

¹⁶⁶ Lyndon B. Johnson, "Statement by the President on the Progress of Treaty Negotiations with Panama," September 24, 1965, *The American Presidency Project*.

On August 15, 1966, President Johnson delivered the second annual report from the commission. The President was pleased with the progress of the commission. They were getting plans together to begin surveys on three or four of the proposed routes. He said, "After a year's work, the Commission has reached the conclusion that it will probably need more time and resources to complete its assignment than is contemplated in the present authorizing legislation." The Commission would continue to work and process the data it gathered. On August 8, 1967, President Johnson delivered the third annual report. The data gathered assisted the Commission in making informed decisions. The delay in nuclear excavation tests caused the need for an amendment to the legislation requesting more time for the Commission to complete its work. The President supported the sea level canal project. He said, "There is little doubt that the construction of a sealevel canal is technically feasible. The major questions to be resolved are – when it will be needed, - whether it would be financially feasible, and – where and how it should be constructed." President Johnson made one final report for the Commission on September 5, 1968. The 1968 report said much the same as the 1967 report. There were updates on the routes without conclusions. President Richard Nixon made the next reports.

President Nixon gave the fifth annual report of the Commission on August 6, 1969. He was able to say the Commission had finished on site data collection and focused on the main routes in consideration. The issue of nuclear excavation remained

¹⁶⁷ Lyndon B. Johnson, "Message to the Congress Transmitting Second Annual Report of Atlantic-Pacific Interoceanic Canal Study Commission," August 15, 1966, *The American Presidency Project*.

¹⁶⁸ Lyndon B. Johnson, "Message to the Congress Transmitting Annual Report of the Atlantic-Pacific Interoceanic Canal Study Commission," August 8, 1967, *The American Presidency Project*.

undecided, but with the completion of enough tests, a final decision could be available with the final report due in December of 1970. President Nixon said the Commission was in the process of compiling the data as the end of the Commission was just over a year away.

The final report of the Commission came out on December 1, 1970. The Commission reported that they were unable to study the nuclear excavation completely. They did not feel there was enough advanced technology to endorse its use. The Commission report said, "Unfortunately, neither the technical feasibility nor the international acceptability of such an application of nuclear excavation technology has been established at this date." The Commission ruled out some of the proposed routes and came down to a couple routes to pursue in the future. The top three routes were 10 and 14 in Panama and route 17 in Columbia in that order. The Commission made nine recommendations, most involving route 10 as a sea level canal and upgrading the current Canal to help with the time of completion of a sea level canal. The fifth recommendation of the Commission said, "The President reevaluate the need for and desirability of additional canal capacity in the light of canal traffic and other developments subsequent to 1970, and take such further steps in planning the construction of a sea-level canal on Route 10 as are then deemed appropriate." The Commission did not rule out the sea level canal but did show that it would be very expensive – in the billions of dollars. Senator Strom Thurman reported on the findings of the report on February 10, 1971. He said, "The preparation of this voluminous report of more than 1,000 pages required about

¹⁷⁰ United States,

¹⁶⁹ United States, "Interoceanic canal studies, 1970," GPO, Washington, DC, 1971.

5 years and cost the taxpayers of the United States over \$21 million. It is more impressive for its size than for the quality of its content, conclusions and recommendations."¹⁷¹ Thurmond demeaned the report as a support to the idea of giving the Panama Canal to Panama. He went on the defensive and showed his displeasure with the idea of giving an inch to Panamanian sovereignty of the Canal. With this report and the reception from members of Congress, the sea level canal received its deathblow. While the Commission was looking into the sea level canal, Ambassador Anderson was working on the creation of new treaties with Panama concerning the existing Canal. Anderson was the chair of the Interoceanic Canal Commission and the lead negotiator for the new treaties with Panama.

On April 25, 1964, President Johnson appointed two committees to handle Panamanian affairs. One was the Panama Review Committee composed of people in Panama and the Panama Review Group based in Washington and answering to the President. Both groups' instructions included working together and solving the current problems in the relationship with Panama. "The President expects that the members of this Committee will share their concern fully and frankly with each other, and will work together closely in discharging their respective responsibilities." President Johnson gave Anderson his full confidence and now he would have the help of both of these

¹⁷¹ Strom Thurmond, "Introduction of the Panama Canal Modernization Act," 92nd Cong., 1st Sess., *Congressional Record,* February 10, 1971: 2453.

¹⁷² "National Security Action Memorandum No. 296," Foreign Relations of the United States, 1964-1968, Volume XXXI, document 414.

committees for his task. Johnson was concerned about the events in Panama and the progress with negotiations.

On November 18, 1964, President Johnson and Secretary Mann had a phone conversation to update the President. President Johnson was concerned about the anniversary of the Flag Riots that was approaching. He wanted to know what the committee was doing to improve the relationship and prevent any further demonstrations. Mann updated the President that the Panamanians were having trouble agreeing on issues to bring up and they were concerned with the American presidential election. President Johnson suggested that Ambassador Anderson stress that we were ready to talk. Mann told the President that the committee in Panama was having trouble with the suggestions by Anderson. He suggested, "Flying flags all over the place...Making Spanish an official language...Collecting Panamanian income taxes...Use of Panamanian postage stamps in Canal Zone." The Panamanian delegation made these suggestions and all were little things that the Panamanians requested for years.

The Marco Robles presidency started on October 1, 1964. President Robles and the United States worked closely to prevent any demonstrations on the anniversary of the 1964 Flag Riots. "President Robles has assured Ambassador Vaughn that no trouble will be tolerated, and what appears to be a very satisfactory solution to the half-masting of flags on that date has been worked out between the Canal Zone and the Panamanian

¹⁷³ "Memorandum of Telephone Conversation," *Foreign Relations of the United States, 1964-1968,* Volume XXXI, document 419.

Government."¹⁷⁴ Both governments worked for a peaceful transition during the difficult anniversary. The ongoing negotiations for a new treaty helped President Robles support the United States and keep the status quo in Panama.

Those negotiations were part of President Johnson's announcement of December 18, 1964 that the United States would work toward a sea level canal and would negotiate a new treaty with Panama concerning the current Canal. This policy would guide the Special Assistant for National Security Affairs McGeorge Bundy to formulate, "Three principle tasks before the United States Government...1.) Working out satisfactory arrangements for the construction and operation of a new sea level canal; 2.) Providing a new treaty framework for the interim period to govern the operation and administration of the present lock canal: and 3.) Agreement on the terms of arrangements for facilities for defense of the existing and sea level canals and for the security of the Hemisphere."175 The proposal of a sea level canal led the negotiation for a new treaty for the present Canal. Congress did not support these actions of the President and his branch of the government. Congress was opposed to renegotiation of the 1903 treaty. They saw renegotiation as a sign of weakness and the giving away of U.S. sovereignty. President Johnson and his administration saw this process as doing what was just and fair. The United States government was listening to the Panamanian government and looking at the situation from a different perspective than in the past.

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¹⁷⁴ "Memorandum From the Assistant Secretary of State for Inter-American Affairs (Mann) to the President's Special Assistant for National Security Affairs (Bundy)," *Foreign Relations of the United States*, 1964-1968, Volume XXXI, document 422.

¹⁷⁵ "National Security Action Memorandum No. 323," January 8, 1965, *Foreign Relations of the United States*, 1964-1968, Volume XXXI, document 423.

The Johnson administration understood the difficult time they would have in getting new treaties passed through Congress and altered the presentation of the negotiations. The negotiations would continue with Panama for a set of three treaties. The first treaty would be a sea level canal treaty, then for military bases, and lastly renegotiation of the 1903 treaty. The Johnson administration would renegotiate the 1903 treaty "if agreement on a sea level canal is reached and U.S. base rights are obtained." Armed with this change in tactics, key members of the administration would informally talk to key Senators about how the negotiations were going and work to gain support for the negotiations.

The United States viewed the negotiations as going well when the Panamanian delegation brought up a demand for joint administration of the Canal. Another of the Panamanian's long standing complaints was their lack of participation in the administration of the canal. Ambassador Anderson took his assignment to listen, discuss, and work out a solution to all situations seriously. He took the demand and passed it up the chain of command for the President to hear. McGeorge Bundy reported this to the President in a memorandum and asked the President for an official statement or instructions on how to proceed. Bundy wrote, "Anderson is convinced that the Joint Authority will be indispensable to a successful negotiation. He is also convinced that real U.S. interests can be protected, essentially by giving both Presidents a veto of changes in the existing code which covers the existing Canal." Anderson and his team did not

¹⁷⁶ "Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson," *Foreign Relations of the United States*, 1964-1968, Volume XXXI, document 425.

¹⁷⁷ "Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson," *Foreign Relations of the United States*, 1964-1968, Volume XXXI, document 427.

discuss this on Capitol Hill until they received instructions from President Johnson.

Bundy concluded his memo, "I have talked to Larry O'Brien about the problem of Mrs.

Sullivan – and probably Dan Flood – and he thinks we have a lot of ways of handling this sort of opposition, and that on the Hill in general it is well understood that it is time for change in U.S. – Panama relations." Bundy gave the information from Ambassador Anderson to the President to join advice from other advisors before making a decision.

With the treaty negotiations progressing well, attention turned to getting the Panamanian people to accept the treaties. An aid package developed to help the Panamanian people would go far in limiting the power of the Communist party in Panama. Secretary of State Dean Rusk sent the President a memorandum on July 25, 1966 about how the United States should focus policies to maximize exposure with limited resources. Rusk presented the President with options on how to proceed. He then informed the President of four areas that required decisions in order to proceed. The four areas were Urban Impact Program, Long-Range Economic Development Plan, Darien Gap, and Assistance to National Guard. Rusk presented them from lowest to highest priority. The assistance sought for the National Guard was to finance the salaries of up to 1,000 new guardsmen. The Darien Gap was the completion of the Pan American Highway that would help with the Long-Range Economic Development Plan. The Urban Impact Program was a loan program to help revitalize some urban areas in Panama. The governments would work together to help the Panamanian economy. Improvement in

¹⁷⁸ Memorandum.

each of these areas would influence Panamanians to support the treaty negotiations and the United States as a partner in Panamanian development.

On April 3, 1967, President Johnson and President Robles met for a meeting about the Canal negotiations. President Robles wanted to hurry the negotiations for two major reasons. The Panamanian presidential election was coming up in one year and the legislative start for the year was in October. President Robles needed the negotiations completed before summer ended, so he could more heavily influence the debate on the ratification of the treaties. He influence waned if negotiations went until after the start of the legislative session for the 1967-1968 term. President Robles wanted President Johnson to accept changes in the issues of civil courts and revenue. President Robles stated, "From the Panamanian standpoint, criminal acts not related to the operation of the Canal should not be prosecuted by any but Panamanian authorities." President Johnson listened and replied a substantial policy change required time to research, but Ambassador Anderson would have help looking into the subject. On the subject of more Panamanian revenue from the Canal, President Johnson said that increased traffic would be the first way to improve the revenue from the Canal. Both Presidents wanted the negotiations to proceed quickly and both committed to that as the meeting closed.

Between June 9, and June 26, 1967, the final pieces of the new treaties came together and the presidents of both countries agreed to them. "President Johnson and President Robles announced on June 26 that the negotiating teams of the United States

¹⁷⁹ "Memorandum of Conversation," *Foreign Relations of the United States, 1964-1968*, Volume XXXI, document 435.

and Panama had reached agreement on the details of three new treaties relating to (a) the present Lock Canal, (b) a possible Sea Level Canal in Panama, and (c) the Defense of the Panama Canal and its Neutrality."¹⁸⁰ The executive branch negotiated the treaties with Panama and now would have to sell the treaties to a Congress that was not going to give away the Panama Canal without a fight from a few key players. Negotiations to complete the draft treaties took three years. The Panamanian government slowed the process after the agreement of the draft treaties. President Robles changed the timetable of the treaties from August to November. He was working with key officials in the Panamanian power structure and government. This delay caused the Panamanian presidential election to play into the delay even more.

The Panamanian election took place on May 1, 1968. President Robles was defeated. President-elect Arias was set to take over on October 1, 1968. He took over the Office of President and held it for ten days before a military coup displaced him from office. The National Guard took over and started running the country. Omar Torrijos rose to take charge of the military government. This takeover of the Panamanian government killed the treaty negotiations and any talk of ratification of the draft treaties of 1967. Congress was happy they did not have to kill the treaties, but were not happy about the content in the treaties. Congress did not want to give up the sovereignty of the Panama Canal not the Canal Zone.

¹⁸⁰ "Information Memorandum From the Acting Assistant Secretary of State for Inter-American Affairs (Sayre) to Secretary of State Rusk," *Foreign Relations of the United States, 1964-1968*, Volume XXXI, document 439.

The United States did not recognize the military government as the official constitutional government of Panama. On November 9, Special Assistant Walt Rostow recommended to the President that we recognize the government of Panama on November 11, 1968. The reasons for recognition were to halt further delay in negotiations, to prevent former President Arias and his supporters from military action, and "Eighteen countries have now recognized. The thirteen in Latin America included all the major nations of the hemisphere except Canada and the United States." By delaying recognition, the provisional government guaranteed items expected by the United States, such as free elections and freedom of the press.

After the U.S. presidential election of 1968, lame duck President Johnson wanted to separate himself from the military government of Panama and not offer military help unless absolutely necessary. The State Department would ask the President to authorize limited support to the National Guard of Panama because, "We cannot indefinitely suspend assistance to the Guard and continue to count on Guard assistance in protecting the Zone." Rostow stressed the upcoming anniversary of the Flag Riots before President-elect Nixon would take office.

President Nixon would mention the Panama Canal treaty process in his third annual report to Congress in 1972 with one sentence. He said, "We have entered new negotiations with Panama to achieve a mutually acceptable basis for the continuing

¹⁸¹ "Action Memorandum From the President's Special Assistant (Rostow) to President Johnson," *Foreign Relations of the United States, 1964-1968*, Volume XXXI, document 455.

¹⁸² "Action Memorandum From the President's Special Assistant (Rostow) to President Johnson," Foreign Relations of the United States, 1964-1968, Volume XXXI, document 458.

efficient operation and defense of the Panama Canal."¹⁸³ The rest of his foreign policy update focused on the Soviet Union, China, and the Vietnam War. The fourth annual report to Congress was much like the third concerning Panama. This report had two paragraphs about how the United States and Panama had a treaty relationship. The world had changed and so should our relationships. He said, "For the past nine years, efforts to work out a new treaty acceptable to both parties have failed... It is time for both parties to take a fresh look at this problem and to develop a new relationship between us."¹⁸⁴ While the executive branch was not talking about the Panama Canal negotiations very much since the failed draft treaties, the Congress discussed the draft treaties.

Senator Thurmond spoke to the Senate on June 27, 1967, concerning the proposed treaties with Panama. He asked his fellow senators to review the treaties very carefully and gave them ten questions to ask themselves while contemplating the new treaties. He said, "The issues involved here transcend all partisan considerations. If these treaties are treaties, which result in the weakening of American power and prestige, a chain reaction will be set up throughout the Hemisphere. American security and influence will decline." Thurmond was one of the supporters of American sovereignty of the Canal Zone. He did not like the thought of joint control of the operation of the Canal between Panama and the United States.

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¹⁸³ Richard Nixon, "Third Annual Report to the Congress on United States Foreign Policy," February 9, 1972, *The American Presidency Project*.

¹⁸⁴ Richard Nixon, "Fourth Annual Report to the Congress on United States Foreign Policy," May 3, 1973, *The American Presidency Project*.

¹⁸⁵ Strom Thurmond, Statement by Senator Strom Thurmond on the Senate Floor Regarding Announcement of Panama Canal Treaties, Clemson Special Collections Library.

On October 14, 1968, Thurmond spoke to the Senate about the coup in Panama. Senator Thurmond said, "Nevertheless, our Government has taken a neutral position with the Secretary of State ignoring our complete sovereignty over the Canal Zone, and lamely describing our role on the isthmus as 'stewards of the vital Panama Canal.' The facts are that the United States is by treaty grant and by purchase from individual property owners the absolute owner of the Canal Zone and the canal." Thurmond's strong words against the Secretary of State revealed the disappointment of the Senate with the idea of releasing the sovereignty in perpetuity that the 1903 treaty granted the United States. He ended his speech with the comment, "The recent events...emphasizes once again better than anything I could say, the vital importance for the United States to retain its undiluted treaty-based control and ownership of the Canal Zone and Panama Canal under the wise provisions of the 1903 treaty." He made it clear that he would not support the proposed treaties giving away the sovereignty rights of the United States.

On July 31, 1969, Thurmond spoke to the Senate about the need for improvement of the current Canal and the termination of talks of a sea level canal. Thurmond used articles from *Bio-Science* to make his argument about the need to stop the talks about a sea level canal. The articles talked about how the sea level canal would allow the spread of sea life from one ocean to the other and that would destroy many species of sea life. He introduced legislation to modernize the current Canal. Neither of his points would need a new treaty to keep American firmly in control of the Panama Canal. He said, "Dr.

¹⁸⁶ Strom Thurmond, "The Coup in Panama," 90th Cong., 2nd Sess., *Congressional Record*, October 14, 1968: 31291.

¹⁸⁷ Thurmond.

Briggs' research strongly suggests the kind of proposal which is embodied in legislation which I have introduced, S. 2228. This bill would provide for the modernization of the present Panama Canal without disrupting traffic and without negotiating new treaties." Senator Thurmond was not ready to give up the Panama Canal just because it was getting old. He thought making improvements to bring more volume through the Canal without negotiation of new treaties was the path the United States should take.

Representative Flood spoke to the House of Representatives on January 19, 1970, about the negotiations of new treaties concerning the Panama Canal. In this short speech, he questioned why Congress had not acted on this subject. He included two bills supported by many members of Congress, House Resolution 593 and House Resolution 3792 at the end of his remarks. He chided Congress to act with the words, "Bills in both House and Senate providing for the major modernization of the existing Panama Canal have been introduced. Certainly the time has come for action on the canal question in the Congress, which agency of our Government bears the ultimate responsibility in the premises." House Resolution 593 listed reasons why the United States should not sign a new treaty. Those reasons included the amount of money invested in the Canal by the United States and the current unconstitutional government of Panama. It resolved, "That the Government of the United States maintain and protect its sovereign rights and jurisdiction over said canal and that the United States Government in no way forfeit, cede, negotiate, or transfer any of these sovereign rights or jurisdiction to any other

¹⁸⁸ Strom Thurmond, "Biological Catastrophe Posed by Sea Level Canal," 91st Cong., 1st Sess., *Congressional Record*, July 31, 1969: 21582.

¹⁸⁹ Daniel Flood, "Panama Giveaway: Time For Action Has Come," 91st Cong., 2nd Sess., *Congressional Record*, January 19, 1970: 226.

sovereign nation or to any international organization."¹⁹⁰ House Resolution 3792, also called the Panama Canal Modernization Act was a joint bill with the Senate to update the current Panama Canal.

Senator Thurmond introduced S. 734 on February 10, 1971, to bring back before the Senate the Panama Canal Modernization Act. Thurmond referred to the report by the Interoceanic Canal Study Commission and chairman Robert Anderson as biased against any improvements in the current Canal. He pointed out, "Chairman Anderson of sea level panel was also the chief negotiator for the discredited 1967 proposed treaties, which the 1970 sea level report, in effect, supports." He voiced his disapproval of the sea level canal option many times. He used his vocal prowess in many speeches to try to save the treaty rights of the United States against the hostile parties that would give them away. Those parties would include people in his own government, the government of Panama, and the omnipresent Communist threat of the Soviet Union.

In November of 1972, *The Congressional Digest* published an issue that included a debate entitled "Pro and Con Discussion: Should the U.S. Retain Its Present Basic Sovereignty Over the Panama Canal Zone?" The issue included three debating for retaining sovereignty: Representative Flood, Senator Thurmond, and Representative Leonor K. Sullivan of Missouri. There would be four debating against retaining sovereignty: Senator Alan Cranston of California, Robert A. Hurwitch- Deputy Assistant Secretary of State for Inter-American Affairs, David H. Ward- U.S. Deputy Under

¹⁹⁰ Flood. 227.

¹⁹¹ Strom Thurmond, "S. 734 – Introduction of the Panama Canal Modernization Act," 92nd Cong., 1st Sess., *Congressional Record*, February 10, 1971: 2453.

Secretary of the Army for International Affairs, and Ambassador John C. Mundt – Special Representative of the U.S. for Panama Treaty Negotiations. Looking at this debate will show that even after eight years of negotiations and talks about the Canal and the Canal Zone the United States policy makers were no closer to agreement than they were in 1964.

Flood stated his position as backed by great statesmen of the past – President Theodore Roosevelt and Secretary of State Hay. He went on to state that the current problems with the Canal did not start in 1964, but much earlier. He gave a history of the areas the U.S. gave its sovereignty rights away. He started with President Franklin Roosevelt and the 1936 treaty. He blamed President Eisenhower for the 1955 treaty and the start of the flag problems. President Kennedy continued the slide from protection of sovereignty with the dual flag policy. President Johnson almost got it right, but "He apparently fell into the clutches of Department of State miners and sappers and reversed his original position." He finished his position by arguing that the U.S. invested too much money to give the Canal and the Canal Zone away and that it was a vital part of the United States.

Senator Thurmond's stance was in total agreement with Flood. Thurmond praised Flood for his knowledge of the history of the Canal, the issues involved, and his fight to keep American sovereignty over the Canal. He gave a brief history of how he helped stop the treaty negotiations of 1964 – 1967. He finished this short speech sad to see

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¹⁹² Daniel Flood, "Pro and Con Discussion: Should the U.S. Retain Its Present Basic Sovereignty Over the Panama Canal Zone?" *The Congressional Digest*, Vol. 51, No. 11, November 1972: 275.

that the negotiations had started up again. He felt, "It is a semantic trick to maintain that the U.S. can keep control of the Canal and the capability to defend it if ever we give up our sovereign rights." The final defense of the retention of sovereignty rights would come from Representative Leonor Sullivan.

Sullivan started his position with his credentials as a qualified expert in Canal Zone governance. He based his position in agreement with Flood and Thurmond more on distrust of the intentions of new negotiations than either of them. Sullivan did not see how negotiating a new treaty was in the interests of the United States. He wanted someone to answer the question, "Where has the United States failed in living up to its duties, obligations and commitments as set out in the basic 1903 treaty and its revisions of 1936 and 1955?" He questioned the current administration sending the same lead negotiator, Robert Anderson, to start new negotiations after he led the failed negotiations of 1967. The arguments for the retention of sovereignty rights hung on the legality of treaty rights of 1903, the defense of part of the United States, the cost of the Canal, and the loss of control by the United States.

Senator Alan Cranston (California) began the debate against retention of sovereignty rights. Cranston opened his argument with the assurance that he was not supporting the giveaway of the Panama Canal. He believed in transferring the Canal Zone to Panama because it served no real purpose in the defense or operation of the

¹⁹³ Strom Thurmond, "Pro and Con Discussion: Should the U.S. Retain Its Present Basic Sovereignty Over the Panama Canal Zone?" *The Congressional Digest*, Vol. 51, No. 11, November 1972: 270.

¹⁹⁴ Leonor Sullivan, "Pro and Con Discussion: Should the U.S. Retain Its Present Basic Sovereignty Over the Panama Canal Zone?" *The Congressional Digest*, Vol. 51, No. 11, November 1972: 282.

Canal. The Canal Zone, "is a haven of segregated little communities...It is nonsense for this Nation to perpetuate such an obvious affront to the host country."¹⁹⁵ He continued his onslaught against retention with a world application. The Canal Zone is the only place that an American can go work outside of the United States and not have to obey the laws of the host country. Cranston believed that the United States must initialize the steps to abolish the colonial atmosphere of the Canal Zone. His main points were the Canal Zone was hurting American prestige in the World as it now stands. The Canal Zone was not a vital part of the defense of the Canal, so give the Zone back to Panama.

Robert Hurwitch put forth one reason for negotiating a new treaty – it is the just and right thing to do. Hurwitch was a part of the Nixon administration and followed the policy set by the Secretary of State. He clearly stated his objection to retention of sovereignty, "Panama has some reasonable grievances in connection with the present situation." Most people involved with this debate did not look at what was the right thing to do. Hurwitch asked people to focus on the morality of the situation – it was the right thing to do. Hurwitch symbolized the Nixon administration's attempt to solve major world problems.

David Ward spoke from the military point of view about the retention of sovereignty. The Canal Zone was not part of the defense of the Canal and not mentioned in Ward's argument. Ward defined the role of protecting the Canal on the basis of

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¹⁹⁵ Alan Cranston, "Pro and Con Discussion: Should the U.S. Retain Its Present Basic Sovereignty Over the Panama Canal Zone?" *The Congressional Digest*, Vol. 51, No. 11, November 1972: 271.

¹⁹⁶ Robert Hurwitch, "Pro and Con Discussion: Should the U.S. Retain Its Present Basic Sovereignty Over the Panama Canal Zone?" *The Congressional Digest*, Vol. 51, No. 11, November 1972: 277.

honoring relationships. If one side had problems that affected their behavior negatively something needed to change in order to help them. He said, "Our mission of defending the lock canal, with its locks and dams and fifty-two miles of bank largely covered with jungle, will be facilitated by good relations with the people of Panama." He understood that the mission of defending the Canal involved more than just a document.

The final argument against retention came from Ambassador John Mundt. Mundt defended his position as not giving away rights that jeopardize the security of the Panama Canal. Both governments need to be happy with the treaty. The 1903 treaty never satisfied Panama. Three objectives directed the new negotiations: the U.S. control operations, the U.S. had the right to protect the Canal, and the U.S. could expand the capacity of the Canal. Mundt clearly stated the decision to negotiate with the current Panamanian government. He said, "We are seeking a treaty arrangement with Panama that will ensure the continuation of the U.S. presence in tranquility." The arguments against retention of the Canal Zone focus more on it being the right thing to do, the Canal Zone serving no part of the defense of the Canal, and that a disappointing treaty would lead to a bad relationship.

The lines became clear as 1972 ended and 1973 began. The defense of sovereignty battled the just and right cause of change. The treaty negotiations of 1964 gained momentum as it looked like both sides found agreement. The U.S. negotiators

¹⁹⁷ David Ward, "Pro and Con Discussion: Should the U.S. Retain Its Present Basic Sovereignty Over the Panama Canal Zone?" *The Congressional Digest*, Vol. 51, No. 11, November 1972: 283.

¹⁹⁸ John Mundt, "Pro and Con Discussion: Should the U.S. Retain Its Present Basic Sovereignty Over the Panama Canal Zone?" *The Congressional Digest*, Vol. 51, No. 11, November 1972: 287.

spoke to some in Congress in order to gauge how they received the negotiations. Controversy crept into the negotiation from an unexpected point. The 1968 presidential election in Panama put the brakes on the negotiations. The U.S. Congress rejoiced in the fact that they did not have to kill the negotiations. A newly elected President in Panama started planning his administration. His term would only last ten days. A military coup overthrew his government. The Panamanian government was once again in turmoil. The United States recognized the government shortly before the change in presidents from Johnson to Nixon. Four years later, as President Nixon began his second term; he would decide to begin a new round of negotiations with Panama. President Nixon followed the example of President Johnson and searched for the fair policy in negotiations with Panama.

The draft treaties of 1967 failed, but the search for a just and right negotiation policy dealing with Panama continued as 1973 and Watergate ushered in the Ford administration. President Ford worked on the new treaties from the beginning of his time in office. This did not help him in the presidential election of 1976. Governor Ronald Reagan sought the Republican nomination for President. President Ford eventually won that nomination and ran against a Democrat from Georgia, Governor James "Jimmy" Carter. The presidential election of 1976 would feature the Panama Canal negotiations as a plank in the platforms of both parties. Jimmy Carter won the election.

President-elect Carter came to understand the model of a just and fair policy toward Panama from his predecessors. President Carter would get the help of people involved in the Panamanian problems from the early 1960s. He worked for the

completion of the negotiation of the treaty. The ratification of the treaty caused President Carter a few sleepless nights, but justice prevailed with the ratification of the treaty. This treaty ended up being a truly bipartisan project completed in the first year of the Carter Administration.

The thirteen-year process of a new Panama Canal Treaty finally forced the American policy makers to work out their differences to complete a just and fair treaty for both countries. Panama grew as a country during the time it took to secure this new treaty. Panamanians built a nation that stood up and fought for their rights. The final treaty was the right thing to do, for both America and Panama.

Chapter 6 – A Presidential Election and a final treaty

The United States presidential election of 1976 featured the Panama Canal treaty as a platform for both parties. The battle for the Republican nomination featured President Ford working on the negotiation of a new treaty and contender Governor Ronald Reagan staunchly against a new treaty. The Democratic contender Georgia Governor Jimmy Carter was in agreement with the Reagan stance. The Panama Canal had become a political issue in the late 1950's for President Eisenhower. He dealt with the issue until President Kennedy came into office. President Kennedy did not think there was an issue after it appeared that President Eisenhower had handled it. However, there was a problem and it festered. President Kennedy did not have the opportunity to effect the problem because an assassin's bullet. President Johnson came into office and the Flag Riots exploded in his first January in office. Earlier chapters covered the Flag Riots and their aftermath. The negotiation of a new treaty would begin in 1964 and end in failure in 1968. They would start again in 1973, but proceed very slowly. American political issues stalled the negotiations until the unceremonious exit of Nixon left the situation to Ford, the fifth President to deal with the Canal controversy.

This chapter will begin with the U.S. presidential election of 1976 and the political fight for control of the Panama Canal. It will then cover the transition of negotiations of a new treaty from President Nixon to President Ford and finally to President Carter. After the negotiations with Panama were over, the negotiations began for Senate ratification of the new treaty. This chapter will conclude with a summary of the questions addressed by this paper.

The decision of who was to be the 1976 Republican candidate for President was neither quick nor easily decided. Gerald Ford became the Vice President by appointment of President Nixon after Vice President Spiro Agnew resigned. The Watergate scandal caused President Nixon to resign and Vice President Ford became the first non-elected American President. At the end of the appointed term, Ford wanted to continue as a Republican President and entered the election. His challenger was Ronald Reagan, a former governor of California and an actor. There were five times in American history that a current president failed to get his party's nomination. Four of these occasions involved presidents who took over during the term of a president that died in office. Only once has an elected president lost the nomination of his party. President Ford was not guaranteed the nomination.

Reagan campaigned hard on foreign policy and the Panama Canal issue. He accused Secretary of State Kissinger of giving the Soviets first place in world control. He quoted him as having noted that- "The day of the U.S. is past and today is the day of the Soviet Union...My job as Secretary of State is to negotiate the most acceptable second-best position available." James Reston wrote the article, "Is Reagan a Democrat?" to show how the Reagan position was damaging the Republican Party. Reston used quotes by Reagan to show that the Democrats would not need much more than Reagan's positions to win the Presidency. The Panama Canal was the issue that Reagan gained more ground than the other foreign policy issues. In an article for the *New York Times*, James Naughton wrote, Reagan accused, "the Ford administration was preparing to cede

¹⁹⁹ James Reston, "Is Reagan a Democrat?" New York Times, April 2, 1976, 31:1.

control of the Panama Canal to Panama."²⁰⁰ Reagan used this rhetoric to gain victories in various southern states. Texas was one of Reagan's biggest victories; he swept all of the delegates from President Ford. Reagan maintained that the Canal Zone was the sovereign territory of the United States.

President Ford allowed Reagan to be the aggressor in the race, but he received help from numerous sources. In a letter to the editor in the New York Times, R.R. Baxter, a law professor at Harvard called the claims of Reagan false. He said, "What Governor Reagan said flies in the face of seventy year of history...The reality is that Alaska and the state carved out of the Louisiana Purchase are sovereign territory of the United States. The Canal Zone is not."²⁰¹ The White House Press Secretary would defend the President from the claims of Reagan. In an article by Phillip Shabecoff, Ron Nessen said, "The canal negotiations constitute an issue too important to be treated as a political football."²⁰² The Foreign Minister of Panama, Aquilino Boyd, also came to the defense of President Ford and attacked Reagan on his comments about the Canal negotiations. Boyd was responding to the claim that the Canal Zone was the sovereign territory of the United States. Robert McFadden quoted him as saying, "Without trying to mingle into the political campaign of the United States, since this is a very important issue for my country I must say that Governor Reagan is willfully deceiving the people of the United States. One clear proof of this is that if you are born in the Canal Zone, you don't

²⁰⁰ James M. Naughton, "Reagan's Issues Pursue Ford in Texas," New York Times, April 11, 1976, 40:3.

²⁰¹ R.R. Baxter, "Reagan and the Canal," New York Times, April 16, 1976, 26:3.

²⁰² Phillip Shabecoff, "Nessen Says Canal Talks 'Defend' Interests of U.S." *New York Times*, April 16, 1976, 54:4.

become automatically a citizen of the United States."²⁰³ This support would encourage President Ford to start a more offensive stance in his aspiration for the Republican nomination.

On April 20, 1976, President Ford replied to a comment by Reagan reported by the *New York Times*. President Ford said, "That as President he would immediately halt the Panama negotiations that have been going on since 1964-65. I think that would be a position of irresponsibility." There was criticism of President Ford for letting Reagan control the talking points for the ticket up to this point. Ford started to become more aggressive in defending his policies. From the campaign trail in Indianapolis, President Ford said, "The policy toward the Panama Canal recommended by Governor Reagan would lead without question to guerilla war and require a doubling or tripling of American military personnel in Panama." President Ford continued to show how Reagan's hardline approach was not appropriate for the job of the President. President Ford had only been president for a short period before he learned the pressure of how decisions made by a president affected the country, positively or negatively. As the Republican Convention approached, one of the big states, Texas was the battleground.

President Ford was making strides to out raise and outspend Reagan for the battleground state of Texas and its 96 delegates. Reagan had support in Texas from many people that saw the Panama Canal as American as apple pie and baseball. David Binder

²⁰³ Robert D. McFadden, "Panamanian Scores Reagan on Canal," New York Times, April 17, 1976, 6:6.

²⁰⁴ New York Times, "Ford, Answering Reagan, Says Talks on Panama Will Continue," April 20, 1976, 24:4.

²⁰⁵ New York Times, "Ford Says Reagan's Position on Canal Could Lead to a 'Blood Bath' in Panama," April 23, 1976, 16:1.

interviewed people of Texas to find out if the Panama Canal was going to be a huge issue in the election or just a bump in the road toward the presidency. Kathleen Alworth of Tyler said, "Once the United States gives up its claim to the Panama Canal the Soviet Union will say Alaska still belongs to the Communists." ²⁰⁶ George Christian of Austin said, "If you ran a poll, you would probably get 85 percent wanting to keep the canal."²⁰⁷ Binder also interviewed business owners and even the Lieut. Governor who said, "I don't think it is an issue anybody got very concerned about."²⁰⁸ The results of the election shocked most people. Reagan swept all 96 delegates from President Ford. Binder got the article title right when he said the Panama Canal played a big role in the vote. As the Republican campaign rolled on, the Democratic Party was closing in on its candidate, former Georgia Governor Jimmy Carter. Without a candidate pulling away from the other, the Republicans pushed toward the August convention. The platform committee had the unenviable job of coming up with the Republican platform for the upcoming election. The contest was so close that the platforms had to be a compromise from the candidates. Richard Madden reported, "Debates on such sensitive issues as abortion, the Panama Canal and busing could provoke sharp battles within the committee, and possibly on the convention floor, when the platform is to be considered next week."²⁰⁹ The Convention began and decided the platform around a compromise version of the plank for the Panama Canal.

²⁰⁶ David Binder, "Panama Canal Pact Plays Big Role in Texas Voting," *New York Times*, April 30, 1976, 16:1.

²⁰⁷ Binder.

²⁰⁸ Binder.

²⁰⁹ Richard L. Madden, "G.O.P. Panel Backs Anti-Abortion Plank," New York Times, August 11, 1976, 14:6.

The debate over the Panama Canal damaged the party and ended up being a plank that favored President Ford and his policy toward the Panama Canal. The platform said, "The United States negotiators should in no way cede, dilute, forfeit, negotiate or transfer any rights, power, authority, jurisdiction, territory or property that are necessary for the protection and security of the United States." President Ford was amiable to this position and won the nomination.

The Democratic platform was much more open to the negotiations than the Republican platform. Their plank said, "We pledge support for a new Panama Canal treaty, which insures the interests of the United States in that waterway, recognized the principles already agreed upon, takes into account the interests of the Canal work force, and which will have wide hemispheric support." This view was more liberal than Democratic candidate Carter suggested. In a question and answer secession after his speech, presidential hopeful Carter responded to a question about the Canal negotiations. He said, "I would never give up full control of the Panama Canal as long as it had any contribution to make to our national security." President Ford and Carter continued to voice their views on the Canal negotiations and the people would decide the winner. Carter won the election with 297 electoral votes to 240 for President Ford. The popular vote was very close with Carter carrying 40.8 million votes to 39.1 million for President Ford. With victory in hand, President-elect Carter and President Ford would begin the peaceful transfer of power over the next three months.

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²¹⁰ The American Presidency Project, "Republican Party Platform of 1976," August 18, 1976.

²¹¹ The American Presidency Project, "Democratic Party Platform of 1976," July 12, 1976.

²¹² New York Times, "Excerpts From Carter's Speech and His Replies," June 24, 1976, 22:4.

The negotiations for a new Canal treaty were in serious doubt in 1973. President Nixon retained Robert Anderson as the chief negotiator for the United States. On March 19, 1973, Ambassador Robert Sayre sent a message to the State Department about the situation in Panama. Ambassador Sayre met with General Omar Torrijos for his views on how the negotiations were going. His report to the State Department was not good. He reported General Torrijos comments, "The Canal Zone Governor as 'colonist by conviction' ... asserting that Anderson living in another century and not flexible enough to understand reality of present-day Panama."²¹³ On June 20, 1973, Robert Anderson sent President Nixon a report on the negotiations, and it was bad news. Anderson reported that negotiations were not going well and thought it was time to get someone new to lead the negotiations. He resigned, "Believing, as I do, that these efforts should be pursued with diligence, and that perhaps new efforts by new people should be undertaken, I respectfully submit my resignation as Special Representative of the United States for Interoceanic Canal Negotiations, effective immediately."²¹⁴ This vacancy stalled negotiations until an acceptable replacement got Senate approval.

The Canal negotiations floundered from the draft treaties of 1967 until 1973.

President Nixon appointed Ambassador Ellsworth Bunker and everyone waited Senate approval as August turned into September of 1973. Secretary of State William Rogers sent a note to Panamanian negotiator Juan Tack to inform him of the replacement of Ambassador Anderson. Secretary Rogers wrote, "In recognition of that importance, and

²¹³ "Telegram From the Embassy in Panama to the Department of State," *Foreign Relations of the United States, 1969-1976,* document 6.

²¹⁴ "Letter From the Special Representative for Interoceanic Canal Negotiations (Anderson) to President Nixon," *Foreign Relations of the United States, 1969-1976,* document 12.

in furtherance of our discussions in Buenos Aires, I am pleased to inform you that Ambassador Ellsworth Bunker has been selected to head the United States' negotiating team."²¹⁵ Dr. Henry Kissinger replaced Secretary Rogers in September of 1973 as Secretary of State. The negotiations started a new trend under the control of Ambassador Bunker and Secretary Kissinger.

The year 1974 saw a change in the presidency, but the negotiations for the canal were still on the same track with Ambassador Bunker as the engineer. Secretary Kissinger and Minister Tack of Panama had a meeting in April of 1974 to discuss progress. Secretary Kissinger updated Minister Tack of the midterm elections in Congress and that the vice President suggested that the negotiations slow until 1975. Both sides heard each other and the negotiations were developing at a good pace. Minister Tack said he understood the problem as never before, "How do we integrate the two sets of interests: Panama's urge for sovereignty on one hand,, and the United States' urge for protection of its vital interests on the other."²¹⁶ The change in negotiators on the American team was clearly making a difference to the Panamanians. The talks were moving ahead with many points reached and heading towards a draft treaty. Ambassador Bunker then said, "In fact, we have seen the Vice President recently, and he has told us to go slowly for now, but to expedite the treaty matter in 1975."²¹⁷ The negotiations did slow down during the summer months, as the Americans were trying to figure out how to get a treaty through the Senate. Senator Thurmond voiced his opinion against any change

²¹⁵ "Letter From Secretary of State Rogers to Panamanian Foreign Minister Tack," *Foreign Relations of the United States, 1969-1976,* document 16.

²¹⁶ "Memorandum of Conversation," Foreign Relations of the United States, 1969-1976, document 40.

²¹⁷ Memorandum.

in the treaty relationship with Panama. The event on August 9, 1974 of changing presidents could have hurt the negotiations. President Nixon resigned and Vice President Ford took his place. As President Ford took office, he was aware of the negotiation pitfalls because he was an involved decision maker as Vice President

Secretary Kissinger sent a telegram to Panama for Minister Tack to inform him that - "President Ford has asked me to continue as Secretary of State...One of my highest priorities as I continue in my responsibilities will be to press ahead with the negotiations in order to conclude a new treaty promptly."218 Secretary Kissinger reassured the Panamanians that the change in presidents would not stall the negotiations. The negotiations continued late into 1975 and President Ford decided, "With regard to the negotiating process, the United States Negotiators should seek to obtain Panama's agreement that the negotiations will remain confidential so that the Panama Canal issue will not be injected into the domestic political process in the United States in 1976."²¹⁹ President Ford did not want this to become a political issue in the presidential election, in this he failed. Another change in 1976 was a change in the chief negotiator for Panama. Foreign Minister Aquilino Boyd became the chief negotiator. The presidential election caused concern to the Panamanians who watched the process closely. At a meeting of Foreign Ministers, American Ambassador to the Organization of American States Sol Linowitz met with Panamanian Minister Boyd. Boyd expressed, "Great concern about the comments made by Governor Carter and President Ford with respect to Panama in the

²¹⁸ "Telegram From the Department of State to the Embassy in Panama," *Foreign Relations of the United States, 1969-1976,* document 51.

²¹⁹ "National Security Decision Memorandum 302," *Foreign Relations of the United States, 1969-1976,* document 95.

course of the second debate."²²⁰ The U. S. negotiators tried to convince the Panamanians that things said in the election were for the people of the United States just as the Panamanian politicians had to talk tough about the negotiations for their political careers to continue. Once again, the negotiations were at a standstill.

President Carter asked the Department of State to prepare a short paper about the negotiation process and suggestions about how to proceed. The paper stated, "The major issues that remain to be resolved include treaty duration, and post-treaty defense rights and neutrality." The administration would continue to collect data and decide how to proceed. On January 27, 1977, a policy review was made of the negotiation process. The new Secretary of State, Cyrus Vance, led the meeting. Ambassador Bunker remained as a negotiator for the new treaty with the help of Ambassador Sol Linowitz. Discussions soon turned to how to begin the negotiations again. Vance stated, "Our first question is do we want to reaffirm the Tack-Kissinger principles?" Most agreed that this would be the best place to begin the negotiations again. Keeping this agreement would allow the negotiations to continue to work for completion of a draft treaty by summer.

The negotiations continued into June 1977. The two sides were close to reaching agreement on all areas and the Carter administration started focusing on getting Congressional support. The opponents of the negotiations continued to stress the need to retain U.S. sovereignty over the Canal and the Canal Zone. In a letter to President Carter,

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²²⁰ "Memorandum by Sol Linowitz," *Foreign Relations of the United States, 1969-1976*, document 136.

²²¹ "Paper Prepared in the Department of State," Foreign Relations of the United States, 1977-1980, document 3.

²²² "Minutes of a Policy Review Committee Meeting," *Foreign Relations of the United States, 1977-1980*, document 6.

four senators voiced their displeasure with the negotiations. The letter quoted former Chiefs of Naval Operations and said, "It is our considered individual and combined judgement that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U.S. Canal Zone as provided in the existing treaty."²²³ The senators asked President Carter to consider their advice and end the negotiations. President Carter responded to Senator Thurmond in a letter that suggested their agreement on keeping the Panama Canal neutral and open to world shipping. He said, "My goals are the same – to preserve unfettered access to the canal for our naval and merchant fleets. But I believe that the prospects for attaining those objectives are poor if we simply insist on maintaining the status quo."²²⁴ President Carter showed empathy for Senator Thurmond's views, but disagreed with the Senator and gave his reasons for disagreeing. President Carter was committed to getting this treaty finished and working hard to get it ratified by the Senate.

The negotiations reached a conclusion and the signing of the treaty was set for September 7, 1977. After the signing ceremony, President Carter sent General Torrijos a letter about the value of the treaty. President Carter wrote, "For 13 years, through four administrations, we have tried to work toward the goal we have finally reached – a new and fair and just arrangement between our countries." President Ford and Dr.

²²³ "Letter From Senators Thurmond, McClellan, Helms, and Byrd to President Carter," *Foreign Relations of the United States*, 1977-1980, document 51.

²²⁴ "Letter From President Carter to Senator Thurmond," *Foreign Relations of the United States, 1977-1980*, document 62.

²²⁵ "Letter From President Carter to General Torrijos," *Foreign Relations of the United States, 1977-1980,* document 95.

Kissinger were both present at the signing ceremony and asked to be involved in working toward the ratification of the treaty that they worked hard to get into place.

The fight for ratification was going to be tough. President Carter needed twothirds of the votes of the Senate to get ratification. The opposition was very vocal about their disapproval of the treaty. They included Senators Thurmond, John McClellan, Jesse Helms, and Harry Byrd, and voices from outside the Senate, Representative Flood, and Governor Reagan. Their message was clear - they did not like giving away the Panama Canal and the Canal Zone. They supported protecting the status quo and American hegemony in the Western Hemisphere. Senator Helms wrote a piece for the Washington *Post* that was included in the Congressional Record on September 12, 1977. He wrote, "It would be a mistake to interpret a vote against the treaties as a vote against the people of Panama. On the contrary, those who oppose the treaties want to work with the Panamanian people in an even closer relationship, but there is no practical way to do this unless we retain our sovereign rights in the Canal Zone."²²⁶ The opposition did not want to lose sovereignty over the Canal Zone. They were protecting America, they argued, from the Communist onslaught that was coming if the U.S. gave control of the Canal to Panama. Helms proceeded to sell the Canal modernization as the solution to the problems between the countries. He wrote, "The program would be mandated to ensure broad Panamanian participation across the social spectrum, to upgrade education and skills-training for the people, to provide detailed managerial experience and to set up

²²⁶ Jesse Helms, "The Alternative to the Carter Proposals," 95th Cong., 1st Sess., *Congressional Record*, September 12, 1977.

joint venture with Panamanian firms."²²⁷ This argument from the Congressional policy makers of America was the same thing that caused the Flag Riots in the first place – protection of the status quo. Some members of Congress were not listening to happenings in the world. They only saw what they wanted to see.

The debate for both sides continued into the next session of Congress. On October 22, 1977, President Carter spoke about the Panama Canal Treaties in Colorado. He said, "I met with 19 leaders of countries to the south of us. There was a new spirit of friendship and cooperation and equality and partnership. There was no mention of this new feeling being based on economics. So, symbolically, the fair treatment of Panama, the end of what they look upon as colonialism by the United States will be a tremendous boon to us." President Carter displayed the human part of the treaties that his opponents did not want to discuss. He disclosed that he did not come up with the treaties, but these actions were the product of administrations going back to the early 1960's. The fair treatment of Panama was the deciding factor to get these treaties started and continued through Democratic and Republican Administrations. He revealed the support of these treaties was not on one side of the aisle but that it crossed the aisle and was the right thing to do.

President Carter spoke to the nation on February 1, 1978 about the need for the new treaties. He expressed to the nation that the treaties were not a reaction to one issue, but a continuing unfairness of the current treaty relationship with Panama. He reiterated

²²⁷ Helms.

²²⁸ Jimmy Carter, "Denver, Colorado Remarks and a Question-and-Answer Session at a Briefing on the Panama Canal Treaties," *The American Presidency Project*, October 22, 1977.

that he did not start the process of these negotiations, but that both Democratic and Republican Presidents looked into these negotiations. He said, "We will demonstrate that as a large and powerful country, we are able to deal fairly and honorably with a proud but smaller sovereign nation."²²⁹ He then countered the worst of his opponent's claims: the Panama Canal Zone being sovereign U.S. territory. He said, "From the beginning, we have made an annual payment to Panama to use their land. You do not pay rent on your own land."²³⁰ His opponents would listen to this address and not hear his comments. They were not listening because they felt their sovereignty claims were beyond challenge. The United States treated the Canal Zone and the Panama Canal as if they were sovereign for seventy-five years and that is what caused the disruption in the relationship.

The ratification vote of the Neutrality Treaty took place on March 16, 1978. It was a rollcall vote with all 100 Senators voting. The Vice President said, "On this vote, the yeas are 68, the nays are 32. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to."²³¹ One month later the debate for the Panama Canal Treaty ended on April 18, 1978. The rollcall vote was exactly the same vote as the Neutrality Treaty vote. The Vice President called the vote, "Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification, as amended, is agreed to."²³² The debate between the two

²²⁹ Jimmy Carter, "Address to the Nation on the Panama Canal Treaties," *The American Presidency Project,* February 1, 1978.

²³⁰ Carter.

²³¹ "Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal," 95th Cong., 2nd Sess., *Congressional Record*, March 16, 1978: 7187.

²³² "The Panama Canal treaty," 95th Cong., 2nd Sess., *Congressional Record*, April 18, 1978: 10541.

treaties was extensive, but it did not change the minds of any of the Senators. All of the Senators cast their votes identically for both treaties.

The central hypothesis of this paper was that U.S. policy makers ignored and thwarted Panama's long struggle for sovereignty from 1903 until the Panamanian Flag Riots of 1964. By January 1964, the Panamanian flag was the one issue that could bring the Panamanians together and the Americans did not understand. Children in the Zone learned the United States owned the Canal Zone and it was their part of America. The actions of the Zonians were a constant reminder to the Panamanians that they did not have sovereignty over their entire country. Planting their flag in the Canal Zone became their escape from this unpalatable reality. The more the Americans protested the flag planting, the more Panamanians felt compelled to get their flag in the Zone. The trend started in the late 1950s and culminated in the 1964 Flag Riots. The Panamanian flag represented something more to the Panamanians than the Americans believed it did. The American students today cannot understand the nationalism of people from other countries attached to the symbol of their flag. How to handle the Panamanian situation divided the policy makers of the United States. The division was not across the aisle as a partisan issue, but an issue over change. One side wanted change to improve a relationship and the other fought any change in the relationship.

The executive branch started working on repairing the relationship by listening to the Panamanians and their issues. President Johnson would start the process after consulting with his predecessors, presidents Truman and Eisenhower. The Panamanians spoke of the hatred they felt for the 1903 treaty and why they held those sentiments. The Johnson

Administration acted in a just manner and started the process of repairing the relationship. The Johnson Administration failed to get a treaty, so it fell to the next administration, and the next, and finally the fourth Administration completed the mending of the relationship. While one branch was busy trying to repair the relationship, the legislative branch did not see the relationship problem.

The legislative branch saw the legality of the treaty and wanted both sides to live by that agreement. Panama was not willing to live by a treaty they despised. Panamanians felt cheated and betrayed by the 1903 treaty. They grew up as a nation and were willing to fight for their sovereignty. The 1964 Flag Riots gave the Panamanians their first martyrs. There was no going back for the Panamanians after that. Some in Congress never saw the human side of the relationship; they saw the treaty and nothing else. These thirty-two members of the Senate lost the vote and the relationship continued toward recovery.

The cause of the Panamanian struggle for sovereignty was the 1903 treaty and lack of concern from United States policy makers for 61 years. The Panamanians started their struggle beginning in 1904. President Carter quoted Secretary of State Hay in a speech to the Nation as saying, "The treaty was vastly advantageous to the United States and ... not so advantageous to Panama." Secretary Hay saw the problem from the beginning of the treaty. That comment exposes the imperialist attitude of the United States during the early 1900s. The United States would reject the charge that it was acting in a colonial

²³³ Jimmy Carter, "Address to the Nation on the Panama Canal Treaties," *American Presidency Project*, February 1, 1978.

fashion in the Canal Zone when in fact it was. The policy makers of the United States dealt with the Panamanian people in a treacherous manner until they started having to defend the colonialist policies of the Canal Zone. The Panamanians started to understand that the world would listen if they could get a plea before them. The event that would get Panama to the ears of the world was the Panamanian Flag Riots of 1964. This event put a spotlight on the behavior of the United States and their dealings with a small underdeveloped nation. American policy makers needed to make a change before the judgment of the world came down on them.

The process would start with the Johnson Administration and continue into the Carter Administration. It would take thirteen years, four American presidents, three American negotiators, an immovable Panamanian leader, and the world watching to finish the process. The countries of Latin America came together to excert pressure on the United States to continue with the negotiations until they were complete. The Carter administration finished a thirteen-year ordeal by gathering a group of policy makers that were willing to do the right thing instead of the political gridlock so common in Washington, D.C. It was the correct decision to give up the Panama Canal Zone and Canal to Panama. The policies practiced in the Canal Zone during its existence did more to damage American foreign policy than American policies practiced elsewhere on foreign soil.

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