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Study #5

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THE PANAMA CRISIS OF 1964

24 August 1964

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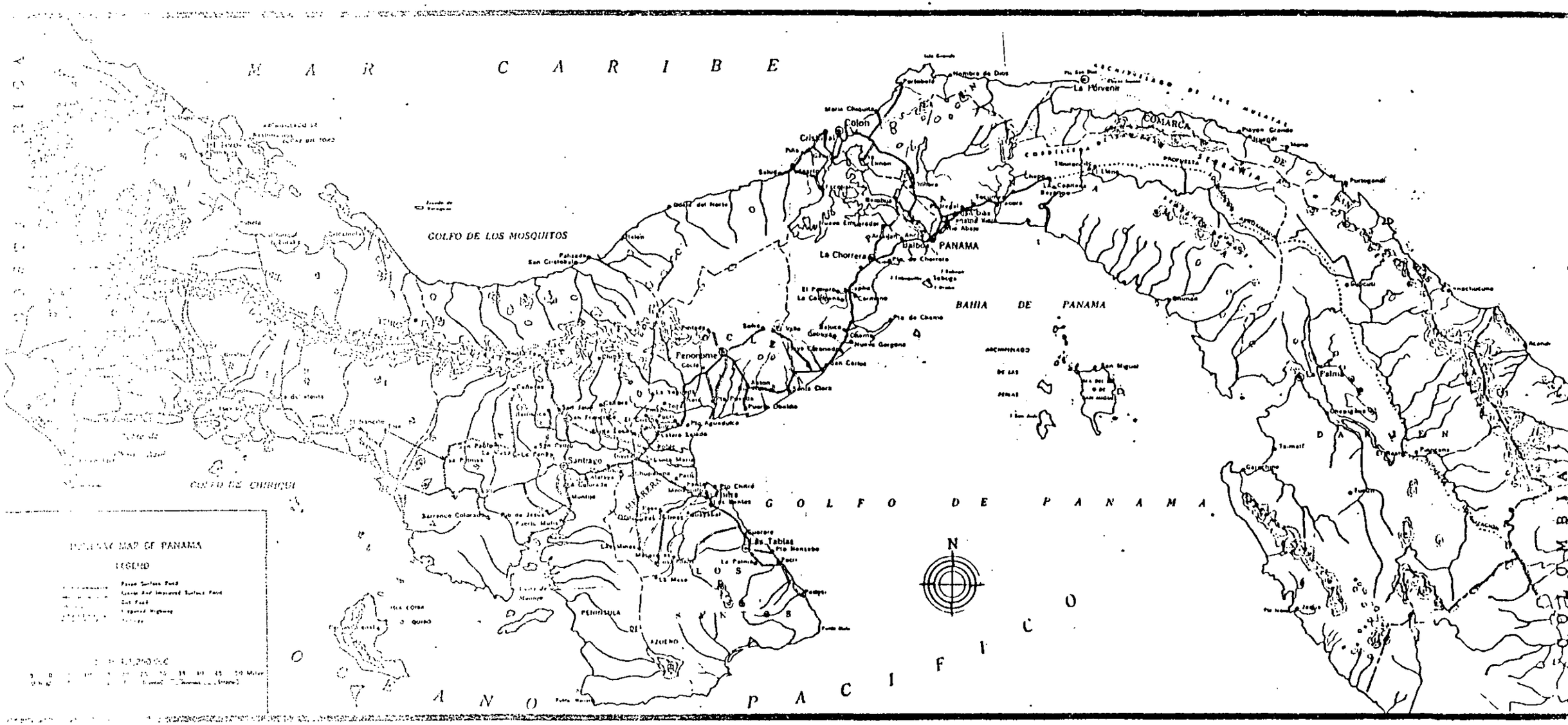


FIGURE 1. Isthmus of Panama

THE PANAMA CRISIS OF 1964

PREFACE

The Panama Crisis of January 1964 is distinguished for being the first foreign policy crisis to be faced by the new Johnson Administration. Until the moment of its occurrence, a hush seemed to lie over the world in the wake of President Kennedy's death, and the American press was generally agreed in the first week of January that foreign policy problems would very likely be secondary in the interests and attention of the new Administration. The very unexpectedness of the explosion, coming after this quiet period, compounded the shock effect. The reverberations of the riots were far greater than their intrinsic significance warranted. Perhaps the sensitivity of the Administration in reacting to the crisis was the result of its being the first to be faced. However, the U.S. decision makers never lost sight of the longer view, past the riots to the basic problem of relations with Panama, to the internal stability of the Panamanian Government, to the whole set of U.S. inter-American relationships.

This was a small crisis, a political crisis in the sense that no troop movements were involved. Nevertheless, U.S. troops were engaged, but with civilian mobs rather than with an armed military foe. Furthermore, while the crisis occurred abroad, it involved what is de facto U.S. territory. Above all it was an embarrasing crisis for the United States, a crisis which proved nothing and accomplished nothing.

PURPOSE

The episode makes an interesting small-scale case study, since some of its ingredients were unique. The sudden appearance

of the crisis alone would make it worthy of study, since it is this type of crisis which best illustrates command systems and relationships in action under strain. The focus of this paper, therefore, will be on the interactions in the field in the circumstances of a divided U.S. command. The term "command" here is used to include the three agencies on the Isthmus by which the U.S. exercised its influence or control, CINCSOUTH, the Embassy, and the Canal Zone Government. The crisis is viewed from the perspective both of the people on the ground and in Washington.

A NOTE ON SOURCES

The necessity to defend the U.S. position before the OAS and the U.N. led to the production of several very detailed accounts of the riot actions. These all concentrated on the violent events of the 9th - 12th, and have provided much essential background material. The bulk of the data in this report has been drawn from files and interviews of personnel in the following offices and agencies:

a. Joint Staff, J-3, Atlantic/South Division

b. Joint Staff, Current Actions Center, NMCC

c. Joint Staff, Emergency Actions Room, NMCC

d. Office of the Secretary of the Army

e. Dept. of the Army, Office of the Deputy Chief of Staff for Military Operations, Western Hemisphere Branch

f. Army War Room

g. USSOUTHCOM, Quarry Heights, Canal Zone

h. Department of State, Office of Central American and Panamanian Affairs

i. United States Embassy, Panama City, Panama

In addition, newspapers and other open sources have been used.

A great deal was lost by the destruction of all telephone tapes concerned with the crisis, both in the NMCC and in the Air Force Command Post, since most of the early stage of crisis relied upon telephone for communication. Furthermore, most records of the LANT/South Desk in the CAC, including the log, were destroyed. Similarly many of the records at SOUTHCOM had also been destroyed within three months of the event.

Apparently both the Emergency Actions Room and the Air Force Command Post possess only enough tape for a normal thirty days of operation. After that time tapes are erased and used again. It would seem only reasonable to preserve the tapes of crisis periods for several months so as to be available for future reference.

I. BACKGROUND TO CRISIS[1]

What happened in Panama in January 1964 was only superficially the result of immediate developments. These were only the match applied to an old powder train. To understand what happened and why the Panamanian and American Governments reacted as they did, it is necessary to recall a much more distant background. It is far too widely thought that the American involvement in the Isthmus of Panama began with the construction of the Canal between 1904 and 1914. Actually the roots of American-Panamanian relationships antedate the American acquisition of the Canal Zone and the construction of the Canal by more than half a century. Attitudes and outlooks that were in evidence in January 1964 are the direct product of a long association of 115 years. This point must be kept in mind. Both because of its significance and its relative unfamiliarity, the background is presented in some detail.

Almost forgotten has been the key role the Isthmus of Panama played in the opening of the American Far West. With the discovery of gold in California in 1848, it was soon established that the quickest way to the goldfields was via Panama, not overland or around Cape Horn, and thousands of Americans shortly were crossing the Isthmus to take ship at Panama for San Francisco. With the completion of the American-built Panama Railroad in 1855, an efficient steamer-railroad-steamer service came into being. Consequently, this route became the fastest and most popular from the East Coast to California and remained so until the completion of the U.S.

[1]The material in this section is almost completely from open historical sources, and consequently, source citation has been ignored.

transcontinental railroad in 1869. So many Americans passed through Panama during these years (an estimated half-million) or stayed on there to enter business that the route along the railroad became known as "The Yankee Strip." Curiously, it conformed closely to what eventually became the Canal Zone.

The violent eruption of the Americans into Panama had a profoundly disruptive effect. From a condition of virtually no contact, American and Panamanians were thrown into close association. American warships patrolled the coasts and harbors of Panama, and in the era of Manifest Destiny Americans acted generally as though they owned the country. Within a few years an unfortunate pattern of relations had been set. Panamanian grievances were based on emotional and economic causes. The emotional came from the arrogance and contempt all too many Americans had for all things Panamanian. The economic resulted primarily from the American control of the most lucrative of the industries serving the interoceanic route, while completion of the American railroad had immediately ruined all the native freighting companies which had thrived during the first five years of the Gold Rush. For the next century, beginning in 1856, American-Panamanian relationships were to be punctuated by moments of violence usually in the form of Panamanian mobs venting their resentment on American lives and property.

The achievement of Panamanian independence from Colombia (New Granada) and its birth as a new nation, the product of U.S. support and active intervention in behalf of the revolution, was followed immediately by the signing of a treaty with the United States, which brought into being the Canal Zone. For the past sixty years this anomaly has persisted,

wherein the U.S., to all intents and purposes, has owned the key strip of territory of the Republic of Panama. Until 1936 Panama was virtually a protectorate, with the U.S. having the right to intervene in the Republic in behalf of the safety of U.S. citizens and property and to maintain law and order. This right was exercised several times in the first quarter century of the Zone's existence.

Under the best of circumstances such a relationship would be uneasy, and especially so in view of the utter extremes of power represented by the two nations.[1] The Canal Zone has been a regular source of political friction, but, nevertheless, most of this was low key. Relations were only occasionally envenomed. As a rule Americans and Panamanians lived in harmony, each recognizing a reliance upon the other. Politically, however, the issue was a constant in Panamanian politics, and plucking the eagle's feathers was as much a sine qua non to Panamanian politicians as twisting the British lion's tail had been to earlier generations of American politicians.

Consequently, pressure on the U.S. for further concessions from the Treaty provisions has been continuous, especially since World War II. The U.S. has been more disposed to grant concessions, although these have never touched any basic elements of the Treaty. The U.S. position in regard to the sanctity of the Treaty, however, was weakened by the stand of the United States Government on the Suez Canal issue. The manner in which Secretary of State Dulles brushed aside British treaty rights in the Suez Canal Zone was not lost upon

[1] The two represent the largest and the smallest populations in the Western Hemisphere.

the Panamanians. Agitation for Treaty revision tended to increase and in November 1959, during the celebration of Panamanian Independence Day, culminated in a series of riots directed against the Canal Zone.[1] Canal Zone authorities found it necessary to bring U.S. troops in to seal the border. Miraculously, there were no fatalities and even the toll of injured was not high. It was, however, the largest demonstration of public feeling against the Americans in many decades. By then it was apparent that because of the long-standing grievances any future incident held an explosive potential. Furthermore, the success of Castro in defying the United States no doubt produced popular aspirations of emulation in Panama.

A. THE 1903 TREATY

The Treaty symbolizes for Panamanians what they consider to be their subservient status. Its three key provisions read as follows:

Article I - "The United States guarantees and will maintain the independence of the Republic of Panama."

Article II - "The Republic of Panama grants to the United States in perpetuity the use, occupation, and control of a zone of land and land under water for the construction, maintenance, operations, sanitation, and protection of said canal, of 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...."

[1] This riot also preceded the Panamanian national elections (held in May 1960), and clearly showed the explosive potential in U.S.-Panamanian relations during the period of political campaigning. It is not clear that the lesson was fully absorbed by the American authorities in the Canal Zone.

Article III - "The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in Article II of this agreement ... which the U.S. 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 of any such sovereign rights, power, and authority."

In essence the Treaty guaranteed U.S. sovereignty over the Zone in return for the protection of the independence of the new Republic.

The Treaty was revised in 1936 when the U.S. gave up its right of intervention in Panama, thus ending the Republic's semi-protectorate status. In 1955 a Treaty revision increased the annual annuity to Panama from $430,000 to $1,930,000 and provided certain other minor concessions to Panama.

B. THE CLASH OF INTERESTS

U.S.-Panamanian relations are determined basically by the nature of their disparate interests in the Isthmus.

The U.S. has been interested in operating an international maritime facility of major commercial and strategic significance. It has deemed it necessary to create and maintain such arrangements with Panama as to guarantee the unthreatened and effective operation of the Canal. Many of the steps taken to further this objective over the years have inevitably created friction with the Republic: the mass importation of non-Hispanic origin workers during the construction period; the founding of a system of U.S. government commissaries and business enterprises

which cater to the Zone population; and above all, the creation of a privileged American community in the midst of the Republic, over which the Republic has no control, and from which it is for the most part excluded. A continuing emphasis on the strategic importance of the Canal and of the Isthmus to American national security interests has made the U.S. reluctant to consider major compromises or concessions which might in the long run adversely affect its position there. The delegation of the administration of the Canal Zone to the Department of the Army, with its inevitable overlap with the duties of the Department of State in the role of determining policy on Isthmian affairs, has reinforced this tendency in American thinking.

A second factor of consequence in the play of U.S.-Panamanian relations has been the interest of U.S. shipping companies, overwhelmingly the heaviest users of the Canal, in maintaining Canal tolls at their original 1914 levels.[1] These interests have thus supported the status quo in U.S.-Panamanian relations for fear that any concessions to Panama in the Canal Zone would eventually lead to higher tolls. The political and Congressional influence they have exerted has not been inconsiderable.

Lastly, the U.S. citizens resident in the Canal Zone have developed their own interests in the relations between the U.S. and Panama. These interests have also been in favor of the status quo and against any more concessions or policies which might weaken their privileged position. From time to time they have attempted to influence U.S. policy rather than merely to serve it as civil servants. Their opposition to

[1]There has been one very negligible increase in tolls.

the official policies of the U.S. Government, from the Treaty revisions of 1955 on, has become increasingly organized and overt.

U.S. policy reflected all these interests. In January 1964 that policy was essentially a delaying one. As approved by the President, the policy called for making as many minor concessions to Panama as possible without damaging U.S. interests or reopening basic treaty negotiations until the U.S. was more certain of its long-term requirements. In September 1961 President Kennedy had ordered a policy review to study Panamanian aspirations and long-term U.S. requirements. Recommendations were made in April 1962, suggesting a five year delay in any basic negotiations for treaty revision until the "Plowshare" program of nuclear test explosions could establish the feasibility of digging a new sea level canal with nuclear demolitions, and until the economic necessity of a new canal could be more accurately estimated. Furthermore, in this period long-term American military requirements in Panama could be assessed.

Panamanian interests, real or imagined (and the weight of imagined interests can be very real), tend to be diametrically opposite those of the U.S. Government and private American interests. As a small weak state without extensive resources, Panama has been principally interested in maximizing its return from the utilization of its one great natural asset, the fact that Panama is the narrowest strip of land between the American continents and thus the site of the interoceanic Canal. Panama can never forget that it achieved national independence only at the price of sacrificing to alien control this one great asset.

Panamanian goals are therefore two, economic and political. The economic calls for a vastly greater financial return from the Canal's existence; the political for an increasing recognition of Panama's sovereignty over the Zone. These goals inevitably conflicted with those of the U.S. or of private American interests. The national sovereignty goal could not be reconciled with U.S. control of the Zone and the Canal and with rigid U.S. advocacy of the sanctity of the 1903 Treaty. The Panamanian desire for an increased return on its sole national asset collides both with the U.S. Government's desire to limit the costs of the Canal operation and with the private American shipping interests whose goal is to maintain tolls as low as possible.

It would appear that conflict was inherent in the circumstances surrounding the U.S. acquisition of the Zone. Even in 1903 the Hay-Bunau Varilla Treaty was widely resented and opposed by many Panamanians as fundamentally disadvantageous to Panamanian interests and committing the nation "in perpetuity" to the maintenance of this disadvantage.[1] Panamanian awareness of impotence to compel any fundamental revision in the Treaty only exacerbates frustration.

[1] Added irritation arises from the fact that the Treaty was drawn up and consummated by Bunau-Varilla, a French national and international financial promoter. Although more than any single man he was responsible for the independence of Panama, the Panamanians have never forgiven him the Treaty.

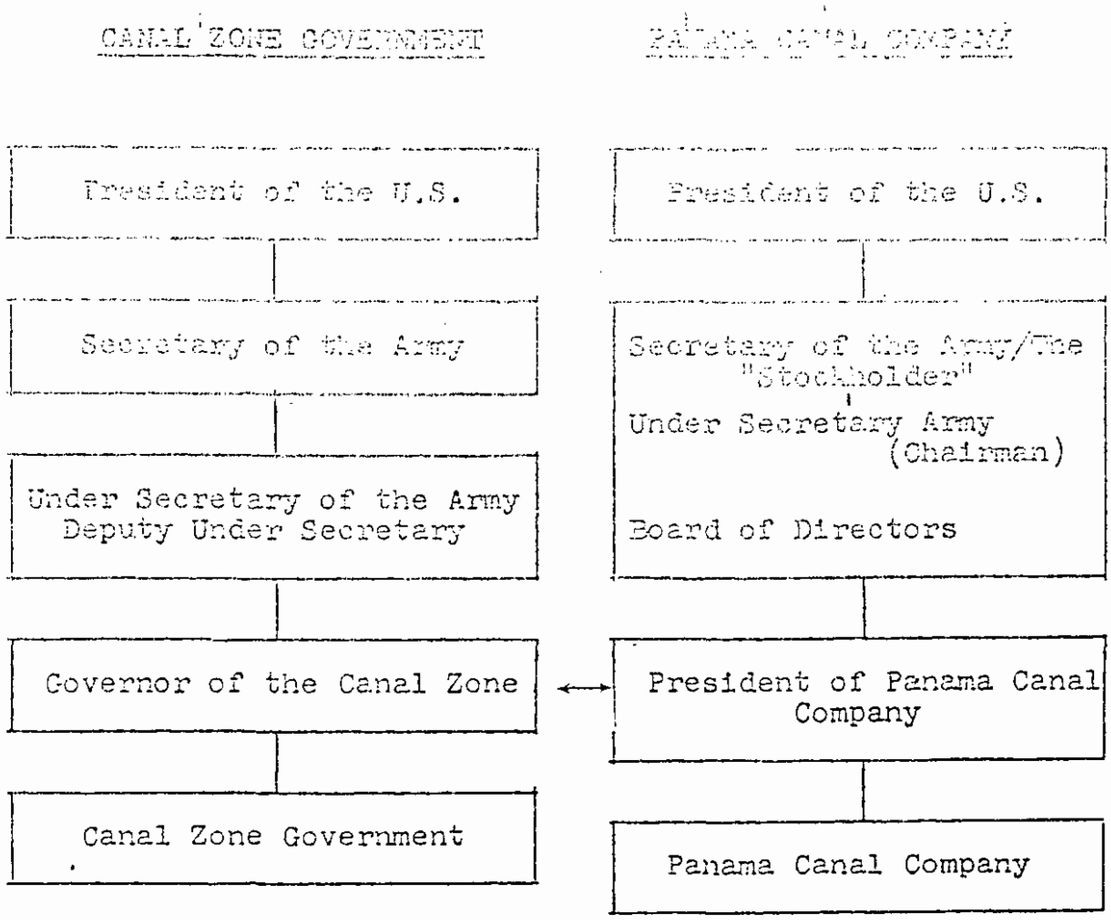
II. THE CONTROL OF U.S. AFFAIRS ON THE ISTHMUS

The extraordinary relationship between the U.S. and Panama, with a large American community residing in the heart of Panama, has led to the growth of an equally unusual structure to control U.S. affairs on the Isthmus. This is a three-headed structure. One head comprises the Canal Zone Government and the Panama Canal Company. The second is represented by the U.S. Embassy. The third is the headquarters within the Canal Zone of the U.S. Southern Command, with all its assigned forces.

A factor peculiar to U.S.-Panamanian relations has been the unique position of the U.S. military in relations with the Republic of Panama. Not only have the military been directly concerned with Panamanian affairs because of the national security aspects of the Isthmus, but the organization established to direct American interests on the Isthmus has tended to enlarge the military role.

A. THE CANAL ZONE GOVERNMENT AND THE PANAMA CANAL COMPANY

The mechanism of control has consisted of two parallel organizations, the Canal Zone Government and the Panama Canal Company. The two organizations are closely interrelated in mission, organization, and operations. Their combined function is the administration of the Panama Canal enterprise as a whole. The channels of control for the two organizations are as follows:



The Canal Zone Government was established by Congress as an independent agency responsible for civil government in the Canal Zone. The law provides that this agency shall be administered by a Governor under the supervision of the President of the United States or such officer as he may designate. Executive Order 9746 of July 1, 1946, as amended by Executive Order 10101 of January 31, 1950, designates the Secretary of the Army to supervise the Canal Zone Government as "the representative of the President for such purposes." In a letter dated May 30, 1952, President Truman emphasized that under this delegation of authority, the Secretary of the Army was to act as the President's representative and not as the head of the Department of the Army. This provision is an important one.

It should also be noted that while the responsibilities of the President of the United States are vested in the Secretary of the Army, the chain of command to the Secretary of the Army is direct and does not go through the Secretary of Defense.

Traditionally, the Governor has been a general officer (usually a major general) of the Corps of Engineers, according to the precedent commenced by Theodore Roosevelt during the construction period and affirmed by Woodrow Wilson at the completion of the Canal. The Governor is appointed by the President of the United States with the approval of the Senate. The incumbent in January 1964 was Robert Fleming who had been Governor for two years.

The Canal Zone Government includes the usual functions of government and public health, including civil affairs, schools, libraries, postal service, magistrate's courts, police and fire protection, hospitals and other health services, highways and services.[1]

The Panama Canal Company is a corporate agency, an instrumentality of the United States Government, established by the Congress for the purpose of maintaining and operating the Canal and conducting business operations incident to those functions. The management of the company is vested in a Board of Directors of thirteen professional men and U.S. Government officials. The Governor of the Canal Zone is the ex-officio President of the Company and a member of the Board of Directors.

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[1] 88th Congress, House of Representatives, House Document No. 407, Panama Canal Company and Canal Zone Government, Annual Report, Fiscal Year Ended June 30, 1961.

The interests of the U.S., as owner of the Company, are represented by the President of the United States or by such an officer as he may delegate as the "stockholder." This officer is the Secretary of the Army. As with the Canal Zone Government functions, the Secretary of the Army is specifically charged with acting as the President's own representative, not as the chief officer of the Department of the Army.

In the day-to-day operations of the Canal Zone Government, there are regular contacts with Panamanian authorities. Cooperation with the Republic has always been encouraged, and so close are relationships that in a sense the Canal Zone Government conducts its own foreign relations with the Republic.

B. THE U.S. EMBASSY

The Embassy is in a rather curious position. Instead of only representing the continental United States as a distant entity, it also represents the Canal Zone with the large American population. The core of U.S.-Panamanian relations lies in the Canal Zone; it is the American interests there which concern the Panamanians rather than what the continental U.S. does elsewhere. However, the Embassy, as pointed out above, is not the only source of contact between the Panamanian Government and the U.S. While officially the Embassy represents the Zone as well as the continental U.S. in all dealings with the Republic, inevitably its role tends to be weakened by the Canal Zone Government's own contacts, formal and informal. The Governor of the Canal Zone tends to be a much more important person in the eyes of the Panamanians than the U.S. Ambassador.

The system of control of the Zone being what it is, it would appear most policy issues concerning the Zone tend to

go straight to Washington with relatively little involvement of the Embassy. This problem was probably accentuated by the lack of a U.S. Ambassador, none having been appointed to replace the last incumbent who resigned in mid-1963.

C. THE U.S. SOUTHERN COMMAND

This unified command is headquartered in Quarry Heights, Canal Zone. It consists of a regular unified command headquarters and three component command headquarters.

a. U.S. Army Forces Southern Command - at Fort Amador.

b. U.S. Naval Forces Southern Command - at Fort Amador.

c. U.S. Air Forces Southern Command - Albrook Air Force Base.

All three component headquarters are located adjacent to Panama City, like the major components of the Canal Zone Government and Panama Canal Company. USCINCSOUTH at the time of the riot was General A. P. O'Meara, USA, who had held that post for three years.

USSOUTHCOM is basically a skeleton organization, but on paper at least its responsibilities are massive. Not only are the forces assigned to it responsible for the protection of the Canal Zone, but they must also be prepared to move anywhere in Latin America in response to contingency situations. Contingency planning for this area is the responsibility of SOUTHCOM. However, in actual fact, the main roles of USSOUTHCOM are protection of the Zone and the administration of the Military Aid Program in Latin America.

Under normal circumstances the unified command and the Canal Zone Government lead coordinate but separate existences. Normal protection of the Zone is a police function of the Zone Government; military security of the Zone is a function of

USSOUTHCOM. To dispose of any problem of interpretation an order was issued in September 1952 specifying the CINC's responsibility for the military security of the Zone and emphasizing that in the event of disagreement between the CINC and the Governor, the CINC's views would prevail in regard to the determination as to whether any aspect of the protection of the Zone pertained to its military security protection and defense as distinguished from the police protection offered by the civil authorities.

Forces assigned to SOUTHCOM are minimal. In January 1964 they were as follows:

a. Army Forces (total 6700)

(1) Infantry brigade

1 - airborne battalion

1 - infantry battalion

1 - infantry (mechanized) battalion

1 - engineer company

1 - howitzer battery 105MM

1 - air defense missile battalion (HAWK and AW)

1 - Special Forces group

b. Navy - Marine forces (500)

2 - amphibious ships

c. Air Forces (1200)

6 - C-130's

30 - other administrative aircraft

Air Commander detachment [1]

By curious coincidence, the day of the riot, January 9, found CINCSOUTH's forces markedly strengthened. That same morning the Marine Battalion Landing Team 3/8 of the Carib phibron off-loaded its 1200 men at Cristobal on the Atlantic

[1] J3M 06-64, Panama Sitrep, 10 January 1964, SECRET.

side of the Isthmus for a period of jungle training. On January 7 an air defense augmentation exercise, GIN BONTO, had brought 18 F102's, 3 RC121's, 2 KC135's and 300 personnel to Albrook Field. There never was a moment in the ensuing few days when CINCSOUTH was in need of these forces, but their presence provided him a comfortable margin in the event that the situation got completely beyond the control of the Panamanian Government.

D. TOTAL U.S. PERSONNEL

All told there were more than 36,000 U.S. military personnel, civilian workers and their dependents in the Canal Zone and vicinity on January 9, 1964.

a. U.S. military - 9,750

b. Military dependents - 11,800

c. Department of Defense civilian employees - 1,380

d. Dependents of civilian employees - 2,525

e. Employees of the Canal Zone Government and Panama Canal Company and their dependents - 10,700

E. COORDINATION PROCEDURES

Despite the apparent built-in potential overlap and friction among the three American agencies involved, there was no formal mechanism for coordination of policy. There was instead an informal system of long standing whereby the Governor, the Ambassador, and CINCSO, or their representatives met at irregular intervals to discuss mutual problems. How effective this mechanism was in coordinating policy or how wide its scope was remains unknown.[1]

[1] It was announced in early May 1964 that the regular meetings would be reinstituted in order to enforce a more effective liaison and coordination.

Apparently even this informal contact had not been too active in the months prior to the riot. Ambassador Farland had left his post in August 1963 and the lack of a replacement for him may have contributed to this development. On the broader issue of whether or not the lack of an Ambassador had increased the likelihood of trouble or could have helped when the crisis arose, opinions varied. The weight of opinion seemed to indicate that lack of an Ambassador made little difference. Mr. Stuart, the Chargé and Acting Minister, had been in the Embassy for a year and in his present post for several months. He was therefore fully cognizant of the political situation in Panama.

The relationship of the Ambassador and the Governor had not been truly clarified by the Presidential letter of 1961 on the subject of the "country team" which specified that the Ambassador would be the senior officer over all American activities in his particular country. Obviously the role of the Governor of the Canal Zone was unique and too anomalous to be covered by any such general statement.

Governor Fleming and Ambassador Farland had been appointed by President Kennedy in the summer of 1962 to meet with representatives of the Panamanian Government on a weekly basis in an effort to reduce the number of points of friction existing between Panama and the Zone. This effort had continued for a year until the Ambassador's departure, and progress was made in a number of minor areas.

These small concessions to Panama unfortunately led to friction between the Governor and CINCSO who was not represented in these meetings. In most cases concessions which affected the U.S. military in the Zone were coordinated with General

O'Meara, but in several cases the DPM objected that he had not been adequately represented or advised, and hence had been committed without his full concurrence.

There were reported to be, in addition, temperamental differences between the two men which, combined with the substantive issues, led to a strained relationship. Also General O'Meara was apparently not in full sympathy with the attitudes of the civilian employees of the Canal Company and Canal Zone Government, the so-called Zonians.

[redacted]

[redacted]

G. PLANNING COORDINATION

The anti-American riots of November 1959 prompted American authorities to plan to meet more of the same type disturbance. This type of disturbance did not represent a military threat but rather one of anarchy. While the 1959 riots had passed without major bloodshed or deaths on either side, U.S. authorities, military and civil, could not be sure of similar good fortune again.

Certain guidelines were established under these plans. General O'Meara, in his presentation to the OAS, stated that when he took command in the Spring of 1961, he and the then Governor had reviewed existing plans to meet situations such as the 1959 riots. A new set of plans were arrived at which specified very carefully that only the minimum degrees of force would be used initially, and each degree would be authorized by a senior commander. The plans even specified that not even tear gas would be used until authorized by a senior commander.[1]

[1] Background and Chronology of Events in Panama and the Canal Zone on the Ninth, Tenth and Subsequent Days in January 1964, for the Committee Established Under the Resolution of the OAS/OC, February 6, 1964. Six Volumes. Hereafter to be referred to as "U.S. Presentation."

These plans were revised with the passage of time, the latest being in October 1963. The CINC plan was SOUTHCOM Special Operations Order 1-63, "Control of Civil Disturbances," October 25, 1963. Its pertinent portions were:

a. Mission

(1) To suppress civil disorder in the Canal Zone at the request of the Governor and to protect the interest and property of the U.S. Government during such disorders.

(2) [redacted]

b. Concept of Operations

(1) Initially Canal Zone (CZ) police squads would control foot and motor movements between the Zone and the Republic. At the request of the Governor and by direction of CINCSO, Military Police would be employed in the rear areas to relieve the CZ Police of such duties as traffic control and vital installation protection. Combat forces would be moved to forward assembly areas and put on five-minute alert.

(2) If the situation should deteriorate to the extent that the security of the Canal Zone is threatened, CINCSO, based upon a request from the Governor, will direct that combat forces relieve immediately the police units and the latter will move to the rear to assume duties such as traffic control.

(3) When the combat forces have restored order, law enforcement will be returned to Canal Zone civil forces and military units will be phased out of operation.

The plan calls for a graduated application of military strength, from a show of force to use of the full firepower of the unit.

The plan mentions nothing about CINCSO's authority to take over the Zone.

This CINC plan was supported by USARSOUTH OP Order 3-63, dated 23 October 1963. It prescribes ARSOUTH operations against civil disturbances in the Canal Zone only. Extension of operations, under these circumstances, into the Republic, falls under another contingency plan. OP Order 3-63 foresaw two types of situation: Plan Alpha covered a situation where trouble had been anticipated and precautions taken; Plan Bravo was to be applied where an unforeseen situation precluded the prepositioning of forces.

The two military plans were complemented by the Panama Canal Company/ Canal Zone Government Operational Plan for Control of Civil Disturbances, dated October 1963. The purpose of this plan was to provide for the mobilization, organization, and utilization of the resources of the Panama Canal Company/Canal Zone Government to control civil disorders. It laid out the riot duties of the Canal Zone police, fire department, lock guards, and all other trained personnel employable in some sort of riot suppression role.

The plan specifies the respective roles of the Governor and the CINC in times of civil disturbance. The Governor is to protect the prestige of the United States and to maintain law and order within the Canal Zone, exclusive of the military reservations; the CINC is to assist the Governor in the accomplishment of his responsibilities by providing military

support. The plan does not mention the possibility of the CINC's assumption of control of the Zone in an emergency.

It is interesting to note that all these plans were written or revised in October 1963, obviously in anticipation of a repetition of November trouble. Once November 1963 passed without incident, it would appear that there was some relaxation of vigilance.

III. IMMEDIATE BACKGROUND TO CRISIS[1]

The underlying long-term bases of Panamanian-U.S. friction have been described earlier. The crisis of January 9-16 was provoked by a series of more immediate causes, all of which had roots in the fundamental dispute between the U.S. and Panama.

A. THE PANAMANIAN POLITICAL SCENE

The Panamanian presidential elections were scheduled for May 10, 1964, and as 1963 drew to a close, political preparations began to swing into high gear. The candidates began to express publicly their platforms and views. There was much criticism of President Roberto Chiari for his failure to gain many concessions from the U.S. during his tenure of office, and, inevitably, there was criticism of U.S. policy in the Zone. This latter criticism followed the pattern of traditional Panamanian claims and was quite similar to what had been expressed at every election for two generations. Despite the public attacks on the U.S., American authorities remained convinced that most Panamanian politicians maintained a basically pro-U.S. orientation, pro-U.S. in the sense that they recognized the need for maintaining a good working relationship with the U.S. The attitude of the average Panamanian citizen toward Americans was generally cordial, and sincere efforts on both sides had gone far, it appeared, to heal the breach caused by the 1959 riots.[2]

Nevertheless, American officials took certain precautions in this political buildup period, especially on the anniversary

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[1]Since Washington and Panama are in the same time zone, all times in the body of the report will be given as local time or "R" zone time. In the footnote citations of most messages, the Zulu time will be retained, except when indicated as "R" time.

[2]USSOUTHCOM,"After Action Report of Panama Disorders, 9-16 January 1964,"SECRET.

of the 1959 riots. ARSOUTHCOM on October 30 directed its unit commanders to take preparedness measures and to implement partially its OP Order 3-63 during the period 3-5 November 1963.

A new factor was introduced into the political scene when, on January 5, Arnulfo Arias and his Panamenista Party held a rally which broke all attendance records for political gatherings. The impact on the political hierarchy was immense. Arias who had been elected twice to the Presidency, in 1940 and 1949, and who both times had been overthrown by a coup, was something of a black sheep in Panamanian politics. The sudden awareness of his new political strength stunned his opponents, and sent politicians of all parties scurrying about for a formula to block Arias.

[redacted]

B. THE BUS STRIKE

A major incendiary element on the local scene was the strike of drivers against the Canal Zone Bus Company, a concessionaire-basis operation owned by American citizens resident in the Republic of Panama. On 9 January the strike was in its eighteenth day. There had been virtually no incidents, but the situation was more tense than appeared on the surface. The Canal Zone Government felt that the strike could well expand into a major incident, and had, accordingly, placed

[redacted]

its police on an overtime alert status from late December through 9 January. Although the strike was still in progress, other Panamanian bus companies had begun to fill in the transportation void by carrying passengers in and out of the Zone.[1]

By odd coincidence the U.S. Embassy sent a message to the State Department, on the 9th, summarizing the strike developments, just forty minutes after the first step in the riot sequence had begun. The message told of the resumption on 7 January of negotiations between the bus company management and the Panama Motor Vehicle Drivers Union under the aegis of the Canal Zone Government. The Trade Union Coordinating Commission, a labor front of over fifty Panamanian unions was reported to be backing the drivers and had threatened a general strike on January 11 if the renewed negotiations were unfruitful.

President Chiari and Foreign Minister Solis were under heavy pressure to intervene and to seek a prompt solution. Chiari had appointed his personal press secretary as his personal emissary in the dispute, but the Canal Zone Government had added irritant to the situation by their initial refusal to accept the President's emissary as an observer at the negotiations. Chiari had called in the bus company owner and manager and had personally warned them to yield to the strikers lest the general strike erupt. Furthermore, Chiari had threatened drastic action if no settlement had been reached by 11 January.

Foreign Minister Solis had earlier voiced the opinion to the press and in a note to the U.S. Embassy that the Canal

[1]USSOUTHCOM, After Action Report, SECRET.

Zone bus service actually violated the 1936 Treaty provisions prohibiting the establishment of new private commercial enterprises in the Zone.

Panamanian student, civic, and professional groups were supporting the strikers, and criticism of the Government was aimed primarily at its failure to compel the Canal Zone Government to achieve a rapid solution.

The Embassy message concluded with a comment that the general strike threat was discounted on the basis that it was unlikely to be very effective. Some preliminary efforts at supporting strikes had fallen flat.[1]

It is quite clear that there was much greater emphasis on the bus strike between the 7th and the morning of the 9th, in terms of Panamanian attention and American interest, than on what became the ultimate casus belli, the flag issue.

C. THE FLAG ISSUE

The issue of flying the Panamanian flag in the Canal Zone descended from the old debate over who had sovereignty in the Zone. The 1903 Treaty, it will be recalled, stated that the U.S. received from Panama all rights it would possess and exercise "if it were the sovereign." It did not specifically say the U.S. was sovereign, and Panama ever since had claimed that it had never been intended actually to yield Panamanian sovereignty over the Zone. Accordingly, the Panamanians had for years demanded their flag be flown within the Zone.

After the 1959 riots the U.S., in an effort at reconciliation, had declared that Panama actually did retain "titular"

[1] American Embassy, Panama City, to Secretary of State, 092220Z, January 1964, UNCLASSIFIED.

sovereignty over the Zone.[1] [redacted] in September 1960 President Eisenhower announced the decision to fly the Panamanian flag alongside that of the U.S. in the Shaler Triangle, a small projection of Zone territory into the city of Panama, immediately adjacent to the Panamanian National Assembly building.

The flag issue was one of continuing discussion after September 1960, and at the June 13, 1962 meeting of Presidents Kennedy and Chiari it was agreed that their representatives would arrange for the flying of the Panamanian flag in an appropriate way in the Zone. A special commission to consider general grievances was thereafter established.

In January 1963 the Special Commission announced that it had been agreed that the Panamanian flag would be flown together with the U.S. flag on land in the Zone wherever the U.S. flag was flown by U.S. civilian authorities (private persons and organizations within the Zone could fly the U.S. flag alone at will). However, during the first nine months of 1963 no action was taken to raise additional Panamanian flags because of a suit brought in the U.S. District Court in the Zone against the Governor for an injunction to prohibit

[1] Secretary of State Herter at this time attempted to make the Governor a civilian and to establish the primacy of the U.S. Ambassador in all matters affecting the Republic. He was compelled to drop the first effort and had to water down the second to the effect that he did not wish the Ambassador to "meddle" in Zone operations.

flying dual flags. The plaintiff was a Zone employee. The suit was dismissed in July and appeal time expired in September.

A list of fifteen sites had been agreed upon by the Commission the previous fall and in some cases dual flags were already flying. The Governor ordered installation of the dual poles at the other sites, with all to be finished by February 7, 1964.

The issue of flags at the four Zone high schools was raised by the Governor in November 1963 with Zone civic leaders, the Company officials, and Canal Zone Government. The subject was clearly so sensitive that the Governor decided that rather than compel the flying of the Panamanian flag with the American, he would fly no flags at the schools at all. This decision was announced on 30 December.[1]

On January 2 two flags were flying at eleven sites. That day students at Balboa High School began a series of protests, including a petition to President Johnson. On the Panamanian side the press and radio began to take notice of the "crude, offensive, and dangerous trick" involved in eliminating the flagpoles. Labor leaders involved in the bus dispute, in their call for a general strike, mentioned the flag issue in their list of complaints.

On the morning of the 7th Balboa High School students ran up a small American flag. This was taken down by school authorities within an hour, but shortly thereafter a larger flag was run up. The students stood guard around the flagpole and refused to permit school authorities to lower the

[1] U.S. Presentation.

flag. The students maintained an all-night vigil while being supplied with food and bedding by adults. Quite obviously many of the parents, the teachers, and veterans organizations fully supported the actions of the students. The adults circulated petitions and assisted in guarding the flagpole.

By the morning of the 8th students at eight other Zone schools had raised the flag. The flag raisings created a serious problem for the CZG officials who immediately instituted conversations with various groups, including the students through the school authorities, to explain the reasons for the decision that had been taken. It was suggested that perhaps the best solution would be to fly both flags. If the Zonians wanted the U S. flag to fly, it was understandable, but, in accord with the U.S. agreement with Panama, both flags must then fly.[1]

The Governor issued an appeal to the Zonians to abide by the official commitments of the U.S. Government and to show good faith. He also promised possible revision of the dual location list. That evening the civic groups and students petitioned the Governor against flying the Panamanian flag, claiming they had never agreed to the idea of letting the Panamanian flag fly.[2]

On the morning of the 9th the Governor recorded another statement to the Zone population, again reviewing the U.S. commitments and appealing for an avoidance of emotionalism. This appeal was not broadcast until 1815 local time on the 9th, after the Governor had departed for Washington and an hour and a half after the series of events had begun which culminated in violence.

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[1]U.S. Presentation.

[2]USSOUTHCOM, After Action Report.

As a result of these developments, the Governor had been placed in a vulnerable position. The CZG was nervous over the bus strike as it was, as witnessed by its putting the police on overtime alert status. Yet when this other potential incendiary was created, it was handled with curious indecision. What the Governor did in effect by his response was to abdicate his immediate control of events and leave it in the hands of a group of teenagers and their adult supporters.

The same apparent ambivalence on the part of the CZG appears elsewhere as well. While worrying about the consequences of the bus strike, the CZG was also refusing to sit down with the emissary of the President of Panama, an attitude hardly calculated to help solve the strike issue.

D. INFORMING WASHINGTON

The first flag raising at Balboa High School had been reported by the Governor by phone to the Office of the Secretary of the Army (OSA) on the afternoon of the 7th. Specifically, it was reported to the Deputy Chief for International Affairs in that office, who was the specialist in Canal Zone matters. This officer was informed of the Governor's conviction that he could solve the situation in a couple of days by persuasion and hoped to gain student agreement to letting both flags fly. The Governor asked that he not be put in the position of having to pull down the U.S. flag by force against student resistance.

The Deputy Chief for International Affairs in OSA reported this information that same day to the Director of the State Department's Office of Central American and Panamanian Affairs, but he did not report it to the JCS, since he felt it was notyet a military concern.[1]

[1] Interview with Deputy Chief for International Affairs, OSA.

Presumably the decision to abide by the Governor's wishes was made by the Secretary of the Army and transmitted by phone. No message has been sighted, but normal telephonic communication is so good between Washington and the Zone that urgent communications are usually conducted by this means.

The Governor left Panama at 1700 local time on the 9th for Miami and Washington to consult with Thomas Mann, Assistant Secretary of State for Inter-American Affairs. He had been attempting for some time to arrange an interview with Mann to discuss some matter of importance, but his leaving was not related to the flag incident. His leaving was at his own volition, so he must have felt the situation under control.

E. PANAMANIAN REACTIONS

Panamanian reactions must be viewed on the official and the public levels. [redacted] The Governor, too, feeling progress was being made in talks with the Zone groups, had visited Solis on the afternoon of Thursday, the 9th, just before leaving for the U.S. The flag issue had been mentioned in the conversation, and the Governor had indicated to Solis that he hoped to produce a solution acceptable to both sides and involving the flying of both flags. The Foreign Minister then said that this was a quite satisfactory approach to the problem.[2]

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[1] Msg. American Embassy to Secretary of State, 100928Z, January 1964, CONFIDENTIAL.

[2] Transcript of the U.S. Oral Presentation on February 14th and 15th, 1964 to the Committee Established Under the Resolution of the OAS/OC, February 6, 1964. Hereafter will be referred to as "U.S. Oral Presentation."

On the level of public reactions, things were at first not different. There was no indication of widespread indignation in the Republic over the flag issue until the 9th. The Embassy reported on press and public reactions in a message sent on the 9th just before the trouble started at 1640. It stated that the local press had at first carried front page coverage of U.S. student activities, with photographs, to the effect that discontinuance of flying the U.S. flag by the Governor's order was discriminatory and not in keeping with the spirit of the agreement. However, the press had not hit hard on the allegations of discrimination, but had concentrated mainly on straight reporting of Canal Zone student activities. The Balboa High School flag raising had been duly noted.

The Embassy, with clear foreboding, then said that these events had brought the issue of flying the Panamanian flag in the Zone again to public attention, creating a strong resurgence of nationalistic sentiment among the Americans in the Zone and, at the moment, to a lesser extent in Panama. The Embassy took heart that only a small segment of the Zone population were actively participating in demonstrations around the school flagpole.[1]

By the morning of the 9th, the atmosphere began to change significantly. Generally, the Panamanian press had supported the criticism of the Governor by the Zonians, since they believed that a new decision to fly the U.S. flag at the schools would mean that the Panamanian flag would also fly. When it became apparent that the students and the adults supporting them were really opposing the flying of the

[1]Msg. American Embassy to Secretary of State, 092145Z, January 1964, UNCLASSIFIED.

Panamanian flag, indignation grew in Panama. Press articles began to draw lines of antagonism between U.S. and Panamanian students, thus formalizing a de facto hostility.[1]

The feeling on the part of the Panamanians that the Zonians were trying to delay and to prevent the fulfillment of an official commitment of the U.S. Government was indicated in an article in the leading daily, The Star and Herald,[2] entitled, "Canal Zone Students Defiance Spreads; Civic Council Asks No Action Until Congress Decides."[3]

. . . Throughout that day in a number of minor ways there appeared indications of Panamanian annoyance. Several small public meetings were held, although these were poorly attended. However, these various indications did not add up alone to anything ominous. There was no indication of really widespread indignation until the riots actually began. There had been no protest from the Panamanian Government, and it was the general opinion of U.S. sources that the Panamanian Government had no advance information on an outbreak. [redacted] on the isthmus had any positive advance indications.[4]

CINCSOUTH himself stated before the OAS Committee that he had no reason to anticipate trouble as a result of the flag raising episode on the 7th. He pointed out that the flag issue had been in the press before and that only one

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[1] USSOUTHCOM, After Action Report.

[2] An English language newspaper, now Panamanian-owned, it was founded in 1849 for the Argonauts heading to the California Gold Rush. It is the most reputable Panamanian newspaper.

[3] DOD Intelligence Information Report No. 5412001664, 10 January 1964, UNCLASSIFIED.

[4] Msg. American Embassy to Secretary of State, 100928Z, January 1964, CONFIDENTIAL.

really sensational play was given to the Balboa High School episode in the papers of the 9th. He implicitly admitted that it was a case of "cry wolf!" to a large extent, when he said that the Americans in the Zone were used to Panamanian press discussions of the issue.[1] Having lived next to the Panamanians and their volatility for so many years, the Americans on the Isthmus probably found it hard to believe that the volatility could really be destructive.

While, to be sure, there were no concrete indications of trouble at this point, the total picture was not completely reassuring. The anniversary of the 1959 riots, the forthcoming elections, the Arias thunderbolt, the bus strike, the flag issue, all were part of the total context. Certainly the potential for trouble was present.

The First Secretary of the Embassy recalled that a few days before the riot he and a group of the officers of the Embassy had discussed a sense of growing tension which they all felt. It was, he said, indefinable and intuitive, but all present expressed the fear that trouble was brewing in Panama.[2] This is the sort of second sense one expects to find in an experienced perceptive officer, but it is also the sort of feeling which is difficult to communicate or to act upon.

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[1] U.S. Oral Presentation.

[2] Interview in American Embassy, Panama City.

IV. THE CRISIS BREAKS

It is the intention in the next several sections to follow the course of events through the actions of several organizations -- the Canal Zone Government, USSOUTHCOM, the American Embassy, the Office of the Secretary of the Army, and the NMCC. To attempt to follow the agencies in a single chronological account would be to invite confusion. Therefore, a brief chronological account will first be given of the events of January 9-10, to be followed by individual accounts of the specific agencies. The action account will be brief because this study is interested in the tactical details of the riot action only insofar as they are related to command and control issues. Extremely detailed accounts of the Panamanian mob and American military and police actions during the riots were prepared by several sources, so further duplication would be pointless.

The major "action" portion of this crisis really lasted only about four hours, from the time the violence began to assume serious proportions, around 1830 on the 9th, until U.S. troops had cleared the Zone of intruders, around 2230. Major U.S. policy decisions were made within the next ten hours. The reader must keep in mind this concentration of events. Following the initial outburst, the situation underwent a subtle change, and the U.S. began to view it as of possibly larger and more serious dimensions. Rioting as such never again reached the proportions of the first night, but attacks on U.S. troops took on a more calculated and therefore a more sinister pattern. A series of possible problems arose and confronted the U.S. during the period 10-17 January, and even while major diplomatic moves were under way to ease the crisis, the U.S. considered the situation potentially volatile.

After the first night, it was these possible problems, based upon rumors and expectations, which dominated the scene. A concrete event had occurred the first night, but thereafter American officials, both on the scene and in Washington, were primarily concerned with responding to rumors and with taking steps to anticipate any trouble that might result from the realization of these rumors.

A. THE COURSE OF THE DISTURBANCES

[redacted]

At 1640 a group of some 200 Panamanian students, carrying a Panamanian flag, entered the Zone on Fourth of July Avenue. They were a very orderly group, but the march had not been announced in advance nor was it expected by CZG authorities. The march was intercepted by a group of twelve Canal Zone police to whom the marchers made known their intention of going to Balboa High School to raise their flag alongside the student-raised American flag. They continued to move quietly toward the High School, but many Zonians had seen the students enter the Zone and had started to gather near the High School. By the time the marchers reached the High School area, there

[redacted]

were some 500 Americans around it, and the police recognized the potential for a clash if the two groups came together. They therefore halted the marchers several hundred yards away from the school. A police effort to allow a delegation of five Panamanian students to approach the school to "display" their flag at the flagpole failed to satisfy the marchers, but, despite insults and threats, there was still no violence.

At about 1800, after futile milling about and argument with the police officials, the Panamanians started to return to the Zone boundary. It was during this march that the violence began, as the Panamanian students began to break windows, lights, etc. on the road back. Canal Zone police followed some yards behind and made no effort to prevent the damage, being under orders to arrest no one. The marchers were all out of the Zone by about 1830.

When the students left the Zone, crowds very soon began to form along the boundary. Cars were attacked and burned, Americans beaten, and mobs began to move against the Zone by 1915 at a number of points. Canal Zone police were soon in danger of being overwhelmed and mobs were penetrating into the Zone. The police had been compelled to open fire when tear gas supplies ran out, but at no time did they fire directly at the mobs. They were ordered to gain a ricochet effect with their bullets or to fire overhead. However, it seems clear that some Panamanians were fatally wounded by police fire. The police, it must be recalled, had been hastily mustered. At 1640 there were only twenty men on duty in the Pacific side districts of the Zone, and when by 2000 the force had been built up to its total available strength, there were only eighty-two policemen to hold the entire perimeter.[1]

[1]The Canal Zone police number 185 men all told.

Communications were in a difficult state. Furthermore, there were no other means of support available to the police for use against the rioters. Firefighting equipment, for example, was all in use fighting fires started by the rioters.[1]

By 1800 it was apparent that strong support would be needed from the Panamanian Guardia National[2] in getting the marchers out of the Zone and in preventing the growth of further violence alon the boundary. The performance of the Guardia (GN) that night provided the first clue to U.S. officials that the Panamanian Government intended to exploit the disturbances for political purposes.

There were some 1750 Guardsmen in Panama City and its environs that night, and 260 in Colon on the Atlantic end of the Canal. The force was in a full state of readiness, off duty personnel having been confined for some time to barracks or maintaine at control points so they would be available. The Panamanian Government had done so in view of the general tension existing in the electoral campaign period and in view of the recognized possibility of disturbances arising from the threats of a transport or a general strike in Panama City in consequence of the Canal Zone bus strike.[3]

Between 1830 and 2000 hours eight calls were made for GN support by CZG personnel. These included a representative sent to speak to the GN Commander personally at 1922 and a further phone conversation with the Commander at 2000. The first five calls were directly to the GN in accord with established procedures. Aid was promised, but the GN remained inactive. Attempts were finally made to get aid from the

[1] U.S. Presentation.

[2] The Guardia is the sole armed force in the Republic, functioning as both police and army.

[3] U.S. Presentation. It is interesting to note that police forces on both sides of the boundary were on special alert status on the 9th.

Panamanian Government through diplomatic channels and eventually at the very highest level.[1]

[redacted]

Under the circumstances the Acting Governor of the Canal Zone requested, at 1959, that General O'Meara take over the Zone, as he was no longer able to control the situation. U.S. Army troops began relieving police along the boundary by 2035, in accordance with SOUTHCOM Special Operations Order 1-63. In the actual event, the phasing laid down in the plan was ignored, and operations began at once according to Phase 2.

Trouble, in the meantime, broke out on the Atlantic side of the Isthmus when at 2000 demonstrations began in Colon. Soon afterward marchers entered the adjacent Canal Zone city of Cristobal and began wrecking and looting. Troops were sent against them and the area was cleared by 2330. By 2255 CINCSO reported to the NMCC that the Pacific side had been cleared. In both areas, the rioters as a rule fell back in the face of troops.[3]

However, sniping against U.S. troops became heavy in the hours thereafter, and by morning three U.S. soldiers had been killed. Another eighty odd U.S. citizens had been injured.

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[1]U.S. Presentation.

[2]USSOUTHCOM, After Action Report, SECRET.

[3]Msg., CINCSO to JCS, 101950Z, January 1964, CONFIDENTIAL, ISUM No. 1.

At 2250 permission was given to use shotgun fire against snipers. This had mostly a morale effect. At 2315 General O'Meara, in a conversation with the Panamanian Foreign Minister, got his promise to have the GN move against the snipers, and, in turn, CINCSO promised to halt U.S. shotgun firing. The sniper fire continued, and CINCSO eventually ordered selective counterfire by U.S. marksmen with ball ammunition.

By 0600 on the 10th all entry points on the Pacific side were open to peaceful traffic from the Republic. Troops were withdrawn from the border and two military policemen stationed at each entry point. U.S. countersniper fire ceased at President Chiari's request at 1145, but sniper fire continued. Sniper fire was particularly intense in the Colon-Cristobal area for two full days.[1]

President Chiari, in a dramatic and intemperate radio broadcast, had broken relations with the U.S. at 2200, thus introducing a new complication into an already involved situation, and setting the stage for the intensive diplomatic activity to come.

B. ACTIONS OF THE CANAL ZONE GOVERNMENT

It will be recalled that Governor Fleming had left Panama just about the time the student march entered the Zone. The Acting Governor was Colonel David Parker, USA, and on him fell the initial responsibility. Governor Fleming did not hear of the events until he landed in Miami and was informed by the CZG of the situation. After conferring with Washington by phone, Fleming returned to Panama on the first available flight.[2] He landed again at Panama International Airport at 0320 on the 10th.[3]

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[1] U.S. Presentation.

[2] It is not known to whom he spoke, but presumably it was with the Office of the Secretary of the Army.

[3] USSOUTHCOM, After Action Report.

Colonel Parker was first advised at 1640 that a group of student marchers had entered the Zone. This was immediately after the event had occurred. It is not known who reported the event. Five minutes later he was warned that the students were passing the Governor's House and that a decision would have to be made soon as to where and how to handle the situation. Parker received this last note while speaking on the phone to the Deputy Under Secretary of the Army for International Affairs on the subject of progress in the settlement of the bus strike.

At 1650 Parker went to Balboa High School, having called SOUTHCOM for an officer to be present at the school in order that the military be kept informed. A colonel from the Joint Operations Center joined Parker at the school, and both were witness to the events there between 1700 and 1850. By 1835, with most of the students cleared out of the Zone, Parker felt that the air was clearing a bit, but the next fifteen minutes brought a rash of alarming reports. Consequently at 1850 he called the Duty Officer at SOUTHCOM and suggested that in accordance with the Emergency Plan, troops be alerted and moved to forward alert positions because it might become necessary to seal the border.[1] He also called the Embassy at 1855 and told the Staff Duty Officer what was happening, requesting him to call Chiari to protest.

Things seemed to improve briefly, so that at 1905 Parker called the Duty Officer at SOUTHCOM to say that the situation might be better than he had previously thought. At the same time, he cautioned that troops should certainly be alerted.

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[1]This account draws heavily on a "Memorandum for the Record: Chronology of Events on the Night of 9-10 January by Acting Governor Parker," Canal Zone Government, Office of the Governor.

At 1910, Parker called Washington and again to the Deputy Under Secretary of the Army for International Affairs, reporting the incident thus far and telling him that "it appeared that we might be in for trouble." This was the first news of the actual rioting to reach Washington, but it was not reported to anyone outside the Office of the Secretary of the Army. Thirty minutes later SOUTHCOM would inform the NMCC.

By 1925 the Acting Governor again called SOUTHCOM to the effect that major trouble was flaring and that there was now every indication that troops would be needed. Five minutes later he authorized the use of tear gas by the hard pressed police and also the use of firearms as a last resort.

The Chargé of the Embassy, Mr. Stuart, called Parker at 1930 for a report, having been alerted by the Embassy Duty Officer of Parker's earlier call. General O'Meara also called and urged that Parker hold on as long as he could under civil control, but that steps were being taken to get the military into position as rapidly as possible. Parker assured the CINC that he would not ask for troops formally until he had personally surveyed the ground.

Parker reconnoitered the border area by jeep at 1945 and found the situation very alarming. Groups of eight or ten policemen were opposed by mobs of several thousand. He fully expected the mobs to overrun the Tivoli Guest House at any moment.[1] Under the circumstances, he felt he had no alternative but to ask for military aid. Consequently, he reported to General O'Meara personally at 1959 and requested that the CINC take over the Zone.

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[1] Msg., CINCSO to JCS, 100534Z, January 1964, CONFIDENTIAL. Contains report made by Parker to General O'Meara at 100030R.

Parker then went to the Joint Operations Center at SOUTHCOM to explain the situation to the Battle Staff and to arrange a meeting place for the troop commanders and police commanders. He further attempted to ascertain what steps the Canal Zone Government should take under the new situation. He returned to his office at 2015 to coordinate the activities of the Canal Company/Canal Zone Government for the rest of the evening. He was told then of an earlier message from the Deputy Under Secretary of the Army for International Affairs, instructing him to ask for GN help, to call Chiari for assistance, and to avoid using force unless utterly necessary. It is not known just when this call came in, but the NMCC was not notified of these instructions to Parker.

Parker called Chiari at 2045 to tell him of the situation and of the transfer of control to the CINC. Chiari replied quietly that this had been building up for some time and that the Americans should have foreseen it, implying that the U.S. was at fault. The Acting Governor replied that possibly the Americans should have foreseen the crisis, but that it was Panamanians who were rioting. Chiari thereupon cut off the conversation.

Parker then spent the hours from 2100 to 0600 on the 10th reporting to the Office of the Secretary of the Army, and giving instructions to the police. His role became an essentially passive one until the Governor returned and reassumed authority.

C. ACTIONS AT USSOUTHCOM

Apparently the first indication of the student march received at USSOUTHCOM headquarters on Quarry Heights,

overlooking Panama City, was Acting Governor Parker's call at about 1650. At the same moment an initial report was received at USARSOUTH, at Fort Amador, from the 470th Intelligence Corps Detachment. Following dissemination by G-2 of a more detailed account of the march, the Army Operations Center was opened at 1800.[1] Within the hour a Battle Staff had gone on duty at SOUTHCOM JOC.

By 1904 USARSOUTH had one company on a thirty-minute alert and two companies on a one-hour alert. With CINCSO's assumption of control over the Zone at 1959, USARSOUTH was ordered to move troops promptly to expel rioters from the Zone and to seal the border. General O'Meara announced his assumption of command at 2030 and ordered all Zone residents to stay in their homes. A light plane was sent up and down the border broadcasting in both English and Spanish an appeal for calm.

At 2242 it was reported that troops had relieved police all along the border area to include Colon and that police had reverted to their normal duties.[2] By this time there were seven companies of troops, about 1000 men, deployed on the Pacific side and some 700 in the Colon-Cristobal area. These latter forces were alerted at 2050.[3]

At 2305 the CINC approved the concept of operations for the following morning. Assuming the situation were stabilized, troops along the border would be withdrawn to reserve positions and the barbed wire barriers removed. Two military policemen would be stationed at each entry. This deployment was to be accomplished by 0500 on the 10th.

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[1]USARSOUTH, After Action Report, 9-16 January 1964, CONFIDENTIAL.
[2]Msg., CINCSO to JCS, 101950Z, January 1964, CONFIDENTIAL.
[3]U.S. Oral Presentation.

The danger area appeared to be expanding to the interior of the Republic when a report was received by CINCSO at 2330 that rioting had started at David, a town in the far western portion of Panama, near the Costa Rican border, at 2100. American civilians there were reportedly attempting to escape to Costa Rica. There was in addition a group of Special Forces personnel there in a training facility.

Additional anti-U.S. demonstrations occurred at Rio Hato, an old air base some 70 miles west of the Zone, where fifteen U.S. soldiers were stationed to guard an equipment dump.

Both these problems were solved without the use of force or intervention. The CINC ordered the evacuation of Rio Hato at 0815 on the 10th and the troops, plus the transportable equipment, were removed to the Zone by noon of that day. SOUTHCOM requested the Embassy to get permission for U.S. planes to land at David to remove the Special Forces people and this was quickly obtained on the afternoon of the 10th, despite the severance of diplomatic relations by Chiari. The troops were promptly brought back to the Zone. The American civilians in the David area all crossed safely into Costa Rica.[1]

D. ACTIONS AT THE U.S. EMBASSY

The third American agency involved in the crisis, the Embassy, was unique in that it was outside the American "stronghold," located on "enemy" territory, and therefore dependent upon the Panamanians for protection. It is located on the edge of the Bay of Panama, about one mile away from

[1]USSOUTHCOM, After Action Report.

the Zone through Panama City. Its vulnerability was to be a source of major concern in the first hours and continued as such throughout the whole period of the crisis.

The First Secretary was called at his home at 1840 by the Staff Duty Officer at the Embassy with a report that students were rioting in the Zone. In answer to his query, he was told they were Canal Zone students. Since this made little sense, he called the Balboa Police Station and was informed of the situation. He then called Minister Stuart (Chargé d' Affaires ad interim) and departed for the Chancery. Expecting the worst, he called in the off duty Marines and moved official cars to special secret pre-arranged garages.

Shortly thereafter Minister Stuart arrived, along with other senior officials of the staff. The First Secretary had the Chief of the Army Mission call his contacts in the National Guard for a report of the situation and to request GN protection around the Embassy if the need should arise.

Between 1900 and 2000 the Minister instituted maximum security measures [redacted] Efforts were made through the American Society to inform all private American citizens resident in Panama City to remain indoors.[1]

The Minister collected all material available on the situation and a quick situation report from each involved officer, and called the Department of State between 1900 and 2000 to apprise them of the situation. He spoke with the Director of the Office of Central American and Panamanian

[1] Department of State: Memorandum: "Recapitulation of Events which Occurred During the Night of January 9, 1964," Limited Official Use.

Affairs and gave him the situation report which included the latest information concerning reported deaths of Panamanian students and such details of the rioting as were available.[1]

By 2000 Minister Stuart had also tried unsuccessfully to reach the Panamanian Foreign Minister. He did reach the official in the Foreign Ministry in charge of American Affairs and requested that the GN be contacted by the Foreign Ministry to send sufficient Guardsmen to protect the Embassy. Stuart then called the Commander of the GN to ask him to try to quell the rioting and to prevent a large new group of students who were reported as having left the National Institute from joining the rioters. The Commander's response was noncommittal. Eventually, the Minister also got a call through to the Foreign Minister and warned him that the GN was not actively preventing the crowds along the border from growing.[2] By midnight his calls showed some reward when the GN force around the Embassy increased to about seventy men. He was not able, however, to reach Chiari.

It is interesting to note the difference between the inactivity of the GN along the Zone border with their more efficient performance around the Embassy. [redacted]

[1]The State Ops Center did not keep a separate log for the Panama crisis until the 11th.

[2]Msg., American Embassy to Secretary of State, 101114Z January 1964, UNCLASSIFIED.

[redacted]

Minister Stuart remained in contact, both directly and through his staff officers [redacted] communiques flowed in continuously, enabling the Embassy to keep up with the fast-moving situation. As rapidly as information came in and could be analyzed, periodic calls were made by Stuart to Washington. In addition, a number of telegrams were prepared for Washington, giving background information leading up to the riots.

The first of these telegrams was curiously vague. It mentioned the student demonstrations, but tended to soften the situation even though it reported thirty students wounded. There was no mention of U.S. troops or the take-over of the Zone by the CINC, although the telegram was dated more than an hour after this had occurred.[1]

The Chancery switchboard was flooded with calls from Americans resident in Panama, seeking advice. There were also a large number of calls from radio stations and newspapers in the U.S. requesting information on what was taking place.

Communication was also maintained with the Vice Consul in Colon, whose residence was besieged by a howling mob. The

[1] Msg., American Embassy to Secretary of State, 100207Z, January 1964, UNCLASSIFIED.

GN present were too few to prevent a concerted rush against the house, so consultations were held by Stuart and USSOUTHCOM to work out a way to remove the Vice Consul and his family to the Zone. Presumably this would have meant U.S. troops entering Panamanian territory, but no other information on this episode has turned up. Eventually the crowd dispersed and the Americans were able to escape to the Zone.[1]

At about 2230 the Minister received a call that Chiari wished to see him immediately, but he was told by the GN outside that it would be impossible to get anyone through the streets. Stuart was unable to reach the President by phone so had the GN officer outside the Embassy explain by radio to the Presidential Palace why he was unable to come. The Minister prepared again at 0200 to visit Chiari, but the GN checked with the Palace and were informed that the President was not available as he had gone to bed.[2]

Stuart had reported to the Department of State at midnight that he was unable to answer Chiari's summons and that he expected Chiari to notify him formally that diplomatic relations were severed.[3]

The first crowds reached the Embassy around 0100 on the 10th. A few Molotov cocktails were thrown but no damage resulted and the GN dispersed the crowd without difficulty. At 0330 a larger mob marched on the Embassy and pounded it with rocks conveniently available on the beach immediately in front of the Embassy. Half-hearted attempts to enter

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[1]The Vice Consul returned to the Consulate, but on the 12th the building was overrun by a mob and the Consul reported that he had been unable to destroy his cryptographic or classified material before evacuating. The material had been put in a locked safe. There was little concern until the 15th when the Vice Consul was able to return to the building and found the safe unopened.

[2]Recapitulation ....

[3]Msg., American Embassy to Secretary of State, 100518Z January 1964, UNCLASSIFIED.

the grounds were beaten back by the GN, however, and the crowd moved off by 0530.[1]

Embassy communications caused problems in midcrisis. Early on the 10th, around 0200, all phone lines went dead and remained so for a couple of hours. The reason for the failure could never be determined. Furthermore, the special line to Washington remained dead for the rest of the crisis, leaving the Embassy dependent upon commercial lines. The special line to the Zone, called Red Band, a clear but not fully secure line, operated erratically throughout the crisis, leaving the Embassy cut off from the Zone for periods.[2]

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[2]Interview with Henry Taylor of the Embassy.

V. INFORMING WASHINGTON

The crisis has thus far been examined from the point of view of the people on the spot -- the Canal Zone Government, USSOUTHCOM, and the Embassy. We must now look at the situation as it was seen or imagined from Washington, based upon the information that came from Panama.

It must be recalled that the efficiency and availability of telephonic communications between Panama and Washington meant that most communication that night was carried on by phone. Comparatively few written messages were sent. As the crisis dragged on and as more and more people became involved in it, telephonic communications tended to jam up and there was, consequently, a greater use of written messages.

However, the extensive use of the telephone makes it that much harder to trace through the course of a crisis. Tapes of phone conversations are not made at all headquarters, and, as has been mentioned earlier, all tapes in the NMCC and AFCP had been destroyed before this study commenced. Telephone logs often provide little more than tantalizing hints of the nature of conversations.

A. NOTIFYING THE NMCC

It will be recalled that the first news of the situation came through a phone call at 1540 between Acting Governor Parker and two officials in the Office of the Secretary of the Army, just as the student marchers entered the Zone. One of these officials had informed the Under Secretary of the Army and the responsible desk officer in the State Department. Both of these asked that they continue to be kept informed. At this point the Deputy Chief for International Affairs in OSA had some doubts as to the wisdom of the Governor's leaving the Zone when a possible incident was on the horizon.

However, he felt that the Governor, on the scene, could better gauge the situation. He had considered suggesting to the Under Secretary of the Army that the latter call the Governor and tell him not to leave Panama, but decided it was apparently not necessary.[1]

Again at 1910 Parker spoke to the Deputy Under Secretary of the Army for International Affairs and warned him of possible major trouble. Neither of these two conversations was reported to the NMCC.[2]

At 1943 the SOUTHCOM Duty Officer called the NMCC and the Air Force Command Post. The telephone message was as follows:

> "There are 600-700 Panamanian students that are turning over autos, breaking windows, breaking street lights in the Canal Zone at Ancon Hill. The reason they are doing this is that they wanted to raise the Panamanian flag alongside the American flag. The American flag was put up by the students, the American students, at the high school -- and weren't supposed to put it up, but it is up and the Panamanians want to put up their flag alongside of it -- and that's what started the situation off. The military has taken no action however. The Canal Zone police riot squad has gone down there. Not known exactly what they are doing at this moment."[3]

It will be seen that this initial notification came three hours after Acting Governor Parker had called SOUTHCOM for an officer to accompany him to the high school. The time lag was admitted by SOUTHCOM JOC people to have been a plain error of neglect. They either forgot to call the NMCC earlier or were too busy.[4] Also, judging from the message, there was no clear picture of the situation or of its dimensions at SOUTHCOM even at that hour, just sixteen minutes before the CINC took command of the Zone.

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[1] Interview.

[2] "Memorandum for the Record," Office of the Governor.

[3] From Army War Room Log.

[4] Interview at SOUTHCOM.

As to the detail in the message, it gave a very incomplete and confusing picture of even the original situation. Nothing is mentioned of troop alerts at Parker's request, of the desperate plight of the Canal Zone police at that moment, or of the widespread and serious character the rioting had assumed.

The NMCC immediately notified the State Department Operations Center, but the log shows a twenty-minute time period between receipt of the call and notification of the White House Situation Room. Calls were then made to CIA, ISA, and OSD Public Affairs. The Duty General in the NMCC notified the Director of J-3 at 2020, the DJS at 2025 and the CJCS at 2028.[1]

At 2017 the CINCSO Duty Officer called the NMCC with word that CINCSO had assumed command of the Zone at 1959 and could be reached in his CP where he was directing operations. SOUTHCOM J-2 called at 2025 with a SITREP as to how the riot had begun. General O'Meara himself called the Chairman at 2052 with his first personal report. He described the situation and the flag issue, of which General Taylor had obviously not known, and pointed out that he had no indications thus far that this was a premeditated riot. The Chairman had seemed concerned over this point, twice asking questions in regard to the point. The CINC assured him that he was keeping all his people out of Panama and was only defending the Zone.

[1] The sources for this material are the Current Actions Center Chronological Log and the Emergency Actions Room Chronological Log. There are numerous discrepancies between the two as to the time of calls. The telephone log of the Regional Desk in the CAC had been destroyed before this study began, so the record of information flow within the Joint Staff was for the most part lost.

It should be kept in mind that the times listed in these logs may not be fully accurate. Many entries are listed as "late," and consequently may be just approximations of the actual times.

He stressed the passive role of the GN, pointing out that the Canal Zone police had [redacted] However, he had recently received a report that the Acting Governor had talked to the Commander of the GN who refused to move against the crowd on the grounds that it was too large. The CINC felt that while the two reports were contradictory, they could also be true. [redacted]

The CINC pointed out that the crowds were large but their size had been exaggerated, and that if the GN moved against them, they could break them up. As it was, he felt confident that he would have the situation in hand in less than an hour and saw no need for any assistance from outside.

Finally, in answer to the Chairman's question, he said the Secretary of Defense had not called him, nor had anyone else.[1]

The Chairman immediately relayed this information to the Secretary of Defense.

At 2152 the CAC Team Chief called SOUTHCOM J-2 for a report on the actual employment of troops. He received an encouraging account of the crowds dispersing in the face of troops.

ISA then entered the picture with a call from the Regional Director for the Western Hemisphere to the Deputy CINCSO. The conversation was monitored by Ralph Dungan, Special

[1]Transcript of conversation between the Chairman JCS and CINCSO, 100152Z January 1964.

Assistant to the President on Latin American Affairs, who had come to the NMCC to follow events. Deputy CINCSO reported the situation as quiet and said they did not plan to move troops outside the Zone. Dungan emphasized and reemphasized that troops must not leave the Zone, even if the Embassy were burned down, and asked that they keep in touch with the Embassy.

It is not known whether Dungan was speaking for himself or for the President when he proffered this guidance. He had come directly to the NMCC from his home but may have been in touch with the White House by telephone. The point raises the interesting question of what is "the White House" and who speaks for it. A valid question can certainly be raised as to whether or not Dungan's guidance represented that of his superiors at that time. Furthermore, his authority in giving it may be questioned.

Deputy CINCSO called back at 2234 and spoke again to the ISA Western Hemisphere Director while Dungan, the NMCC DDO, and the CAC Team Chief monitored. Deputy CINCSO informed the conferees that the CINC wanted his directives to come direct from the JCS. Presumably this reflected the CINC's reaction to the conversation of ten minutes previous in which Dungan appeared to be issuing directives. At any rate the CINC made his point quite clear.

The Deputy Director for Operations emphasized to Deputy CINCSO that the JCS were in agreement as to not using troops outside the Zone, and the latter assured him that the JCS would be consulted prior to moving any troops outside the Zone, if the CINC should consider it necessary.

At 2250 the CINC called the NMCC DDO and Dungan with word that the Pacific side of the Zone had been cleared. He called the DDO again at 2324 with a SITREP and a casualty list.

The new NMCC DDO, in response to a query from Dungan, called the CINC at 0122 and O'Meara reported things quiet. The DDO reported this to Dungan at 0129, but at 0135 Dungan again called the DDO and asked for a conference call with him and O'Meara. Dungan wanted the CINC to call Foreign Minister Solis to assure him that everything possible was being done to remedy the situation. Presumably this was the period when communication with the Embassy had gone out, for properly this sort of message should have gone through the Embassy to the Panamanian Government.

At 0143 the Army Assistant DCS/OPS for Special Operations called the CINC from the Army War Room, having asked the NMCC DDO to monitor the call, and wanted to know if there was adequate riot control ammunition on hand in SOUTHCOM.

At 0157 O'Meara called Dungan with the NMCC DDO monitoring. This is the last personal call for O'Meara that the records show for this period, but its substance was not recorded in the logs. With the clearing of the Zone, the major rioting on the Pacific side slackened off, and the hectic communication flow of the first few hours followed suit.

It is interesting to note the number of times the CINC was called or called Washington during these hours, and to estimate the proportion of his time required by phone calls in relation to that spent commanding the operations along the borders. Furthermore, the records available may not show all the calls made. When an OSA officer on January 15th attempted to get a complete set of all significant orders that went out from the JCS to CINCSO, the Team Chief CAC advised him that he understood that all significant orders passed directly from the Secretary of Defense to CINCSO and later to Vance and Mann. He stated that the NMCC was not privy to these

telephone conversations.[1] In such calls [illegible], there is no record in either the CAC or the EA Logs of calls between the Secretary and the CINC.

The NMCC played a key role as a communication center in these first few critical hours. The periodic loss of Embassy communications left the military lines as the only channels, so all efforts at information gathering -- military, State Department, White House, ISA -- were focussed on the NMCC. The Deputy Directors for Operations were wired into most phone calls that went through the NMCC, so the NMCC became the chief depository of up-to-the-moment information.

With General O'Meara's assurance to the Chairman, JCS, that he needed no outside assistance, the role of the Joint Staff became a standby one of support and information. It served as a transmission belt for information from the Isthmus to the decision makers in the White House. It was generally felt among those of the Joint Staff responsible for the area that, since the CINC was capable of handling the problem, he should be interfered with as little as possible.

B. INFORMING THE DEPARTMENT OF THE ARMY

The sudden assumption by CINCSO of control over the Zone meant that the line of authority now ran from CINCSO to the JCS to the Secretary of Defense, bypassing the old channel through the Department of the Army. This was more easily said than done, and DA officials kept themselves involved in the situation. In fact, this led to a minor jurisdictional dispute as the DA apparently tried to continue its normal control.

Mr. Califano, General Counsel for OSA, was the first senior DA official to report to the Army War Room, at 1943.

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[1] Army War Room Log.

The first written message from the JCS to CINCSO was a "personal" from the CJCS to General O'Meara, dated 102035Z, requesting an after-action analysis. The Team Chief CAC advised the OSA officer that the NMCC files contained only this message and one other, authorizing MINIMIZE for communications.

He immediately tried to call the CINC, but talked instead to the Duty Officer at SOUTHCOM. At 2100 the SOUTHCOM DO called Califano and briefed him on the situation to that moment.

The CINC himself called Califano at 2105, reporting some interesting viewpoints. He said he intended keeping U.S. troops in the Zone, [redacted] He felt we would do no good committing U.S. forces outside the Zone, and that the GN could handle the situation if they tried. [redacted] He warned Califano to place no credence in rumors of deaths, to place no faith in them unless confirmed. He was sure there were wounded, but no deaths. Nor had there yet been any break in diplomatic relations.[1] These were interesting observations which the CINC is not recorded as having previously expressed in earlier calls to the NMCC, but there is no record that they were sent on to the NMCC.

A large number of phone calls were made from DA officials to either the Governor or the CINC during that night, some of there up to thirty minutes in lengths.[2] Secretary of the Army Vance, Under Secretary Ailes, and Califano communicated from their own offices, rather than from the Army War Room, so no record was available in the AWR Log of just how many calls were made. Most of the calls, it was recalled, originated in Washington.[3]

As an example of the DA's direct approach to the CINC, there was the call at 2400 on the 9th from the Assistant DCS/OPS for Special Operations to SOUTHCOM that Secretary Vance desired that they submit a blow-by-blow account of events and a rundown of the present situation by 0100. At 0130 DCS/OPS again called SOUTHCOM to determine the status of the requested report,

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[1] Army War Room Log.
[2] Interview.
[3] Interview with Team Chief, Army War Room, night of 9-10 January.

stressing the need for reliable information that could be released to the press. These demands from the Army apparently were not enthusiastically received by CINCSO.

The attitude of DA was not, of course, based purely upon an effort to continue the normal command system on the Isthmus. The DA did have the largest body of basic information on Panama affairs and it was only natural that people turn to DA for this background data. The White House, for example, continued to deal with the Office of the Secretary of the Army for information purposes, and the chief function of that office during the night of 9-10 January was information gathering, both from its own resources and via phone calls to the Canal Zone. One of the first assignments was the preparation of an information sheet for the President by the morning of the 10th.[1]

C. WHITE HOUSE INVOLVEMENT

When the White House Situation Room was notified of the crisis by the NMCC shortly before 2000 hours, it began to alert certain key officials. Assistant Secretary of State for Inter-American Affairs, Thomas Mann, was at dinner, and broke off to go to the State Department's Operations Center. Ralph Dungan, the Special Assistant to the President, went from his home directly to the NMCC where, as has been seen, he was heavily involved in communications with the Zone. He remained in the NMCC until 0300, relaying messages to the White House to cut down the processing time (this was especially important since so much of the communication was by phone). McGeorge Bundy, Special Assistant to the President for National Security Affairs, was at the Netherlands Embassy, along with [redacted] Both were notified there.

[1]Interview. The Canal Zone Government had no formal part in the situation after the CINC took over, but the Internal Security Office of the CZG continued to pass information from its own contacts to J-2 at SOUTHCOM.

[illegible] President immediately placed the Secretary of State and Mann to get their impressions. He talked with several advisors until after midnight, and kept up with the latest messages as they came into the White House Situation Room. Apparently both Mann and Vance were at the White House and provided on-the-spot guidance.

[redacted]

In preparation for an 0930 meeting on Friday, the 10th, a brief was drawn up, "Panamanian Situation Report for the President of the United States," dated 0430, 10 January. It presented a full account of the flag issue and excerpts from messages from CINCSO with accounts of events by Parker and O'Meara.[1]

[1]Department of State files.

CONFIDENTIAL

Time: January 9, 1964 Agency Notified	1600-1700	1700-1800	1800-1900	1900-2000	2000-2100	2100-2200	2200-2300	2300-2400
	1640-marchers enter Zone							
1. Canal Zone Government (Col. Parker)	1640-presumably by Canal Zone Police							
2. Office of the Secretary of the Army (Deputy Undersecretary for Int'l Affairs)	1640-by CZG (Col. Parker)			1910-by CZG (First report on rioting				
3. Undersecretary of the Army	1640 apprx-by OSA officers							
4. Dept. of State, Panamanian Affairs Desk	Shortly after 1640-by OSA officers							
5. USSOUTHCOM	1650-by CZG and USARSOUTH							
6. First Secretary, U.S. Embassy (at his home)			1840-by Staff Duty Officer at Embassy					
7. U.S. Embassy			1855-by CZG (First complete account)					
8. The U.S. Minister (at his home)			1855 apprx-by First Secretary					
9. NMCC				1943-by SOUTHCOM				
10. Department of State, Panamanian Affairs Desk				1900-2000 by U.S. Minister - first full account of riots				
11. Department of State Operations Center				1944-by NMCC				
12. White House Situation Room					2000-by NMCC			
13. [redacted]								
14. OSD/ISA					2005 apprx-by NMCC			
15. OSD/Public Affairs					2010-by NMCC			
16. Director of Operations (J-3), Joint Staff					2020-by NMCC DDO			
17. Director, Joint Staff					2025-by NMCC DDO			
18. The CJCS					2028-by NMCC DDO			
19. Assistant Secretary of State Mann Presidential Special Asst. Dungan Presidential Special Asst. Bundy					2000-on - by White House Situation Room			
20. [redacted]								

FIGURE 2. Alerting Sequence in the Panama Crisis

DRAFT 2

FIGURE 2

VI. SECOND PHASE OF THE CRISIS

With the clearing of rioters from the Zone and the sealing of the border, the first phase of the crisis ended. This phase can be considered to cover the period from the beginning of the riot through the night of the 9th-10th. The period includes the rioting, the initial alerting, and the period of relative quiet until daylight on the 10th. In this latter period the initial reports to Washington were expanded and clarified, so that by the time policy meetings began at the White House on Friday morning, a reasonably accurate picture of the events of the night was available. What was not available was a good estimate of what might yet be ahead.

It may be added that the reports going to Washington by 2400 on the 9th were themselves sufficiently detailed to allow Washington to gain an accurate image of what had happened. A number of written messages were already available by morning to back up the numerous phone calls and to disseminate the facts widely where phone calls tended to remain within narrower circles. The following messages had been sent:

a. Embassy report 092145Z on the flag issue background, sent by coincidence just as the marchers entered the Zone.

b. Embassy report 100207Z on the riot.

c. Embassy report 100935Z giving a full account of the riot.

d. CINCSO report 100534Z, including the report made to the CINC by Acting Governor Parker on the events up until he asked the CINC to take over.

e. CINCSO report 100625Z, is Part II of the above message No. 4, and covers the period from the CINC's assumption of control.

Press accounts did not add anything to the body of data available in Washington. CINCSO, USIA, and the CDO stated the situation as it existed that first night in a message at the end of the crisis to a joint State/DOD/USIA investigation of the news problem. They pointed out their own difficulty in assembling facts and in making these available to the press. However, the problem lay fully as much in the fact that the local Panama stringers for U.S. wire services were filing stories without any attempt at verification, while the Panama news media people made no effort to pass on the U.S. version of events. Meanwhile all public information offices in the three agencies were being swamped with phone calls from news media in the U.S., but there was no opportunity to coordinate their accounts. In addition, the Embassy USIS reports were limited in their overall accounts by the fact that the Embassy was partially out of contact with the Zone most of Thursday night and early Friday.[1]

The accounts that appeared in Friday morning's press, therefore, were essentially fragmentary or unreliable.

A. FIRST POLICY STEPS IN WASHINGTON

The night of the 9th-10th for Washington, then, was one of attempting to find out what had happened. By the next morning decisions would have to be made on the U.S. position vis-a-vis the Panamanians, the OAS, the U.N.

The Secretary of State has given an interesting picture of the actions in the White House during the first twelve hours.

> "We kept the President informed in the course of the night and then early next morning, he made certain important decisions for action on that one day -- before all the facts had come in."[2]

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[1] Msg. CINCSO to Secretary of State, 162122Z January 1964, UNCLASSIFIED.

[2] Department of State Bulletin, February 3, 1964.

Rusk points out that the President sent Mann and Vance to deal with the situation on the spot; he made arrangements for the affair to be considered in the OAS and a decision on how to deal with it in the U.N. Security Council; he gave other instructions in regard to the security of American life and property in the Zone. The President then phoned Chiari to get the Panamanian President's agreement that this was a matter that should be settled by discussion and not by violence.

The Secretary of State summed up his account by saying:

> "Now that was in the very first few hours of the crisis. Because events move so fast these days that when something like this comes up, it is important to bring it under control, rather than let it drift and by indecision or inaction become much more explosive than it really is."

The last statement sums up the key point of the crisis. In the initial stages the great fear was not so much what was actually happening as what might happen as an aftermath. There was, after all, no doubt in anyone's mind that the U.S. forces in the Zone could defend it against the rioters. If the violence were to persist and the general stability of the Panamanian Government come into question, a whole new set of issues would have to be faced by U.S. decision makers.

At 0930 on the 10th key officials, without the President, began meeting in the White House. Present were Rusk, MacGeorge Bundy, Dungan, Mann, McNamara, Under Secretary of State Ball, Vance, Ailes, and former Assistant Secretary of State for Inter-American Affairs, Edwin Martin. The President joined the group by 1000 and a thorough review of the situation followed. Two decisions were made: to dispatch an official mission led by Mann and Vance to Panama and for the President to talk to Chiari by phone.

In the noon conversation the President explained to Chiari the need for a quick halt to fighting since its continuance could lead only to the benefit of persons friendly to neither government. This clearly indicates the early fears felt by U.S. decision makers of the possibility of a Communist or rightist exploitation of the situation.

The President told Chiari the U.S. would be willing to discuss any problems once the fighting had ceased and that he was sending a special mission that would arrive that same evening.[1]

Immediately after the meeting Mann, Martin, Vance, Dungan and Deputy Assistant Secretary of the Army McPherson left for Panama. Vance and Mann called on Chiari at 2030 that same evening, while the rest of the party gathered data on what had happened. While Chiari was adamant about the need for some basic "structural" revision of the 1903 Treaty, the meeting ended on a note of agreement that the shooting should stop at once. Mann reported that Chiari seemed impressed when the mission told him Washington was not aware until the previous night that the flag flying was a serious issue.[2]

January 11 was a day of extensive discussions and some progress toward restoring order. Mann met with the OAS Inter-American Peace Committee which had flown to Panama to investigate Panama's charges against the U.S.

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[1]New York Times, January 17, 1964.

[2]Msg., Mann to Secretary of State, through CINCSO to Department of State, 110840Z January 1964, CONFIDENTIAL.
The message also reports some of the hazards of diplomacy in these areas. "We were met at the airport and conducted to the Palace in cloak and dagger fashion, and much of the conversation was conducted with the background of 600 Panamanians chanting 'Out with the Gringos.' All of this could have been staged."

[illegible] civic groups [illegible] his intention to fly the U.S. flag at [illegible] with the Panamanian flag alongside it.[1]

In the meantime President Johnson was informed of Chiari's position and of developments on the scene. He was warned that Chiari had said he could not control the volatile situation without "structural revision" of the Treaty. The President notified Mann that the U.S. position would be not to negotiate under pressure of violence and a breach of relations and that therefore Chiari's demand for structural revision was unacceptable.[2]

B. DEVELOPMENTS IN PANAMA

The 10th dawned on a tense Panama. While the Pacific side had quieted down with the passing of the night, the situation on the Atlantic side had grown progressively more serious. Here, however, the problem was not so much rioting mobs as snipers. Casualties among U.S. troops began to mount and by 1146 SOUTHCOM reported three dead and forty-six wounded among the troops and twenty-one other Americans injured.[3]

While public facilities in the Zone, except for schools, were all functioning and peaceful traffic was entering from the Republic, the growth of organized sniping and the development of a greater degree of organization of mobs and demonstrations had a sinister character.[4] Rumors were rampant to the effect that more violence was to come, and Governor Fleming

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[1]Msg., CINCSO to OASD/PA, 120241Z January 1964, UNCLASSIFIED.
[2]Msg., White House to CINCSO for Mann, 111911Z January 1964, UNCLASSIFIED.
[3]Emergency Actions Room Log.
[4]Msg., CINCSO to OASD/PA, 101818Z January 1964, UNCLASSIFIED.

called the Office of the Secretary of the Army at 0515 to say that while the situation was quiet at the moment, he had been told on good authority that "he hadn't seen anything yet."[1] The Embassy also reported that the initial spontaneous disturbances had quickly been taken over by organized groups.[2]

The CINC also feared further trouble and reported to the JCS that continued demonstrations and violence of possibly greater severity could be expected on both the Atlantic and Pacific sides.[3] [redacted]

While it seemed unlikely that any reinforcement of the CINC would be needed, certain initial precautionary steps were taken. For the simple defense of the Zone, the CINC was perfectly well prepared. If, however, circumstances should develop which compelled U.S. forces to move into the Republic, some augmentation might be required.

The Joint Staff took the precaution of informing CINCSTRIKE, CINCLANT, and CINCONAD, sending on to them around 0430 CINCSO's two part SITREP. In the case of CONAD and LANT, the main purpose was to keep these two commands informed since both had forces in the Panama area, LANT the Marine BLT of the CARIB phibron, and CONAD the air units in Exercise GIN TONIC. No steps were taken, however, to alert other forces for possible dispatch to Panama.[4]

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[1] Army War Room Log.

[2] Embassy Emtel 299 to Secretary of State, 101030Z January 1964, UNCLASSIFIED.

[3] Msg., CINCSO to JCS, 102220Z January 1964, CONFIDENTIAL.

[4] CAC Log.

The CARIB philibon, Amphibious Squadron 6 of the amphibious ships with the 1200-man Marine BLT 3/8 embarked, had put into the Atlantic side on January 9 for a period of jungle training. The Marines continued their training but remained on alert. CINCLANT offered the BLT to CINCSO's operational control if he should so request,[1] but CINCSO replied that he did not anticipate any requirement for the unit. He would, nevertheless, request it if circumstances arose.[2]

C. COMMAND PROBLEMS

There were really no command problems as such to merit the name. The nearest approach came up over the relationship of the CINC to the Governor and the Department of the Army. The CINC had made his position clear the night of the 9th when Deputy CINCSO had requested that orders come only through the JCS, presumably the CINC's response to directives that had been given him by White House aide Dungan or by the Office of the Secretary of the Army.

The issue arose again on the afternoon of the 10th. O'Meara called the DJS at 1324, with the Chairman's Office included in the call, to say that the Under Secretary of the Army had called Governor Fleming on the matter of a proclamation that the President wished to have made to the people of the Canal Zone. The CINC wanted it understood again that directives should come to him and he would make proclamations.[3]

The CINC's position was upheld and no proclamation was made. The CINC tended to ignore the Governor during this period and refused to allow him to communicate with the Zone

[1] Msg., CINCLANT to CINCSO, 101910Z January 1964, CONFIDENTIAL.
[2] Msg., CINCSO to CINCLANT, 102110Z January 1964, CONFIDENTIAL.
[3] EAR Log.

employees, either by the Armed Forces radio or by the Canal Company newspaper. The Department of the Army felt this was arbitrary and left the propaganda field open to the Panamanians. On the other hand, the CINC obviously feared that any statement issued might be inflammatory to both sides and spark further violence. He intended to maintain the tightest control until the heat had begun to leave the situation.

The very fact of the CINC's takeover was rather nebulous in a legal sense. The Acting Governor had turned over control because he thought it necessary, and this made it a legal act. However, it did not conform to the situations established in the Canal Zone Code. The Code presented two alternative situations. The first covered a situation of actual wartime or external threat, during which the military commander would take over control. The second case concerned the maintenance of internal law and order in the Zone. In this case the Governor "may request military assistance."

In the actual event the Acting Governor fell between the two stools. It is not known why he asked the CINC to take over the Zone instead of merely asking for military assistance, since he was clearly facing the second of the two cases specified in the Code.[1]

Apparently there was no objection to the CINC's action in higher quarters in Washington. The tight and efficient rein which he held on the situation during the week of his control was obviously appreciated. This was evidenced by the willingness to let him assume command again if necessity

[1]Discussions with SOUTHCOM Judge Advocate General's Office.

compelled it. On the 17th, the day after he returned control to the Governor, O'Meara was called by the Director of the Joint Staff. The DJS reported that he had just been called in by General LeMay who said that while he had been lunching with Vance, now Deputy Secretary of Defense designate, Vance had been phoned by the Secretary of State with word that things were getting tense again in Panama. (The reasons will be described shortly.) Vance asked LeMay to tell the Chairman, JCS, and O'Meara that if there were any reason whatsoever for the CINC to move in and take over again, as he had done previously, he was not to hesitate to do it. He already had the authority in advance. The DJS emphasized to O'Meara that it was left entirely up to his judgment as to whether or not he took over the Zone. He was only to report what he did.[1]

D. THE PLIGHT OF THE EMBASSY

After the second mob had left the Embassy around 0530 on the 10th, Stuart, the Chargé, sent a laconic message to the Department stating, "Anticipate today may be difficult."[2] He was right.

Stuart was still unable to reach Chiari at 0700, but left a message at the Palace as to his availability. He had still never been formally told relations had been broken, despite Chiari's radio statement to the Panamanian people that the Panamanian ambassador to the U.S. would be recalled and relations broken. Later in the morning Chiari called Stuart but said nothing about diplomatic relations. Instead he wanted the CINC to halt the helicopter flights up and down the Zone boundary and to cease U.S. counterfire against

[1]Edited transcript of phone call between CINCSO and the DJS, 171812Z January 1964, CONFIDENTIAL.

[2]Msg., Embassy to Secretary of State, 101110Z January 1964, UNCLASSIFIED.

snipers. He also suggested "a high level personal representative of President Johnson be sent down to discuss the situation. On the basis of an earlier conversation with the Department of State, Stuart was able to tell Chiari that such a step was already being considered.

Stuart phoned Washington with Chiari's suggestion and was told of the President's decision to send a mission that same day. By the time Stuart reached Chiari again, the Panamanian President had already spoken with President Johnson.

About 0830 reports reached the Embassy of a crowd of 10-20,000 in Shaler Triangle calling for a march on the Embassy.[1] It was obvious that the GN could not hold back a mob of that size, so evacuation of the Embassy became inevitable. It must be recalled that the Embassy was in a very sensitive situation that morning. The Panamanians, fed the most atrocious fabrications by the news media over the events of the previous night, were prevented from effectively venting their wrath on the Zone by the U.S. troops and the concertina wire barriers which had been strung along the boundary at all access spots. The Embassy, however, was accessible and was vulnerable. It therefore seemed reasonable to expect that new disturbances would be aimed primarily at it.

[redacted]

[1] Recapitulation by the American Embassy.

[redacted]

Contact was lost with CINCSO at this time and again the thought of rescuing the Embassy by force arose, but the CINC rejected the suggestion.

Stuart reported again at 1415 to the Department of State that he and the Marine guards were remaining at the Embassy with some seventy GN outside. Contact was reestablished with CINCSO at 1425.[1] By then only a small mob had reached the Embassy and stoned it. There were a few ineffectual efforts with Molotov cocktails, and then the crowd moved off. The immense mob proved to have been one more figment of fevered imaginations, much to the relief of Stuart and his group.

At 1506 Stuart reported to State Ops that roving mobs were burning and looting American businesses and had also begun to loot Panamanian stores. Thus far he had no information on Americans molested in their homes in the Republic, but huge crowds were gathering for the funeral of the students killed in the rioting the night before, so there was a possibility of more serious trouble.

E. A PERIOD OF DANGER

There now came what seems to have been one of the peak periods of tension. The huge demonstrations expected at the funeral were full of potential dynamite. Not merely could trouble reasonably be expected along the Zone boundary that night, but concern was felt for those Americans resident in the Republic who were still in Panama City.

When the crisis began there were 6,300 potential evacuees in the Panama City area, 2,400 DOD personnel and dependents, 2,600 other U.S. Government personnel, and 1,300 private

[1] Army War Room Log.

American citizens.[1] The GN had assisted many Americans during the night of 9-10 and through the next day to escape to the Zone by back routes. This, in fact, along with the GN defense of the Embassy, were all the GN did of note that first critical day. By late Saturday night, the 11th, 2,000 odd Americans had been given temporary shelter in the Zone. In large part the exodus had been stimulated by the reports beginning the previous day of possible terrorism against U.S. nationals.[2]

The change in the nature of the violence by the afternoon of the 10th seemed to support the possibility of such attacks. The sniping against U.S. troops had become organized, known leftist leaders were being reported as raising or leading mobs. Up-country in the interior, more than one hundred Americans were reported trapped by disturbances at the plantations of the United Fruit Company at Puerto Armuellas.

In addition, rumors of a coup against the Government of Chiari had begun to be heard. These grew more intense later, but their appearance on this day must have added to the sense of danger. [redacted] general sense of panic among the Panamanian population, [redacted]

Washington watched with growing concern, and at 1610 a curious episode occurred. The White House Situation Room passed an "EYES ONLY" message to the Moscow Link (MOLINK) for transmission to CINCSO. Three minutes later the Chief of the CAC called

[1] J3M-96-64, Panama SITREP No. 1, 10 January 1964, CONFIDENTIAL.
[2] Msg., CINCSO to OASD/PA, 120337Z January 1964, UNCLASSIFIED.
[3] [redacted]

the White House to say no other addressees would be listed on the message. Two more calls were made, and then the White House rescinded the request and ordered [redacted]

No one in the NMCC can recall the exact contents of the message or just why the White House asked that it be sent over the MOLINK. The MOLINK team chief reported that he simply told the White House that he did not have the facility to go to CINCSO and suggested the normal JCS channel. J-3 LANT/SOUTH officers felt that the White House staff may merely have thought of the MOLINK as a secure system for getting a sensitive message to CINCSO.

There is no indication whatsoever of the content of this message. It may have concerned the use of U.S. forces inside the Republic, but there were no indications at the working level at SOUTHCOM at that time of sending troops into Panama, although there were rumors of sending troops to rescue the soldiers stranded at Rio Hato if necessary. Whatever the content, it was curious that the message should then be withdrawn when the White House Situation Room learned it could not be sent over the MOLINK. If the message to CINCSO were so sensitive and important, there were other channels for transmission of it to him.

In any event the night passed without major disturbances, although sniping continued.

The Embassy's tribulations were to continue. CINCSO reported at midnight on the 11th that CINCSO [redacted] had both lost all contact with the Embassy at 1720 that afternoon just after a mob of 4,000 was reported marching on the Embassy. Later information shrank the mob to 500.[1]

[redacted]

[2]Msg. CINCSO to JCS, 120503Z January 1964, UNCLASSIFIED.

In midafternoon of the 11th the State Department reported to the White House Situation Room that the Embassy had been warned by the GN to evacuate, that it was probable that the Embassy would be overrun by a huge mob. However, this rumor also failed to develop.[1]

The evacuation problem at Puerto Armuellas also was cleared up by developments that day. SOUTHCOM reported at 1231 on the 11th that twenty-five people had been evacuated by Company airplane to Costa Rica, but that the Panamanians would not allow the plane to return for the remaining fifty-five people. Mobs had formed and the situation was becoming untenable.

The State Department apparently requested that U.S. forces assist in the evacuation of the remainder although the cryptic comment in the EA Log does not define "forces." Presumably, transport aircraft were implied rather than any troops, although no proof of this supposition can be found.

For the next hour there was much activity on the subject, presumably on the consequences of landing planes without Panamanian permission. One note in the EA Log records that the Chairman, JCS, thought that the evacuation problem [redacted] should [redacted] However, SOUTHCOM called at 1335 with a report that the women and children at Armuellas had been put across the border into Costa Rica that morning and that the men were to follow in the afternoon. At 1358 SOUTHCOM reported all the Americans evacuated.[2]

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[1] Army War Room Log.
[2] EA Log.

VIII. THE CRISIS PROBLEMS

Until the 12th the crisis revolved around the U.S.-Panamanian clash. In the several days thereafter it assumed broader proportions to include the possibility of an internal political convulsion in Panama arising from the U.S.-Panama clash. In large part this sensitive situation was caused by the tactics of the Panamanian Government who thereby created an environment in which a coup against it seemed plausible.

A. PANAMANIAN POLICY

[redacted]

[1] Msg., Mann to Secretary of Defense, Secretary of State, 121848Z January 1964, CONFIDENTIAL, [redacted]

[redacted]

In an earlier telegram Mann had stressed that the student riot did not appear to be part of a plan, and that the build-up after the students left the Zone was more likely the result of Christian Democrat Labor Federation action to use the disorders as a pressure tactic in connection with the bus strike. Probably the timing was the result of excitement arising from the student move and had not been planned. Also extensive violence such as occurred was unlikely to have been planned or premeditated by the sponsors of the mobs. Mann pointed out that this kind of tactic had been suggested on several occasions, including by officials of the Panamanian Government. It would appear that Chiari had been attacked at an earlier meeting to discuss the general strike and was led to respond with vigorous support of the union. He may have assumed that a peaceful demonstration was possible while he looked the other way.

The nonintervention of the GN, the lack of coordination of the crowds, and the limited supplies of Molotov cocktails seemed to support this view. Mann pointed out that the evidence available up until then did not indicate any actual

[redacted]

Communist inspiration either of the march or of the initial rioting. He stressed that this view was concurred in by the group in the mission and by senior officials on the ground.[1]

However, the situation had gotten out of hand. Chiari had taken an extreme step and had put himself in a very vulnerable position. He had to produce something to make the episode worthwhile. As the deadlock with the U.S. continued through the week, fears began to arise of a coup to dispose of Chiari. There were several candidates for such a role, numerous politicians having surreptitiously approached [redacted] Their intent was obviously politically inspired, to maneuver the situation to their personal benefit.

B. THE THREAT OF A COUP

American sources tend to differ in their assessment of the seriousness with which the threat of a coup was taken. Certainly in the first couple of days there was no real suspicion of such a development. The possibility of a coup seemed to arise from both the Right and the Left and from a joint action by the two. [redacted]

The sudden success of Arias in gaining popular support seemed to represent perhaps the main threat of a coup. That success

[1] Msg., Mann to Secretary of State, 111720Z January 1964, SECRET.

had come out of the blue and the significance of his political rebirth shocked both the Panamanian oligarchy and U.S. officials.

[redacted]

The passivity of the GN was viewed as possibly an indication of trouble. [redacted] but they promptly moved, however, to exploit them. An indication of this came on the 11th when CINCSO reported to the JCS that at 1430 a crowd had gathered led by known Communists. He pointed out that this should be brought to the attention of the Secretaries of State and Defense as it was a reversal of the point made by Mann in his message of a few hours previous about no Communist involvement. CINCSO emphasized that this was a serious development.[2] It certainly indicated an active Communist participation in the climate of instability that existed.

[redacted]

[2]Msg., CINCSO to JCS, 120006Z January 1964, CONFIDENTIAL.

[3][redacted]

The CINC, a few hours later, notified the Secretary of Defense [redacted] to the effect that Arias' forces had reached agreement with the PDP for joint action against the Chiari Government, to take place during the night of the 13th-14th. Diversions were to be made at the Tivoli and other Zonal border spots to draw away the GN from the area of the Presidencia. The CINC pointed out that [redacted] the situation was undeniably tense. [redacted] However, the fact no additional arms were known to have been smuggled in yet cast doubt upon the report.

General O'Meara then emphasized that the U.S. must be prepared for trouble, and that if a joint coup were to be tried, we must help the GN [redacted]

The CINC reported to the JCS that there were rumors of "something big" to occur the night of the 13-14, although the situation seemed to be returning to normal despite the efforts of extremists to keep it alive.[2]

C. ARMS SMUGGLING

Supporting the rumors of a coup were a spate of reports of arms being smuggled into Panama. These reports tended to give substance to the coup wraith. The possibility of the introduction of arms in quantity to subversive elements

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[1] Msg., CINCSO to Secretary of Defense, 140234Z January 1964, CONFIDENTIAL.

[2] Msg., CINCSO to JCS, 140410Z January 1964, CONFIDENTIAL.

within Panama had been considered for some time [redacted] No hard data had been obtained but there was basis for suspicion. [redacted]

The rumors that began to come in were taken very seriously by all the U.S. agencies on the Isthmus, and understandably so if viewed in the context of the Panama situation and the recent discovery of the arms cache in Venezuela. At about this time CINCLANT, in response to the Venezuelan revelation and other reports, had ordered CINCLANTFLT to sail two destroyers to the Southern Caribbean to permit an early response to any [redacted][2]

By the morning of the 13th several reports had been received by CINCSO identifying the circumstances under which arms and ammunition could have been introduced from outside sources. Full confirmation was not possible, but the GN reportedly suspected that arms had been smuggled in.[3] The previous SITREP reported that at 1750 on the 11th a white boat anchored in Panama Bay had begun shipping suspicious crates ashore in small boats. At 1220 on the 12th a heavily loaded cargo boat had docked hastily in the slip by the Public Market in Panama City where it unloaded five heavy crates into row boats. In view of the state of relations with Panama, U.S. officials were

[1] Msg., CINCSO to JCS, 011940Z January 1964, SECRET.
[2] Msg., CINCLANT to CINCLANTFLT, 110126Z January 1964, SECRET.
[3] Msg., CINCSO to JCS, 121900Z January 1964, CONFIDENTIAL. SITREP for period 121300Z-1400Z.

reluctant to send a boat into Panama Harbor for a close range observation. In addition, the Panamanian press reported that the GN was searching cars because of the fear of illegally entering arms.

[redacted]

CINCSO requested that CINCLANT provide assistance in verifying the reported shipments and in identifying, locating and maintaining contact with any vessels which might be involved.[1]

In addition the CINC directed the Governor of the Canal Zone to stop, board, and search all ships in Canal Zone-controlled waters suspected of smuggling arms.[2]

The whole arms smuggling episode tended to die quickly after air surveillance found no suspect [redacted] Inspection of vessels in Canal Zone waters continued from the 14th

[1]Msg., CINCSO to JCS, 142024Z January 1964, SECRET.
[2]Msg., CINCSO to JCS, 142106Z January 1964, CONFIDENTIAL.

to the 20th. By the 18th twenty vessels had been boarded and nine searched with negative results. The regular Canal inspection was merely intensified somewhat for most suspect vessels, while only the nine had received any special search treatment.[1]

In summary, the coup rumors caused considerable concern and activity. Clearly the CINC believed such an event as a possibility, and in this he was backed by the Embassy. While the Embassy thought a joint Right-Left coup unlikely and saw no need for an Arias coup since he stood an excellent chance of winning the election legally four months later, enough bits of evidence piled up to enforce caution.

The State Department Desk Officers apparently felt the fears of a coup were exaggerated. While admitting some concern after the 17th when the continuing deadlock in negotiations seemed to offer the possibility of its exploitation by someone, they felt that there were no real ingredients for a coup present in the situation. Indications and aspirations were there, but no fully formed revolutionary ingredients.

[1]Msg., CINCSO to JCS, 181136Z January 1964, CONFIDENTIAL.

VIII. THE [illegible]

Despite the continuing rumors of an internal political upheaval within Panama, the situation on the Zonal border grew steadily more stable. Sniping continued but the GN became increasingly active in rooting out snipers. While crowds did form again, they never tried to rush the Zone. It was sound but little fury. There were repeated alarms as to new mobs gathering with the avowed intention of attacking the Zone or the Embassy, but none of these attacks materialized.[1] By the end of the 13th a good measure of order had been restored. Whatever ulterior motives the professional agitators who increasingly took over attempts to renew violence may have had in regard to the future of the Panamanian Government, their efforts at raising emotions against the Americans steadily dwindled.

Because of the apparent security of the Zone, the CINC returned control of the Zone to the Governor on the 16th, and the two jointly issued a proclamation asking that the next day be a day of prayer for both the U.S. soldiers and the citizens of the Republic who had died in the rioting.[2]

Early on the 15th a rumor spread of a U.S.-Panamanian agreement in which the U.S. had promised to renegotiate the Treaty. The White House emphatically denied this. The next day brought new U.S.-Panamaian disagreement over the use of the words "discuss" and the "negotiate" in the OAS Peace Committee communique, the U.S. claiming it meant to say "discuss" differences over the Treaty and Panama assuming it meant "negotiate."

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[1] Alarm was common to most American officials down there in the first few days. Even members of the special Mann mission, in phone calls, expressed forebodings of the future. It was not merely the Embassy, the CZG, and the CINC who feared more trouble.

[2] Msg., CINCSO to JCS, 161307Z January 1964, UNCLASSIFIED. The Panamanian Government issued an official report on February 20, in which it claimed total Panamanian casualties in the riots as 21 dead and 471 injured.

The Panamanians were so annoyed that they decided that day to close their Washington Embassy and to ask the U.S. to withdraw all its Embassy personnel from Panama.

Again the situation seemed to start to deteriorate. Rumors flew of new marches and of students being given arms. The Army Operations Center in the Pentagon had resumed normal operations at 1200 on the 16th, but was reactivated at 1900 on the 17th at the request of Under Secretary Ailes in expectation of new trouble.

Edwin Martin, who had been left in Panama after the Mann-Vance mission returned, notified the Secretary of State on the 17th that the CINC, the Governor, and the Embassy should take such measures in anticipation of trouble as they could without attracting public attention. He suggested this action in view of the general tension, rumored Communist plans, and uncertainty whether the student-called mass meetings that night would end peacefully or in a new attack on the Zone boundary. He further suggested Embassy families spend the night in the Zone.[1]

The night passed and with it the last really serious rumor of more trouble. Discussions dragged on for three months before the Panamanians agreed to resume diplomatic relations, but the future course of U.S.-Panamanian relations remained clouded. Nothing had been changed by the crisis. If anything, attitudes had tended to harden on both sides, especially on the part of the Panamanians. While the U.S. for its part undertook a searching look at its commitments on the Isthmus, this consideration was accompanied by a marked reluctance to appear to be backing down in the face of Panamanian pressure. Under the memory of bloodshed, concessions would be difficult for both sides.

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[1] Army War Room Log.

XX. SOME OBSERVATIONS

The Panama episode, small and restricted as it was, offers several useful illustrations of the sorts of common problems encountered in crisis situations. Like most of the lessons learned in crises, these tend to be obvious, but through the perversity of human nature and the character of governmental organization, they must apparently be relearned with every new crisis.

The lack of coordination among the three major U.S. agencies on the Isthmus made it almost predictable that when such a crisis broke, there would be confusion. The overlapping and, in part, competing roles of the three agencies no doubt helped to create this situation. The inadequacy of coordination that existed before the crisis made more apparent the inadequacy in response to the crisis. Before the crisis there was inadequate coordination on the policy level. Joint gathering and analysis of intelligence alone was not enough to guarantee coordination. What seemed to be lacking was an agreed-upon outlook and a set of common objectives which could lead to a more unified course of action. Once the crisis broke there was inadequate coordination in meeting it. For example, there was no single point of contact with the Panamanian Government, as was indicated by the number of people involved in calling for GN assistance. Under the pressure of events, no one agency seemed quite certain of what the others planned to do.

While there was no evidence of forthcoming trouble, the potential for it was certainly present. However, it would seem that with the passing of the anniversary of the 1959 riots there came a disbelief in the probability of any trouble, even though common sense impelled U.S. authorities to take certain precautionary steps. In short, one can be alert and still not recognize danger signals if they don't accord with

one's expectations. It would appear that U.S. authorities had become so accustomed to Panamanian outcries against the U.S. that their perceptions became dulled and did not function with sufficient fineness.

Once the crisis broke, procedures established to deal with such crises were in several cases bypassed. The Acting Governor yielded control of the Zone instead of merely asking military assistance. The CINC OPLAN was put into effect in a way that ignored the planned phasing. While contingency plans are customarily markedly revamped when the situation for which they were designed actually comes to pass, this plan was of a different order. It was extremely simple and not dependent upon elaborate political assumptions, and the failure to carry out the proper phasing indicated the procedural confusion that resulted from previous inadequate coordination. Irregular procedures were also followed when the White House and the OSA tried to bypass the CINC to deal with the Governor and the OSA tried to direct the CINC as though he were the Governor. Furthermore, a Presidential assistant presumed to give instructions to the CINC, raising the important question of who in the White House speaks for the President.

It was also demonstrated again that the better communications are the more people will communicate. The CINC apparently spent an inordinate amount of his time on the telephone during the crucial hours when the Zone was being cleared by the troops. The tendency in Washington was for anyone in authority to call the CINC directly for a situation report. The good communications obviously not merely facilitated but encouraged this. The problem was complicated by the number of agencies who were dealing directly with the CINC -- the JCS, the White House, the Office of the Secretary of the Army, and OSD. He obviously

had to recast the same information many times to different people, where one written report could have been sent to multiple addressees. Good voice communications in crisis may not be an unmixed blessing.

The affair indicated that the habit of informing the NMCC of incoming indicators of trouble has not yet been fully established throughout the Pentagon. The Office of the Secretary of the Army did not inform the NMCC or the LANT/SOUTH desk in J-3 of the initial student flag raising; it possessed news of the Panamanian incursion into the Zone three hours before the NMCC and never did call the NMCC; it did not transmit other items of information gleaned from phone calls between senior OSA officials and the Zone. While the action on the Zone boundary was obviously one not initially requiring a JCS military response, the rapid OSA coordination with the State Department should have been coupled with similar action in respect to the NMCC. SOUTHCOM itself also neglected to notify the NMCC after it had been alerted by the Acting Governor and did not do so until the situation had reached its point of greatest danger.

The NMCC played a key role as a communication center in the first critical hours. The periodic loss of Embassy communications left the military link as the only channel, so all efforts at information gathering -- military, State Department, White House, and ISA-were focused on the NMCC. The successive Deputy Directors for Operations and/or the Team Chiefs in the CAC were wired into most phone calls that came through the NMCC, so the NMCC became the chief source of current information on the crisis. It continued to function as a transmission belt for information from the Isthmus to the White House for the duration of the crisis period. The role of the Joint Staff, once it was

clear CINCSO needed no augmentation to monitor the situation, became a passive one. With the end of the first and major rioting and the arrival in Panama of the President's special mission, the crisis became primarily political, and attention was focused by decision makers on the negotiations between the mission and the Panamanian Government.

The tendency of the top political officials to reach down and to participate directly in a crisis was again illustrated. [redacted] The attempt of a Presidential special assistant to give instructions to CINCSO has been noted. The President's personal intervention was again illustrated when he phoned Chiari, and then turned over negotiations with the Panamanians to his own special mission. In view of the urgency of the situation, the President was obviously unwilling to proceeed through the customary slower channels, and by so doing was repeating a pattern of performance on the part of the political leadership which has been characteristic of crises.

The difficulties encountered in making this study as a result of the destruction of telephonic and other records emphasize the need for some procedure within the Joint Staff to preserve for a reasonable length of time all forms of crisis documentation. The usefulness of such records as the source of past experience merits efforts to collect and to preserve them. Destruction or dispersal of records, coupled with personnel rotation, robs the Joint Staff of any corporate memory of previous crisis experience.

APPENDIX

A NOTE ON COMMUNICATIONS

Communications were a problem but not a critical one. This was so for several reasons. In the first place, the crisis occurred right outside the CINC's door. Secondly, most of the communications were unclassified, so no time was lost in encoding and decoding. The J-6 people at SOUTHCOM admitted that they would have been swamped if a large proportion of the traffic had been classified. Thirdly, voice communications to CONUS were very good.

On 10 January two additional voice circuits via the Canal Zone-Jamaica-CONUS cable were placed in operation with the assistance of both DCA and the Army. The first circuit became available at 1800 hours, the second at 2000 that day. The great number of phone calls required by the CINC, the Mann-Vance mission, and the press as the crisis developed could not have been handled by the single originally assigned voice circuit. It was generally felt in SOUTHCOM that the episode showed the need of an alternate broad band communications link with CONUS. If the CONUS-Canal Zone cable had been severed (as it was during Exercise KEY CHAIN), communications would have had to depend upon HF RATT and HF voice, both of which are considered unsatisfactory.[1]

The protection of the cable where it leaves the water is a CINCSO task. From the water it runs through a fairly shallow trench, and in the past Panamanian thieves would occasionally open manholes to steal lengths of the cable for the copper. CINCSO was compelled to weld the manhole covers shut.[2]

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[1] USSOUTHCOM, After Action Report.
[2] State Department Desk Officers.

In addition the ATLAS building which is the terminus for the cable is located quite close to the border, right in front of the area where rioting was severe. Mobs on the night of the 9th approached the building, but failed to realize its significance. No special guards were put around the building in order to avoid attracting the attention of the mob to it.

CINCSO was compelled to impose MINIMIZE for teletype communications effective at 1901 on the 11th.[1] This move was necessitated by the increasing load on communications as more and more people became involved, and in part too because CINCSO handled traffic addressed to and from the Embassy during the periods when the Embassy was without its own facilities. Traffic continued to be addressed to the Embassy but was routed electrically to CINCSO.[2]

Tactical communications were much more of a problem. Communications across the Zone from Atlantic to Pacific are a patchwork of Services and Canal Company facilities and are notoriously unreliable. CINCSO was often far behind events on the Atlantic side as a result. As a measure of the situation, another CP for the CINC is being built on the Atlantic side from which he could control operations there personally, instead of having to rely upon wire communications.

There was no secure voice communications capability between the CINC and ARSOUTH, the really operational headquarters during the crisis. This lack seriously hampered the passing of immediate operational directives and reports. At times security had to be ignored in order to get actions accomplished or to obtain essential information on time.[3]

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[1] Msg., CINCSO to JCS, 110028Z January 1964, UNCLASSIFIED.

[2] Msg., Secretary of State to CINCSO, 101845Z January 1964, CONFIDENTIAL.

[3] Msg., CINCSO to JCS, 192044Z January 1964, SECRET.

INVENTORY MAY 4 1967

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