WHAT ARE THE STRATEGIC IMPLICATIONS FOR THE UNITED STATES OF THE 1977 PANAMA CANAL TREATIES?

BY

COLONEL JOHN A. NOVAK, USAF

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Under the provisions of the 1977 Carter-Torrijos Panama Canal Treaties, U.S. control of the canal operation and all U.S. military basing rights cease/expire on 31 December 1999. The title suggests that the United States might have to make some significant decisions in its military and political strategy in order to provide for a smooth transition to post 1999 Canal Zone/Panama operations/relations. This MSP studies the effect of the Treaties' impact on U.S. national security interests/objects and how these interests/objects may drive defense/military
strategy. The what/how changes after 1999 will be addressed in Chapter III followed by conclusions and recommendations. This study will attempt to isolate what areas of national security interest may impact on national strategy, how Panama relations could be affected, what areas will change and what use/rights will remain for military planning purposes.
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WHAT ARE THE STRATEGIC IMPLICATIONS FOR THE UNITED STATES OF THE 1977 PANAMA CANAL TREATIES?

AN INDIVIDUAL STUDY PROJECT

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Abstract

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WHAT ARE THE STRATEGIC IMPLICATIONS FOR THE UNITED STATES OF THE 1977 PANAMA CANAL TREATIES?

CHAPTER I

INTRODUCTION

There are two questions being addressed in this Military Study Project (MSP). One, what are the strategic implications for the United States concerning the permanent neutrality of the Panama Canal in case of global or regional conflict? Two, what are the roles and rights of the Republic of Panama, belligerents, and non-belligerents in the use of the canal? This MSP will attempt to answer the questions as they relate to national strategy, national objectives, and national interests. Two possible answers are: on December 31, 1999, nothing changes in the U.S. National Security Strategy concerning the Panama Canal Region, and everything changes in the military strategic concepts/objectives/resources. In order to address this issue, a spot in time must be established. It is next to impossible to guess what changes Panama-U.S. relationships will undergo in the next ten years. Major changes could occur as soon as the proposed May elections. If they are held, and if a government not favorable to the U.S. were to be elected, this could cause a complete review of possible Treaty noncompliance by the U.S.

Due to these dynamic world changes and their effects on
the integration of national elements of power, the fifth of February, 1989, was picked as the cut off date that the current real world affairs ceased to be included in this MSP. For the purpose of this report, two definitions are offered.

National Security Strategy—How the principle elements of national power—diplomatic and informational, economic, and military—can be employed to support our national interests and promote the objectives of peace, security, and freedom. 1

National Power—Is the aggregate capacity of a state to safeguard its national interests and to influence the behavior of other states through its national strategy for the application of one or more selected combinations of the elements of power; Political, Economic, Socio-psychological and Military. 2

In addition to the stated definitions, this author took the position that President Bush will abide by the current Panama Canal Treaty commitments. This is based upon several current political actions/statements. President Reagan had campaigned against the canal treaty since 1976, and after elected, he did not attempt to alter the treaty during his eight years in office. He did place three of the elements of power; political, economic and socio-psychological, in weak positions of affecting U.S. national power in Panama. His only recent remark to the public about the Canal was on January 19, 1989, "The United State should reconsider the
treaties requiring it to turn operation of the Panama Canal over to Panama if strongman, Manuel Noriega, remains in power. 3 He also said, "It was too late for him to do anything about the Panama Canal Treaties." 4 In testimony, 17 January, 1989, at his confirmation hearings, Secretary of State select James A. Baker III hinted at a shift in U.S. policy toward Panama, but later in a Public Statement said, "The United States would abide by its treaty commitments." 5 The final link to compliance comes from Colonel Ronald Sconyers, spokesman for U.S. Southern Command, "The Defense Department has completed a preliminary plan for the phased withdrawal of American Troops from Panama before the year 2000 as provided for in the canal treaties." 6 Colonel Sconyers also stated that extensive long-range planning is essential for such an effort to accomplish withdrawal without affecting the U.S.'s primary responsibility under the Treaty for the defense and protection of the Canal until noon on December 31, 1999. 7

BACKGROUND

In 1977 there were two treaties signed that set times and methods for the abrogation of all prior treaties and set into motion the return of the Panama Canal Zone to Panama:
The Panama Treaty and The Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. Two specific Treaty articles that are germane to this study are: Article IV; Protection and Defense, Panama Canal Treaty and Article V; Neutrality and Operation Treaty. Both of these articles outline the termination of U.S. responsibility for the Canal’s defense (31 December, 1999). After the 1999 implementation of the present Panama Canal Treaties, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites, and military installations within its national territory. It also "guarantees" that the United States has the right of "expeditious military use" and that the Canal be maintained as a permanent (forever), neutral zone for "vessels of all nations" in times of peace and war. 

It would appear that the strategic implications for the United States have already been answered by the short review of the actual treaties. This is not the case as the terms of the treaty apply to actual canal use/operation. The use (operation of the Canal) does not deal with the implied National Security Strategy of the U.S. The treaties’ "guarantees" provide a politically neutral Canal Zone as within the stated U.S. National Strategy guidelines are vague and undefined. The military is left with the planning implications of the open ended statement under Article IV, paragraph 1, "Each party shall act, in accordance with its constitutional process, to meet the danger resulting from an
armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it." 10

DEFENSE INTEREST IN BASING RIGHTS

This section will address ownership/basing rights within the Canal Zone and Panama. Apart and distinct from the Canal operations, the availability of base rights in the Panama area has been more important in recent times than the operation of the Canal itself. Since pre-World War II, some 2-3 billion dollars of military installations have been constructed. Some of the major installations include the U.S. Southern Command HQ at Quarry Heights; Howard Air Force Base (the only jet-capable runway under U.S. control south of the Rio Grande); and Navy shipping at Rodman on the Pacific. 11 There are approximately 11,000 Americans based in 10 military installations along the banks of the Canal.12 In accordance with the 1977 Treaty, and the permanent neutrality, none of the facilities will be available after December 1999, or at least not under U.S. control. This will have a direct impact on the military role as an element of power in Panama and Central/Latin America.
ENDNOTES


2. U.S. Department of the Army, Field Manual 100-1, p.3.


5. Ibid., p. A7


7. Ibid., p. 8.


9. Ibid., p. 45.

10. Ibid., p. 25.


CHAPTER II

U.S. NATIONAL STRATEGY

The most current published U.S. National Security Strategy proposes courses of action offering a cohesive integration of the elements of national power. The Panama Canal's strategic implications would be the orchestration of all elements of national power (ways and means) in pursuit of national objectives (ends) which will protect/advance the U.S. national interests. Although this study is not a regional national security strategy review of Panama, elements of U.S. national power as pertaining to the Canal must be reviewed. 13

U.S. INTERESTS

The U.S. National Security Strategy reflects the national interests and presents a plan for achieving the national objectives that support those interests. The four key interest areas which U.S. strategy seeks to protect are: 1. National survival as a free and independent nation, with fundamental values intact and institutions and people secure from attack. 2. A healthy and growing U.S. economy to provide the opportunity for individual prosperity and a resource base
for our national endeavors.

3. A stable and secure world, free of major threats to U.S. interests. (Most significant threat named is posed by the Soviet Union/Warsaw Pact/Cuba)

4. Growth of Freedom, human rights and democratic institutions throughout the world.

From these four areas of interests come the major objectives in support of U.S. interests. This study will address how these four major objectives apply to the region of Central/Latin America and the Canal. 14

**U.S. STRATEGY TOWARDS LATIN AMERICA**

The U.S. strategy towards Latin America provides the guiding objectives for integrating the elements of power into National Strategy. The critical national security interests in Latin America are based on long-standing U.S. policy that there be no Soviet, Cuban, or other communist bloc beachheads on the mainland of the Western hemisphere; or any country that upsets the regional balance and/or poses a serious military threat to its neighbors. Representative democracy is a key goal in U.S. strategy in achieving a lasting peace. This goal directly affects other interdependent security objectives for this hemisphere. 15

The driving U.S. strategic objective in the Panama Canal
region may not be the actual Canal but tied directly to the Canal's importance in affecting the integration of the elements of power (means) used to achieve our National Objectives, which support our National Interests, and to the overall National Strategies that tie means to ends. 16


15. Ibid., pp. 7-26.

CHAPTER III

U.S. CANAL INTERESTS

This chapter will address U.S. interests normally associated with regional national security strategy; however, in this case the interests will be confined to the Panama Canal. There are normally four areas of general U.S. interests; Economic, World Order, Defense/Military and Ideological/Political. These four areas were listed in Chapter II and have been reduced to titles/headings and will be used to isolate distinct areas of interest in the Canal. It should also be noted that the importance of these issues is not static and may change with time. 17

ECONOMIC

About 18% of U.S. exports and 10% of U.S. imports pass through the Canal. Because of the availability of alternative shipping routes/methods and markets, the total economic value of the Canal to the U.S. is less than $100 million of a 3 trillion economy. With regard to world commerce, less than 5% of all international trade moves through the Canal. If the Canal closed tomorrow, the average U.S. consumer would be unable to tell the difference in the price of goods. Even through the Canal still
represents an important utility to world trade, its existence is by no means vital or critical to the economy of the U.S. and should not be considered as a vital, national interest. 18

WORLD ORDER

The Canal has contributed to Panama's stability and world recognition. The uninterrupted operation of the Canal in an international environment has provided many stabilizing effects. Past U.S.-Panama Canal operational relationships had a positive effect on the stability of the Panamanian economy and government. The present treaty places rules, regulations, and international laws on both the U.S. and Panama government actions. The law enforcement requirements and monetary benefits of the treaties should assist in eliminating root causes of insurgencies and state sponsored terrorism. Even though the Panamanian GNP impact has dropped from +37% (1966) to +12% (1987), the canal is still the major contributor to the Panamanian GNP and is still a source for skilled training and employment. 19

The true effect of U.S. troop presence in the Canal Zone on Manuel Noriega's control of the Panama Defense Forces (PDF) cannot be measured; however, the PDF has not openly attacked the Canal Zone's military units even though
there have been harassing attacks on U.S. military, dependents and civilian personnel. The real cause of Noriega's control of the PDF may not be because of the Canal Treaties but simply because of the U.S. troop presences.

A real possibility is that Panama may slip into international obscurity after a complete U.S. withdrawal and not play a major role in world order for the region. Even though the Canal may contribute to Panama's stability, the Canal cannot be considered critical or vital to U.S. National Strategy for World Order.

DEFENSE/MILITARY

The Canal's most critical military contribution was in WW II. The Canal was cited as the primary reason that the U.S. was able to fight a two front war. Today the Canal's size limitations will not allow modern aircraft carrier passage, and it is vulnerable to large air-delivered weapons and to sabotage of the Canal locks. The Canal is useful for movements of combat and support shipping during peacetime and pre-hostility preparation, even though large bulk tankers can not use the Canal. All U.S. Navy ships except carriers can use the Canal, and approximately 7-12 days can be saved by using the Canal instead of rounding the tip of South America. None of the major war plans include use of
the Canal for planning purposes. In view of its vulnerabilities and limitations, the Canal cannot be considered critical or vital to U.S. National Security Strategy.

Base Rights

The base rights/defense interests were reviewed in Chapter I and is apart and distinct from the waterway operation. The availability to U.S. military forces of base rights is an aspect of more importance than control of the Canal. The convenience of the location of U.S. Southern Command, for communication, cultural environment, and training operations are strong. But, these reasons do not appear critical or overriding in long range location plans. There is one area under base rights that directly affects U.S. National Power. The Panama Canal area provides for the military strategic concept of a forward deployed military infrastructure and troop basing for Central/Latin America. This could have a direct effect on U.S. defense objectives in maintaining the strength of regional alliances and in containing/countering Soviet expansionism.
This is the key U.S. interest and the one area where U.S. national objectives may be challenged by the Panama Canal Treaty. Historical presidency in Panama (The Panama Railroad and Port Operations) indicates that when the U.S. does leave the Canal Zone, the present Panamanian government may not be able to maintain/sustain long term efficient Canal operations. With present U.S.-Panama government relations or lack of relations, Panama may be faced with major financial and operational Canal problems soon after takeover. And just as certainly, the U.S. could not accept, upon U.S. departure, the entry into the Canal Zone of Soviet/Cuban forces, bases, or professional/military advisors. One of the key objectives of this National Interest is to neutralize Soviet influence. A stated U.S. National Security Strategy is no communist beachhead on the mainland of the Western Hemisphere. 23 The question left is: Would the U.S. consider Soviet assistance as a violation of permanent neutrality? This author says yes, and this scenario is one of four that will be discussed in the following chapter.
ENDNOTES

17. AWC/Course 5, p. 148.

18. Parker, pp. 55-56.

19. Ibid., pp. 57-59.


CHAPTER IV
SCENARIOS

By identifying the national interests that apply to the Canal and locating the national objectives affected by these interests, the strategic implications of the treaty can be identified. The original question can now be answered.

Q- What are the strategic implications for the U.S. of the Treaty concerning the permanent neutrality of the Panama Canal in case of global or regional conflict?

A- The Panama Canal and/or the Panama Canal Treaty will not change the U.S. National Security Strategy for Central/Latin America. The withdrawal of the U.S. from the Canal Zone does have a direct impact on the Military Strategic Objectives/Concepts/Resources that may be used to further/protect U.S. interests in this region if or when a stated U.S. interest is in jeopardy. As in most cases, there are no purely military problems/solutions. The problem for the diplomat-warrior is that there is no way to separate the political from the military. 24 The following four scenarios could cause the military to exercise U.S. National/Political power/will in the Canal Zone/Panama:

1. Due to election fraud or no election and/or no form of democratic government; and General Noriega is still in power; the U.S. will not pull out of its military locations in the Canal Zone and will not comply with the Treaty. 25

2. That the U.S. through DAS/Rio Pact pressure offer
multilateral discussion/arrangements that allow a low-profile presence centered around a military task force at various Canal Zone locations. The U.S. would in fact not completely pull out and be allowed to stay, but in a much reduced role. 26

3. The U.S. complies and withdraws completely. A Soviet/Cuban/Communist backed government steps in to fill the void. The U.S. accepts this action as major violations of the Treaty's permanent neutrality and violation of our Latin American National Security objectives. The U.S. reoccupies the Canal Zone using the military element of power.

4. The U.S. complies and withdraws completely and that Panama does not comply with Article III, (Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal) and refuses passage to a belligerent/non-belligerent nation's ships. The U.S. would consider this a major violation of the Treaty and reoccupies the Canal Zone using the military element of power.

The overall implications are that all but the military element of power has been ineffective in Panama. The Canal Treaty may be the instrument that leads Panama into conflict with the U.S. stated National Security Objectives for the region. This would place the defense/military element of national power in the position of being directed to protect our national interests. As stated in the 1988 National Security Strategy directive, "In some cases, the integrated
use of the other elements of national power will be insufficient to meet the threats to our security interests."

27 We must be ready to employ military power in coordination with other elements. The ultimate goal when applying military force, or projecting military power, is to encourage political solutions. 28
ENDNOTES

26. Parker, p. 56.


RECOMMENDATIONS

This MSP did not address the need for effective elements of power other than Defense/Military. The previously discussed National Strategy implications of the Panama Canal Treaties places the military on notice to prepare its military strategy for securing the objectives of national policy/interests by the application of force, or the threat of Force. This would require Southern Command and other appointed agencies to prepare multiple strategies for multiple scenarios considering:

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<tr>
<td>Force Structure</td>
<td>War Plans</td>
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<td>Requirements Based</td>
<td>Capabilities Based</td>
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The various Canal Zone/Panama scenarios require isolating the possible military objectives. This requires a previously identified military strategic concept, which may differ due to time, place and scenario. It does appear that the possibility of departing the Canal Zone and then reoccupying the Zone alters the military strategic concepts the most. A planner must consider the force structure and resource base changes this incurs, from Army based to Sea based. A change from the present U.S. position of
occupation/defense to one of offense with no land or air bases would require a complete change of force projection. The U.S. Navy/Marines would replace the Army as the initial occupation force. The Army would still be the final force to control and occupy but only after land bases had been established for their arrival. The planning priority would change as such:

As stated earlier, 10 years can and will bring changes in Panama. How the U.S. uses its other elements of power during that time in achieving its Latin American interests will determine the role of the military. The problem for military planning is time. The military must plan now for the various possibilities and remain attuned to dynamic changes that affect the possible application of those plans. As the frustration level grows, remember:

"Reality is best understood as a phenomenon that is intersubjective but certainly not verifiable in the positive sense." 29

The military planner will not know what the politicians will do or want and must be able to accomplish all possibilities.
ENDNOTES

BIBLIOGRAPHY


