

Panama 1989

Drugs, End of the Cold War and a New World Order

By Christophe Pasquiou

495204

Erasmus University

Erasmus School of History, Culture, and Communication

Martin Lak

C.S.M Hull

Pasquiouc93@gmail.com

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Chapter One: Introduction

“We didn't start the fire. It was always burning since the world was turning! We didn't start the fire. No, we didn't light but we tried to fight it.”¹ The lyrics of Billy Joel could be heard for blocks as speakers accompanying U.S. soldiers surrounding the Papal Nuncio, in Panama City, blasted music constantly from December 26th, 1989 till January 1st, 1990.² The U.S. military claimed it played the excessively loud music, twenty-four hours a day, to prevent eavesdropping on the negotiations being held between the U.S. government and the Papal emissary over the surrender of the commander of the Panamanian Defense Forces (PDF) and recently appointed Maximum Leader of Panama, General Manuel Antonio Noriega.³ While the music made it difficult to overhear the negotiations, now it is known from declassified documents, as well as personal testimony from those involved, that the majority of the rock songs played before the Nuncio officially complained, and the music was turned off, was part of a psychological operation (psyops) with a “musical message” designed to demoralize the opera-loving Noriega into surrender.⁴ The personal jabs delivered through the songs were emblematic of the relationship and situation that the defeated general had with his former ally, the United States and its military. “Prisoner of Rock and Roll,” and “Wanted: Dead or Alive,” which rang through Panama City, blatantly described Noriega’s position as the new year began.⁵

General Noriega was indeed wanted, and the music was not even the most bizarre psyops used against the former dictator in hopes of shortening his stay at the Papal Nuncio. Through a systematic search of Noriega’s offices, homes, safe houses, and other potential hiding spots, the U.S. special forces discovered evidence that Noriega was incredibly superstitious and believed a strange mix of Catholicism and Voodoo.⁶ For example, Noriega had many identical pairs of red underwear, which he wore every day, as he believed they protected him from harm due to a Voodoo enchantment.⁷ On orders from General Carl Stiner, commander of the U.S. invasion of Panama, a pair of the underwear was hung on a telephone wire within sight of Noriega’s window and riddled with bullets, to demonstrate the ineffectiveness of the magical spell against U.S. military might.⁸ Even more strange, upon learning that a goat was a bad omen in Voodoo, General Stiner, also a former commander of the Joint Special Operations Command (JSOC), ordered his chief intelligence officer, “to come

¹ Billy Joel, “We Didn't Start the Fire” found at <https://www.youtube.com/watch?v=eFTLKWw542g> accessed on 12/08/2018.

² Tristram Saunders, “How Panama’s military dictator Manuel Noriega was defeated by rock’n’roll”, *The Telegraph*, 30/05/2017, found at <https://www.telegraph.co.uk/music/what-to-listen-to/panamas-military-dictator-manuel-noriega-defeated-rocknroll/>, accessed 08/12/2018.

³ Carl Stiner, Tomy Clancy, and Tony Klutz, *Shadow Warriors: Inside the Special Forces*, (Berkley, CA, 2004), (ebook), 680.

⁴ “The Rock’n’ Roll assault on Noriega,” U.S. SOUTHCOM Public Affairs After Action Report Supplement, “Operations Just Cause” 20/12/1989-31/01/1990, found at https://nsarchive2.gwu.edu/nsa/DOCUMENT/DOC-PIC/950206_4.gif, accessed 08/12/2018, 209.

⁵ Saunders, “How Panama’s military dictator Manuel Noriega was defeated by rock’n’roll.”

⁶ Frederick Kempe, *Divorcing the Dictator: America’s Bungled Affair with Noriega*, (G.P. Putnam’s Sons, New York, NY, 1990) 5.

⁷ Stiner, Clancy, and Klutz, *Shadow Warriors*, 561.

⁸ Stiner, Clancy, and Klutz, 563.

up with the ugliest, stinkiest, billy goat he could find, and doctor him up for Noriega.”⁹ “The next day,” according to Stiner, the special operations intelligence division produced “a goat with really impressive horns and a beard that came down just short of his knees. They decked him out in a pair of red bikini underwear, rigged him up so a remote control signal sent smoke blowing out his nostrils and ears, and tied him outside Noriega’s window.”¹⁰ Noriega wrote in his book, *America’s Prisoner: The memoir of General Manuel Noriega*, that the attempts to demoralize him had little effect.¹¹ However, after only a week, the smoking goat wearing underwear, and the musical messages delivered through songs like “Give it Up,” had their desired effect. On January 3rd, 1990, Noriega surrendered to U.S. forces.¹²

With an understanding of the bizarre scene taking place in Panama City, as the twentieth century entered its last decade, one is struck with a pressing question; what was the U.S. military doing blasting rock’n’roll, dressing up goats, and shooting up underwear? Was it simply to get Noriega? But why then was the U.S. so intent on the surrender of the Panamanian dictator? What events had led to this strange scene and brought the U.S. military, in force, to Panama in the first place? Ultimately the question, which structured the research of this thesis, is: What motivated the U.S. invasion of Panama in December 1989?

To understand the motivations, it is first necessary to answer a number of sub-questions. First, it is crucial to know what was the historical relationship between Noriega and the United States. Then, it must be asked, how did George H.W. Bush’s administration and the various government agencies view the situation in Panama, and what were the solutions presented to deal with it? In particular, it is important to look at how the U.S. military responded to and planned for, the invasion of Panama. To recognize other potential motivations, it is also fundamental to analyze how contemporary global events shaped the decision to invade Panama. Finally, what economic factors influenced the choice to invade must also be acknowledged.

The simple and general answer to the primary research question, after analyzing declassified government documents, oral histories, contemporary newspapers, as well as books written by important historical actors, investigative journalists, and historians, the United States invaded Panama at the end of 1989 for various political, military, and economic motivations. More specifically, invading Panama and removing Noriega, resolved a number of domestic political issues for Bush, while simultaneously, promoting his administrations’ new foreign policy strategy focused on maintaining the United States’ military supremacy.

First and foremost, as will be detailed later, by the second half of the 1980s, Noriega, an important U.S. ally for much of the Cold War, became increasingly resistant to U.S. requests of him and Panama. At the same

⁹ Stiner, Clancy, and Klutz, 564.

¹⁰ Ibid.

¹¹ Manuel Noriega, and Peter Eisner, *America’s Prisoner: Memoirs of Manuel Noriega*, (Random House, New York, 1997) 215.

¹² Ronald Cole, *Operation Just Cause: The Planning and Execution of Joint Operations in Panama February 1988 – January 1990*, Joint History Office, Office of the Chairman of the Joint Chiefs of Staff, (Washington D.C. 1995), i.

time the U.S. public became widely aware of his illegal activities. To a certain extent, Noriega was a political problem that Bush inherited from previous administrations.

Plus, putting Noriega, an indicted drug trafficker, behind bars ended public scrutiny into how much, and for how long the U.S. government and Bush personally had been aware of, and covered up Noriega's drug connection. Further, going to war, destroyed the media's image of him as indecisive and inactive.

On top of this, the invasion of Panama demonstrated that the U.S. was willing to take military action in order to promote U.S. defined democracy, a message intended for an international audience.¹³ As the Cold War system was clearly changing by the end of 1989, the use of force in Panama can be seen as the birth of the New World Order, under the supposedly stabilizing force of hegemonic U.S. military dominance.

Besides the political motivations, the members of the military command structure involved in the situation had their own motivations for supporting the invasion. For one, it helped redefine the military's purpose, if only domestically, as enforcers of international law. This gave new justification for the military's global reach, as the Cold War, and the forty-year fight against communism came to an end. Panama was the first direct use of the U.S. military in the war on drugs, which began the process of turning the military's image into that of a global police force.

Individual members of the military bureaucracy would also use Panama as a testing ground for both strategy and technology to be used in their visions for the future of warfare. The invasion set the technical framework and justified the use of force in the post-Cold War world. Most of the tactics used for the first time in Panama have been recreated in many JSOC missions and military interventions since.

There were clear economic benefits of invading that may have also motivated the administration. The invasion returned the increasingly tense relationship between the United States and Panama to friendly. This secured large U.S. economic investments in the Panama Canal, as well as normalized the relationship between the respective countries banking sectors, unfreezing millions of dollars in investments, bank accounts, and unpaid loans. The extent to which the economic motivations influenced the decision to invade Panama is extremely hard to define, as it is rare to find government documents detailing such motivations. However, from the documentation that is available, it is possible to tell that removing Noriega from power benefited economic elites and their interests, both in Panama and the United States, and this was not overlooked by the administration.

In sum, in Panama 1989, the U.S. military acted, at the benefit of powerful economic interests, on political pressure, involving Bush with the issue of drugs, as the Cold War was coming to an end, to create and justify the use of force, in the subsequent international system, referred to as the New World Order.

¹³ George H.W. Bush, "Military Action in Panama December 20th, 1989," C-SPAN Video Library, found at <https://www.c-span.org/video/?10358-1/military-action-panama>, accessed 08/12/2018.

Chapter 2: Historiography

With all these various motivations for the invasion of Panama, much of the literature surrounding the subject misses some aspects. Almost every book that covers the subject analyzes the invasion through a specific lens and therefore fails to produce a complete answer. Most authors highlight the political motivation of the invasion but vary in what the political motivations actually were, and rarely incorporate the ending of the Cold War into the story of Panama. A few authors focused on the invasion from the military perspective, but then, often missed the political motivations or skipped over the incredibly important historical background that led to hostile relations. Almost none of the authors mention the potential economic motivations for the invasion. The various authors create well-articulated arguments, and the conclusions of this thesis have been made, in part, based on their work.

Some authors began writing about the invasion of Panama right after it happened, as a number of talented investigative journalists set about understanding the motivations. John Dinges, a correspondent for the *New York Times*, as well as the *Washington Post*, published a book in 1990, entitled *Our Man in Panama: How General Noriega Used the United States and Made Millions in Drugs and Arms*. In his book, Dinges describe the extremely complex and sometimes strange relationship between the United States' government and Noriega. For Dinges, the invasion was almost entirely motivated because of political pressure on Bush, due to public awareness of Noriega's connection to drug trafficking, Bush's personal connection to Noriega's complicated past, and in order to destroy Bush's weak public image.¹⁴ Focusing entirely on political motivations, Dinges misses many of the other motivations that only have become clear with the advantage of time and release of government documents.

Frederick Kempe, a journalist for the *Wall Street Journal*, in his book, *Divorcing the Dictator: America's Bungled Affair with Noriega*, also published in 1990, makes a slightly different, but ultimately similar argument. Kempe gives a slightly different version of the strange relationship between the U.S. and Noriega but also claims the invasion of Panama was mainly motivated by the desire to remove the drug trafficking dictator.¹⁵ Kempe, like Bush, in his early morning address to the nation on December 20th, highlights the promotion of democracy, and the protection of U.S. lives, as the other key factors that motivated the invasion.¹⁶

From these two books, it is clear that the author respective political bias, especially so close to the event, affected their understanding of the invasion. The fact that both these journalists were able to gather enough information to make their well-articulated arguments, within a year, is a testament to their journalistic abilities.

¹⁴ John Dinges, *Our Man in Panama: How General Noriega Used the United States and Made Millions in Drug and Arms*, (Random House, 1990) 311.

¹⁵ Kempe, *Divorcing the Dictator*: 7.

¹⁶ Kempe, 421.

The lack of temporal distance, however, prevented them from understanding the larger political objectives of Bush's administration, as well as the military and economic motivations that became apparent with time and the release of important documents.

The acclaimed journalist for the *Washington Post*, Bob Woodward, published a book on the subject shortly after the invasion, as well. His book, *The Commanders: The Pentagon and the First Gulf War*, released in 1991, focused on the military aspect of the invasion instead of the complex historical background between Noriega and the U.S. Therefore, Woodward, skips over the vital yet convoluted relationship that developed between Noriega and the United States, but has an impressively insightful understanding of what motivated the military.

According to Woodward, in his note to the reader, his book "falls somewhere between newspaper journalism and history."¹⁷ For Woodward, "the daily newspaper tells what happened, but rarely give the full why and how that are traditionally the specialty of historians."¹⁸ Therefore, his "book seeks to provide a fuller explanation than daily journalism can," but Woodward also recognizes that "it does not have history's distance from events."¹⁹ From the story Woodward recreates, it is clear that while there was strong domestic political pressure on the Bush administration to act on Noriega, there was a significant change in the military command structure, and purpose of the U.S. military, that took place before the decision to invade was made.

Ultimately, in Woodward's description, the invasion of Panama happened in response to the fatal shooting of a U.S. Marine Lieutenant Robert Paz, and subsequent four-hour enhanced interrogation of U.S. Navy Lieutenant Adam Curtis and his wife, Bonnie, who had witnessed the shooting.²⁰ The call for an invasion moved up the military chain command from General Maxwell Thurman, commander of U.S. Southern Command (Southcom) located in the Panama Canal Zone, to the Joint Chiefs of Staff Chairman (JCS), Colin Powell, up to the Secretary of Defense, Dick Cheney, and then to the President.²¹ For Woodward, there was political pressure to remove Noriega from power, but it was the military that presented invasion as the only option to Bush when the opportunity arose.²² Woodward was perhaps too close to the event to make the connection with the ending of the Cold War to why the military desired such a show of force, though, through his unparalleled access to members of the military high command and the inner workings of the Pentagon, Woodward was able to gather enough evidence to begin connecting the dots. The research of Woodward, Dinges, and Kemp provides much of the framework and background information for this thesis, but the declassified documents that have since been made available allows for a more complete answer of why the U.S. invaded Panama.

¹⁷ Bob Woodward, *The Commanders: The Pentagon and the First Gulf War*, (Simon & Schuster, 1991) (eBook) 19.

¹⁸ Woodward, *The Commanders*, 19

¹⁹ Woodward, 19.

²⁰ Woodward, 270-271.

²¹ Woodward, 270-274.

²² Woodward, 297-300.

While the invasion of Panama received a lot of attention from contemporary journalists, historians, for the most part, have not given the invasion the attention it deserves. When examining the historical period that comprised Bush's single term presidency it becomes understandable why the late 1989 invasion of Panama is often forgotten. For many historians, the four years from 1989 until 1993 are defined by the end of the Cold War, represented in events across Eastern Europe, the former Soviet Union, Germany, China, and even the U.S. led coalition invasion of Iraq in the First Gulf War.²³

The month-long invasion of the small Central American country is lost amongst the drastic changes taking place all over the world and is often quickly summarized by Bush's desire to remove Noriega from power, either to bolster his own domestic image or due to Noriega drug ties. With this quick summary, many historians have in essence used the short prepared speech by Bush given the morning of the invasion as their base for their entire analysis. This, unfortunately, creates an incomplete understanding, because just like in the example of the loud rock music, Bush only partially explained to the public, the motivations behind the U.S. military action. Protecting the Canal and American lives, promoting democracy, and removing Noriega from power were clearly important considerations, yet there were many more factors that also motivated the U.S. intervention.

The book *When the World Seemed New: George H.W. Bush and the End of the Cold War*, written by historian Jeffrey Engle, is an incredibly well-articulated analysis of Bush and his administrations' foreign policy. Unfortunately, instead of analyzing the invasion of Panama in context with the end of the Cold War, as he does masterfully with other events, Engle falls victim to the pattern of historical discussion on Panama and brushes over the invasion quickly, parroting Bush's publicly given motivations of arresting the indicted drug trafficking dictator, protecting American lives, and promoting democracy in explaining why the U.S. invaded.²⁴

This thesis, however, does use the conclusions Engle's makes in his book, about Bush's general foreign policy for analyzing the invasion of Panama in the context of the world of 1989. As articulated earlier, the invasion of Panama was motivated by the changing of the Cold War system, already apparent by late 1989, an aspect that most of the contemporary journalists were unable to recognize, and has since been overlooked by some historians.

Another example of how the invasion of Panama is quickly lost amongst the many important historical events that took place at the start of the 1990s is the book, *From Cold War to New World Order: The Foreign Policy of George Bush*, compiled by historians Meena Bose, and Rosanna Perotti. This book is one of four volumes published proceeding an academic conference titled "George Bush: Leading in a New World."²⁵ The three-day conference held from April 17th to the 19th, 1997, at Hofstra University, comprised of leading Bush

²³ Jeffrey Engle, *When the World Seemed New: George H.W. Bush and the End of the Cold War*, (Mifflin Harcourt, 2017) (ebook), 25.

²⁴ Engle, *When the World Seemed New*, 763.

²⁵ "George Bush: Leading in a New World," (Hofstra University, 17-19/04/1997) found at https://www.hofstra.edu/community/culctr/culctr_presconf_bush.html, accessed 14/01/2019.

historians, President Bush, his Vice President, Dan Quayle, other Bush administration insiders, and even the former Soviet Premier, Mikhail Gorbachev.²⁶ The four volumes published cover all aspects of the Bush administration, but the majority of the focus is on foreign policy. Despite this, Panama received surprisingly little attention, with only two essays analyzing the forty-first president's first war.

The only essay in the volume, *From Cold War to New World Order*, that focused specifically on the invasion late in December 1989 is “The Bush Administration and Panama” by historian Douglas G. Brinkley. Brinkley recognizes the complexity involved in understanding the U.S.’s desire to remove Noriega from power, and in the end, highlights the changing of allegiance that Noriega went through towards the end of the 1980s as the primary motivation for the invasion.²⁷ Brinkley also explains that the invasion was about more than just Noriega, as he claims Bush had larger visions for the region and the world as a whole, as the invasion was used to promote democratic elections, as well as protect the strategically important Panama Canal.²⁸ In his conclusion, Brinkley writes “For the Bush administration, Operation Just Cause was a political as well as military success...President Bush had accomplished all three of his objectives: Manuel Noriega was imprisoned in Miami, Guillermo Endara was installed as president, and the Panama Canal was secured.”²⁹ Brinkley is one of the few authors to analyze both political and military motivations for the invasion of Panama, but still fails to make any connection to Bush’s wider foreign policy objectives that had to do with the changing Cold War system, and the birth of the New World Order, despite the title of the volume in which the essay is published.

Moreover, the military success of imprisoning Noriega could just as simply be understood as a political success, and Brinkley fails to conclude what the military ultimately hoped to gain from the invasion. Also, any potential economic motivations for the invasion are almost entirely ignored, with the exception of the importance that Brinkley places on the Panama Canal, though for Brinkley, the Canal falls more under the category of strategic military importance.

In his discussion of the consequences of the Panama invasion, Brinkley makes the claim that Bush was finally able to shed his weak image and that “the success also gave Bush’s foreign policy team a sense of cohesion and purpose, a post-Cold War U.S. military confidence that would surface again in thirteen months in the Persian Gulf War.”³⁰ However, using declassified government documents, and personal testimony, this thesis will show, as argued earlier, that debunking the weak image and a cohesive foreign policy strategy from Bush’s team was, in fact, some of the key factors, amongst others, that inspired the military action. Creating a

²⁶ George Bush: “Leading in a New World.”

²⁷ Douglas Brinkley, “The Bush Administration and Panama,” *From Cold War to New World Order: The Foreign Policy of George Bush*, (Greenwood Press, 2002) Found at <https://books.google.nl/books?id=uK0FCE-hbhYC&pg=PA175&dq=The+Bush+Administration+and+Panama+Brinkley&hl=en&sa=X&ved=0ahUKEwjRp7TRqe7fAhUssaQKHbrCC0Q6AEINjAC#v=onepage&q=The%20Bush%20Administration%20and%20Panama%20Brinkley&f=false> accessed 14/01/2019, 176.

²⁸ Brinkley, “The Bush Administration and Panama,” 181.

²⁹ Ibid.

³⁰ Brinkley, 182.

post-Cold War U.S. military confidence was part of the reason why U.S. soldiers parachuted into Panama shortly after midnight, December 20th, 1989.

A number of historians have written biographies on Bush and key members of his administration, but almost all come to similar conclusions that the invasion of Panama was mainly motivated by the political desire to remove Noriega from power, though they differ on specifics. For example, in *Destiny and Power: the American Odyssey of George Herbert Walker Bush*, written by Pulitzer prize winner Jon Meacham, published in 2015, Panama is once again glossed over and is given little space for discussion.³¹ Meacham, like other authors, highlights the death of the Paz on December 16th, as the trigger event and repeats Bush's publicly stated motivations from the morning of December 20th; deposing the drug dealing dictator, protecting American lives, and promoting democracy.³² Meacham then quickly moves on to the Gulf crisis and the ensuing war.

In American historian Herbert Parmet's biography of Bush, *George Bush: Life of a Lone Star Yankee*, published in 1997, Panama is given quite a bit of attention. In Parmet's story of the invasion, Bush's main motivation was protecting American lives, promoting democracy, as well as domestic political pressure to remove Noriega.³³ According to Parent, following the invasion "Americans thought that Panama was Bush's greatest achievement," and though Parmet would not argue that Bush was motivated by improving his public image he emphasizes that the invasion most certainly did.³⁴ Testimony from those involved in the decision-making process given only after Parmet's book was published, demonstrates that changing Bush's weak image was a cause for the invasion more than a consequence.

Parmet also recognizes that the invasion of Panama in some way had to do with the changing of the Cold War system, at least ideologically. Parmet claims that Bush hoped that the reforms taking place in Eastern Europe in 1989 would spread democracy to other parts of the world, such as Panama. According to Parmet, in a speech given at the Navy Academy in May 1989, Bush explained how he believed the "ideological earthquake" taking place in Europe would lead to the "ascendancy of the democratic idea" in the whole world and directly compared the people of Panama's struggle for democracy against Noriega to "the trade unionists in Warsaw," pushing for democratic elections in Poland.³⁵

For Parmet, due to Bush's personal disdain for Noriega and desire for the spread of democracy, the invasion became inevitable after a failed coup against Noriega on October 3rd, 1989. This failure demonstrated

³¹Jon Meacham, *Destiny and Power: The American Odyssey of George Herbert Walker Bush*, (Random House, New York, 2015) (ebook) 997-1000.

³²Meacham, *Destiny and Power*, 999.

³³Herbert Parmet, *George Bush: The life of a Lone Star Yankee*, (Simon & Schuster, New York, 1997) 416.

³⁴Parmet, *George Bush*, 419.

³⁵Parmet, 388.

to the U.S. military chain of command that full-scale invasion and complete disillusionment of the PDF was the only way to solve the Noriega issue.³⁶

Parmet is clearly very supportive of Bush's military action, and his argument that Bush was motivated to use force to promote democracy is very similar to neoconservative ideology that was beginning to take form around the time his book was published. As Parmet articulates, however, the idea was put into action almost a decade earlier by Bush in Panama.³⁷ Parmet provided one of the most complete understandings of the motivating factors for the U.S. invasion of Panama, but his admiration for Bush prevents him from detailing Bush's role in protecting Noriega during his rise to power in Panama which limits his understanding of the political motivations Bush had for removing Noriega. Parmet also, like almost every other author, pays little to no attention to the economic motivations that played a role in the decision to invade.

Highly quoted and popular academic, Noam Chomsky, is one of the only authors who brings economic motivations into the understanding of the U.S. invasion of Panama in his critical look at the foreign policy of the U.S. since the Second World War, in his book, *What Uncle Sam Really Wants*. Chomsky claims that the invasion of Panama had almost nothing to do with promoting democracy or arresting a drug trafficker, as the U.S. government had long been aware of Noriega's drug connections and supported his military government so long as Noriega helped implement U.S. foreign policy.³⁸

For Chomsky, the motivation for the 1989 invasion came from the growing independence that Noriega showed, which led to concerns about control over the Canal, as well as powerful U.S. private sector economic investments that had been made in Panamanian banks, and other industries.³⁹ Chomsky claims that Noriega main "mistake was to go beyond robbing the poor, which is fine, and to start interfering with the privileged, eliciting opposition from business leaders."⁴⁰ Ultimately, Chomsky believes the invasion of Panama was "quite predictable as study after study shows; a brutal tyrant crosses the line from admirable friend to 'villain' and 'scum' when he commits the crime of independence."⁴¹ Chomsky creates a persuasive argument and inspired much of the research in this thesis in terms of economic motivations, but he is perhaps too critical, and too quick to throw out the importance that drugs and the idea of democracy played in the motivation to invade Panama.

One of the most recent works on the subject is the article, "Paving the Way for Baghdad: The U.S. invasion of Panama, 1989," by U.S. historian Brian D'Haeseleer, published in 2018. It is perhaps the first historical analysis that puts Panama specifically in the context of the end of the Cold War and U.S. military strategy for the New World Order. D'Haeseleer recognizes the lack of research into the subject and writes, "very

³⁶ Parmet, 412.

³⁷ Parmet 416.

³⁸ Noam Chomsky, *What Uncle Sam Really Wants* (The Real Story Series), (Odonian Press, 2001) 30-32.

³⁹ Chomsky, *What Uncle Sam Wants*, 30.

⁴⁰ Chomsky, 30, 32.

⁴¹ *Ibid*, 30.

few scholarly studies of the invasion exist. Journalists and military historians have discussed Just Cause, but none so far have analyzed its impact in a systematic manner on subsequent US policy or Panama.”⁴² In his attempt to do so, much like the conclusion of this thesis, D’Haeseleer determined that “Bush sanctioned the invasion of Panama because of domestic political reasons, including erasing doubts about his supposed wimpiness,” but more importantly points to “the emerging post-Cold War international setting” which “offered a conducive environment because Moscow’s slow abandonment of its foreign commitments provided the United States with more flexibility to pursue an aggressive agenda... and could begin to craft through force what the senior Bush would call after the First Gulf War, a New World Order.”⁴³ This thesis attempts to be a continuation of D’Haeseleer’s work and much of the conclusions are inspired by his research. In that same vein, however, while this thesis tries to provide a more complete answer, as true historical research has just begun, there is still much to discover about the motivations behind the U.S. invasion of Panama.

⁴² Brian D’Haeseleer, “Paving the Way for Baghdad: The US Invasion of Panama, 1989,” *The International History Review*, (Routledge, 2018) 3.

⁴³ D’Haeseleer, “Paving the Way for Baghdad,” 3.

Chapter Three: Methodology and Sources

Aside from the secondary literature, this thesis relies on the analysis of primary sources documents in order to determine what factors motivated the U.S. invasion. These primary sources include declassified government documents, oral histories, video archives, presidential libraries, memoirs, and newspaper articles.

Declassified government documents often provide the best insight into understanding why administrations acted the way they did. In the search for government documents related to the invasion of Panama, the Roosevelt Institute of American Studies (RIAS), located in Middleburg Netherlands, was of extreme importance. This thesis is dependent on the primary sources available only through the RIAS archive of declassified documents, as well as the help and encouragement from the researchers employed there. Aside from the RIAS, the various departments of the United States' Federal government have limited archives available to the general public through their websites, and their online archives. Freedom of Information Act documents are also often made available online. On top of this, sometimes government documents important to specific cases are organized together and made available as one through online archives, such as Oliver North's involvement in the Iran-Contra scandal in the online national security archives.⁴⁴ A number of Universities also hold presidential libraries which contain documents of the respective presidents, some of which is made available online. Bush's presidential library is held by Texas A&M University.

Besides the actual government documents, televised interviews, oral histories, and memoirs, are important in understanding how an administration and its various actors make decisions. The advent of the television often makes research much easier because now most important decisions are announced publicly through television recordings. C-SPAN has a video archive of almost all congressional meetings, as well as most of the press conferences held by the White House, which is helpful in understanding how the U.S. government justified the invasion. Transcripts of Bush's speeches are also made available through *Public Papers of the Presidents* volumes.

Oral histories provide actors an opportunity to describe events from their perspective which helps historians understand what motivated their actions. The Miller Center Oral history project started in 1999 conducted extensive interviews with many government officials of the Bush administration, including the major players in dictating foreign policy, such as Cheney, Powell, Brent Scowcroft, Bush's national security advisor, and Bush's Secretary of State, Jim Baker III.⁴⁵ The transcripts of these interviews are available online and are

⁴⁴ Peter Kornbluh, "The Oliver North Files: His Diaries, E-mail, and Memos on the Kerry Report, Contras and Drugs," National Security Archive Electronic Briefing Book No. 113. 26/02/2004 found at <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB113/> accessed 20/04/2019

⁴⁵ The Miller Center Oral History Project, (University of Virginia, 1999) found at <https://millercenter.org/the-presidency/presidential-oral-histories/george-h-w-bush> accessed on 15/12/1018.

used to detail how these members of Bush's administration viewed Panama, as well as the changing global system they took part in shaping.

Memoirs, similar to oral histories give actors an opportunity to define their actions and often provide the reasoning behind them. Almost every member of Bush's cabinet, as well as Noriega, has written their own memoir. In the co-authored memoir, *A World Transformed*, Bush and Scowcroft, leave out the invasion of Panama in the name of "narrowing our scope," but most other memoirs, including Cheney's, Baker's, and Powell's, all discuss Panama.⁴⁶ Even the military commanders, such as Stiner, have written about their personal experience up to, and during the invasion of Panama. It is important to understand that memoirs are not necessarily historically factual, can often be self-serving, at least contain strong personal bias, and therefore must be read critically. Memoirs best serve to gain an understanding of an individual's reasoning, as well as personal stories that may not be represented in the government documents, such as the story of the goat wearing Noriega's underwear.

Along with these primary source documents, this thesis looks to contemporary journalism to understand events as well. Newspaper articles often demonstrate or shape public opinion, so they are essential to understand the context in which actions, such as the decision to invade Panama, took place. It was the U.S. media that helped shape Bush's initial public image as weak, and Noriega's eventual image as a drug dealer.

Further, journalists often have informants working within the government which provides them access to information that might not be available otherwise. These informants can provide their own opinions on events taking place behind closed doors, as well as leak information without identifying themselves. Sometimes the information that is provided to journalists was intended to be classified, and sometimes the information remains so even after it has been leaked. *The New York Times* makes almost all its articles available through their online archives, as does the *Washington Post*, the *Wall Street Journal*, and a number of other newspapers.

The most exciting aspect for future researchers should be the eventual release of the Panamanian documents. During the U.S. invasion, incredible amounts of documents were seized and brought back to the United States. The "4000 cubic feet of capture records" or 9,131 boxes, were reportedly forgotten about until 2010 when they were rediscovered in a storage locker in Albany Georgia.⁴⁷ These documents would provide the Panamanian perspective, the extremely important other half of the story. These documents contain Noriega's personal files, and, therefore, contain copious amounts of specific information on the various operations Noriega and the U.S. collaborated on, as well as perhaps sensitive information on the United States, Bush, North, or others who worked with Noriega.⁴⁸ The files also contain information about personal finances, money

⁴⁶ George H.W. Bush, Brent Scowcroft, *A World Transformed*, (Vintage Books, 1999) 28.

⁴⁷ Richard Rayburn, "Captured Documents from Operation Just Cause (Invasion of Panama), Memorandum from Richard Rayburn, Nat'l Archives and Records Admin., to Sam Welch, Nat'l Archives & Records Admin., (Dec. 16, 2010), found at <http://www.dcofiles.com/p/1210.pdf> accessed 04/05/2019, 1.

⁴⁸ Cox, Douglas, "The Lost Archives of Noriega: Emancipating Panamanian Human Rights Documents in U.S. Military Custody" (CUNY Academic Works, 2014), Found at http://academicworks.cuny.edu/cl_pubs/120 accessed on 04/05/2019, 61.

laundering, and front companies, and may be extremely helpful for understanding the economic motivations.⁴⁹ According to Law Professor, Douglas Cox, the legality of ownership and what exactly should be done with these documents, must still be answered.⁵⁰ Until Noriega's files are released, by the U.S. or Panamanian government the understanding of what motivated the U.S. invasion will only be partially complete. With that said, the argument of this thesis has been shaped from the analysis of hundreds of primary source documents, in the various forms described above, as well as the ground work laid down by secondary sources.

⁴⁹ Douglas, "The Lost Archives of Noriega," 61.

⁵⁰ Douglas, 59.

Chapter Four: Political Motivations

Many authors have highlighted the political motivations for the U.S. invasion of Panama and they are the best place to start when trying to comprehend Bush's final decision to send in U.S. troops. The political motivations for the invasion, become abundantly clear from reconstructing the complicated and interconnected histories of Noriega, Panama, Bush and the United States.

The song "Don't Look Back," by the rock band Boston, used as one of the songs played to demoralize Noriega, is perhaps the best description of the U.S. position regarding its past with Noriega.⁵¹ For unlike the Bon Jovi lyrics implied, in the case of Panama the U.S. had "started the fire," as administrations from Nixon through Reagan, and Bush personally, played a direct role in Noriega's rise to power.

First, when reconstructing Noriega's history with the United States' government, it must be known that Panama and the U.S. have always had a unique relationship. Panama was a state born out of direct intervention from the United States' military. Panama's independence struggle against the Colombian government in Bogota began in the late nineteenth century but had very little success until U.S. President Theodore Roosevelt got involved.⁵²

The United States, however, only joined in Panama's revolutionary struggle, once U.S.- Colombia negotiations over the creation of a deep water canal connecting the Atlantic and Pacific oceans failed. By the summer of 1903, President Theodore Roosevelt told his Secretary of State, Alexander Hay, that there was no further point in "dealing with the foolish and homicidal corruptionists in Bogota," and viewed an independent Panama as the best opportunity to build a canal.⁵³ In the fall of 1903, the U.S. began providing the Panamanian revolutionaries with funds and arms.⁵⁴ Revolutionaries began making progress with their new equipment, but it was the presence of the U.S.S. Nashville steamboat, off the coast of Colón in November, which prevented Colombian reinforcements from landing, that secured the victory for the Panamanians.⁵⁵ On November 6th, 1903 Panama became an independent nation.⁵⁶

Twelve days after Panama's independence the United States was rewarded for its efforts. On November 18th, 1903, Hay signed the Panama Canal Treaty and bought, from the French company responsible for building the Suez Canal, without Panamanian participation, a strip of Panama sixteen kilometers long and eighty kilometers wide, and the exclusive rights to finish, maintain and protect the canal the French company had started to dig.⁵⁷ The U.S. had guaranteed Panama's independence, but through the 1903 Canal Treaty, in

⁵¹ Tristram Saunders, "How Panama's military dictator Manuel Noriega was defeated by rock'n'roll."

⁵² Dwight Miner, *The Fight for the Panama Route: The Story of the Spooner Act and the Hay-Herran Treaty*, (Octagon Books, New York, 1971) 349.

⁵³ Miner, *The Fight for the Panama Route*, 351.

⁵⁴ Miner, 357.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Miner, 377.

perpetuity, it would control Panama's most vital natural resource. The Panama Canal Zone, as it was called, became U.S. territory and became home to a growing number of U.S. citizens, including engineers, maintenance workers, military personnel, and their dependents. (For a map of the Canal look at Appendix B). The Panama Canal Treaty would dominate U.S.-Panamanian relations throughout the twentieth century.

A Pattern is set: Noriega and U.S. early cooperation

Noriega's rise to power and initial protection from the U.S. government can be traced directly to issues surrounding the Canal, as well as the United States' fight against communism that dictated U.S. foreign policy after the Second World War. Noriega received his first paycheck from the United States' military in 1955, for the amount of ten dollars and seventy cents.⁵⁸ Noriega was given this money, while attending a Peruvian Military academy, in exchange for providing information on his potentially communist classmates.⁵⁹ Throughout Noriega's career information was his specialty, and he would continue receiving payments for more than thirty years from the United States for his knowledge on communist throughout the region.

It was also during his time in Peru, that the U.S. military first determined that the value of the information Noriega provided outweighed his criminal activities. In 1960, Noriega beat and raped a prostitute, and a secret cable about the incident was sent to the United States by a military intelligence agent, stationed in Peru.⁶⁰ However, according to Kempe's unnamed source, an intelligence agent who inherited Noriega's account during the 1970s, Noriega "was a bright young officer who might be able to serve the U.S. in the future...a little whore-beating in Peru was hardly something to worry about."⁶¹ A pattern was set, and throughout most of Noriega's career because of the valuable service he and Panama provided to the U.S. and its intelligence community, his illegal activities were often ignored.

The time Noriega spent at the military academy in Peru was truly formative, as he also met one of the most important Panamanians in his rise to power, Omar Torrijos. In Noriega's memoir, he claims that he and Torrijos quickly connected on their visions for the future of Panama, and struck up a friendship that would last for life.⁶² Shortly after returning to Panama and joining the Panamanian National Guard in 1962, Noriega found himself stationed in Colón serving directly under Torrijos, by then an influential colonel in the Guard.⁶³

In Panama, Noriega maintained his contacts with the U.S. military and continued providing them with information on Communists. Torrijos also worked with U.S. intelligence community and kept the Central

⁵⁸ David Johnston, "U.S. Admits Payments to Noriega," *New York Times* 01/19/1991 Found at <https://www.nytimes.com/1991/01/19/us/us-admits-payments-to-noriega.html> accessed 27/02/2019

⁵⁹ Johnston, "U.S. Admits Payments to Noriega."

⁶⁰ Kempe, 47.

⁶¹ Kempe, 49.

⁶² Noriega, Eisner, *America's Prisoner*, 25.

⁶³ Kempe, 55.

Intelligence Agency (CIA) and the military informed on the communist influence amongst banana farmers along Panama's northern border with Costa Rica, where the plantations were owned by United Fruit Company, a powerful and politically connected U.S. corporation.⁶⁴

It was also around this time that tensions over the 1903 Canal Treaty began to boil over in Panama. All over the world nationalism was rising, as the European colonial empires were collapsing. Panamanian nationalists, aware of events taking place in Africa and Southeast Asia, complained that the Canal Treaty gave the United States' colonial control over Panama and demanded complete sovereignty. In 1964, Panamanian nationalists stormed the Canal Zone in an attempt to replace the U.S. flag with a Panamanian one.⁶⁵ The confrontation, in which twenty-four Panamanians and two U.S. soldiers were killed, resulted in the first break of diplomatic relations between the two countries, though it only lasted a few months.⁶⁶ The strong action by the Panamanians, however, did force the United States' government to reconsider its position on the Canal treaty, especially within the context of world events and the Cold War. The invasion of Panama twenty-five years later was also based, in part, on global events as the dynamics of the bi-polar system was changing.

In the early 1960s, Communists posed almost no threat in Panama, and the existing communist party was extremely small, but the United States feared that the Canal issue could give rise to their cause. A CIA information cable sent from Panama to the U.S., after the riots in 1964, noted that the communist party in Panama became more active, and for the first time had begun "working in a generally overt manner."⁶⁷ The cable also warned that "when the oligarchy starts fighting the government authorities, including the national guard, the [Communist] party will find additional arms."⁶⁸ In order to prevent the growth of communism in Panama, and appease the nationalists, the United States agreed to negotiate new canal treaties. By 1967, new treaties, which would eventually turn ownership of the Canal to a shared governing board of nine people, five selected by the United States, and four selected by Panama, were proposed.⁶⁹

At the same time, the U.S. began negotiating the new Canal treaties, the United States' military began working more closely with both Torrijos and Noriega. In 1964 and 1965, U.S. officers from the 470 Military Intelligence Brigade helped Torrijos set up an intelligence-gathering operation, of which Noriega was put in charge.⁷⁰ According to a *New York Times* article, by 1967, President Lyndon Johnson's administration "concluded that Mr. Noriega was a rising star in the Panamanian military and should be cultivated as a CIA

⁶⁴ Kempe, 57.

⁶⁵ "The Panama Canal and the Torrijos-Carter Treaties" The Office of the Historian, found at <https://history.state.gov/milestones/1977-1980/panama-canal>, accessed 24/02/2019

⁶⁶ "The Panama Canal and the Torrijos-Carter Treaties."

⁶⁷ "Intelligence Report Regarding Communist exploitation of the break between the government of Panama and U.S." Central Intelligence Agency, 05/02/1964. U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/92FNV6>, accessed 06/02/2019, 2.

⁶⁸ "Intelligence Report Regarding Communist exploitation of the break between the government of Panama and U.S." Central Intelligence Agency, 4.

⁶⁹ "The Panama Canal and the Torrijos-Carter Treaties"

⁷⁰ Kempe, 57.

asset.”⁷¹ That same year, Noriega received training in intelligence, counter-intelligence, and psychological operations from U.S. military officers at Fort Gulick, and Fort Bragg, in Panama, plus Noriega also attended the U.S. military’s School of the Americas located in the Panama Canal Zone.⁷² Noriega performed terribly in jungle warfare but his U.S. instructor deemed him “outstanding” in the course, military intelligence for officers.⁷³ Through the 1960s Noriega proved to be a smart and capable asset for the United States well worth the investment.

The value of the U.S. investment in Noriega increased drastically in 1968 when Torrijos and other leaders of the National Guard orchestrated a coup and removed Arnulfo Arias, eight days into his presidency.⁷⁴ However, despite what the 1964 CIA cable predicted, the clash between the ruling oligarchy and the National Guard did not increase the activities of the communist, for once in charge, the National Guard began to implement a number of popular reforms designed to limit the power of the traditional oligarchy for the benefit of the majority of poor Panamanians.⁷⁵ The charismatic and idealistic Torrijos quickly became the face of the revolutionary military government, and his focus on education and land-reform brought him popularity amongst the Panamanian lower class.⁷⁶ In 1972, when Panama rewrote its constitution Torrijos was officially named “Maximum Leader of the Panamanian Revolution.”⁷⁷ Torrijos brought with him to power, loyal guard members who shared his vision for Panama’s future, such as Noriega.

Noriega and Nixon: New Canal Treaty over Drugs

The song “Never Tear Us Apart,” used to demoralize Noriega later in 1989, is a great description of Noriega’s relationship to the U.S. under Nixon, Ford and Carter, as all three administrations ignored and hid Noriega’s illegal activities in order to maintain a cooperative relationship.⁷⁸

Noriega had served as head of Torrijos’ intelligence operation for the U.S. in the early 1960s, and would serve Torrijos’ government during the 1970s in the same way. In 1970, following Torrijos’ promotion to general and commander of the National Guard, Noriega was promoted to Chief of the National Guards’ Intelligence (G2).⁷⁹ In this role, Noriega's relationship with the U.S intelligence community became even closer, as he began conducting operations on their behalf.

⁷¹ Stephen Engelberg, and Jeff Gerth, “Bush and Noriega: Examination of their ties” *New York Times*, 28/09/1988, found at <https://www.nytimes.com/1988/09/28/us/bush-and-noriega-examination-of-their-ties.html> accessed 20/04/2019.

⁷² Kempe, 58.

⁷³ Dinges, 39.

⁷⁴ Kempe, 48.

⁷⁵ Dinges, 36.

⁷⁶ Ibid.

⁷⁷ Dinges, 50.

⁷⁸ Saunders, “How Panama’s military dictator Manuel Noriega was defeated by rock’n’roll.”

⁷⁹ Dinges, 49.

For example, during Nixon's presidency, Noriega conducted an overseas mission at the behest of the CIA, in the United States' regional fight against communism. In 1971, Noriega was asked to fly to Cuba, to meet with Fidel Castro, and act as a negotiator for the U.S. to secure the release of the CIA operative José Villa.⁸⁰

Villa, a violently anti-communist Spaniard, had been captured by the Cubans after attacking their beaches from his boat in 1970.⁸¹ Because the U.S. had broken off communication between the two countries, following Castro's revolution in 1959, the CIA turned to Panama for help in brokering the return of their man. Torrijos had sent previous envoys to Cuba to convey the message that the U.S. wanted Villa released, but when all other negotiations had failed, the U.S. asked for Noriega by name.⁸² When Noriega arrived in Cuba he told Castro bluntly that he was there as a messenger, and after a few days of deliberation, and tours of the island, Noriega flew back to Panama with Villa in hand.⁸³ This success ensured that Noriega would continue to serve as a trusted covert link between Cuba and the United States. A role of special importance with no official lines of communication open between the two countries. Hypocritically, when relations with Noriega later turned, this connection was seen as at threat by the United States' government.

Despite the early covert cooperation, the relationship between Torrijos and the United States was not without issue. As part of his popular revolution, the Panama Canal Treaty was also a central focus of Torrijos' regime. In 1970, Torrijos rejected the proposed treaties created in 1967, which suggested that the Canal be controlled by a U.S. dominated governing board. Torrijos denounced the treaties, as he felt the uneven numbers would mean that "all decision would be made by the majority of United States' members."⁸⁴ He demanded a treaty that eventually turned complete control over the Canal to Panama. In October 1971, Torrijos told a crowd of 200,000 Panamanians that "the time might soon come for one generation to offer its lives to recover sovereignty over the United States-controlled Canal Zone...we are reaching the limit of our patience... What people can bear the humiliation of seeing a foreign flag planted in the very heart of its nation?"⁸⁵ Despite the rhetoric, the crowd remained peaceful as Torrijos also explained that the issue should be resolved at the

⁸⁰ Dinges, 70.

⁸¹ Dinges, 69.

⁸² Dinges, 70.

⁸³ Ibid.

⁸⁴ Juan De Onis, "Panama Tells U.S. That Proposed Canal Treaties Are Unacceptable," *New York Times*, 03/09/1970 found at <https://www.nytimes.com/1970/09/03/archives/panama-tells-us-that-proposed-canal-treaties-are-unacceptable.html>, accessed 24/02/2019.

⁸⁵ "Panama's Leader Warns On Canal," *New York Times*, 12/10/1971, found at <https://www.nytimes.com/1971/10/12/archives/panamas-leader-warns-on-canal-a-time-may-soon-come-to-fight-he.html> accessed 24/02/2019.

“negotiating table.”⁸⁶ Later that October, Panama brought the case to the United Nations (U.N.) and received overwhelming international support on the issue, putting further pressure on the U.S. to negotiate a new treaty.⁸⁷

Members of the U.S. government realized that renegotiating the Canal Treaty was beneficial to their foreign policy objectives. For one, George H.W. Bush, President Nixon’s ambassador to the U.N., in 1971, met with the Panamanian ambassador, Aquilino Boyd, a number of times to privately discuss some of the issues surrounding the Canal.⁸⁸ Following these discussions, as well as witnessing first hand the international perspective, Bush realized that the Canal issue was something the U.S. needed to work cooperatively with Panama on.

Another proponent of renegotiating the canal treaties was Henry Kissinger. Kissinger, who served Nixon as National Security Advisor, and later as Secretary of State, believed the Panama Canal treaty was detrimental to the U.S. image abroad, something the U.S. could little afford during the time of the Vietnam War. As Kissinger would later tell Nixon’s successor, President Gerald Ford, whom Kissinger served as Secretary of State, “this is no issue to face the world on. It looks like pure colonialism.”⁸⁹ The relationship between the United States and Panama had repercussions that could potentially be felt around the world, and for Kissinger concessions over a strip of land was far better than losing influence over all the Americas.

It was at the same time in the early 1970s that evidence of Noriega’s connection to the drug trade became known to the U.S. intelligence community. However, because of the services Noriega provided, and the importance placed on renegotiating the Canal Treaty, the information was kept hidden. A National Security Council (NSC) memorandum sent to Kissinger, in November 1971, described drug connections in Panama, and stated that the recent seizure of 1300 pounds of cannabis in Miami implicated the “involvement of Colonel Manuel Noriega.”⁹⁰ The memorandum sent to Kissinger, however, suggested discretion in the matter because the “public implication of Noriega could have serious internal political repercussions in Panama,” as Noriega’s G2 was a major pillar of power for Torrijos government.⁹¹ “More importantly,” as the memorandum clarifies, “it could focus public and Congressional attention on the narcotics problem in Panama,” which could have a “possible spillover effect on canal talks and on ratification of any new treaty.”⁹² A new Canal Treaty would ease tensions in Panama, as well as counter the developing international perception of an imperial United States

⁸⁶ “Panama’s Leader Warns On Canal” *New York Times*, 12/10/1971.

⁸⁷ Henry Raymond, “Panama Informs U.N. of U.S. Talks,” *New York Times*, 07/10/2019, found at <https://www.nytimes.com/1971/10/07/archives/panama-informs-un-of-us-talks-reports-on-negotiations-for-a-new.html>, accessed 24/02/2019

⁸⁸ Dinges, 78.

⁸⁹ “Minutes of the National Security Council meeting regarding the Panama Canal. U.S. negotiation objectives,” White House, 15/05/1975. U.S. Declassified Documents Online, <http://tinyurl.galegroup.com/tinyurl/9Gia24>, accessed 27/02/2019.

⁹⁰ Arnold Nachmanoff, “High Panamanian Official Implicated in Drug Trafficking,” National Security Council Memorandum, (26/11/1971), found at <https://history.state.gov/historicaldocuments/frus1969-76ve10/d557>, accessed 22/03/2019, 1.

⁹¹ Nachmanoff, “High Panamanian Official Implicated in Drug Trafficking,” 1.

⁹² Nachmanoff, 1.

and therefore defined U.S. policy towards Panama. Just like the whore beating, Noriega's drug trafficking was of less concern to the U.S. government than the Panama Canal or the Cold War.

Noriega was smart enough to realize that to stay protected, he had to continue to work with the U.S., and at least put up a facade of cooperating on the issue of drugs. Drugs had become a growing political issue and President Nixon in response created the Bureau of Narcotics and Dangerous Drugs, (BNDD) in 1971, after he declared drugs "public enemy number one."⁹³

Tasked with preventing the growing flow of drugs entering the United States, the BNDD turned its attention to Panama. The BNDD's first director, John Ingersoll, in early 1972, asked his staff to come up with a plan to deal with the "Noriega issue."⁹⁴ Agents William Durkin and Phillip Smith came up with five options, ranging from leaking information to the press, to assassinating Noriega.⁹⁵ Limited information was leaked to the press through the Chairman of the Senate Select Intelligence Committee, Senator John Murphy, however, with Canal negotiations taking precedent, the more extreme options were dismissed.⁹⁶ The information regarding Noriega was intentionally kept a secret from the public along with a 1972 indictment against Omar's brother, Moisés Torrijos, for trafficking heroin.

Noriega became Omar Torrijos' liaison to the BNDD, and by 1973, when the BNDD merged into the DEA, Noriega had cultivated a friendlier working relationship. In early 1973, a combined operation involving Noriega's intelligence units and DEA agents found, and dismantled a heroin producing factory deep in the jungles of Panama which, at the time, was the DEA's largest overseas bust.⁹⁷ Following the seizure, a *New York Times*' article stated that Panama was now "receiving nothing but praise" from the DEA, and especially noted how "Lieut. Col. Manuel Noriega emphasized that any indifference in Panama [over drug trafficking] was over."⁹⁸ A new training course was opened in the Canal Zone where Panamanian narcotics agents were sent to receive special training from DEA agents, and Noriega, in essence, joined Nixon in the war on drugs, in his own declared "war to the death" against drugs and its traffickers.⁹⁹ With the issues of drugs resolved, if only in the public's image, the United States' government once again focused on the renegotiation of the Canal Treaty.

⁹³ Richard Nixon, "President Nixon Declares Drug Abuse 'Public Enemy Number One'," found at <https://www.youtube.com/watch?v=y8TGLLQID9M> accessed 06/03/19

⁹⁴ Kempe, 78.

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ Dinges, 71.

⁹⁸ Richard Spero, "Panama Praised For Drug Curbs," *New York Times*, 23/09/1973, found at <https://www.nytimes.com/1973/09/23/archives/panama-praised-for-drug-curbs-training-course-for-agents.html>, accessed 3/13/2019.

⁹⁹ Spero, "Panama Praised For Drug Curbs."

Noriega and Ford: Strengthening of Ties

The Ford administration, that took over when Nixon resigned following the Watergate Scandal, contained many of the same people in the cabinet, and continued the same policy towards Panama, and Noriega. Kissinger, in his continued role as Secretary of State, maintained his belief that the renegotiation of the Canal treaty was necessary to protect the United States' international image. In an NSC meeting in 1975, Kissinger told Ford that, "if these [Canal] negotiations fail, we will be beaten to death in every international forum and there will be riots all over Latin America."¹⁰⁰ To Kissinger, acceptable concessions over the canal were far better than losing greater influence over the Americas.

Kissinger was not the only one in the U.S. government under Ford who believed it was in the United States' best interest to rewrite the terms of the Canal Treaty, as the U.S. military also determined that a new treaty would best protect the canal. A 1976 security analysis of the Canal Zone conducted by the U.S. Defense Department under Ford's Secretary of Defense, Donald Rumsfeld, stated that "a new treaty relationship which provides for eventual assumption of operating responsibilities by Panama coupled with a program of increasing participation of Panamanian management... will result in a partnership that could best ensure U.S. strategic interests in the Panama Canal."¹⁰¹ The military understood that if negotiations were to fail that a confrontation with Panama would be "highly probable" and "would require the deployment of thousands of U.S. troops to Panama, invoking the requirements of the War Powers Resolution... and most importantly, would not necessarily guarantee the safety or effective use of the Canal itself."¹⁰² Ultimately, the military understood that if it did not give up some power, it could potentially lose most of it, not only in Panama, but potentially the entire region.

Ford's administration, however, felt that it was politically unfeasible under their Republican administration to ratify any new Canal Treaty. A 1975 NSC memorandum written by Ford's National Security Advisor, Brent Scowcroft, highlighted the importance of creating new treaties, but also recognized the political difficulties of doing so during the run-up to the 1976 elections.¹⁰³ Despite support from within the administration, the Canal Zone had become a domestic political issue, and within the context of the Cold War, segments of the U.S. population opposed the idea of parting with any U.S. territory. Campaigning to these constituents, Ronald Reagan, the surprisingly popular underdog in the 1975 Republican primaries, speaking on the canal issue, stated: "we bought it, we paid for it, it's ours, and we should tell Torrijos and company that we

¹⁰⁰ "The Panama Canal and the Torrijos-Carter Treaties" The Office of the Historian, found at <https://history.state.gov/milestones/1977-1980/panama-canal>, accessed 24/02/2019

¹⁰¹ "Strategic military importance of the Panama Canal Outline," Department of Defense, 16/04/1976, U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/92S4p6>, accessed 06/02/2019, 2.

¹⁰² "Strategic military importance of the Panama Canal Outline," 1-2.

¹⁰³ Brent Scowcroft, "Memo on 09/08/75 meeting with Lt. Gen. Brent Scowcroft," topics include: Panama Canal crunch; South African Prime Minister's visit; 03/09/75 Zionist dinner in N.Y.C., Cyprus tangle. Department of State, 11/08/1975. U.S. Declassified Documents Online, <http://tinyurl.galegroup.com/tinyurl/9Giiz5>, accessed 27/02/2019, 1.

are going to keep it.”¹⁰⁴ Though Ford had won the primary, not wanting to alienate fellow Republicans for the general elections, Ford did not press the issue publicly, as Scowcroft had suggested in his 1975 memorandum.

Ford’s CIA, however, worked with Panama and Noriega in a secret operation in order to push along the Canal negotiations and thus began Bush and Noriega’s relationship. In 1976, Ford brought Bush back from China, where he had served as U.S. envoy from 1974-75, and appointed him director of the CIA.¹⁰⁵ As the director, Bush and his deputy director of intelligence, Admiral Daniel Murphy, were briefed on the possibility that Noriega was involved in the laundering of drug money. Murphy would later claim that while “it was suspected... I don’t recall any evidence where... There was definitely money-laundering going on.”¹⁰⁶ Despite the allegations, Bush decided that due to Noriega previous clandestine work with the United States, he was a valuable asset and gave Noriega a CIA salary of \$110,000 a year.¹⁰⁷ This decision directly linked Bush to the United States’ clandestine work with Noriega and demonstrates that in typical fashion with U.S. cooperation with Noriega, Bush partnered with Noriega well aware of his illegal activities.

As director of the CIA, Bush also worked directly with Noriega on a false flag mission to push along the stalled Canal negotiations. At a secret meeting at Hotel Panama, Jo Kiyonaga, the CIA’s station chief in Panama presented Noriega with a plan to emphasize the dangers posed to the security of the Canal by a hostile Panama.¹⁰⁸ At the end of October 1976, led by a Spanish speaking American army Sergeant, Panamanian agents impersonating radical nationalist, after receiving specialized training from U.S. explosive experts, placed bombs in non-critical non-populated areas of the Canal Zone, destroying a few cars but hurting no one.¹⁰⁹

The U.S. military, who had been left out of the CIA plan, deduced that National Guard members had been involved and were specifically suspect of Noriega and his antiterrorism specialists.¹¹⁰ The accusation against Panama was passed on to Panama’s foreign minister by the U.S. ambassador, William Jordan. Angrily, Jordan told Boyd, Panama was to conduct a full investigation of the allegations and file a report to General Anthony McAuliffe, the commander of Southern Command at the time.¹¹¹ A report denying any official involvement was turned in and a meeting between the respective countries heads of intelligence was set up.¹¹² As the first acts of terrorism conducted in the canal zone, the bombings brought to reality the security concerns the U.S. military had discussed earlier in the year in their analysis as well as changed the public discourse surrounding the canal.

¹⁰⁴ Dinges, 80.

¹⁰⁵ Meacham, *Destiny and Power*, 500.

¹⁰⁶ Tom Fiedler, “2d ex-aide says Bush was warned about Noriega,” *Philadelphia Inquirer*, 23/9/1988 18A.

¹⁰⁷ Kempe, 90.

¹⁰⁸ Noriega, 45.

¹⁰⁹ Dinges, 84.

¹¹⁰ Ibid.

¹¹¹ Noriega, 46.

¹¹² Dinges, 86.

In December 1976, Noriega took an all-expenses-paid trip to the United States for “unrevealed official business,” according to a U.S. Army Intelligence report, and met Bush personally for the first time.¹¹³ Boyd accompanied Noriega as translator and conveniently already had a working relationship with Bush, from their time at the U.N.¹¹⁴ According to Boyd, he feared the tongue lashing he expected from the director of the CIA, but, as only other person present at the meeting, found it “surprisingly pleasant.”¹¹⁵ Unbeknownst to Boyd, though Bush and Noriega had not met in person, they already both knew about the truth of the Canal bombings.

Bush never commented in public about his first meeting with Noriega and denied its existence late into his political career, but in Noriega’s memoir, written from behind U.S. prison bars, he claimed the meeting was a typical game of spy vs. spy. According to Noriega, when Bush asked “‘have you done a report on the bombings?’ What he meant was ‘I hope you haven’t written a real report about what we did.’”¹¹⁶ To which Noriega responded “‘Yes, I wrote a report and sent it to General McAuliffe,’” which he “understood to mean, ‘Don’t worry, we’re not talking.’”¹¹⁷ Boyd, unaware of the covert cooperation found the entire meeting very strange, as they quickly turned to other topics, and enjoyed a relaxed lunch.

To add to Boyd’s confusion, there was even a further level of espionage going on between the two spymasters, for Noriega, truly an expert of playing both sides had also been purchasing U.S. intelligence. At the same time, Noriega received a CIA salary he bought military secrets from a number of U.S. sergeants.¹¹⁸ The CIA and the military found out about the leaks, but kept it quiet, as they were already electronically eavesdropping on the Panamanian intelligence, and decided that determining how much information had been compromised was more important than punishing those involved.¹¹⁹ Starting in April 1976, the U.S. military launched a series of investigations into the matter, titled Canton Song I, II, III, and IV. With approval from Bush, the soldiers were let off easy; dishonorably discharged with no further prosecution, much to the disappointment of the NSA Chief Lew Allen, who expected the soldiers to be tried with espionage, and Noriega’s role made public.¹²⁰ Noriega escaped all allegations and continued receiving payment from the CIA while Bush was in charge. At their first face-to-face meeting, in December 1976, Bush was also trying to see if Noriega knew, that he knew, that Noriega had purchased U.S. secrets. For Boyd, it must have truly seemed bizarre.

¹¹³ Dinges, 86.

¹¹⁴ Ibid.

¹¹⁵ Kempe, 30.

¹¹⁶ Noriega, 47.

¹¹⁷ Ibid.

¹¹⁸ Dinges, 82.

¹¹⁹ Dinges, 84.

¹²⁰ Dinges, 83.

Noriega and Carter: New Canal Treaty

The multilayered relationship that Noriega had cultivated with the U.S. continued and became more complicated under President Jimmy Carter, though, in general terms, Carter's administration continued to protect Noriega in order to promote its foreign policy agenda. For the first half of Carter's presidency, the focal point of U.S. policy towards Panama was still signing and ratifying the new Panama Canal treaties.

Shortly after Carter entered office, in the summer of 1977, he and Torrijos signed a number of new treaties which slowly relinquished U.S. control over the Canal.¹²¹ First, the two nations would share responsibility over the protection, and for the first time, Panamanian National Guard members would be stationed in the Canal Zone alongside U.S. troops.¹²² (For a map of U.S. military bases in the Canal Zone in 1977 look at Appendix C). On January 1st, 1990, a Panamanian national, selected by the government of Panama, would be placed in charge of the administration of the Canal, and by noon on December 31st, 1999, the U.S. would withdraw from the Canal Zone and all its military bases, handing complete control over to Panama at the beginning of the year 2000.¹²³ One major victory the U.S. had won at the negotiating table was that it had been given the right to act, unitarily if necessary, to protect the neutrality of the canal indefinitely.¹²⁴ In other words, the U.S. maintained the right to invade the Canal Zone without Panama's permission in the name of defense. Ultimately, both sides had achieved their goals; Torrijos finally had the new treaties he had been promising since he took power, and the U.S. still maintained military dominance. Plus the payments agreed upon for continued U.S. use of the canal were much less than what the U.S. spent annually for the upkeep and protection of the Canal.¹²⁵

There was one catch: The U.S. Congress needed to vote and approve the new treaties before they could take effect. A State Department memorandum from June 1977, written by Jill Shucker, highlights Carter's administrations' belief in the political difficulties involved in ratifying the treaties as well as laid out strategies to improve the public perception.¹²⁶ Congressmen who opposed the treaties, such as another 1976 Republican presidential candidate, Senator Robert Dole, looked for evidence they could find to help their cause, and once again Noriega's nefarious activities, especially his connection to drug trafficking, were scrutinized.

¹²¹ Jimmy Carter, Letter to Torrijos, White House Washington D.C. 9/9/1977 found at <http://tinyurl.galegroup.com/tinyurl/9Gi2q9> accessed 27/02/2019.

¹²² *United States Treaties and Other International Agreements*, Vol. 33. Part I, 1979-1981, Department of State, (U.S. Government Printing Office Washington D.C. 1987) found at <https://play.google.com/books/reader?id=n559BTeMBIsC&hl=en&pg=GBS.PA506> accessed 15/03/2019, 32.

¹²³ "United States Treaties and Other International Agreements," 52.

¹²⁴ Jill Shucker, "Background Summary and talking points on Panama." Department of State, 8/07/1977. U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/9Ghvh2> accessed 27/02/2019 1.

¹²⁵ Shucker, "Background Summary and talking points on Panama," 3.

¹²⁶ Jill Shucker, "Outreach Strategy to facilitate Senate passage of the Panama Treaty", State Department Memorandum, Washington D.C. 17/06/1977 Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/9GhzU3> accessed 27/02/2019. 1.

In particular, the evidence that had been gathered against Panamanian officials at the being of the 1970s was being used by Congressmen to slow down ratifications. After pressure from a number of Senators, including Dole, in February 1978, the 1972 indictment against Moisés Torrijos was made public.¹²⁷ Questions were raised further. Where there still drug connections in Panama? How could the U.S. justify entering into a new treaty with a potentially corrupt government such as Torrijos'? Carter's administration had run into the Congressional resistance they expected.

There was another problem. Members of the Senate heard information that suggested that Panama supplied weapons to the Sandinista Revolutionaries in Nicaragua. By 1978 the Sandinista National Liberation Front (FSLN) was a broad-based popularly supported revolutionary movement against the forty-years old, multi-generational Somoza dictatorship.¹²⁸ The U.S. had backed the Somoza family's power since 1935, but Carter, a champion of human rights, could not endorse Anastasio "Tachito" Somoza Debayle's increasingly brutal forms of repression against the growing resistance in Nicaragua and cut U.S. economic and military aid drastically in 1977, and again in 1978.¹²⁹ Despite this, Somoza still maintained many friends in Washington. Senator Murphy, a fellow graduate of Tachito's alma mater, West Point Military Academy, had been against the reduction of aid to Nicaragua, and was using the Canal treaties to show his support for Somoza.¹³⁰ Murphy, who had served on the Senate intelligence committee, claimed Panama was involved in supplying the Sandinistas with weapons, and worse yet, suggested the weapons were coming from Cuba, implying it was a communist takeover.¹³¹

This, along with the drug allegations, caused the Senate to do a full review of DEA, CIA and other classified materials pertaining to the subject. The following report created by the chairman of the Intelligence Committee, Democrat Birch Bayh, cleared both Omar Torrijos and Noriega of all charges.¹³² Bayh said that DEA believed that despite the previous drug issues, Noriega was "now cooperating, [and] they want him to continue to cooperate."¹³³ The State Department also testified that only a limited supply of arms moved through Panama, unconnected to Torrijos and therefore should be a non-issue.¹³⁴ The new treaties were ratified on April 18th, 1978, by a sixty-eight to thirty-two vote.¹³⁵ Nixon's administration hid information on Noriega to move forward the Canal treaties, and so did Carter's administration to ratify the treaties almost a decade later.

¹²⁷ Adam Clymer, "Senate Report Asserts Torrijos Ignored Drug Dealing By Brother," *New York Times*, found at <https://www.nytimes.com/1978/02/22/archives/senate-report-asserts-torrijos-ignored-drug-dealing-by-brother.html> accessed on 15/03/2019

¹²⁸ Clifford Staten, *History of Nicaragua*, Greenwood Histories of the Modern Nations (Greenwood Press, 2010) 65.

¹²⁹ Staten, *History of Nicaragua*, 81.

¹³⁰ Steven Weisman, "Congressman Murphy Still Somoza Friend," *New York Times*, 18/07/1979, found at, <https://www.nytimes.com/1979/07/18/archives/congressman-murphy-still-somoza-friend-calls-us-policy-misguided.html> accessed 20/04/2019.

¹³¹ Kempe, 97.

¹³² Dinges, 97.

¹³³ Dinges, 98.

¹³⁴ Kempe 99.

¹³⁵ Dinges, 98.

For despite what the Senate was told, Carter's administration was well aware of Panama's involvement in illegal activities. A NSC memorandum, written by Robert Pastor, the NSC's Latin American expert, for Zbigniew Brzezinski, Carter's NSA, in October 1977, details what he knew about narcotics trafficking in Panama. Over a number of days, CIA official Seymour Bolton and others, briefed Pastor, on information which "alleged that Torrijos had... direct involvement," in drug trafficking," receiving "as much as 50 percent of the profits of some of the smuggling operation."¹³⁶ According to the memorandum, White House Chief of Staff, Hamilton Jordan expressed his concern "that this information would leak and destroy the possibility of completing negotiations with Panama on clarifying the treaties."¹³⁷ To achieve this foreign policy objective the allegations against Torrijos' government were again kept secret.

Admiral Stansfield Turner, who replaced Bush as director of the CIA, also aware of Noriega's questionable past, determined it was best if Noriega was removed from the CIA payroll. For Turner, Noriega was too costly an asset, and later said "in the world of intelligence, if you want to get information, you get it from seedy characters... But you must ask yourself, what is the long-term cost to you of getting this information."¹³⁸ The narcotics issues had been raised by the Senate, but the Federal government denied any knowledge, and while the CIA under Turner backed away from its involvement with Noriega, other branches of the government continued to use and protect him.

Noriega and Carter: The Growing Communist Threat

The U.S. military intelligence community continued to protect Noriega as it continued to employ him and the information he provided to serve the U.S. foreign policy interests in the region and around the world. For example, as Senator Murphy had accused, Panama and Noriega were indeed involved in arming the Sandinista rebels in Nicaragua.¹³⁹ In 1978, Torrijos' close friend and ideological prodigy, Hugo Spadafora, "announced that he was organizing an international brigade to fight alongside the Sandinistas in Nicaragua."¹⁴⁰ The same year, Torrijos sent Noriega to Cuba to help facilitate the creation of an "arms pipeline to the Sandinistas using Panama as cover."¹⁴¹ Planeloads of assault rifles moved from Cuba to Panama, and onto Nicaragua with the help of Noriega's acquaintances such as Floyd Carlton and Cesar Rodriguez, who

¹³⁶ Robert Pastor, "Robert Pastor discusses narcotics trafficking in Panama," (National Security Council, 10/10/1977), U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/9GhwfX>. accessed at RIAS, 27/02/2019, 4.

¹³⁷ Pastor, "Robert Pastor discusses narcotics trafficking in Panama," 4.

¹³⁸ Kempe, 90.

¹³⁹ "Intelligence profile of Nicaragua's Sandinista National Liberation Front (Frente Sandinista de Liberación Nacional - FSLN)." (Central Intelligence Agency, 25/08/1978), U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/9Gipp2> accessed at RIAS, 27/02/2019.

¹⁴⁰ Dinges, 101.

¹⁴¹ Ibid.

collectively formed the “Civilian Group.”¹⁴² Noriega, through intermediates, also purchased guns from arms dealers in Miami, smuggled them to Panama and then to the Sandinista.¹⁴³ Excess guns were sold by Noriega and his associates to the Organization of Armed People (ORPA) guerrillas in Guatemala, the growing insurgents in El Salvador or stored in Costa Rica.¹⁴⁴ In August 1978, a moderate Sandinista revolutionary, Eden Pastora, took the entire Nicaraguan National Assembly hostage and in exchange, secured the peaceful release of fifty political prisoners.¹⁴⁵ Upon release, Pastora and his party paraded through the central street of Managua to the airport and flew to Panama on a plane sent by Torrijos.¹⁴⁶ Panama provided safe heaven as well as weapons to the Sandinista Revolutionaries and played an important part in the eventual Sandinista victory in July 1979, and the end of the Somoza dictatorship.

However, as Noriega facilitated the movement of arms throughout Central America, he also provided irreplaceable information to the U.S. military. Noriega used his personal connection and his Panamanian intelligence apparatus to create in-depth reports for the U.S. military intelligence community, containing information on the amount and types of weapons being flown into Nicaragua, El Salvador, Guatemala, and Costa Rica, as well as the name of specific pilots and the tail numbers of planes that smuggled guns around the region.¹⁴⁷

In 1979, the military intelligence community even thwarted a police operation in Florida intended to arrest Noriega because of the valuable services he provided. In May, Jerome Sanford, an assistant U.S. attorney in Florida, indicted five Panamanians including Noriega’s close friend Carlos Wittgreen.¹⁴⁸ The investigators had enough evidence to arrest Noriega and planned to do so when he was scheduled to come to the United State in June, for a meeting with his U.S. military counterpart, the director of the Defense Intelligence Agency, Lieutenant General Eugene Tighe Jr.¹⁴⁹ However when the Pentagon caught wind of the trap they passed the information on to Noriega and his visit was canceled two days before his arrival “due to health reasons.”¹⁵⁰ Even after being arrested, Noriega would never be prosecuted for his involvement in arms trading.

Outside of providing information, Noriega and Panama became logistically crucial to Carter’s policy to combat the threat of communism perceived to be growing throughout Central America. In January 1980, a Special Coordination Committee (SCC), involving most of Carter’s cabinet, Secretary of State Cyrus Vance, Pastor, Brzezinski and Turner, decided that the U.S. required a uniform policy approach towards Central America to counter this threat. To do so the CIA, Defense, and State Departments would “prepare a report

¹⁴² Dinges, 105

¹⁴³ Kempe, 95.

¹⁴⁴ Kempe 98.

¹⁴⁵ Dinges, 100.

¹⁴⁶ Ibid.

¹⁴⁷ Dinges, 100.

¹⁴⁸ Kempe 95.

¹⁴⁹ Ibid.

¹⁵⁰ Kempe 96.

examining the leftist threat in El Salvador, Honduras, and Guatemala and the capabilities of each of these governments to cope with that threat.”¹⁵¹ The U.S. government feared the influence the communists held within the Sandinista government, and more importantly feared that Nicaragua, like Cuba, could serve as a base from which to export the communist revolution, as armed resistance against the many authoritarian governments that ruled Central America continued to grow.

The United States needed to act in the region so long under its control. From the SCC meeting on Latin America, it was determined that the State Department would send “individualized message for the heads of State of Mexico, Panama, and Nicaragua, stating clearly the U.S. policy.”¹⁵² The U.S. hoped to use allies, such as Mexico and Panama, to counteract the influence of Nicaragua in the region. Along with this, the CIA was “tasked to do a paper on how the governments of Mexico and Panama viewed the problem in El Salvador, what they are doing, and whether they would cooperate with a broader effort to assist the Government of El Salvador.”¹⁵³ The biggest source of tension at the time between Nicaragua and the United States was the Sandinista support for the Farabundo Marti National Liberation Front (FMLN) revolution against the U.S. backed military dictatorship in El Salvador.

Panama played an important yet somewhat hidden role in Carter’s efforts to support the military government of El Salvador. While Torrijos disapproved of the military rule in El Salvador, he allowed Panama to be a base for clandestine operations. Carter approved covert action in the form of “non-lethal military equipment to improve the communications, mobility, and medical capabilities,” of El Salvadoran forces, as well as “deployed several small technical assistance teams to assist in the related fields of logistics, vehicle maintenance, communications, medical services, information, and public relations.”¹⁵⁴ Members of technical teams were rotated in and out of Panama to keep the official number of assistants station in El Salvador down. Carter even agreed to replace Salvadoran military equipment that was destroyed in combat with guerillas; the equipment was often flown into Panama, where it was stored for quick access, before being supplied to El Salvador.¹⁵⁵ Many El Salvadorans received specialized military training from U.S. instructors in Panama. Almost all the officers of the Salvadoran anti-guerrilla specialist, Atlacatl Battalion, attended Noriega’s alma mater, the School of the Americas.¹⁵⁶ Maintaining friendly relations with Panama, one of the only countries in Central America unaffected by armed insurgents, by 1980, was logistically essential for Carter’s administration fight against communism in Central America.

¹⁵¹ “Summary of the Special Coordination Committee (SCC) meeting held on 1/28/1980,” (White House, 28/01/1980), U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/9Gstq0>, accessed at RIAS, 27/02/2019, 2.

¹⁵² “Summary of the Special Coordination Committee (SCC) meeting held on 1/28/1980,” 3.

¹⁵³ Ibid.

¹⁵⁴ Harold Brown, “Secretary of Defense Harold Brown recommends U.S. action to counter the insurgency in El Salvador,” (Department Of Defense, 08/10/1980), U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/9GsQ70>, accessed at RIAS, 27/02/2019.

¹⁵⁵ Dinges, 112.

¹⁵⁶ Christopher White, *History of El Salvador*, Greenwood Histories of Modern Nations, (Greenwood Press, 2008) 102.

Noriega and Money Laundering: Partnership with the Medellin Cartel

While Noriega aided in a variety of U.S. foreign policy objectives during Carter's administration, he also became deeper involved in the growing cocaine trade. In 1979, Noriega went into business with the largest exporters of cocaine, the Medellin Cartel of Colombia, famously lead by Pablo Escobar. Noriega was already involved in the growing money laundering opportunities provided in Panama, and through the liaison of a Miami-based Cuban-American accountant, Ramon Millian Rodriguez began doing the same for the leading members of the Medellin Cartel, through the Bank of Credit and Commerce International (BCCI).¹⁵⁷ At a meeting, in Panama City, set up by Rodriguez's Panamanian banking connection, former Minister of State, Henry Ford, for a flexible fee Noriega agreed to provide "full army protection," for the fifty to one hundred million dollars of cash the Cartel brought into Panama every month.¹⁵⁸ Noriega's relationship with Torrijos and his important position as head of intelligence, gave him almost unmatched power in Panama, with the exception of Torrijos himself.

Just like he did with the U.S., Noriega also agreed to sell the Cartel information. Noriega was not able to satisfy all of the Cartels demands for intelligence, but he did provide them with knowledge of U.S. coast guard patrols, their radio frequencies, ongoing operations, and even the names of active DEA and CIA agents.¹⁵⁹ The Cartel also gained access to Panamanian political assets, such as Panamanian passports, and diplomatic parcels.¹⁶⁰ Under Torrijos, Noriega worked comfortably in the shadow world, making money off revolutionary movements, the United States' fight against communists, and the drug trade.

Noriega Becomes Commander

The same year Ronald Reagan became President of the United States, 1981, Omar Torrijos died and Noriega's opportunity to profit from guns, drugs, and U.S. covert military action increased dramatically. On July 31st, Torrijos' flight crashed into a mountain en route to the remote village of Coclesito in western Panama and instantly rumors surrounding his death began to circulate. Hugo Spadafora, close to Torrijos, though despised Noriega, later claimed Noriega was involved in the untimely death to further his career.¹⁶¹ Others, such as U.S. author and economist, Johnathan Perkins, who had a business relationship with Torrijos, in his

¹⁵⁷ Ramon Millian Rodriguez, "Drug Control In Panama Day 4," Senate Foreign Relations Subcommittee on Terrorism, Narcotics and International Operation, 11/02/1988, found at <https://www.c-span.org/video/?1456-1/drug-control-panama-day-4> accessed 20/04/2019.

¹⁵⁸ Rodriguez, "Drug Control In Panama Day 4,"

¹⁵⁹ Ibid.

¹⁶⁰ Ibid.

¹⁶¹ AP, "Accusations Stir Protest in Panama", *New York Times* 10/06/1987 found at <https://www.nytimes.com/1987/06/10/world/accusations-stir-protests-in-panama.html>, accessed 20/04/2019.

controversial book, *Confessions of an Economic Hit Man*, claimed that the U.S. assassinated the Panamanian because of his anti-U.S. rhetoric, public support for revolutionary movements, and his plan to build a new canal excluding the United States.¹⁶² Roberto Diaz Herrera, Torrijos' cousin, and ranking member of the National Guard, after a failed coup against Noriega, in 1987, claimed that both these theories were true; the U.S. had worked with Noriega in orchestrating Torrijos' death as it was mutually beneficial.¹⁶³ For now, no documentation corroborates any of these personal testimonies but regardless of how Torrijos plane crashed his untimely death propelled Noriega's career at an important moment in time.

Though Noriega was not first in line to replace Torrijos as commander of the National Guard, his position as G2 made him one of the most influential people in Panama and he was able to outmaneuver those in his way to power. Florencio Florez, Torrijos' Chief of Staff, took command of the guard immediately following the unexpected death but with no real ambition to govern Panama refused to promote himself to General, "out of respect for Torrijos."¹⁶⁴ In 1981, Florez resigned and was replaced by Ruben Paredes, in what Kempe describes as a "meeting room coup."¹⁶⁵ Paredes supported Torrijos' movement towards democracy and retired from the Guard in 1983, with the intention of governing Panama, supported by the Guard, as the victorious civilian candidate of the first presidential elections since Torrijos' coup, scheduled for 1984.¹⁶⁶

However, Noriega, who became Commander of the Guard after, Paredes retired on August 12th, 1983, had other plans.¹⁶⁷ Noriega promoted himself to General and placed control over the police, and transit security under an expanded National Guard, which was renamed the Panamanian Defense Forces (PDF) supposedly in honor of the Israeli Defense Forces at the suggestion of Noriega's close friend, and retired Mossad agent, Mike Harari.¹⁶⁸ On top of expanding the PDF and by extension his power, instead of supporting Paredes, Noriega pledged his support to presidential candidate Nicolas Barletta, a U.S. educated economist with many ties to the political elite in the United States.¹⁶⁹ While the PDF partook in some election fraud the United States' government praised the 1984 election of its favorite candidate as an important democratic step that should be mirrored by other countries in the region.¹⁷⁰ Under a democratic facade, Noriega would effectively rule Panama as Commander of the PDF from 1983 until the U.S. deposed him in December 1989.

¹⁶² John Perkins, *Confession of an Economic Hit Man*, (Berrett-Koehler Publishers, Oakland CA, 2016) 168.

¹⁶³ AP, "Accusations Stir Protest in Panama", *New York Times*.

¹⁶⁴ Dinges 138

¹⁶⁵ Kempe 114.

¹⁶⁶ Kempe 115.

¹⁶⁷ Kempe 116.

¹⁶⁸ Kempe 119.

¹⁶⁹ Dinges 165.

¹⁷⁰ Michael Reagan, *In the Words of Ronald Reagan: The Wit, Wisdom, and Eternal Optimism of America's 40th President*, (Nelson Books, Nashville, Tennessee, 2004) 258.

Noriega and Reagan: Fighting Communist in Central America

The later use of the song “The Secret of My Success” to disparage Noriega while surrounded in the Nuncio, demonstrates that the military was fully aware that Noriega’s rise in power and protection from illegal activities was directly due to his covert cooperation throughout the Cold War.¹⁷¹ Despite how Noriega fell from power, his rise in power in Panama in the early 1980s was mirrored by an increasingly large role in U.S. foreign policy as under Reagan, Central America would become a central stage in the United States’ Cold War fight.

Noriega cooperation with the U.S. became even closer during Reagan’s first term. In 1979, even before becoming president, Reagan publicly stated that he feared “the Caribbean was rapidly becoming a Communist lake in what should be an American pond.”¹⁷² Once he was sworn in, Reagan was presented with intelligence on Nicaragua’s role in supplying the revolutionaries in El Salvador, which he understood as clear evidence that “the Soviets and Fidel Castro were targeting all of Central America for a Communists takeover.”¹⁷³ In 1823, President James Monroe warned European Colonial powers to stay out of the Americas, as the U.S. sphere of influence and over one hundred and fifty years later, Reagan was doing the same, though Soviet-inspired communism was now the perceived threat to U.S. influence over the region.

Reagan believed that the revolutionary movements in Central America were all part of a larger Soviet plot to destroy the United States. In his autobiography, *An American Life*, he wrote “El Salvador and Nicaragua were only a down payment. Honduras, Guatemala, and Costa Rica were next, and then would come Mexico.”¹⁷⁴ This, Reagan claimed, was an even deeper communist plot designed to target the U.S. because he “had been told that Lenin once said... ‘once we have Latin America, we won’t have to take the United States... It will fall into our outstretched hands like overripe fruit.’”¹⁷⁵ The domino theory that had drawn the U.S. into Korea and Vietnam, once again was being used in U.S. foreign policy. Though this time, the line of regimes potentially falling to communism like a train of dominos were not far away countries in Southeast Asia, they were in the backyard of the United States and lead straight to the southern border.

As President, Reagan would do everything in his power, and more, to prevent this spread of communism, and to do so, it was believed the U.S. would need to take the fight to Central America. A month after Reagan was sworn in, his CIA director, Bill Casey, presented him with a plan on Central America, and how the U.S. could fight the spread of communism in the region Reagan so feared. Casey, one of the last veterans of the CIA’s World War Two predecessor, the Office of Strategic Services (OSS), had been Reagan's

¹⁷¹ Saunders, “How Panama’s military dictator Manuel Noriega was defeated by rock’n’roll.”

¹⁷² Malcolm Byrne, *Iran-Contra: Reagan's Scandal and the Unchecked Abuse of Presidential Power*, (University Press of Kansas, Lawrence, Kansas, 2014) 71.

¹⁷³ Ronald Reagan, *An American Life: Ronald Reagan*, (Simon & Schuster New York, New York, 1990) 483.

¹⁷⁴ Reagan, *An American Life*, 483.

¹⁷⁵ Ibid.

1980 campaign advisor and held the president's trust.¹⁷⁶ Reagan even elevated Casey's position to cabinet member and placed the director in the National Security Council.¹⁷⁷ The approved plan Casey presented to the NSC, in February 1981, on Central America, suggested a "regional effort to expose and counter Marxist and Cuban-sponsored terrorism, insurgency, and subversion in El Salvador, Nicaragua, Guatemala, Honduras, and elsewhere," and to do so required working "directly or in cooperation with foreign governments."¹⁷⁸ Following an NSC meeting, later that year, Reagan wrote in his diary that he felt, "all of Central Am. [was] targeted for a Communist takeover," and as a response, approved covert action.¹⁷⁹ As part of Casey's Central American plan, Reagan's administration would, in part, turn to Noriega and Panama to fight their covert wars in the region.

Continued support for the military government in El Salvador was first on Reagan's Central American agenda. A State Department assessment of El Salvador in 1981, concluded, similarly to Carter's administration's position, that for the military to maintain control in El Salvador they required U.S. help. Reagan's State Department felt the situation was less dire than it had been as "the Governing Junta in El Salvador has worked fairly well for the past 18 months... [and] was able to turn back the communist offensive last January... with our help."¹⁸⁰ However, it was also determined that "neither the Armed Forces nor the guerrillas are strong enough to defeat the other decisively in the near term," and therefore decided, that U.S. aid was even more critical in the struggle which had "evolved into a war of attrition," especially because "the government [of El Salvador] still lacks effective battlefield intelligence."¹⁸¹ When Reagan sent his Vice-President, George H.W. Bush, to meet with the President of El Salvador, Jose Napoleon Duarte, in September 1981, during a tour of Central America, Duarte pleaded to Bush for more aid.¹⁸² In response, Reagan began an economic assistance program, that would continue through Bush's term as president, and would total over four billion dollars.¹⁸³

Reagan would also increase the United States' military support for El Salvador and used Panama as a base of operations for the covert aid. Huey attack helicopter and Ouragan fighter planes, transferred through U.S. bases located in Panama, were given to El Salvador to fight the growing FMLN movement.¹⁸⁴ In

¹⁷⁶ Bob Woodward, *Veil: The Secret Wars of the CIA 1981-1987*, (Simon & Schuster New York, New York, 2005), (Kindle Edition) 294.

¹⁷⁷ Woodward, *Veil*, 586.

¹⁷⁸ Byrne, *Iran-Contra*, 83

¹⁷⁹ Reagan, *In the Words of Ronald Reagan*, 50.

¹⁸⁰ "Bureau of Intelligence and Research assessment of the situation in El Salvador." (Department Of State, 10/07/1981), U.S. Declassified Documents Online, <http://tinyurl.galegroup.com/tinyurl/9GrHK3>, accessed at RIAS, 27/02/2019.

¹⁸¹ "Bureau of Intelligence and Research assessment of the situation in El Salvador." Department of State.

¹⁸² George Bush, "Vice President's meeting With Jose Napoleon Duarte, President of El Salvador," (Department Of State, 21/09/1981), U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/9GsWZ8>, accessed at RIAS, 27/02/2019.

¹⁸³ White, *History of El Salvador*, 101.

¹⁸⁴ Deane Hinton, "U.S. Ambassador Deane Hinton informs Secretary of State Alexander Haig, Jr. of a guerrilla raid on the Salvadoran air force base in the town of Ilopango, where five Huey helicopters and three Ouragan fighter planes were destroyed," (Department Of State, 27/01/1982), U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/9Go8q4>, accessed at RIAS, 27/02/2019.

December 1981, the Atlacatl Battalion, which had received anti-guerrilla tactics training from the U.S., massacred an entire village of 900 people, for their suspected support of the FMLN.¹⁸⁵ Despite this, El Salvadorans continued receiving military training in Panama and by 1983, the El Salvadorans enrolled at the School of the Americas almost outnumbered all other nationalities combined.¹⁸⁶ From Howard Air Force Base, just outside of Panama City, U.S. AC 130 spy planes took off every night and flew over El Salvador to provide the Salvadoran military with much needed tactical information on guerilla movements.¹⁸⁷ Psyops teams awaiting deployed to El Salvador were stationed in Panama.¹⁸⁸ Panama's support was seen as essential to countering the ongoing civil upheaval in El Salvador.

Noriega and the Contras: Panama's role in Reagan's covert war

Panama was also crucial to Reagan's policy for Nicaragua. The tense relations that existed between the Sandinista Government in Nicaragua and the United States under Carter were exacerbated when Reagan became president. For Reagan, Nicaragua was the source of the growing armed resistance to U.S. allies in Central America, such as the military governments of El Salvador and Honduras, and strong action needed to be taken.¹⁸⁹

Reagan's administration decided to covertly support an armed revolution to overthrow the Sandinista government of Nicaragua. In early 1980, members of Somoza's old national guard made their way to the north of the country along the border with Honduras, and began attacking the Sandinista government, using the same guerrilla tactics the Sandinistas employed to take power.¹⁹⁰ The counter-revolutionaries referred to as Contras, were severely outnumbered, outgunned, and held very little support from the populace but survived with help from the military government of Argentina, and aid from Col. Gustavo Alvarez Martinez, head of the Honduran Public Security Force.¹⁹¹ The military governments in both Argentina and Honduras, U.S. allies in the Cold War, asked for Casey and Reagan's help in creating an anti-communist fighting force in Nicaragua. In November 1981, with support from Bush and Defense Secretary Caspar Weinberger, Casey got the 19 million dollars he was asking for to help the Argentinians create an anti-Sandinista force of at least five hundred men in Nicaragua.¹⁹² The U.S. would become more involved with the Contras.

¹⁸⁵ White, 102.

¹⁸⁶ Dinges, 148

¹⁸⁷ Dinges, 149.

¹⁸⁸ William Clark, "Central American Working Group Report No.9," (Department Of State, 09/03/1983), U.S. Declassified Documents Online, found at <http://tinyurl.galegroup.com/tinyurl/9Gkp61>, accessed at RIAS, 27/02/2019.

¹⁸⁹ Reagan, *An American Life*, 483.

¹⁹⁰ Byrne, 95.

¹⁹¹ Byrne, 95.

¹⁹² Woodward, *Veil*, 3009.

By February 1982, Casey informed Reagan on the CIA's Latin American expert, Duane Clarridge's efforts in "organizing some anti-Sandinista resistance fighters in Honduras, and that cross-border operations into Nicaragua would soon begin."¹⁹³ In March, the Contras with CIA training blew up a bridge and began a systematic campaign of attacking important infrastructure limiting the government's mobility and economic stability.¹⁹⁴ In a highly secret operation, codenamed "Yellow Fruit," the U.S. military joined the CIA in building up the Contra fighting force.¹⁹⁵ In line with Congressional limitations on funds for Reagan's Nicaraguan policy, the official purpose of the covert operation was to stop the arms being shipped to El Salvador, but Yellow Fruit agents also trained Contra soldiers and pilots in guerilla tactics, built airstrips deep in the jungles all around the region, and developed a way to funnel private supplies and funds to the Contras, through front companies and offshore bank accounts, in case Congressional funding for Nicaragua was shut off completely.¹⁹⁶

By the end of 1982, in order to prove the counter-revolution had spread beyond former members of the Somoza dictatorship, with the help of the CIA, eight anti-Somoza exiles, such as the former Sandinista revolutionary leader Enden Pastor, formed the Nicaraguan Democratic Forces (FDN), and joined the fight against the government of Daniel Ortega, now president of Nicaragua.¹⁹⁷ As the U.S. got more involved in the counter-revolution in Nicaragua, Panama would serve as an increasingly important base for operations.

The logistical importance of Panama was even more crucial for the U.S. aid to the Contras because unlike the El Salvadoran military, the Contras were fighting in enemy territory. From Howard Air Force base, "a small fleet of planes hauled weapons and ammunition to Honduras to supply the CIA's Contra forces, which had grown to over five thousand troops."¹⁹⁸ Panama provided an important base for intelligence gathering. From Panamanian ports, "U.S. Navy vessels bristling with antennas," sailed to Nicaragua and "station themselves off the coast... close enough to eavesdrop on Sandinista military and government communications."¹⁹⁹ The same U.S. spy planes used in El Salvador also gathered information on Nicaragua.²⁰⁰ Without Panama's support, the U.S. military's ability to gather intelligence and involvement in Nicaragua would have been drastically limited.

Panama also served as an important base for Contra leaders. Pastor left Nicaragua in 1981 as he feared the revolution was turning too far left and took refuge in Panama.²⁰¹ From there, with the help of Panama and

¹⁹³ Woodward, 3277.

¹⁹⁴ Byrne, 87.

¹⁹⁵ Jeff Gerth, "Pentagon Linking Secret Army Unit to Contra Money," *New York Times*, 22/04/1987, found at <https://www.cia.gov/library/readingroom/docs/CIA-RDP90-00965R000302300001-6.pdf> accessed 20/04/2019, A1.

¹⁹⁶ Byrne, 114.

¹⁹⁷ Byrne, 106.

¹⁹⁸ Dinges, 149.

¹⁹⁹ Dinges, 148.

²⁰⁰ Dinges, 149.

²⁰¹ Spokesman of the Sandinista People's Army (EPS) says that Commander Eden Pastora retains all his posts although he resigned from them to join a guerrilla movement in Latin America. Central Intelligence Agency, 10 July 1981. U.S. Declassified Documents Online, <http://tinyurl.galegroup.com/tinyurl/9GkbQ8>, accessed at RIAS, 27/02/2019.

the U.S., Pastor began organizing resistance against Ortega and those he felt had hijacked the Sandinista revolution for their own benefit.²⁰² Throughout Pastor's involvement in the Contra struggle, he and other leaders would return to Panama to continue organizing the anti-Sandinista revolution.²⁰³ The commanders of the Contra's southern front, without the safe haven provided by Panama, would have been highly susceptible to attacks from the Nicaraguan military.

In 1983, when Noriega became commander of the PDF, Panama took an even more direct role in Reagan's covert support of the Contras. Noriega informed Clarridge that he would allow the CIA to set up Contra training facilities in Panama, as long as they were kept secret."²⁰⁴ Arm supplies coming from the U.S. to Contra forces also increased, as they passed through Panama with PDF protection, and were often flown to Honduras, Nicaragua, and Costa Rica, by the very same pilots that Noriega had enlisted in his previous gun running activities.²⁰⁵ Guns that had been put in storage in Costa Rica after the Sandinista victory were now put to use, against the Sandinistas.²⁰⁶ Noriega's personal friend Mike Harari, also got in on the Contra supply business and funneled arms to the anti-Sandinista rebels through his contacts in the Israeli intelligence community.²⁰⁷ Through Panamanian front companies and secret bank accounts, the Contras received other international aid.²⁰⁸ One Contra bank account set up during operation Yellow Fruit with BCCI was used to funnel money from an account in Switzerland through the Panamanian branch, to the rebels in Nicaragua long after Yellow fruit was terminated.²⁰⁹

When Senator and member of the Intelligence Committee, Patrick Leahy, visited Panama on his tour through Central America, in 1983, he was first denied access to information by Clarridge. However, according to Woodward, after Leahy cabled Washington complaining, Clarridge, who too had come to Panama, informed Leahy that Noriega had "for some time been a key provider and facilitator for the CIA," and told him about the plan to secretly train Contra fighters in Panama in order to open up a southern front against Nicaragua.²¹⁰ Clarridge also expressed to Leahy the intelligence communities' concerns about Noriega's consistent double or sometimes triple dealing, especially with the Cubans, but in the end, explained Noriega provided valuable assistance.²¹¹ Noriega had to be worked with, for without the money and guns moving through Panama, the Contras' efforts in Nicaragua would have ended quickly.

²⁰² "Excerpt from interview with Eden Pastora." (Central Intelligence Agency, 24/04/1983), U.S. Declassified Documents Online, <http://tinyurl.galegroup.com/tinyurl/9Gn2h6>, accessed at RIAS, 27/02/2019.

²⁰³ "Eden Pastora's friends, relatives arrested and imprisoned in Nicaragua." (Central Intelligence Agency, 09/09/1981), U.S. Declassified Documents Online, <http://tinyurl.galegroup.com/tinyurl/9Gn359>, accessed at RIAS, 27/02/2019.

²⁰⁴ Dinges, 148.

²⁰⁵ Dinges, 179.

²⁰⁶ Dinges, 179.

²⁰⁷ Kempe, 161.

²⁰⁸ Dinges, 208.

²⁰⁹ Gerth, "Pentagon Linking Secret Army Unit to Contra Money," 1A.

²¹⁰ Woodward, *Veil*, 4065.

²¹¹ Woodward, *Veil*, 4065.

Bush too became even more personally involved in Noriega and the United States' covert cooperation. According to Turner, Bush believed that Noriega was important to U.S. policy and played a role in getting Noriega back on the CIA payroll at an annual salary of two-hundred-thousand dollars.²¹² Bush visited Panama and had a short meeting with Noriega at the airport in 1983, where he congratulated Noriega on his promotion to commander of the PDF, thanked Noriega for covert cooperation in the United States ongoing Central American efforts, and expressed that there were growing concerns in Washington over Noriega's illegal activities.²¹³

Regardless of any reservations, Noriega in 1983, would, in turn, visit the United States and met with all the important actors in the administrations' Central American policy; Casey, the U.S ambassador to Panama, Everett Briggs, the NSC Latin American adviser Roger Fontaine, and NSC operative Lieutenant Colonel Oliver North.²¹⁴ Noriega and Casey's relationship had been close since 1981, and Casey personally visited Noriega in Panama multiple times.²¹⁵ On a number of occasions when Noriega traveled to the U.S. he dined at Casey's personal home.²¹⁶ Noriega even makes the bold claim in his memoir that if Casey had not died in 1987, the U.S. would not have invaded Panama.²¹⁷ While this assertion is questionable, it is clear that during Reagan's first term, Bush, Casey and others in the administration realized that without Noriega's approval, none of the covert actions operating out of Panama would have been possible.

Noriega and Cocaine: Direct Work with the Cartel

While providing assistance to Reagan's foreign policy, Noriega strengthened his ties to the Medellin Cartel. In 1982, some of Noriega's partners in the arms business such as Carlton and Cesar Rodriguez, began flying cocaine from Panama on behalf of the Medellin cartel with Noriega's knowledge.²¹⁸ In 1988, Carlton testified to the Senate Committee of Foreign Relations subcommittee on Terrorism, Narcotics, and International Operations, chaired by Senator John Kerry, that in 1982, "Escobar offered to pay Noriega \$30,000 to \$40,000 per load of cocaine," flying out of Panama. Noriega said this was too little and instead received \$100,000 in advance for Carlton's first flight of cocaine, and increased his price by \$50,000 for each of Carlton's flights; Noriega received \$250,000 for Carlton's fourth flight of cocaine from Panama to the United States.²¹⁹

²¹² "Bush Reportedly restored Noriega to CIA payroll," *Washington Bureau of the Sun*, 01/10/1988, 3A.

²¹³ Dinges, 162.

²¹⁴ Dinges, 160.

²¹⁵ Ibid.

²¹⁶ Dinges, 240.

²¹⁷ Noriega, 66.

²¹⁸ John Kerry, Mitch McConnell, Brock Adams, Daniel Moynihan, Frank Murkowski, *Drugs, Law Enforcement and Foreign Policy*, Subcommittee on Terrorism, Narcotics and International Operations of the Committee on Foreign Relations, United States Senate, (U.S. Government Printing Office, Washington D.C., 1989), 86.

²¹⁹ Kerry, McConnell, Adams, Moynihan, Murkowski, *Drugs, Law Enforcement and Foreign Policy*, 86.

According to the subcommittee's final report, by 1983, Noriega allowed the Medellin cartel to set up cocaine processing plants near Panama's southern border with Colombia.²²⁰ Members of the cartel paid five million dollars for protection to the PDF, who claimed to be acting on behalf of Noriega.²²¹

Noriega also continued to provide the Cartel with information in exchange for money. Millian-Rodriguez claimed that with information, in part, provided by Noriega, the Cartel knew the names of every single U.S. agent, undercover or not, stationed in Medellin in 1982.²²² The Cartel also continued to launder their profits in Panama through Noriega's bank of choice, BCCI, despite the arrest of Millian-Rodriguez aboard his Learjet in Florida, with five million dollars in cash in 1983.²²³ Millian-Rodriguez later testified that Noriega tipped off U.S. officials in May 1983, because Noriega wanted to "eliminate him as a middle-man for laundering money," and indeed a letter written in July by DEA special agent James L. Bramble, personally thanked Noriega for his assistance on the case against Rodriguez.²²⁴ While Noriega profited from his connection to the Medellin Cartel, his cooperation with the U.S. government and its various agencies gained him political protection.

While Noriega worked with drug traffickers, he continued to simultaneously work with the DEA in anti-narcotic operations to bolster his public image. The 1983 arrest of Rodriguez is just one example. In 1984, a joint Panamanian and DEA drug operation busted one of the cocaine factories along the southern border that the Cartel had supposedly paid protection money for.²²⁵ The DEA heralded the bust a great achievement and a sign of Noriega's cooperation in U.S. anti-drugs policy and the same letter thanking Noriega for his cooperation in the Rodriguez case thanked him for his help in the factory bust.²²⁶

However, according to Dinges, behind closed doors, Noriega saw to it that the Medellin Cartel was reimbursed the five million they had paid for protection by the PDF, and almost all those arrested in the operations were repatriated back to Colombia where the corruption in the justice system and the Cartel's influence ensured that most of them would not serve jail time.²²⁷ Just as he had during previous administrations, Noriega was able to place himself in the middle of converging interests and profit from all of them.

Noriega and The Enterprise: Noriega's work with Oliver North

Noriega's role in aiding the Contras' efforts became more important as Congress continued to limit and eventually banned Reagan's administration from supporting operations in Niagara. After his trip to Central

²²⁰ Kerry, McConnell, Adams, Moynihan, Murkowski, 85.

²²¹ Dinges, 16.

²²² Kerry, McConnell, Adams, Moynihan, Murkowski, 85.

²²³ Ramon Millian Rodriguez, "Drug Control In Panama Day 4."

²²⁴ Kerry, McConnell, Adams, Moynihan, Murkowski, 81.

²²⁵ Dinges, 16.

²²⁶ Dinges 9.

²²⁷ Ibid.

America, in 1983, Senator Leahy was convinced that the money being spent was used for far more than legally acceptable arms interdiction operations approved in the Boland amendment. Upon return to the United States Leahy told the CIA deputy director, John McMahon “You guys are setting ourselves up for a fall.”²²⁸ Leahy was soon joined by other members of the Select Intelligence Committee in denouncing the Nicaraguan operations.

By the fall of 1984, the Intelligence committee learned that Clarridge, working with North, used Latino CIA agents to plant mines in the Nicaraguan harbors in order to threaten international trade.²²⁹ Clearly more than a support effort, the CIA took direct action with the intention of destabilizing the Nicaraguan government and members of the Senate on both sides of the aisle were outraged. Chairman of the Intelligence Committee and long-time Republican, Barry Goldwater, who had vocally supported the administration policy, furiously told an aide, “you tell Casey that he’s on his own. I’ve pulled his nuts out of the fire often enough.”²³⁰

The Senate denounced the mining operation, and in October 1984, passed the Second Boland Amendment with the intention of ending U.S. involvement in Nicaragua.²³¹ The amendment stated: “during the fiscal 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.”²³² The congressional ban serves as a good example of how Congress can effect administration policy, as in just a few more years, it would be congressional inquiries that began to put heavy pressure on the executive branch to remove Noriega.

But as long as Panama helped Reagan's Central American policy, Noriega remained protected, and Panama’s role became more important with the legal constraints placed on the administration. By the end of 1984, with the Contras running on empty, the administration created a secret legal opinion that claimed that the new regulations did not apply to the NSC so long as the funds were privately collected.²³³ So when Casey, stepped aside, Oliver North, recently retired General Richard Secord and other individuals with strong ties to Casey and the administration, collective known as “the Enterprise,” took over the Contra supply effort.²³⁴ This semi-private organization became involved with numerous illegal activities while promoting what they believed was the President’s foreign policy.

Realizing the importance of the Contra war in U.S. policy, Noriega personally took part in the quasi-legal, semi-private supply of guns and money, if only to serve his own interest. As explained before, the

²²⁸ Woodward, *Veil*, 4139

²²⁹ Woodward, 4951.

²³⁰ Woodward, 5654.

²³¹ Byrne, 169.

²³² *Ibid.*

²³³ Byrne, 172.

²³⁴ Byrne, 167.

locations of U.S. bases in the Canal Zone made Panama and Noriega's consent logistically essential to Central American operations. Contra leaders, mainly from the Southern Front such as Pastor, frequented Panama to take refuge, met with U.S. officials, or even fly to the United States.²³⁵ In 1984, Noriega personally donated \$100,000 to Pastor's Southern front.²³⁶

The Enterprise continued to use Panama as a covert link for international support for the Contras. At the end of 1984, when the Contras were most desperate, Prince Bandar, the Saudi ambassador, agreed to transfer one million dollars a month, for eight months, through a secret Contra account incorporated in Switzerland laundered through Panama.²³⁷ In 1985 when the United States' illegally sold 508 TOW missiles to Iran, the profits were transferred to the Contras through front companies and a BCCI account set up in Panama, by Secord and his Iranian partner, Albert Hakim.²³⁸ Israel already linked to the Contra supply effort, through retired Mossad agent, Harari, became more involved as they too pledge financial assistance.²³⁹

North was willing to use money from anywhere to supply the Contras. According to two DEA agents, who testified to the House subcommittee on crime, in 1985, North asked if, one and half million dollars that had been used in a sting operation against the Medellin Cartel, could be transferred by undercover DEA agent, and CIA informant, Barry Seal to the Contras.²⁴⁰ The DEA denied his request, but regardless drug profits found their way to the Contra's southern front without any opposition from U.S. operatives involved in the situation.

Kerry's subcommittee in 1988, came to the conclusion "the logic of having drug money pay for the pressing needs of the Contras appealed to a number of people who became involved in the covert war. Indeed, senior U.S. policymakers were not immune to the idea that drug money was the perfect solution to the Contra's funding problems."²⁴¹ In one entry in North's diaries, it's suggested that fourteen million dollars donated to the Contras to buy a warehouse full of guns in Honduras came from drug profits.²⁴² Werner Lotz, a Costa Rican pilot, who worked with North, testified to the subcommittee that many of the pilots supplying guns to the Contras from Panama, "moved mixed cargoes of guns and drugs to the bases in Costa Rica, dropped off the guns and flew on to the United States with drugs."²⁴³ Despite the Second Boland Amendment certain members of Reagan's administration, such as North, still placed Nicaragua as a top priority, and were willing to do whatever it took to get that accomplished.

²³⁵ "Sources indicate Eden Pastora seeking aid from U.S. and Europe for the Democratic Alliance (ARDE)" (Central Intelligence Agency, 07/02/1984), U.S. Declassified Documents Online, <http://tinyurl.galegroup.com/tinyurl/9GmpW1>, accessed at RIAS, 27/02/2019.

²³⁶ Kerry, McConnell, Adams, Moynihan, Murkowski, 92.

²³⁷ Woodward, *Veil*, 7074

²³⁸ Dinges, 208.

²³⁹ Dinges, 118.

²⁴⁰ Peter Kornbluh, "The Oliver North Files: His Diaries, E-mail, and Memos on the Kerry Report, Contras and Drugs," National Security Archive Electronic Briefing Book No. 113. 26/02/2004 found at <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB113/> accessed 20/04/2019

²⁴¹ Kerry, McConnell, Adams, Moynihan, Murkowski, 41

²⁴² Kornbluh, "The Oliver North Files."

²⁴³ Kerry, McConnell, Adams, Moynihan, Murkowski, 41.

Coincidentally, by 1986, Noriega's involvement in the drug trade was becoming nearly impossible to hide. In June, the *New York Times* published front-page articles highlighting Noriega's involvement in drugs and money laundering.²⁴⁴ Shortly thereafter, according to North's diaries, through a representative, Noriega approached him with an offer to "take care of the Sandinista leadership" in order to "help clean up his image."²⁴⁵ In a letter to Admiral John Poindexter, Reagan's new NSA, North reminded Poindexter of Noriega's past cooperation and their "fairly good relationship."²⁴⁶ In response, Poindexter explained to North, that despite Noriega's questionable background, he "had nothing against him," and decided to approve an undercover meeting.²⁴⁷ In a secret meeting in London, in September 1986, Noriega offered to set up a commando training site in Panama for both Contras and Afghan rebels, whom the United States' was also supporting at the time.²⁴⁸ North's diaries also state that Noriega offered to use covert PDF units to commit acts of sabotage against economic targets such as oil refineries and telephone systems in Nicaragua.²⁴⁹ However, these plans were never put into action as the situation took a drastic change.

The Relationship Turns: Public Scrutiny and Noriega Challenges U.S. Policy

The song "You Hurt Me and I Hate You" played by the military to unsettle Noriega at the end of 1989, is a good representation of the public position the United States' government took as U.S. public awareness of the various illegal activities involving Noriega and the U.S. grew during the middle of the 1980s.²⁵⁰

In October 1986, the Sandinistas shot down and captured an operative carrying CIA credentials, flying a plane loaded with Contra supplies, near the border with Costa Rica and brought U.S. public attention to the illegal activities taking place in Central America.²⁵¹ The U.S. government was obviously actively involved in supporting the Nicaraguan rebels despite the legal constraints. What became known as the Iran-Contra scandal started to unfold as Congress demanded an investigation into the matter.²⁵² North's activities were slowly uncovered and in November 1986, the Senate became aware that funds from the illegally-sold TOW missile had been given to the Contras in 1985, in violation of the second Boland amendment.²⁵³ Reagan claimed ignorance,

²⁴⁴ Seymour Hersh, Panama strong Man said to trade in drugs arms, and illicit money, *New York times*, 12/06/1986 found at <https://www.nytimes.com/1986/06/12/world/panama-strongman-said-to-trade-in-drugs-arms-and-illicit-money.html> accessed 20/04/2019

²⁴⁵ Oliver North, "Letter to Poindexter," 23/08/1986, found at <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB113/north07.pdf> accessed 04/05/2019

²⁴⁶ North, "Letter to Poindexter."

²⁴⁷ John Poindexter, "Reply to North," 23/08/1986 found at <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB113/north08.pdf> accessed 04/05/2019.

²⁴⁸ Oliver North, *North Diaries*, 22/09/1986 found at <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB113/north12.pdf> accessed 04/05/2019, 1.

²⁴⁹ North, *North Diaries*, 2.

²⁵⁰ Saunders, "How Panama's military dictator Manuel Noriega was defeated by rock'n'roll."

²⁵¹ Byrne, 50.

²⁵² Byrne, 43.

²⁵³ Byrne, 52.

and for the most part, the public accepted it, though Reagan had personally approved the decision in hopes the missiles would help secure the release of U.S. hostages held by the Iranian-influenced Hezbollah in Lebanon.²⁵⁴ Bush too avoided most of the questioning, though Bush had been involved in the early set up of the Contras' supply network and the missiles for hostage deal.²⁵⁵ Poindexter and North took most of the Congressional heat, as Casey died in 1987, and never testified about the CIA's role organizing the creation of North's enterprise.²⁵⁶ As president Bush pardoned North and many others involved in the scandal.

It was around this time that the U.S. relationship with Noriega began to strain. More public and congressional attention focused on the region and Panama, making the bizarre relationship more difficult to maintain. Noriega had long participated in United States' foreign policy, but almost always in the shadows; a system beneficial to the U.S. intelligence community well aware of Noriega's nefarious ventures. Winston Spadafora had already been pressuring the Senate to look into the Noriega issue since the death of his brother and one of Noriega most outspoken critics Hugo Spadafora, in 1985.²⁵⁷ Cesar Rodriguez and Carlton had been arrested by the United States in 1984 and began testifying to Congressional committees about their activities.²⁵⁸ The Senate subcommittee chaired by Kerry began their investigations in 1987, and published their complete findings at the beginning of 1989.²⁵⁹ Senators already upset by the unfolding Iran-Contra scandal pointed to Noriega as another example of bad foreign policy involving the U.S. in questionable activities and alliances.

Noriega too became more resistant to United States' policy demands. The first clear break in Noriega's allegiance to U.S. policy was the removal of president Baretta, in 1985, destroying the democratic facade the U.S. had highlighted as an example for the region.²⁶⁰ Not only did this signify Noriega power, and control over Panama, it was done in opposition to the United States, as well as most of the banking elite who had widely supported Baretta's economic policies.²⁶¹

Noriega stonewalled U.S. demands for greater involvement in foreign policy objectives as his role became harder to hide. In 1985, Noriega rejected the entry of a group of El Salvadorans, en route to receive covert military training from U.S. instructors in Panama, as they lacked the proper visas.²⁶² Poindexter visited Panama in December 1986, and asked Noriega to begin using PDF units to help with the Contra efforts and Noriega rejected the idea outright, despite the offer he had earlier made to North.²⁶³ Noriega claims the U.S. government even approached him with the idea that Panama would invade Nicaragua in a joint coalition to

²⁵⁴ Byrne, 18-19.

²⁵⁵ Byrne, 16.

²⁵⁶ Byrne, 15.

²⁵⁷ Dinges, 265.

²⁵⁸ Kerry, McConnell, Adams, Moynihan, Murkowski, 86.

²⁵⁹ Kerry, McConnell, Adams, Moynihan, Murkowski, III.

²⁶⁰ Dinges, 200.

²⁶¹ Ibid.

²⁶² Noriega, 75.

²⁶³ Dinges, 233.

remove the Sandinistas from power.²⁶⁴ On top of this Noriega began demanding the U.S. close its numerous bases in Panama, as required by the new Canal treaties.²⁶⁵ In 1986, Noriega demanded that the School of the Americas shut down, and is a clear example of how Noriega's relationship to the United States' flipped during the mid-1980s.²⁶⁶

While the media and Congress began to pressure Reagan's administration to change its policy towards Panama, the administration tried to find a quiet solution to the situation. However, Noriega's attachment to power, and, or, love for his country, was stronger than anticipated, and Noriega drifted from important, if undercover ally, to openly denounced enemy.

The DEA remained supportive of Noriega as long as possible. In 1987, Noriega received another letter with personal thanks from DEA agents for his corporations in various operations.²⁶⁷ Despite DEA support, evidence of Noriega's involvement with drugs mounted and in 1988, the Justice Department indicted Noriega for cocaine trafficking and money laundering.²⁶⁸ The U.S. government could no longer claim ignorance. Despite the indictment, Reagan's administration still tried to come up with a quiet solution. Twice Noriega was approached by government agents and given the opportunity to step down as PDF commander.²⁶⁹ In 1988 Noriega met with State Department official Michael Kozak, who presented Noriega with an offer to take exile in Spain along with two million dollars in a cash-filled suitcase.²⁷⁰ Noriega refused all such offers, and publicly denounced U.S. policy in both El Salvador and Nicaragua.²⁷¹

Further, Noriega strengthened the connections he had with Cuba, as well as began more friendly relationships with the Sandinistas in Nicaragua.²⁷² Noriega's ability to maintain relationships with U.S. enemies in the region had served a purpose while he supplied information, but as the U.S. moved away from Noriega these relationships caused concern.²⁷³ Plus the information Noriega had on his involvement in cooperative illegal activities with the United States, such as his work with North, could be politically damaging as the facts were still being uncovered. Reagan who had promoted Panama's democratic elections in 1984, denounced Noriega's dictatorship in 1988.²⁷⁴ Noriega's grip on power had remained essentially the same but public opinion had changed and Noriega joined the ranks of U.S. enemies.

²⁶⁴ Noriega, 79-80.

²⁶⁵ Noriega, 15.

²⁶⁶ Noriega, 16.

²⁶⁷ Dinges, 258.

²⁶⁸ Kempe, 7.

²⁶⁹ Kempe, 318.

²⁷⁰ Kempe, 320.

²⁷¹ Kempe, 321.

²⁷² Kempe, 402.

²⁷³ Dinges, 328.

²⁷⁴ Kempe, 316.

Noriega and Bush: Combating The Wimp Factor

As the political climate changed, Bush, a Noriega supporter within multiple administrations, successfully denied his involvement in Noriega's past. When asked about the 1988 indictment, Bush stated it was the first time he saw any "hard evidence."²⁷⁵ Bush denied meeting Noriega and opposed Reagan's public attempt to negotiate Noriega out of power, in May 1988, when Regan announced that the indictments would be drop if Noriega retired.²⁷⁶ In their first public debate, Michael Dukakis, the Democrats' Presidential Candidate, specifically attacked Bush for Reagan's administration cooperation with Noriega, but Bush avoided the allegations of his personal ties to Noriega through flat denial and eventually won the campaign.²⁷⁷ According to Woodward, Baker, also Bush's campaign advisor, later, "only half-jokingly," said "if we had known we would win the election by so much... we would not have dug such a deep hole for ourselves."²⁷⁸ Bush wanted to separate himself from the previous administrations and his policy towards Panama and Noriega.

As president, Bush made it known that his administration wanted Noriega gone. In a speech given shortly after entering office, Bush claimed "the day of the dictator [in Central America] was over," and hoped the May 1989 presidential elections in Panama would resolve the Noriega issue.²⁷⁹ Bush demanded that Noriega allowed, for what he termed free elections, while the U.S. covertly promoted their preferred candidate in the election.²⁸⁰ The U.S. provided Guillermo Endara, and his vice presidential candidates, Guillermo "Billy" Ford, and Ricardo Arias Calderon, with campaign funds, along with CIA organized media propaganda.²⁸¹ Shortly before the election, the PDF arrested Kurt Muse, a U.S. citizen born in the Canal Zone, along with CIA-supplied equipment for an anti-Noriega radio station.²⁸² On election day, as the votes were being counted, with Endara in the clear lead, Noriega canceled the elections on the grounds of foreign interference.²⁸³ Noriega supporters, known as dignity battalions, ran through the street and attacked Endara supporters. Vice presidential candidate Billy Ford, got caught in the action, and a photo was taken with his shirt covered in blood.²⁸⁴ The

²⁷⁵ Stephen Engelberg, Jeff Gerth, "Bush and Noriega: Examination of Their Ties," *New York Times*, 28/09/1988, found at <https://www.nytimes.com/1988/09/28/us/bush-and-noriega-examination-of-their-ties.html>, accessed 04/05/2019.

²⁷⁶ Eytan Gilboa, "The Panama Invasion Revisited: Lessons for the Use of Force in the Post Cold War Era," *Political Science Quarterly*, Vol.11, No4. (Winter, 1995-1996) 549.

²⁷⁷ George Bush, Michael Dukakis, "First Public Debate." (C-Span Video Library, 25/09/1988) found at <https://www.c-span.org/video/?4309-1/presidential-candidates-debate>, accessed 23/04/2019.

²⁷⁸ Woodward, *The Commanders*, 124

²⁷⁹ George Bush, "Statement on the Presidential Elections in Panama," April 27, 1989, *Public Papers of George H.W. Bush*, Volume I, (1994) 491.

²⁸⁰ George Bush, "Statement on the Presidential Elections in Panama," 491.

²⁸¹ Woodward, *The Commanders*, 133.

²⁸² Ibid.

²⁸³ Noriega, 123.

²⁸⁴ Lindsey Gruson, "Top Three Opponents of Noriega Assaulted in Street Melee; Disputed Elections Nullified," *New York Times* 11/05/1989, <https://www.nytimes.com/1989/05/11/world/3-top-opponents-of-noriega-assaulted-in-street-melee-disputed-election-nullified.html?mtrref=www.google.com&mtrref=www.nytimes.com&gwh=2855481859C4ED03799559144855CB62&gwt=pay> accessed 04/05/2019

image became a visceral representation of Noriega dictatorship and public pressure mounted in the U.S. for Bush to act.

Noriega, now in full opposition to the United States, continued to antagonize Bush. For Noriega, the election results had been clearly invalid and he pointed to Muse as an example of U.S. imperialism and attempts to interfere in Panama's political process.²⁸⁵ Continuing to denounce U.S. policy in the region, Noriega strengthened ties to Cuba and Nicaragua and the three nations began trading limited military equipment.

In response, a National Security Directive (NSD) published by Bush in July, authorized four categories of U.S. military action in Panama to pressure Noriega, ranging from low risk/low visibility, involving publicized evacuation of U.S. dependents, and expanding anti-Noriega campaigns in the media, to high risk/high visibility actions where U.S. troops would regain access to the causeway leading to the Canal Zone, in aggressive military exercises permitted by the Canal Treaty.²⁸⁶ Tensions increased, and standoffs between the PDF and U.S. military became common. The failed coup against Noriega on October 3rd put further pressure on Bush, as the U.S. media questioned why the administration had not taken the opportunity to act.²⁸⁷

On December 15th before a joint session of Congress, Noriega proclaimed that due to U.S. action a "state of war existed between the United States and Panama," and in homage to Torrijos was given the title "Maximum Leader of Panamanian Liberation."²⁸⁸ The next night, December 16th, members of the PDF shoot at a group of off-duty marines after they ran a roadblock and killed Paz.²⁸⁹ The information of the shooting and detention of the Curtis' moved quickly up the military command chain and was given to the President on December 17th.²⁹⁰ Upon learning of the previous days events, after a Christmas party, in a meeting with Powell, Cheney, Scowcroft, and Baker, while Bush wore socks with the words "Merry," and "Christmas" on them, the decision was made to invade Panama with a military force of about 26,000, in a surprise attack, forty-eight hours later, at one in the morning, Wednesday December 20th.²⁹¹ (For a simplified tactical map of the invasion see Appendix D). Noriega no longer severed the United States' interests, the communist threat he had fought against was diminishing, and the political threat he represented by connecting Bush and other government officials to his various illegal activities needed to be removed. Though there was no vote from Congress to make it official, the forty-first president was going to war.

The war destroyed the media's image of Bush as an indecisive or inactive President. Bush's soft public image had been an issue during the 1988 elections, as critics claimed Bush was a "yes man," with no strong

²⁸⁵ Noriega, 123.

²⁸⁶ George Bush, "National Security Directive 6," White House, (Washington D.C. 22/03/1989,) found at <https://fas.org/irp/offdocs/nsd/nsd6.pdf> accessed 04/05/2019.

²⁸⁷ George Bush, "Presidential Statement," (C-Span Video Library 03/10/1989) found at <https://www.c-span.org/video/?9355-1/presidential-statement-panama> accessed 04/05/2019.

²⁸⁸ Woodward, *The Commanders*, 276.

²⁸⁹ Woodward, 271.

²⁹⁰ Woodward, 293.

²⁹¹ Woodward, 294-301.

convictions of his own, and events throughout the beginning of 1989 reinforced that image.²⁹² Panama, in particular, made Bush look weak, as, until the invasion, Noriega's taunts had been met by almost no real actions but only harsh words. In one particularly inflammatory statement to Newsweek, Noriega claimed, the U.S. did not act because he had Bush "by the balls."²⁹³ The failed coup in October further damaged Bush's image as his administration was criticized for being unprepared, the U.S. News and World Report named Bush's administration "The Gang that Wouldn't Shoot."²⁹⁴ The invasion changed all that and afterwards, U.S. media critics of Bush wrote that "no one will make the mistake of taking President Bush lightly again."²⁹⁵ In an interview conducted later, Scowcroft, articulated this point when he said "you shouldn't minimize October 3... The whole wimp factor came back up after October 3" though he clarifies that Bush had "made up his mind before then."²⁹⁶ Invading Panama served more than one purpose.

Creating the New World Order: The International Implications of Invasion

Taking an aggressive action, also worked for Bush on an international stage, as it demonstrated that the U.S. was willing to actively promote democracy at a time when many states were taking their own steps towards democracy. Adding to Bush's weak image had been the revolutionary change taking across the world, and Bush and the United States' relative inaction. Protests for democratic reforms in China had ended violently at Tiananmen Square, and Bush seemed unwilling to take a strong stance against Chinese action.²⁹⁷ In private, Bush was even more placative and in a personal letter to the leader of China, Zhao Ziyang, Bush wrote that he felt it was not his place to interfere in the domestic affairs of China, but hoped that their two countries could continue to move forward and work together, despite the limited actions he would be forced to take as a symptom of American Democracy.²⁹⁸

On top of this, in the year 1989, all throughout Eastern Europe, countries rejected the Soviet style of government and adopted their own democratic reforms. The move towards democracy through the Warsaw-Pact states was sparked from internal reforms happening within the Soviet-Bloc.²⁹⁹ General Secretary of the Soviet Union Mikhail Gorbachev had promised the right to self-determination to the Soviet Satellite states through his

²⁹² Woodward, *The Commanders*, 214.

²⁹³ John Ross, "A Yanqui X-mas in Panama," *San Francisco Bay Guardian*, issue 24.13, 23/01/1990, found at https://archive.org/stream/Issue24.13/Issue24.13_djvu.txt accessed 04/05/2019.

²⁹⁴ Engle, 262.

²⁹⁵ Parmet, *George Bush*, 419.

²⁹⁶ Philip Zelikow, "General Brent Scowcroft, Brent Scowcroft Oral History," Presidential Oral Histories, George H.W. Bush Presidency, Miller Center Oral History Project, 12-13/09/1999 found at <https://millercenter.org/the-presidency/presidential-oral-histories/brent-scowcroft-oral-history-national-security-advisor> accessed 20/04/2019

²⁹⁷ Engle, 392.

²⁹⁸ Engle, 389.

²⁹⁹ Engle, 18.

reforms known as *perestroika*, and *glasnost*, which he began in 1985.³⁰⁰ By the U.S. invasion of Panama, the people or governments of Poland, Hungary, East Germany, Czechoslovakia, and Bulgaria had all taken Gorbachev up on the Soviet offer and rejected communism.³⁰¹ Bush, fearful of a Soviet reaction, felt the situation was best left alone. According to Engle, Bush believed if the U.S. became too involved in the Soviet sphere of influence, Soviet tanks readily available in Russia could easily crush the burgeoning democracies, as they had done throughout the Cold War.³⁰² While Bush did not want to interfere in the Soviet's sphere of influence, in the United States' sphere of influence the same constants did not apply.

Panama was the perfect place for the U.S. to make a strong statement in favor of the democratic reform taking place around the world. Panama was not the first military action conducted, at least in part, as an international demonstration. Before he died, Casey told Woodward that the 1984 invasion of Grenada was important because it sent a message to the Soviets and the Cubans, "that we might strike in Nicaragua."³⁰³ In this context, the U.S. invasion of the tiny Caribbean island begins to take fuller shape and the same is true for Panama. The "demonstration effect," as Professor Aaron Friedberg, who worked as deputy assistant for national-security affairs in George W. Bush's administration, would later call it, also played a role in Cheney's push for the invasion of Iraq, in 2003.³⁰⁴ Another example of a U.S. invasion with an international message, involving many of the same historical actors.

Bush senior's first JCS chairman, Admiral William Crowe, believed Panama was used as an international demonstration in terms of dealing with the Soviet Union. Crowe felt Bush dealt with Soviets like a political campaign between him and Gorbachev, the United States and the Soviet Union.³⁰⁵ In this way members of Bush's cabinet, such as Baker, felt that the United States needed to get in front of the Soviets in the push towards democracy and changing dynamics of the Cold War.³⁰⁶ Gorbachev was receiving incredible international recognition for the mostly peaceful reforms taking place across Europe, and Scowcroft and others initially feared that this could be a Soviet tactic to entice nations to their side.³⁰⁷ For example, right before Bush entered office, in December 1988, Gorbachev announced that he would reduce the Soviet force by 500,000 troops and 10,000 tanks, marking a change in Soviet policy, making the first unilateral military cuts during the Cold War.³⁰⁸ Within Bush's administration, it was felt that not only did this promote Gorbachev image as a peacemaker, but put pressure on the U.S. to make similar cuts to its military size, which Bush did in June

³⁰⁰ Engle, 8.

³⁰¹ Engle, 12.

³⁰² Engle, 420.

³⁰³ Woodward, *Veil*, 5176.

³⁰⁴ Barton Gellman, *Angler: The Cheney Vice Presidency*, (The Penguin Press, New York, N.Y. 2008) 489.

³⁰⁵ Woodward, *The Commanders*, 114

³⁰⁶ Ibid.

³⁰⁷ Engle, 8.

³⁰⁸ Woodward, 54.

1989.³⁰⁹ Cheney had an even more dismal view of the soviet reforms, and in an interview with CNN in April 1989, Cheney claimed Gorbachev's efforts would “ultimately fail,” and denounced reducing the military budget.³¹⁰ However, afterwards, Cheney fell in line with administration policy of supporting *perestroika*, and it was decided the administration needed to be active in the move towards democracy, without inciting a Soviet reaction.

Bush’s administration recognized by the spring of 1989, that the Cold War was changing. In a speech written by NSC Soviet Specialist, Condoleezza Rice, Bush, stated the United States was moving “beyond containment,” a clear break in past U.S. policy.³¹¹ According to historian George Herring, an NSC paper created after the speech described how Bush would “welcome the Soviet Union back into the world order.”³¹² In the spring of 1989 the Cold War was not over, but the tensions that had divided the two superpowers for almost fifty years were obviously easing.

With a similar, yet more cautious message on May 4th, 1989, in a speech Baker gave to the Center for Strategic and International Studies, he warned that the Soviet were still dangerous, but believed the U.S. could seize the opportunity.³¹³ He stated “I don't think we can be passive in these great strategic changes nor can we yield to a Soviet agenda. Our foreign policy has to be based on an understanding of change in the Soviet Union but we can't rely wholly on those changes to produce the results that we want.” Panama provided the best opportunity for the U.S. to take aggressive action in shaping the new world.

Before the invasion took place Bush used Panama as an example to the Soviets that the United States would act strongly within its sphere of influence. When Bush met Gorbachev, for the first time as President, at the beginning of December 1989, Bush tried to explain to Gorbachev, that Panama and the U.S. had a special relationship, due to the Canal Treaty, and therefore interfering in domestic Panamanian politics was well within the rights of the United States.³¹⁴ Bush and Gorbachev agreed that the right to self-determination and national sovereignty were cornerstones of world order, but when it came to Panama, Bush would not budge and talks about Panama lead to a heated argument between the two leaders on the third and final day of the conference in Malta.³¹⁵

Despite the disagreement over Panama, the conference had been more or less a success, as Soviet and U.S. relations would continue to improve. Gorbachev had told Bush “we don't consider you an enemy anymore.”³¹⁶ The Soviets would denounce the U.S. invasion of Panama as a clear violation of national

³⁰⁹ Woodward, *The Commanders*, 55.

³¹⁰ Dick Cheney, Liz Cheney, *In My Time: A Personal and Political Memoir*, (Simon & Schuster Inc. New York, NY, 2011) 453.

³¹¹ George Herring, *From Colony to Superpower: U.S. Foreign Relations since 1776*, (Oxford University Press, 2008) (eBook), 1723.

³¹² Herring, *From Colony to Superpower*, 1723.

³¹³ James Baker III, “Challenge of Change in U.S.-Soviet Relations” Center for Strategic and International Studies, 04/05/1989, found at <https://www.c-span.org/video/?7351-1/challenge-change-us-soviet-relations>, accessed 20/04/2019.

³¹⁴ Engle, 598.

³¹⁵ Engle, 600.

³¹⁶ Herring, 1730.

sovereignty, but it did not incite a Soviet military response within their own sphere of influence.³¹⁷ The invasion of Panama, less than three weeks after the Malta conference, proved the United States was undoubtedly the stronger of the two superpowers.

Legacy of Invasion: Use of Force in the New World Order

While Noriega was held up in the Nuncio, the song “I Fought the Law,” best demonstrates how the U.S. viewed its role in the emerging international system. After the invasion of Panama, Bush and his government began to speak about a New World Order. In a speech to a joint session of Congress, in September 1990, after Iraq had invaded Kuwait and U.S. troops deployed to Saudi Arabia in August, Bush spoke about the importance of military action in this New World.

First Bush defined this New World Order, and it is clear how the invasion of Panama set up the parameters for this system. Bush quoted his and Gorbachev’s joint statement from their 1990 summit in Helsinki where they determined “No peaceful international order is possible if larger states can devour their smaller neighbors,” then continuing with his own interpretation, Bush stated, “clearly, no longer can a dictator count on East-West confrontations to stymie concerted U.N action against aggression.”³¹⁸ Noriega was the perfect example of the dictator Bush spoke of whose time had come along with the end of Cold War. The unilateral military force to remove him also clearly demonstrated that the rule about larger state behavior did not apply to the U.S. The United States’ defined and enforced its own system of international justice in the New World Order.

Speaking about the situation in Iraq, Bush told Congress “A new partnership of nations has begun, and we stand today at a unique and extraordinary moment. Out of this crisis, a New Word Order can emerge...A world where the rule of law supplants the rule of the jungle.”³¹⁹ Before Saddam Hussein, Noriega had represented the rule of the jungle, and it was in the jungles of Panama that the U.S. military first imposed U.S. drug laws internationally. For Bush, the United States was the rule of law in the new geopolitical system as as the song implied.

The New World Order had come into existence before the Gulf Crises, and the invasion of Panama had initiated that process. According to Herring, “Scowcroft viewed Saddam’s actions broadly in terms of the ramifications of the aggression on the emerging post-Cold War world,” which means that Scowcroft understood this world order existed before the summer of 1990.³²⁰ In his speech in September, Bush called Saddam’s

³¹⁷ Engle, 581.

³¹⁸ George H.W. Bush, “Towards a New World Order” Joint Session of Congress (Washington D.C. 11/09/1990) found at <https://www.c-span.org/video/?c4732667/congress-reject-attempt-annex-kuwait> accessed 17/5/2019.

³¹⁹ Bush, “Towards a New World Order.”

³²⁰ Herring, 1732.

action “the first assault on the New World that we see” which also implies that the new system had already taken form.³²¹ Though Bush does not mention Panama in his speech, the invasion clearly provided the military framework for that New World Order.

Still talking about Iraq, Bush said, “if we do not continue to demonstrate our determination, it would be a signal to actual and potential despots around the world.”³²² The exact same arguments can be seen in the decision to invalid Panama, as removing Noriega from power, in some ways, was a stronger demonstration than the larger U.S. invasion of Iraq, which left Saddam’s regime in place. Bush emphatically told Congress that “America and the world must continue to defend shared vital interests.”³²³ The example of the first Gulf War fit Bush’s rhetoric of multilateral action, but the invasion of Panama serves as a more accurate example of U.S. military interventions post-Cold War, where the U.S. was primarily driven by its own, not the world’s, vital interest. The New World Order involved a partnership of nations but under U.S. hegemonic dominance, and Panama had proven this point.

Removing Noriega from power through the month-long military invasion of Panama resolved a number of political issues for Bush. It ended questions about Bush’s personal involvement with Noriega, his involvement in the funding of the Contras, and the U.S. governments cover up surrounding Noriega drug connections. The invasion also improved Bush domestic image as it made him appear decisive and strong. Perhaps most importantly, it demonstrated to the international community that the U.S. was willing to use its large military machine in the promotion of its ideals, such as democracy, at least in name, in the new geopolitical structure emerging out of the Cold War.

³²¹ Bush, “Towards a New World Order.”

³²² Ibid.

³²³ Ibid.

Chapter Five: Military Motivation

These political motivations, however, do not explain the entirety of the story of the U.S. invasion of Panama. Simply because Bush wanted Noriega out of power does not make invasion a foregone conclusion. Bigger threats to the U.S. still remained in power around the world when the United States invaded Panama; Muammar Gaddafi in Libya, Ayatollah Khomeini in Iran, and even the Sandinistas in Nicaragua, the U.S. had fought so hard against. Throughout its history, the United States has interfered and directly effected change in the domestic political sphere of many different countries, especially in Central America, without the direct use of the military. Often, especially during the Cold War, the constant fear of escalation, or the potential political negatives, kept the U.S. from taking direct military action and covert operations had been the preferred method to deal with unfriendly governments. But as the Cold War was ending the United States' military had new motivations for a strong show of force.

The call for the invasion of Panama in order to solve the political problem of Noriega came from the military. The commanding officers in charge of the situation believed an invasion was the best options, as the entire PDF must be destroyed, it was the best way to support the JSOC missions, essential to success, and it helped justify maintaining a global military presence as the military directly entered the war on drugs. Well aware of the political motivations, pushing for the removal of Noriega, the military, under the leadership of Cheney, took advantage of the opportunity to implement changes to the purpose of the military, and its strategy, while the Cold War system was collapsing.

The original chain of command involved in Panama was reluctant to act strongly against Noriega. After only a few months serving Bush, Crowe told Cheney that he wished to retire, but would stay until a replacement was found.³²⁴ According to Woodward, Crowe did not feel comfortable working in an administration where politics played such a large role in military decisions, and Panama was a prime example.³²⁵ For one, after Noriega canceled the presidential elections, Bush's administration felt it needed to respond. The Southcom Commander at the time, General Frank Worner, resisted the idea of additional troops in Panama as they would be an unwanted burden, and opposed some of the more extreme and dangerous covert options such as kidnapping Noriega.³²⁶ Crowe, however, was forced to inform Worner that additional forces would be coming to Panama despite his protest due to the political pressure coming from the White House.³²⁷ Crowe did not like that politics affected military decision, against the suggestion of General most familiar with the situation.³²⁸

³²⁴ Woodward, *The Commanders*, 115.

³²⁵ Woodward, 113.

³²⁶ Woodward, 117.

³²⁷ Woodward, 126.

³²⁸ *Ibid.*

The administration, however, would continue pressuring the military to act in Panama, and because of Worner's resistance, removed him from his position. When Worner asked Cheney why he was being replaced, Cheney simply said, "The president decided to make a change."³²⁹ Cheney, with Bush's approval, replaced the reluctant generals with people, who understood the importance of the political motivations, as well as had their own opinions on how the military should operate in the emerging new international system.

This change in command greatly affected the decision to invade Panama. Colin Powell, who had served as Reagan's last NSA, was a great fit as a liaison between the JCS and the administration, as he believed to best serve the administration, the military needed to understand the political situation.³³⁰ On December 13th, 1989, in front of officers at the National Defense University, Powell reiterated this point; "a great deal of my time is spent sensing that political environment... its the way the Department of Defense works. It's the way in which we formulate foreign policy. It's the way in which we get approval for our policy."³³¹ The next week, the invasion of Panama, inspired by political pressure, was used by the military to set its future foreign policy.

Through Cheney's search for a new JCS chairman, he had also been introduced to General Maxwell Thurman.³³² Affectionately called "Maxatolyah," or "Mad Max" from within the military, Cheney felt that Thurman, may not be the best fit for the publicly visible position of chairman, but instead believed that Thurman's passions and disposition for action, was exactly what the administration needed in Panama, at Southcom.³³³ Thurman had a very specific vision for the future of American Warfare that would be put into action in Panama. Powell became the Chairman of the Joint Chiefs of Staff on October 1st, and Thurman took over Southcom on September 30th.³³⁴

Destroying the PDF

Dismantling the PDF was never a political motivation, but Powell, Thurman, and Stiner, whom Thurman placed in charge of military operations in Panama, all believed that the PDF had to be removed to fix the situation, and therefore pushed for invasion. In an interview, in May 1989 Bush stated: "The problem is not the PDF, per se; the problem is Noriega."³³⁵ The military high command that planned the invasion, however, felt different, which directly lead to the decision to invade. By late September 1989, Powell, Thurman, and Stiner all agreed that some things needed to be changed in the planning for Panama, and made their primary

³²⁹ Woodward, *The Commanders*, 120, 146.

³³⁰ Woodward 189.

³³¹ Woodward, 268.

³³² Woodward, 141.

³³³ Ibid.

³³⁴ Woodward, 192.

³³⁵ Bush, *Public Papers*, 547.

military objective the “disarming and dismantling of the Panama Defense Force.”³³⁶ The military did not trust the PDF to deal with the Noriega issue.

The failed October 3rd coup against Noriega cemented the military’s belief the PDF needed to be removed. Publicly the administration claimed they had no knowledge, and did not participate in the failed coup.³³⁷ In reality, Thurman up through the chain of command to Bush, had been aware of the coup before it took place, but uncertain of the credentials or reliability of the plan concocted by the PDF organizer, reluctantly provided limited support, which eventually caused the coup to fail.³³⁸ On October 1st, a Panamanian woman, reported to Southcom that her husband, Major Moises Giroldi, was organizing a coup against Noriega, and required U.S. assistance in the form of roadblocks, to ensure success.³³⁹ Both Thurman and Stiner were given the information, but neither General felt comfortable with committing U.S. forces to a plan that they did not know.³⁴⁰ Plus they did not trust, Giroldi, as he had personally rescued Noriega from another coup attempt in 1988.³⁴¹ Thurman believed that the coup could be a trap, for if the U.S. was visibly involved, yet the coup failed, it would further weaken Bush’s and the United States’ image.³⁴² He informed Powell of the coup attempt yet suggested the U.S. avoid participation.³⁴³ Powell passed the information, along with the suggestion to Cheney, and it was reported to the President.³⁴⁴ Powell said he did not like the idea of a “half baked coup with a half baked coup leader.”³⁴⁵ By the time the information reached the President, it was clear that the military did not trust the PDF organizers, and wished to remain uninvolved.

The actions on the day of the coup by the PDF finalized the U.S. military’s belief that the PDF could not be relied on. On October 3rd, in what was designed to look like a routine exercise, the military blocked off some of, but not all, the roads requested by Giroldi, and while his coup was successful in isolating Noriega, the unblocked roads eventually allowed for other PDF battalions loyal to Noriega to arrive at the scene, and effectively put an end to the attempt.³⁴⁶ Coming from the top, the decision had made that Noriega could be delivered to U.S. forces, but the U.S. would not attempt to go grab him.³⁴⁷ On top of this, while Giroldi had Noriega isolated, he suggested to Southcom that Noriega be allowed to retire to the countryside, a truly unthinkable solution from the United States’ perspective.³⁴⁸ Bush, Cheney, and others would claim that they had been unaware of the coup planning, until it happened, in an attempt to distance themselves from the failure, but

³³⁶ Cole, 14.

³³⁷ Woodward, *The Commanders*, 204.

³³⁸ Woodward, 197.

³³⁹ Ibid.

³⁴⁰ Ibid.

³⁴¹ Woodward, 193.

³⁴² Cole, 16.

³⁴³ Woodward, 198.

³⁴⁴ Ibid.

³⁴⁵ Gilboa, “The Panama Invasion Revisited,” 556.

³⁴⁶ Woodward, 200.

³⁴⁷ Ibid.

³⁴⁸ Woodward, 194.

as Thurman had feared, the media pointed to the event as further proof of Bush's impotence.³⁴⁹ More importantly, for the military, the failed coup proved that no plan organized by the PDF could remove the Noriega problem.³⁵⁰ The military believed they had less control over any operation which they did not plan, and therefore the chance for failure was higher.³⁵¹ Powell felt "getting rid of Noriega was something that had to be done on a U.S. timetable."³⁵² The next time the opportunity arose, the military needed to present the President with a plan to remove Noriega, defeat the PDF, and guarantee success.

It was the military that presented invasion as the only option to Bush after the shooting of Paz on December 16th. On December 17th, when presented with the invasion option, according to Woodward, Bush asked "why don't we just go get Noriega?" to which Powell responded "he [Noriega] would be replaced by another corrupt PDF thug."³⁵³ Powell further explained "If you're going to get tarred with a brush, might as well take down the whole PDF... pull it up by the roots."³⁵⁴ This decision had not been made just by Powell as the entire chain of command wanted The PDF disabled. Thurman had made the same argument to Powell and added that "the snatch job on Noriega puts you in harm's way."³⁵⁵ Dismantling the PDF is just one example of how the military held their own motivations for invading.

A Testing Ground for New Strategy

From the playlist used to unsettle Noriega, the rock song "Bringing Down the Hammer" best describes the military tactic tested in Panama, that has since been adopted in U.S. military interventions in the post-Cold War world.³⁵⁶ In his co-authored book, *Shadow Warriors*, Stiner wrote, "In my opinion, you only learn a lesson as a result of a big mistake... With that said, however, we did validate some principles and procedures that contributed to our success in Panama."³⁵⁷ This statement demonstrates that the strategy utilized in Panama had already been developed, and how for Stiner, the invasion functioned as a combat test for new approaches to warfare.

The military first created a list of options to deal with Panama, before Bush entered office, in February 1988.³⁵⁸ The collections of plans, titled *Elaborate Maze*, included a variety of options from noncombatant evacuation operations to a full-scale invasion of Panama.³⁵⁹ Following the canceled Panamanian elections in

³⁴⁹ Woodward, *The Commanders*, 209.

³⁵⁰ Cole, 16.

³⁵¹ Ibid.

³⁵² Gilboa, "The Panama Invasion Revisited," 556.

³⁵³ Woodward, 330.

³⁵⁴ Cole, 14.

³⁵⁵ Woodward, 227.

³⁵⁶ Saunders, "How Panama's military dictator Manuel Noriega was defeated by rock'n'roll."

³⁵⁷ Clancy, Stiner, Koltz, 706.

³⁵⁸ Cole, i.

³⁵⁹ Woodward, 122.

1989, Cheney and Crowe conducted a review of Elaborate Maze, as they looked for options on how to deal with Noriega's action.³⁶⁰ Cheney felt like the operations did not meet the needs of the administration and asked for it to be updated.³⁶¹ While Thurman would not officially take over Southcom until September, in June, aware of his future command, Thurman, order Stiner to modernize Elaborate Maze.³⁶² Stiner's updated invasion plan, Operation Blue Spoon, depended on quickly deployed, overwhelming force, spearheaded by JSOC, which he believed maximized the potential for success, not only in Panama, but for all future military operations. With the new plan, General David Meade, a member of the Policy Coordinating Committee (PCC), a lower branch of the NSC, focused on Panama, stated "since February 1988, we had 'laid down a marker' that we wanted Noriega out. We [now] had options on how to do it... We could not execute those options [however] without a morally and legally acceptable justification as the catalyst."³⁶³ The military was ready to invade, and death of Paz provided them with their opportunity.

Stiner and those involved in the planning of Blue Spoon used Panama as a showcase for the importance of the U.S. technological advantage. Stiner felt the original Blue Spoon did not utilize the technological advantage the U.S. had.³⁶⁴ Thurman believed that "violent and overwhelming combat power... primarily at night," was the best strategy, and Stiner agreed.³⁶⁵ The "Shock and Awe" military tactic famously utilized in the 2003 U.S. invasion of Iraq, by much of the same military high command, can trace its origins the invasion of Panama.³⁶⁶ General Thomas Kelly, the chief intelligence officer involved the planning also believed that strong force attacking at night was the best strategy and commented, "We own the night. We're the best night fighters on earth."³⁶⁷ The military wanted to take advantage of the unmatched night vision technology and military strength and derived a plan to do so.³⁶⁸ The new plan, which would be renamed Just Cause, hours before commencement, called for the invasion to begin shortly after midnight, at one in the morning, and therefore equipped almost all the 26,000 soldiers involved with the latest night gear.³⁶⁹ Nighttime operations are a mainstay for JSOC missions and "Shock and Awe" has been utilized in a number of military invasions since.³⁷⁰

Along with the night vision goggles, the new plan called for the first combat use of F-117A stealth bombers, and their new laser-guided missile systems. When reviewing the plan, Powell wanted to know why the military planners felt it was necessary to use the most advanced, and most expensive plane in the U.S. air

³⁶⁰ Cole, 8.

³⁶¹ Woodward, *The Commanders*, 121.

³⁶² Cole, 14.

³⁶³ Cole, 12.

³⁶⁴ Cole, 21.

³⁶⁵ Sean Naylor, *Relentless Strike: The Secret History of Joint Special Operations Command*, (St. Martin's Press, New York, N.Y. 2015) 31.

³⁶⁶ Harlan Ullman, James Wade, *Shock & Awe: Achieving Rapid Dominance*, (The National Defense University, 1996) 10.

³⁶⁷ Cole 38.

³⁶⁸ Sean Naylor, *Relentless Strike*, 31.

³⁶⁹ Woodward, 305.

³⁷⁰ Naylor, 118, 124.

force, when Panama had none, and only limited air defense capabilities.³⁷¹ Cheney too when he saw the use of the bombers, according to Woodward, “chuckled” and asked “Come on, guys... the Stealth- you’re going to use the stealth?... Why the hell do you want to use the 117?”³⁷² The bombers were necessary, it was argued, because the laser-guided system provided non-combat tested pinpoint accuracy, an aspect essential to mission as the bombs were intended to “stun rather than kill” PDF troops asleep in the barracks fifty meters away from the target zone.³⁷³ Ultimately the use of the planes were approved, though in the final forty-eight hours before the invasion to ensure success, Powell moved the target area of the booms further away from the barracks.³⁷⁴ On the night of the invasion, while the lasers accurately guide the missiles, one of the two planes drifted off course and targeted the wrong area, dropping its payload extremely far from the intended target.³⁷⁵ Despite the questionable success of the mission, the bomber production continued and money poured into the development of the “smart” weapons.³⁷⁶ The technological advantage the U.S. had, so amazed Panamanians that rumors circulated about the use of secret technologies. When Gorbachev met with Bush at Camp David, the following June, he told Bush that he had “heard some reports that you’d used laser weapon against people in Panama.”³⁷⁷ Bush denied the report, but that fact the rumor reached such high levels of government serves as an example of just how awe-inspiring the technology utilized by the U.S. had been.³⁷⁸

Tip of the Spear: The role of JSOC

While Panama was used as an opportunity to test out military technology, more importantly, it was used as a showcase for the abilities of JSOC to cement their role in the future of warfare. Within the military, a debate existed between the conventional forces and special forces. The traditional military bureaucracy believed that large conventional forces were the core of the U.S. military, as for fifty years they planned for worst-case scenario nuclear war with the Soviet Union, in which huge troop movements were required all around the world.³⁷⁹ However as non-state terrorism increased throughout the 1980s, some within the military, believed that there was a need to develop the capabilities to deal small isolated incidents, such as rescuing friendly

³⁷¹ Woodward, *The Commanders*, 264.

³⁷² Woodward, 263.

³⁷³ Cole 31, 32.

³⁷⁴ Woodward, 349-350.

³⁷⁵ Malcolm McConnell, *Just Cause: The Real Story of America's High Tech Invasion of Panama*, (St. Martins Press, New York, N.Y. 1991) 78.

³⁷⁶ Naylor, 118.

³⁷⁷ Meacham, 1031.

³⁷⁸ Ibid.

³⁷⁹ Naylor, 97.

hostages, or the logistically similar operation to kidnap enemies.³⁸⁰ One such proponent was Stiner, JSOC commander from 1984 till 1987.³⁸¹

JSOC had first been created in response to the Iranian hostage crisis in 1979, in an attempt to combine the special forces, from all branches of the military, in a single operation to rescue the captive U.S. citizens.³⁸² The first mission ended in abject failure when the plane crashed in the desert, nowhere near the target, and a number of soldiers died.³⁸³ JSOC had been called upon again to respond to the Trans-World Airlines hijacking crises in 1985.³⁸⁴ A slow reaction time and incomplete information prevent the special forces from taking any action.³⁸⁵ JSOC played an important role in the U.S. invasion of Grenada as the first troop on the ground, but ultimately the 1984 invasion of Grenada, was viewed from within the military as a failure, because of the relatively high number of U.S. and special forces casualties.³⁸⁶ It was determined that too much infighting amongst the branches, trying to justify their budgets, had caused the problems in Grenada, and the military restructure itself with an increased role of the JCS chairmen as a response.³⁸⁷ Despite their failures, JSOC advocates were winning the debate and with the support of Congress, the 1987 Defense Authorization Act created “a four-start unified command . . . that would be the equal of the countries geographic unified commands . . . and would oversee JSOC.”³⁸⁸ Their role legally and officially a part of U.S. military strategy, the special forces needed another chance to prove themselves and their capabilities.

The invasion of Panama, which involved both a hostage rescue mission and a search and capture mission, served as a perfect combat test for the special force tactics. Ever since the arrest of the CIA operative Muse, the CIA, and Bush, had been concerned that should tension continue to rise Noriega could not only harm Muse but potentially take more U.S. hostages to use as bargaining pieces.³⁸⁹ The military at Bush’s personal request, in the spring of 1989, had come up with a mission to rescue Muse from his prison cell in Modelo Prison, named Acid Gambit.³⁹⁰ The mission was a great opportunity to prove that despite the previous failures when the information was available, rescuing hostages was well within the abilities of JSOC. Delta force army rangers, who conducted the mission, rehearsed the operation religiously, and even built a three-quarter replica of the prison, in order to most accurately train.³⁹¹

³⁸⁰ Naylor, 7, 35.

³⁸¹ Naylor, 76, 100.

³⁸² Naylor, 25.

³⁸³ Naylor, 38.

³⁸⁴ Naylor, 78.

³⁸⁵ Naylor, 83.

³⁸⁶ Naylor, 66-69.

³⁸⁷ Naylor, 68.

³⁸⁸ Naylor, 97.

³⁸⁹ William Boykin, Jerry Boykin, Lynn Vincent, *Never Surrender: A Soldier’s Journey to the Crossroads of Faith and Freedom*, (Faith Words, New York, NY, 2008) 278.

³⁹⁰ Boykin, *Never Surrender*, 280.

³⁹¹ Boykin, 285.

Initially, the invasion plan and Acid Gambit were separate plans but Stiner felt that in order for either operation to succeed they had to be performed in unison.³⁹² If the U.S. tried to invade without rescuing Muse, Noriega would surely have him killed, and should the U.S. attempt to rescue Muse without removing Noriega, Noriega could take more U.S. hostage from the citizens living in the Canal Zone. The operations were put together with the approval of Powell and Cheney, and when Bush approved the decision to invade, ensuring Muse's safety had been one of his concerns.³⁹³ In the planning, the invasion of Panama began with the mission to rescue Muse, and in the live operation Muse was in U.S. custody and on a helicopter in only seven minutes, even faster than practiced.³⁹⁴ The mission suffered a setback when the helicopter carrying Muse crashed into the streets, but in the end, they were shortly met by a U.S. convoy and returned to safety.³⁹⁵ Muse was JSOC's first successful hostage rescue and, in part, validated the time and money spent over the last ten years on JSOC's previous failures.

The invasion provided JSOC the opportunity to prove their capabilities in terms of find and capture missions, with the mission to stanch Noriega, which also motivated the Generals to push for invasion. This type of mission would come to define JSOC's role in the military post-Cold War, along with drone strikes, as the special forces have been involved in the high profile capture of Saddam Hussein, the "deck of cards" targets in the 2003 Iraq War, and the assassination of Osama Bin Laden in 2011.³⁹⁶

However, before the War on Terror existed, the War on Drugs and the search for Noriega was the first time JSOC got to combat test this type of operation. Similar to Acid Gambit, the mission to capture Noriega, was initially seen as part of a separate operation from a full invasion.³⁹⁷ Worner viewed any plan to kidnap Noriega as "looney-tunes," and was extremely displeased when a secret contingency of special forces were deployed to Panama as called for in the plan to "snatch" Noriega, following the canceled elections.³⁹⁸ However, Thurman, who viewed the snatch option more favorably, believed that whoever replace Noriega as the PDF commander would soon cause similar problems for the U.S.³⁹⁹ Therefore as it was believed the entire PDF needed to be taken down, the mission to grab Noriega was incorporated into the invasion plan.

When the invasion started, the special forces began a systematic search of Panama for Noriega. "Delta conducted forty-two raids in seventy-two hours," with the intent of dismantling PDF leadership, however, on his home turf Noriega, was able to stay one step ahead of the search, until he took refuge in the Papal Nuncio.⁴⁰⁰

³⁹² Stiner, 584.

³⁹³ Stiner, 385, 387.

³⁹⁴ Naylor, 112.

³⁹⁵ Naylor, 113.

³⁹⁶ Naylor, 468.

³⁹⁷ Woodward, *The Commanders*, 258.

³⁹⁸ Woodward, 130.

³⁹⁹ Woodward, 259.

⁴⁰⁰ Naylor, 116

Stiner later called it “one of the most intensive manhunts in history.”⁴⁰¹ While the mission to capture Noriega had been less successful than Muse’s rescue, Noriega still ended up in U.S. custody, and Panama was the first success that JSOC could point to as justification for their increasing importance in U.S. military strategy as the Cold War slowly came to close. To remind special force operatives today of the importance of Panama and Noriega in the history of JSOC, Noriega’s signature red underwear still sits in a display case at Delta’s command center in Fort Bragg.⁴⁰²

The War on Drugs: A New Justification for U.S. Military

“The Long Arm of the Law,” also played to dampen Noriega’s spirits, is a good representation of how the U.S. military not only functions as law enforcers but intended to do so with an international reach.⁴⁰³ The song even has a verse from the perspective of a U.S. soldier in a fictional war in Paraguay 1999, a clear reference to the actual events taking place in Panama, and the groundwork it laid for future wars.⁴⁰⁴

For along with serving more specific military motivations, the invasion of Panama, also gave a new general purpose to the military as its very purpose was being called into question. As the Soviets seemed to be relinquishing their military grip on Poland, Hungary, and other Warsaw-Pact states, there were those who believed the U.S. should do the same thing, especially in the U.S. media.⁴⁰⁵ Woodward is one example.⁴⁰⁶ Woodward, however, was entirely wrong, the collapse of the Soviet Union and the end of the Cold War did not lead to a drastic reduction in U.S. military might, as some had assumed, and can be seen, in part, as a result of a concentrated effort to create new justifications for the use of force from the Bush administration. Baker later said “in breaking the mindset of the American people about the use of force in the post-Vietnam era, Panama established an emotional predicate... that permitted us to build public support so essential to the success of Operation Desert Storm.”⁴⁰⁷ The global military apparatus that was being questioned as the Cold War system was changing in 1989, would remain intact, and perhaps more willing to act, after Bush’s four-year Presidency.

Panama was the first step, however as it directly involved the military in the War on Drugs, and began to define the military both legally and in the domestic imagination as a world police force. As explained before Cheney, nor Bush wanted to see the U.S. military structure or spending reduced, and Thurman along with other generals had the answer. When Cheney met Thurman, in May 1989, as a prospect chairman, Thurman impressed Cheney with his views on the military and its role in a changing world.⁴⁰⁸ Thurman explained how he

⁴⁰¹ Naylor, 115.

⁴⁰² Boykin, 328.

⁴⁰³ Saunders, “How Panama’s military dictator Manuel Noriega was defeated by rock’n’roll.”

⁴⁰⁴ Warren Zevon, “The Long Arm of the Law,” found at <https://www.youtube.com/watch?v=6Q2NjC6oSkM> accessed 01/06/2019.

⁴⁰⁵ Woodward, *The Commanders*, 17.

⁴⁰⁶ Ibid.

⁴⁰⁷ Engle, 763.

⁴⁰⁸ Woodward, 140-142

understood that the administration was under pressure to be more active in the War on Drugs, especially in the case of Panama and Colombia, and believed that the military was the best solution.⁴⁰⁹ Thurman told Cheney that, “the ability to spy overhead with satellites and to tap into world banking transactions was quite extraordinary... regular radar surveillance could capture many drug shipments...U.S. special operations teams could teach the local police and military how to overwhelm any drug outpost...It was a matter of serious purpose.”⁴¹⁰ One which would give a new purpose to the military as the communist threat diminished.

Thurman was not the only one in the military making this argument. General Paul Gorman, a former Southcom commander, testified to Kerry’s subcommittee in 1987, and made the same suggestion that the military enter the War on Drugs to best ensure cohesion between drug policy and foreign policy.⁴¹¹ By placing Thurman at Southcom, Cheney saw to it that the military would act on the suggestion.

Thurman got to see his vision come to fruition when the U.S. military invaded Panama, with the publicly stated intention of capturing a drug trafficker, but even before the invasion, the administration put into effect the policy through NSDs and changes to the legal constraints on the military. NSD 18 created on August 21st, stated that “one of the principal foreign policy objectives of this administration is to reduce, and if possible eliminate, the flow of illegal narcotics substances to the United States.”⁴¹² To achieve this objective Bush asked for joint action from the CIA, as well as the State, Defense, Justice, and Treasury Departments.⁴¹³ NSD 18 expanded “DOD support of U.S. counter-narcotics efforts” and permitted “DOD personnel to conduct training for host government personnel and operational support activities.”⁴¹⁴ For the first time, the military could deploy troops and specialists to countries to fight in the War on Drugs, just as Thurman had suggested. NSD 18 also stated that “if necessary, the Secretary of State, in conjunction with the Director of National Drug Control Policy and the Director, Office of Management and Budget, shall prepare legislation to support this initiative and to remove statutory barriers to program effectiveness.”⁴¹⁵

In November 1989 one such barrier was removed. Specifically in response to the Noriega situation the Justice Department created a legal finding that concluded that the Posse Comitatus Act, preventing military personnel from arresting civilians did not apply to international fugitives of U.S. justice, such as Noriega.⁴¹⁶ This finding created the legal framework for the United States’ military to function as an international police force, and arresting Noriega was their first act. After Panama, the U.S. military became involved in the

⁴⁰⁹ Woodward, *The Commanders*, 140-142.

⁴¹⁰ Ibid.

⁴¹¹ Paul Gorman, “Drug Control in Panama Day 1,” Subcommittee on Terrorism, Narcotics, and International Operations, (C-Span Video Library, 08/02/1988) found at <https://www.c-span.org/video/?1054-1/drug-control-panama-day-1>, accessed 25/05/2019.

⁴¹² George Bush, “National Security Directive 18,” August 21, 1989, White House, Washington. Found at <https://fas.org/irp/offdocs/nsd/nsd18.pdf>, accessed 20/4/2019, 1.

⁴¹³ Bush, “National Security Directive 18,” 2.

⁴¹⁴ Bush, “NSD 18,” 3.

⁴¹⁵ Ibid.

⁴¹⁶ Woodward, 183.

international manhunt for Pablo Escobar, and in the First Gulf War, the military also functioned in a similar manner, as they claimed to be enforcing the international system by protecting Kuwaiti and Saudi sovereignty.

Before suggesting to Bush that the U.S. invade, following the December 16th shooting of Paz, Powell briefed the JCS, to gauge the military command structure opinion on the situation. The JCS, who had already had been brief on the details of the military operation after they were finalized at the end of October, generally supported Thurman's suggestion for invasion and agreed with Powell that it was the best option for the President.⁴¹⁷

Before declaring his support for the operation, however, General Larry Welch, felt he needed to clarify his reservations. According to Woodward, Welch predicted that critics of the administration would look at the invasion and come to the conclusion that the military "had seized on this opportunity to demonstrate the need for military force."⁴¹⁸ Once Welch felt that the others understood this point he too joined in the unanimous support for the operation, as he said: "there was no other solution."⁴¹⁹ While like Welch suggested, the perspective that the U.S. invaded Panama, motivated by the military necessity to have an enemy is critical, to deny that it played role is equally bias, as those within the military high command directly involved in the planning for the invasion, such as Welsh and Crowe, spoke out against this very motivation. Political motivations may have been driving factors in the U.S. decision to remove Noriega, but the military's motivations, as described above, directly affected the decision on how to best achieve this objective, and lead to invasion of Panama.

⁴¹⁷ Woodward, *The Commanders*, 292.

⁴¹⁸ Woodward, 291.

⁴¹⁹ Woodward, 292.

Chapter Six: Economic Motivations

The economic motivations for the U.S. invasion of Panama is the aspect of this thesis that requires the most attention by future researchers, as much of the documentation vital to this understanding remain unavailable to historians. However, from the documentation that is available, it is possible to define at least some of economic benefits to the United States that may have played some role in the motivation for the invasion of Panama.

First, it should be understood that throughout its history, economic motivations have played a role in determining when and where the U.S. military should be utilized. Major General Smedley Butler who served in the U.S. Navy from 1898 till 1931 experienced this first hand, as he participated in the war in the Philippines, the “Banana Wars” in Central America during the early 1900s, and even the U.S. military incursion into China to keep their markets open. Upon retiring Butler would write in his book, *War is a Racket: The Anti War classic by America’s Most Decorated Soldier*, “I spent 33 years and four months in active military service and during that period, I spent most of my time as a high-class muscle man for Big Business, for Wall Street and the bankers.”⁴²⁰

Economic motivations played an important role in early U.S. military action and continued to do so during the Cold War. One example is the 1954 CIA-organized coup in Guatemala. As mentioned before, United Fruit Company stood to lose millions when Arbenz expropriated their land, as even the value of the land had been purposefully undervalued for tax purposes.⁴²¹ United Fruit labeled Arbenz a communist, despite the fact he support the democratic process, and in response, President Eisenhower's administration approved the second coup, orchestrated by the United States.⁴²² Eisenhower's CIA director, in charge of the operation, Allen Dulles, was a member of United Fruit’s board of directors, as was his brother, John Foster Dulles, Eisenhower's Secretary of State.⁴²³ The high level cooperate-government connection unquestionable affected Eisenhower’s decision to out Arbenz, and the same is possible in Noriega’s case.

The Panama Canal

For one, the Panama Canal is not only important for military strategy, as it allows for the quick movement of ships from the pacific to the Atlantic or visa versa, but it is also important to international trade, as well represents a significant U.S. investment in Panama. The U.S. had agreed to turn control over the canal to

⁴²⁰ Smedley Butler, *War is a Racket: The Antiwar Classic by America’s Most Decorated Soldier*, (Butler Family, 1935) Cover page.

⁴²¹ John Coatsworth, Stephen Schlesinger, Stephen Kinzer, *Bitter Fruit: The untold story of the American Coup in Guatemala*, Latin American Studies (David Rockefeller Center for Latin American Studies, 2005) 15.

⁴²² Coatsworth, Schlesinger, Kinzer, *Bitter Fruit*, xxi.

⁴²³ Ibid.

Panama by the year 2000, but had done so when the relationship between the two nations was friendly. The stipulations of the 1978 Canal treaties passed most administrative duties of the canal to Panamanian control on January 1st, 1990.⁴²⁴ If the United States had not invaded Panama to remove the antagonistic government of Noriega, barely a week before the transition, complications involving implementation of the Canal treaty could have cost millions of dollars in trade had Canal operations been shut down. Further with the rising tensions between the two countries the old security estimate that which highlighted the difficulties of protecting the Canal from an aggressive government became even more accurate. Legally Bush used the Canal treaty to help justify the invasion but said that “protecting the integrity of the treaty” was also part of the reason the decision to invade had been made.⁴²⁵

The removal of the Noriega regime also left a friendly Panamanian government in power, which allowed for U.S. companies to remain the main profiteers from the Canal. Those who claimed the United States was involved in the death of Torrijos pointed to his talks with Japan on building a new sea level canal as a reason why the U.S. would take such action.⁴²⁶ Bechtel, the engineering firm, which was employed by the United States to maintain the Canal, had their own multimillion dollar plans to build a seal level canal, as well as high level government connections, similar to United Fruit, in the form of Reagan’s Secretary of State, George Shultz and Reagan’s Secretary of Defense Weinberg, who had both sat on Bechtel’s board of directors.⁴²⁷ In Noriega’s memoir, he also highlights his continued talks with Japan on building a new canal as a major motivating factor for the U.S. invasion.⁴²⁸ While the evidence that Bechtel pressured the U.S. to act in Panama is little more than hearsay or conjecture, lots of the documentation surrounding the invasion has yet to be released, and as explained before with the example of United Fruit, if Bechtel had exerted pressure it would have not been the first cooperation to do so.

Break in Economic Ties

While no song played to dishearten Noriega is a clear reference to the economic motivations for the invasion, perhaps “Paradise City” by Guns and Roses best describes Panama as a banking center before the tensions between Noriega and the United States grew.⁴²⁹

For what is more documented then the role the Canal, or Bechtel played, is how the United States’ relationship with Panama’s infamous banking sector may have motivated the decision to invade. The traditional oligarchy of land owners and banks had been Torrijos as well as Noriega largest opponents. The landowners

⁴²⁴ Chomsky, *What Uncle Sam Really Wants*, 30.

⁴²⁵ George Bush, “Military Action in Panama.”

⁴²⁶ Perkins, *Confession of an Economic Hit Man*, 168.

⁴²⁷ Perkins, 169.

⁴²⁸ Noriega, and Eisner, 42-3.

⁴²⁹ Saunders, “How Panama’s military dictator Manuel Noriega was defeated by rock’n’roll.”

disliked the economic reforms Torrijos began, and as tension grew with the United States so did the opposition from the banking elite. The removal of Barletta as president in 1985, is a clear marker of rising tension between Noriega and Panama's banking sector, as Barletta, had been heavily supported by the banks.⁴³⁰ When Noriega asserted his power and removed him, it sent a message to the banking elite in Panama as well as the United States.

For the banks, by the late 1980s Noriega was a threat, especially in terms of business. In March 1988, after Noriega removed another President, Eric Arturo Delvalle, Reagan's administration escrowed all payments to Panama.⁴³¹ According to CIA economic briefing, this "forced Panamanian banks to restrict cash withdrawals and reduce lending activity," as "political upheaval and lack of confidence in Panama's stability as a business center, led offshore banks to re-book assets in other financial centers, and caused international businesses to take employment and generating capital elsewhere."⁴³² An article published by the *Washington Post* in April 1988, claimed that the action, put on hold a "bank system [that] was doing \$42 billion a year in business between the American continents," one year earlier, in 1987.⁴³³ Further, in response to the U.S. actions and the banks closure, Noriega threaten to national the 130 banks operating in Panama.⁴³⁴ The banks agreed to reopen instead, but the threat was taken seriously.

The political tension between Noriega and the U.S. put the largest industry in Panama at risk and terrified investors. The executive director of the American Chamber of Commerce in Panama, Fred Denton, described the economic sanctions as "ill conceived and misdirected," and wrote the Department of Treasury asking for no further "strangling of private U.S. business."⁴³⁵ In a private meeting with U.S. Ambassador, Arthur David, U.S. businessmen in Panama complained about the economic sanctions. According Storer Rowley, a reporter for the *Chicago Tribune*, one told David, "We feel like we're in a football game, and we're the ball. The ball is caught in the middle. It doesn't win the game."⁴³⁶ On top of this on January 26th, 1989,

⁴³⁰ Dinges, 200.

⁴³¹ Larry Rohter, "Banks in Panama ordered to close," *New York Times*, 05/03/1988, found at <https://www.nytimes.com/1988/03/05/world/banks-in-panama-ordered-to-close.html?mtrref=www.google.com&gwh=F9DEBEEA76C8CB32BE7ADD522D9FE4E4&gwt=pay> accessed 20/04/2019

⁴³² First in a series of intelligence economic briefs concerning Panama's economic reconstruction efforts, with the help of the U.S., under the new government of President Guillermo Endara. Issues include: background data; trade relations; manufacturing needs; construction; unemployment figures; Petroterminales oil pipeline production; political crisis in the Colon Free Trade Zone; impediments to employment. Also included are Panamanian employment figures. Central Intelligence Agency, 2 Jan. 1990. U.S. Declassified Documents Online, <http://tinyurl.galegroup.com/tinyurl/9GqRCX>, accessed 27/02/2019.

⁴³³ Loren Jenkins, "Panama's Banks Face Ruin," *Washington Post*, April 10, 1988, found at https://www.washingtonpost.com/archive/politics/1988/04/10/panamas-banks-face-ruin/9ead1c95-ccb6-4df7-ab80-c46f9576d9ba/?utm_term=.68253986031f accessed 17/5/2019.

⁴³⁴ Storer Rowley, "Most Banks Reopen in Panama," *Chicago Tribune*, 19/04/1988, found at <https://www.chicagotribune.com/news/ct-xpm-1988-04-19-8803100318-story.html> accessed 17/5/2019.

⁴³⁵ Rowley, "Most Banks Reopen in Panama."

⁴³⁶ Ibid.

Noriega opened his own bank.⁴³⁷ According to unnamed U.S. government source, of William Branigin, a reporter for the *Washington Post*, Noriega opened the bank “to cut out the middleman,” to try and “corner the market on money-laundering.”⁴³⁸ The Panamanian and U.S. banking elite opposed to Noriega wanted him out of power.

Reagan’s administration had placed economic constraints on Panama in response to Noriega’s action and Bush continued to do the same. Bush also realized the adverse effects this had on U.S. investors. In September 1989, refusing to recognize Noriega’s regime, insisting that Endara was the rightful leader, Bush further tightened the economic screws against Panama with NSD 21 where it was stated that “the Secretary of Treasury should take the appropriate measures to continue to hold in escrow Panamanian government assets escrowed for the Panamanian people... In the absence of a recognized government.”⁴³⁹ In NSD 21 it also stated that, “present U.S. economic sanctions in Panama should henceforth be strictly enforced after advance notice is provided to affected U.S. companies.”⁴⁴⁰ This last stipulation from Bush shows that he was fully aware of the consequences of the economic sanctions on U.S. companies and believed that their need to remain informed of government decisions was of national security. Perhaps U.S. companies were not directly pressuring Bush to invade, but from NSD 21 it is clear that Bush took into account the needs of U.S. corporations.

Bankers Back in Power

“Dancing in the Streets” by David Bowie and Mick Jagger, played in the musical assault on Noriega’s will, is a good description of how the banking elite of Panama reacted to Noriega’s removal and the normalization of economic relations to the United States.⁴⁴¹

After the removal of Noriega, the banking elite were able to once again take control of Panama. Chomsky claims that putting “the bankers back in power after the invasion,” was a motivating factor for the U.S. invasion.⁴⁴² When Bush agreed to the military operation, one of the major stipulations was that Endara was sworn as President before the invasion began.⁴⁴³ Hours before the invasion began, in front of Panama’s chief justice, “in a windowless basement room at Clayton’s Building 95,” President Endara and Vice Presidents Arias Calderon and Billy Ford, took the oath of office.⁴⁴⁴ The action was legally necessary for the United States,

⁴³⁷ William Branigin, “Noriega Opens Bank, Perhaps for Launder,” *Washington Post*, 27/1/89, found at <https://www.washingtonpost.com/archive/politics/1989/01/27/noriega-opens-bank-perhaps-for-laundering/b2d28456-3cee-41ff-8bdf-9d5df27c727e/> accessed 17/5/2019

⁴³⁸ Branigin, “Noriega Opens Bank.”

⁴³⁹ George Bush, “NSD 21,” White House, Washington D.C. 01/09/1989, found at <https://fas.org/irp/offdocs/nsd/nsd21.pdf> accessed on 17/5/2019.

⁴⁴⁰ Ibid.

⁴⁴¹ Saunders, “How Panama’s military dictator Manuel Noriega was defeated by rock’n’roll.”

⁴⁴² Chomsky, 30, 32.

⁴⁴³ Woodward, *The Commanders*, 362.

⁴⁴⁴ Ibid.

as with Endara sworn in, the U.S. military claimed they were acting at the request of the legitimate government of Panama, and therefore did not need a declaration of war from Congress.⁴⁴⁵

The swearing in of Endara also guaranteed that the banking elites would once again rule Panama. Endara, as well as Ford, had personally worked with Panama's banking sector, and to a certain extent were connected to its questionable practices. Endara had been a corporate lawyer for Carlos Eleta a Panamanian tycoon, arrested in Georgia in April 1989 for drug trafficking.⁴⁴⁶ Billy Ford's brother, Henry Ford was the initial connection between Millian-Rodriguez and Noriega.⁴⁴⁷ Plus, Billy was the part owner of Dadeland Bank in Miami which laundered millions for both the Medellin Cartel and CIA-trained Cuban Americans.⁴⁴⁸ The journalist Jonathan Marshall determined that "President Endara's appointments read like a who's who of Panama's oligarchy. Many have personal or business associations with the drug money laundering industry."⁴⁴⁹ The release of the Panama Papers in 2011, the largest collection of documents concerning illegal banking activities, is a prime example of the importance, and power of Panama's banking sector, not only domestically but internationally, that exists till this day.

With the removal of Noriega, economic relations returned to normal, and the U.S. companies that had invested in Panama since the beginning of the 20th century once again were able to conduct business, which Bush's administration felt was vital. By the morning of December 20th, the U.S. already agreed to release funds it had frozen to Endara's government.⁴⁵⁰ NSD 34, created on January 24th, 1990, just after the completion of Operation Just Cause, details how the U.S will "make every effort to assist the Government of Panama... in their efforts to restore the health of Panama's economy."⁴⁵¹ Bush believed that "private sector initiative, supported by the government's economic reform policies, will be the key to Panama's recovery," and therefore along with forty-two million for humanitarian aid, pledged four hundred and thirty million dollars in "loans guarantees and export opportunities," through various banks and institutions as well as an addition five hundred million to "help Panama normalize relations with the IFIs [International financial institutions]."⁴⁵² Chomsky's claims that the funds described in NSD 34, was a "gift from the American taxpayer to American businesses... \$400 million consisted of incentives for U.S. business to export products to Panama, \$150 million was to pay off bank loans

⁴⁴⁵ McConnell, *Just Cause*, 93.

⁴⁴⁶ Jonathan Marshall, "Panama's Drug Inc.," *Oakland Tribune* 22/1/1990. Found at <https://fair.org/extra/censored-news/> accessed 12/05/2019.

⁴⁴⁷ David Pitt, "To Many in Panama, the New President Is an Enigma Wrapped in a Smile," *New York Times*, 28/01/1990. Found at <https://www.nytimes.com/1990/01/28/world/to-many-in-panama-the-new-president-is-an-enigma-wrapped-in-a-smile.html?mtref=www.google.com> accessed 17/05/2019.

⁴⁴⁸ Jonathan Marshall, "Panama's Drug Inc."

⁴⁴⁹ Ibid.

⁴⁵⁰ Guillermo Endara, "Endara Government Makes Announcements" (Central Intelligence Agency), U.S. Declassified Documents Online, <http://tinyurl.galegroup.com/tinyurl/8ipKa8>, accessed at RIAS, 09/01/2019.

⁴⁵¹ George Bush, "NSD 34," White House Washington D.C. 24/01/1990, found at <https://fas.org/irp/offdocs/nsd/nsd34.pdf> accessed 17/05/2019.

⁴⁵² Bush, "NSD 34."

and \$65 million went to private sector loans and guarantees to U.S. investors.”⁴⁵³ The banking sector and U.S. exporters received a direct pay out from the U.S. government upon Noriega’s removal.

When speaking about why the U.S. had to intervene in Iraq during his New World Order speech, in September 1990, Bush explained that “vital economic interests exist as well.”⁴⁵⁴ This is a prime example of how economic interests dictated not only U.S. military actions but Bush’s personal decisions. The banking sector interests in Panama were less publicly acceptable than the Canal, Bush had mentioned, or the obvious oil reserves located in Kuwait and Iraq, but were equally as vital.

To make the claim that the U.S. invaded Panama solely for the economic motivations, is quite bold, but it is clear that Bush’s administration was well aware that removing Noriega’s regime would be economically beneficial for elites in both Panama and the United States, and therefore played some role in the final decision to invade in December 1989.

⁴⁵³ Chomsky, 32.

⁴⁵⁴ Bush, “Towards a New World Order.”

Chapter Seven: Conclusion

As it should be clear from everything stated above, the United States, was motivated to invade Panama on December 20th, 1989, by a number of political, military, and economic interests. First, Bush's personal involvement in Noriega's clandestine work and long-standing knowledge of Noriega's drug ties became politically dangerous as Noriega's image became that of a drug-dealing despot. The invasion would also make Bush, and the United States, appear strong, at a time when the international world system was undergoing a drastic change. Bush's administration's belief in the importance of U.S. hegemonic control, as the Cold War system ended, was demonstrated in Panama, as the U.S. military justified future use of force in the name of upholding American ideals. Removing Noriega and installing a friendly government in Panama, once again ruled by the banking elite, also served the United States' economic interests, as it secured U.S. investments in the Panama Canal as well as the banking sector. Bush's decision was motivated by some combination of all these factors.

The extent to which these various motivations influence President Bush's final decision is more debatable. It is almost impossible for a historian to know the true motivations of individual actors, as their thoughts cannot be read, but through the documentation, an understanding can take form. The political motivations to remove Noriega from power were perhaps the driving factors, but taking an aggressive step to structure the New World Order, and justify the future use of force is perhaps ultimately why the U.S. invaded Panama in such a dramatic fashion. With time, the economic motivations may become more apparent, and their role may be discovered to have played a larger role.

This research was conducted with the intent of beginning that process in terms of defining the motivations for the invasion of Panama. In December 2019, the event will be thirty years old, and government documents regarding the event, still unavailable, should become available to the public through the Freedom of Information Act. As more documentation is released by the U.S. government, the picture will take fuller form. Only with the release of Noriega's files seized during the invasion, will historians be able to create a truly complete understanding of Operation Just Cause, and the motivations behind the invasion.

In all, Panama, 1989, is an event that should continue to be the focus of historical research, for while the country is small, and the invasion was short, as presented in the argument of this thesis, based on the documentation available, the invasion of Panama had international repercussions, as it helped define future U.S. foreign policy objectives and U.S. military action in the post-Cold War international system that exists today.

Appendix A

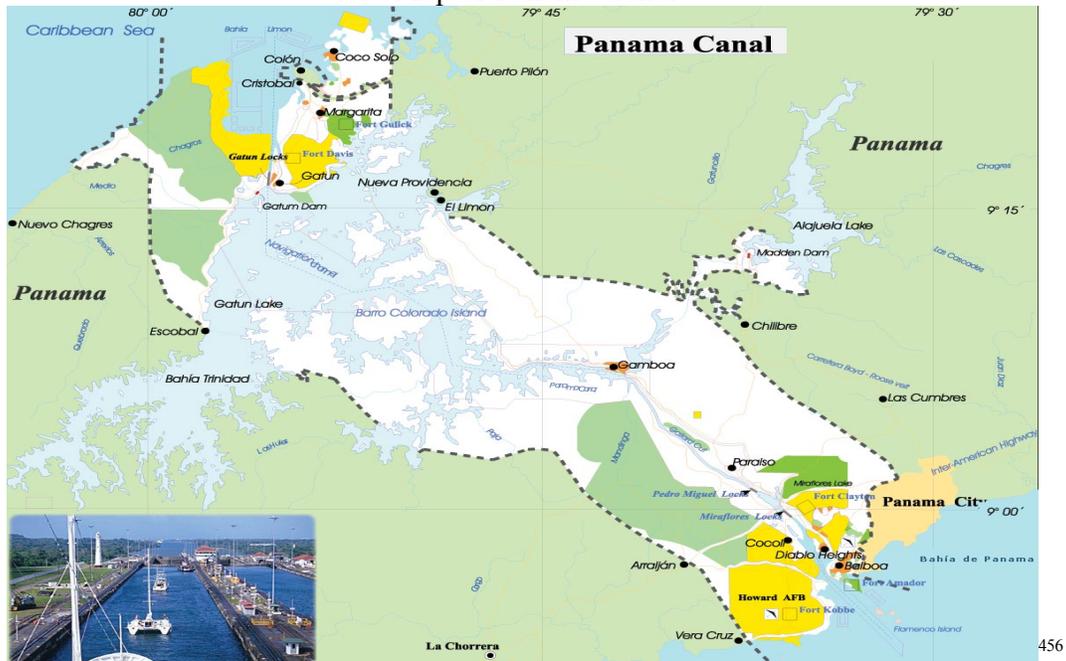
Map of Panama



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Appendix B

Map of Panama Canal



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⁴⁵⁵ “Geographic map of Panama,” World Maps, image found at <https://wiki--travel.com/detail/geographic-map-of-panama-9.html> accessed 26/06/2019.

⁴⁵⁶ “Panama Canal Map,” World maps, image found at <https://wiki--travel.com/detail/geographic-map-of-panama-8.html> accessed 26/06/2019.

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