

PANAMA IN WORLD WAR 2 – WHAT HAPPENED WHEN

1940

When 1940 began, the war in Europe had been underway for some three months, a state of emergency had been declared by President Roosevelt, security tightened in the Canal Zone, the construction of new and improved defences was well under way, and the Neutrality Patrol was operating in both the Atlantic and Pacific Oceans.

The operations of the Neutrality Patrol expanded in 1940, with old destroyers being recommissioned and new patrol aircraft squadrons added. On 17 May, plans for recommissioning 35 additional flush deck destroyers to meet the requirements of fleet expansion and the Neutrality Patrol were announced. Some of these were to eventually find their way to Panama.

In Panama, 1940 would see an election bringing nationalist Arnulfo Arias Madrid to the Presidency, and he quickly bringing forward a new Constitution and various populist measures that many saw as authoritarian. Having campaigned with an anti-American stance, it was hardly surprising that his new administration would hamper US plans for additional defence sites outside the Canal Zone.

1940 would see the war coming to Panama in the sense that – neutrality notwithstanding - by the end of the year six Panama-flag vessels would have become victims of U-boats, two of them while part of British convoys (and both on outward convoys, heading from Britain to the US).

The continuing concerns about the state and adequacy of the defences of the Canal was not helped by a 1940 review had shown a shortage of searchlights; and then the Chief of Coast Artillery said that “*With a few exceptions our seacoast batteries are outmoded and today are woefully inadequate*”, noting that most had no overhead cover to protect against air attack. In the case of the batteries in the Canal Zone, the vulnerability to air attack would become a concern, particularly after the Pearl Harbor attack.

Overall US Army manpower within Panama would expand from 19,500 by 1 December to about 28,000 men at the close of 1940, to about 31,000 by December 1941, and to a peak of over 66,000 by early 1943.¹

Until the results of the Two Ocean Navy Act (signed by President Roosevelt on 14 August²) came to fruition, and especially after the Fall of France, the ability of the US fleet to move between the Atlantic and Pacific, and *vice versa*, remained a fundamental facet of the security of the Continental US. Hence, the protection of the Canal was to remain regarded by the US Army (responsible for its defence) as second only to protection of Continental US itself.

By Autumn 1940, bilateral military staff conversations had occurred with almost every Central American, South American, and Caribbean republic, with 20 out of 21 nations willing to provide the US support to resist Axis-inspired subversive elements³ - notably, Panama was excluded from these arrangements, it being suggested that this was because it would deal directly with the Commanding General of the Panama Canal Department (the Army's command in the Canal Zone).⁴

There was concern in many areas about shortcomings in the defences of the Canal. For example, the Bureau of Ordnance at the Navy Department was aware of the inadequacy of the defence system of nets and booms that had been used during World War 1 to protect US harbours. However, it was not until 1940 that funds were made available to improve such defences, with 10 harbours to receive nets – including Balboa – with the Chief of the Ordnance Bureau estimating that it would two to three years to obtain the necessary

¹ <https://weaponsandwarfare.com/2019/11/18/panama-canal-zone-defences-ii/>

² Aka the Vinson-Walsh Act, this was the costliest naval procurement Bill in US history to then, it increased the size of the US Navy by 70% by adding 257 ships. It allocated \$4 billion over the following six years for the construction of combat ships (including, but not limited to seven battleships, six battlecruisers, 18 carriers, 27 cruisers, 115 destroyers, and 43 submarines), the construction of 15,000 aircraft, conversion of auxiliary ships, the construction and renovation of naval facilities, and the manufacture and procurement of various munitions and equipment.

Problems in accommodating new, larger warships is illustrated by the fact that, during the war, the *Essex*-Class aircraft carriers, built from 1941, could only just pass through the Canal if the lamp posts lining the locks were removed. World War 2 also showed the strategic necessity for the US to rely on fleets on both the Pacific and Atlantic Oceans, thus diminishing the vital role of the Canal.

³ This could sometimes be to serve local political or economic interests, such as with the Peruvian Japanese.

⁴ <https://digitalcommons.fiu.edu/cgi/viewcontent.cgi?article=3672&context=etd>

materials and install the defences. It was in December 1940 that the Chief of Naval Operations (CNO) ordered the laying and tending of a net and boom defence at Cristobal, to prevent the enemy from entering the Atlantic side of the Canal by submarine or surface craft.⁵

Early in 1940, the General Board of the Navy and the Army-Navy Joint Board had studied the subject of the defence of the Pacific approaches to the Canal and reached the conclusion that preparations must be made for the operation of constant air patrols over a wide area to the west of Panama. Recommendations included patrol squadrons of seaplanes based near Guayaquil on the Ecuadorian coast, in the Gulf of Fonseca in Nicaragua, and in the Galapagos Islands, with the latter Ecuadorian possession seen as the key. The islands were to be fortified by both the Army and the Navy, under a programme directed by Army engineers.⁶

In addition to the guard on the Canal's locks there was the so-called Utility Guard. The number and type of facility included under its protection expanded from 1939, to include such things as filtration plants and, in 1940, transformer substations, the Mechanical Division yards at Balboa and Cristobal, the Mount Hope and Balboa Tank Farms and even the length of the Panama Railroad. The Saddle Dams at Madden Lake were also guarded.⁷

As discussions on the need for bases in the Republic continued, the State Department expressed an opinion that, under the 1936 Treaty, any lands leased by the US would come under its exclusive jurisdiction. However, it then reversed its position in May, feeling that any attempt to assert such exclusive jurisdiction would be strongly opposed. As a result, the War Department said it would impractical to insist on exclusive jurisdiction. Consequently, the draft pattern lease had to be revised (again).

⁵ <https://www.navycthistory.com/NSGStationsHistory.txt>

⁶ https://www.ibiblio.org/hyperwar/USN/Building_Bases/bases-18.html

⁷ In November 1941, an exercise involving the Mobile Force demonstrated that a raiding party could attack to Dam, but that it would take an estimated 6,000 lb (2,725 kg) of TNT to rupture the Saddle Dam, which breach would anyway take weeks to drain the Lake.

The revised draft lease was presented to the Panamanian foreign ministry on 16 July, but the absence of a foreign minister meant it had to be resubmitted in August. However, the elections had since taken and the outgoing President Boyd was hesitant to commit the new administration to any definite proposals.

At Coco Solo naval base, development of the air station began in August, with the approved plan contemplating expansion sufficient to serve seven patrol squadrons of flying-boats (as proposed by the 1938 Hepburn Board recommendations).⁸ The original site, though limited, was considered to be the most advantageous that could be found in the Canal Zone; and therefore, expansion at Coco Solo was advocated rather than construction of an additional base elsewhere.⁹

At the air station, the work from 1940 saw three large steel hangars, four seaplane ramps, 700,000 square feet (65,032 square metres) of concrete parking area, engine test stands, and a large aircraft assembly and repair shop added to the operating area fronting on Manzanillo Bay. To make expansion possible, 30 acres (12.1 hectares) of beach was reclaimed, with a steel sheet-pile sea wall, 2,100-feet (640 metres) long, to enclose two edges of this reclaimed area.¹⁰ Other work included new barracks, a bombproof command centre, an operations building, and a large administration building to house the administrative offices of both the air station and the adjoining submarine base. Also added were several large warehouses.¹¹

Later modernised, the submarine base at Coco Solo occupied a 130-acre (52.6 hectare) site, and additional facilities were accomplished under the wartime construction programme begun during Autumn 1940 with the developments being confined entirely within the limits of the existing boundaries.¹²

⁸ The Hepburn Report was the product of a board which reviewed the US national defence structure and was submitted in December 1938. The Report was the basis for the massive shore establishment expansion that took place prior to World War 2, particularly in the form of air bases, such as that at Coco Solo: https://www.ibiblio.org/hyperwar/USN/Building_Bases/bases-1.html

⁹ The Navy also used Army facilities for the operation of landplanes in the Coco Solo area, France Field being nearby.

¹⁰ https://www.ibiblio.org/hyperwar/USN/Building_Bases/bases-18.html

¹¹ https://www.ibiblio.org/hyperwar/USN/Building_Bases/bases-18.html

¹² https://www.ibiblio.org/hyperwar/USN/Building_Bases/bases-18.html

After a further study requested by the General Staff, and in the light of experience from Europe, in Summer 1940, the USAAC made \$50,000 available for barrage balloon equipment and in June, Goodyear-Zeppelin was awarded a contract for the first six low-altitude balloons for delivery in 1941¹³. The study had recommended acquiring no less than 4,400 barrage balloons, including 200 for deployment in Panama.¹⁴ It was estimated that around 2,400 men would be required to operate 90 balloons in the Gatun Lake area and 110 balloons in the area of the Pedro Miguel and Miraflores Locks.¹⁵

The task of expanding the defence sites in 1940-41 was tremendous and every available soldier was detailed to some aspect of construction. There was a severe shortage of civilian labour due to the competing demand for workers on the Third Locks Project, and the additional labour force required only increased the ongoing housing shortage. Due to the severe time constraints, much of the new building construction was of a temporary nature and typically this resulted in the use of existing building plans, but with the substitution of readily available, less expensive, and less labour-intensive construction materials. Designs were stripped down to the essentials, and all ornamental details were eliminated. Such temporary structures were less durable, and were often meant to be capable of being easily disassembled and re-erected elsewhere.¹⁶

The civilian labour shortage would lead to disagreement between the US authorities and the Panamanian Government, of which more later.

The influx of large numbers of additional troops during 1940 and 1941 also resulted in the congestion in the barracks available at the permanent stations of the Panama Canal Department, floor space was reduced and when this rapidly proved insufficient, double-bunks were introduced. All available porch space was used.

¹³ *The US Army Barrage Balloon Program* by James R. Shock (Marriam Press), 2006

¹⁴ *Ibid.*

¹⁵ In 1942, the Canal Zone was second in priority for barrage balloons only to the Soo locks and canal between Lake Superior and the lower Great Lakes, which also had much-enhanced anti-aircraft gun defences.

¹⁶ <https://apps.dtic.mil/sti/pdfs/ADA319357.pdf>

As an example of the effort made, during 1940, barracks and other buildings required to house an infantry regiment were constructed by troop labour at Paraiso, the former site of headquarters of the French Canal Company in the late 1880s and later a Canal Zone town and headquarters of the Dredging Division. Temporary barracks were also constructed at Albrook Field, France Field, Fort Randolph and Fort Amador. The Rio Hato Rest Camp, which was intended to be a recreation area was converted to become a training centre. Despite the efforts made to provide adequate housing, the temporary use of tents would nevertheless become necessary during 1941.

Very little in the way of the necessary materials was available locally in the 1940s, and so, in 1940, all duties, except consular fees, were abolished on imports of all construction materials into Panama, including lumber, cement, zinc, nails, paint and steel.

Funds for road construction in Panama, or their maintenance, had not been available pre-war,. In fact, by 1940, less than 100 miles (161 km) of the planned 207 miles (333 km) of new roads had been completed, and 43 miles (69 km) of these were unsurfaced.

At the same time, by 1940, with the outbreak of war in Europe, the US felt it necessary to establish a more direct, land route to Panama. While air links had been established and improved, the chief communications remained to be by sea, a long journey from either the East or West Coasts of the US. However, having been begun during the war, it would be after it that the eventual Inter-American Highway from the US to Panama was completed. Many pieces of what were to become part of the Highway were constructed prior to 1940 and by the individual countries involved, but these only existed between major cities and were not in a very good state.

In 1940, the War Plans Division at the US War Department had recommended the establishment of a theatre command structure for the Caribbean, one of which would be centred on the Canal Zone and take in Jamaica. The plan would be approved in January 1941, and the Caribbean Defense Command officially activated in February 1942.

By 1940 the police and fire departments in the Canal Zone had come under one individual whose title was the Chief of the Police and Fire Division, although it was not clear when this merger took place or how long it lasted.

General Frank M Andrews (after whom the Andrews Air Force Base, used by US Presidents, is named), who had been the first airman on the War Department General Staff, organised and led the Panama Canal Air Force, later the Caribbean Air Force, in 1940-41, this going on to become the prototype for future overseas numbered air forces. He was later promoted on 18 December 1941 to head the new Caribbean Defense Command, which in turn became the model for other overseas theatre commands.

In 1940, the Canal Zone Red Cross, the Panama Canal and the Panama Railroad devised plans to register female employees and Zonian women for possible evacuation in the event of war.

In Panama, the Department of Corrections was established in 1940 to administer the country's penal system for the Ministry of Government and Justice. Operation of the prisons had previously been a direct function of the National Police. The intention of the government officials who established the Department of Corrections was to end the inherent abuses in the system, but the new department was never properly staffed, and police had to be used as jailers.¹⁷

By 1935 there were 9,212 motor vehicles registered in Panama, and by 1940 the number had reached 15,381.¹⁸ 1941 would see the enforcement of a law whereby traffic would drive on the right-hand side of the road. However, for the Third Locks Project, this had been the rule from the start, and when work had begun in 1940, it was decided that the change would result in fewer accidents, as nearly all the truck drivers employed in the project came from the US.¹⁹

¹⁷ <https://apps.dtic.mil/dtic/tr/fulltext/u2/a210486.pdf>

¹⁸ Ibid.

¹⁹ <https://www.czbrats.com/Articles/left.htm>

As already mentioned, the construction work in this period created a shortage of labour. In Panama, in 1940, unemployment was virtually non-existent, thanks to the defence improvement programmes. A large number of Panamanian workers flocked to the Canal Zone so that, between 1940 and 1945, more than one eighth of all Panamanians productively employed were working in the Zone. It became apparent that there was a need to import workers from outside the country, as surveys during the Winter of 1939-40 revealed that the local labour supply was “practically exhausted”, and that around 12,000 additional workers would have to be recruited if the plans in place in mid-1940 were to be met.

When US officials began to recruit workers for the Third Locks Project in 1940, the Ambassador to the US appealed to President Roosevelt to insist on employment practices better suited to the times and advocated for Panamanians’ right to occupy Gold Roll positions (hitherto, they would have been restricted to the lower-paid Silver Roll, the Gold Roll being reserved for white US nationals – bar a few token exceptions). However, the Ambassador was equally adamant about black West Indian inferiority. US officials had returned to the British West Indies for labour, as they had during the construction of the Canal, and the Panamanian Government had protested. The Ambassador, Jorge Boyd²⁰, said that, from his perspective, forgoing black labour would be the ultimate Good Neighbor gesture.²¹ The Panamanian Government was loath to permit a widespread importation of foreign laborers, except from Spain or Puerto Rico, neither of which was considered a suitable source by the Canal administration and Army authorities.

Despite the need for additional labour, before the war Governor Ridley had ruled out bringing US blacks into the Canal Zone, for fear of introducing “subversive and troublesome elements”, given increased political activities in the US. Puerto Ricans were not desirable either, because they could not be easily categorised as either black or white. The Governor was said to prefer the “generally quiet and docile” West Indians.

²⁰ Brother of the Acting President.

²¹ American Historical Review (April 2020).

This Policy was one adopted by the Roosevelt Administration in the 1930s in an attempt to improve US-Latin American relations.

When, by 1940, many new employees in the Canal Zone were women, this saw Panamanian women working alongside Zonian women as censors, plane spotters etc. However, West Indian women seem to have been hired in greater numbers.

Early in 1940 the Panamanian Government did agree to the entry of a shipload of workers from Jamaica, where a labour recruiting office had been opened in February.²² By 30 June, about 150 Jamaican workers had been brought into the Canal Zone. While this was approved by President Roosevelt, he also instructed the War Department that future “importations” should be made in accordance with the racial requirements of the Panamanian Government, and that an attempt be made to fill needs by recruiting workers in Spain, Puerto Rico, and Colombia.

Nonetheless, inter-racial tensions, which had begun to rise from the 1930s, by the Summer of 1940, saw police officers having to be stationed during mealtime in a Silver mess hall in Gatún, where fights ensued when “Latin” Panamanians insisted they be given their meals before West Indians. Those tensions peaked in the Summer 1941, when riots broke out at labour camps across the Canal Zone.

Prices of basic consumer goods in Panama increased almost continuously throughout the war, the greatest rises being before official price controls were introduced. In fact, a committee appointed by the Government reported that the cost of living increased by 150% between the end of 1940 and July 1942. However, between August 1942 and December 1944, with controls imposed, an official cost of living index recorded just a 10% rise. In Gatún Lake, created when the Canal was built, the largest island was called Barro Colorado. This had become an important nature reserve and, to ensure it was not used for some other purpose, in 1940, the US Congress created the Canal Zone Biological Area

²² On 17 June 1942, the UK Secretary of State for the Colonies said in the House of Commons that “*So far as is known, no workers other than Jamaican have been recruited for employment in the Panama Canal zone. Recruiting in Jamaica is carried out in accordance with the terms of the International Labour Conventions relating to the recruitment of workers and the regulation of written contracts. Recruitment is supervised by the Jamaica Labour Department*”: <https://hansard.parliament.uk/Commons/1942-06-17/debates/4069685a-2789-4cef-8a8f-d4f5a17e1f57/LabourRecruitmentPanama>

(CZBA) as a separate government agency, administered by a board made up of prominent scientists, including the Secretary of the Smithsonian Institution.²³

In 1940, the sole prototype Boeing XB-15 four-engine heavy bomber, operated by the 2nd Bombardment Group of the USAAC, undertook secret tests in the Canal Zone, practising bombing attacks on the Canal locks, and operating from Albrook Field.²⁴

There was just one death from malaria reported in the Canal Zone in 1940. In fact, since 1921, death rates from malaria had remained at low levels, compared to the much greater levels during the construction of the Canal, The 1941 rate would also remain low, despite a significant increase in the average number of workers in the Canal Zone.²⁵

On the other hand, despite the Army's VD control programme being intensified during 1940, the infection rate increased. This increase was said to be due in part to the large number of new and replacement men received in the Department during the year.

In 1940, "Charlie Chan in Panama" reflected the spy and sabotage scares of the late 1930s and up to the Pearl Harbor attack. This movie saw the famous Honolulu detective attempt to foil an Axis spy ring intended to blow up the Canal. The plot fitted in with the fears of wartime sabotage, and the film shows that photography was prohibited in the Canal Zone,²⁶ and suspected enemy agents were indeed regularly arrested between 1939 and 1945. The remastered film is available free online and is described as an interesting museum piece.²⁷

²³ <https://casetext.com/pdf-email?slug=united-states-code/title-20-education/chapter-3-smithsonian-institution-national-museums-and-art-galleries/subchapter-ix-canal-zone-biological-area/section-79-barro-colorado-island-in-gatun-lake-to-be-set-aside>

²⁴ The aircrew included a Captain Curtiss LeMay as navigator, this being the future chief of the US bomber force against Japan and the latter commander of the postwar Strategic Air Command.

²⁵ *Report of the Health Department of the Panama Canal for the calendar year 1941* (The Panama Canal press, 1942).

²⁶ Possession of cameras and photography from ships in Canal Zone – under Executive Order of 25 March 1940, amending EO 8234 of 5 September 1939.

²⁷ <https://medium.com/nc-stories-of-service/wwii-sabotage-manual-ea9202d0442b>



While there was likely an uptick in espionage activities from 1940, and there were proven Japanese intelligence operatives in Panama, it seems much of the information on the Canal and its defences would likely have come from the same sources as for Hawaii, from more informal sources and not from some dedicated espionage effort.

In fact, apart from immediate tactical intelligence, until 1940 there is evidence that Japanese civilian and military intelligence operatives were often badly trained, unprofessional and generally ineffectual, with limited resources and skills. The naval base at Pearl Harbor, as with the bases in the European colonies, had been easily monitored.²⁸

However, in 1940, Japanese espionage agents were directed to ascertain the relations between the US and Latin American countries. In the past, the Japanese had ignored these countries but, with the changing political climate, it was believed that it was advantageous to change the policy. It was also said to be desirable to establish closer contacts with

²⁸ *The Pre-War Fear of Japanese Espionage: Its Impact and Legacy* by Max Everest-Phillips (Sage Publications: Journal of Contemporary History, Vol 42 No 2, April 2007)
<https://www.jstor.org/stable/30036444>

German and Italian agents, as well as with Japanese residents.²⁹ However, the latter were to be cautioned not to create any suspicion in the minds of US authorities regarding their espionage activities.³⁰

In 1930, the Army had maintained a chemical company of two officers and 77 men in the Canal Zone. There had also been 30 tons of “persistent gas”, an inventory which had risen by 1940 to comprise 84 tons of mustard gas, 10 tons of phosgene, 800 phosgene shells, 900 Livens projectors,³¹ 647 chemical cylinders, and 2,377 4.2-inch (106 mm) mustard-charged mortar rounds.³² Some of the munitions were stored in Camp Paraíso, Fort Clayton, Corozal Post, Albrook Field, Howard Field, Río Hato, France Field and Fort Gulick. However, prior to the San José Project being established later in the war, most were stored at Cerro Tigre.

Before the war, Pan American Airways was operating flying-boat “clippers” throughout Latin America from more than 200 airports. Then, in September 1939, it announced plans to extend landplane services to Latin America, using modern Douglas DC.3 and Boeing SA.307 Stratoliner monoplanes. In 1940, the first such service began, from Miami to the Canal Zone, using the Stratoliner.³³ In early 1940, it flew one of its brand-new, four-engine Stratoliners, the “*Clipper Flying Cloud*” to Albrook Field - and promptly offered excursions aboard the beautifully-appointed aircraft to 30 officers and their wives from the base.³⁴

In Autumn 1940, an airline based in El Salvador called TACA,³⁵ founded and owned by a New Zealander, applied for permission to extend its services to the Canal Zone. An US airline, American Export Airlines (AEA), had agreed in October to purchase TACA, planning to use it to connect with its Continental US routes and extend operations throughout the Caribbean.

²⁹ In 1941, a Foreign Office telegram referred to utilising “second Generation” and “resident nationals” but cautioned of the risk that “*our people in the US will be subjected to considerable persecution, and the utmost caution must be exercised*”. In the light of subsequent events, this observation is almost prophetic:

https://fas.org/irp/ops/ci/docs/ci2/2ch2_a.htm#japns

³⁰ https://fas.org/irp/ops/ci/docs/ci2/2ch2_a.htm#japns

³¹ A British design of a simple mortar-like weapon that could throw large drums filled with flammable or toxic chemicals.

³² <https://www.envio.org.ni/articulo/1386>

³³ <https://www.afhra.af.mil/Portals/16/documents/Studies/51-100/AFD-090601-032.pdf>

³⁴ Journal of the American Aviation Historical Society, Spring 2005 and Fall 2009.

³⁵ *Transportes Aereos del Continente Americano*, founded in El Salvador by a New Zealander, Lowell Yerex, in 1931. By 1934 it had expanded into Central America, operating in El Salvador, Guatemala, Nicaragua, Costa Rica and Panama and flying a fleet of 14 aircraft: <https://www.aviancacargo.com/eng/com/history.aspx>

This, of course, was counter to the US policy of supporting Pan American as a means of extending and improving US influence (and displacing that of the Axis countries), and the latter opposed the TACA-AEA application at the Civil Aeronautics Board (CAB) in the US³⁶. However, the bid was supported by the Commanding General of the Panama Canal Department, the owner of TACA being regarded as strongly pro-US and with most of its employees being US nationals. TACA also had control of a network of 115 landing fields throughout five Central American states, many of them equipped with radio facilities, and it was felt by the military that TACA could render invaluable assistance in a surveillance role, and in assisting Army air operations in the region.³⁷

At the Panama Conference in 1939, the American republics had established an Inter-American Financial and Economic Advisory Committee, which was to attempt to solve war-created problems in the economic and financial field. Formally organised in June, under the auspices of the Committee was the Inter-American Development Commission. The aim of the latter was to promote and facilitate “the fuller realisation of the economic potentialities of the American republics”.³⁸

A further conference held in Havana in July,³⁹ not long after the Fall of France, and this saw agreements to jointly govern any territories of nations that were taken over by the Axis powers (such as the colonies of France and the Netherlands in South America and the Caribbean), and that any attack on any of the countries would be considered to be an attack on them all (which had also been agreed at a conference in Lima in 1938).

In 1940, a large floating dock was sent from New Orleans on 19 March, destined for Pearl Harbor, arriving there on 23 August. It was so large that it had to be dismantled to be towed through the Canal, being reassembled at Balboa.

³⁶ <https://history.army.mil/books/wwii/framework/ch10.htm>

³⁷ Pan American continued to oppose the application, but in December 1941, CAB approved access to the Canal Zone by TACA, but rejected the planned takeover by AEA. TACA was to continue services to the Canal Zone, and cooperate with the US Army throughout the war:

<https://history.army.mil/books/wwii/framework/ch10.htm>

³⁸ *History of the Office of the Coordinator of Inter-American Affairs* (US Government Printing Office, 1947):

https://pdf.usaid.gov/pdf_docs/Pcaab967.pdf

³⁹ <https://loveman.sdsu.edu/docs/1940ActofHavana.pdf>

THE END OF THE CENTRAL AMERICA BANANA FLEET

From the 1920s, the US Navy had based a squadron at the Canal Zone, the Special Service Squadron, created in 1920. It had been created at the request of the State Department, which had believed that the presence of US “gunboats” would provide the it with leverage in its dealings with Latin American states and discourage unrest in the region. The Navy, however, had not wanted to weaken its primary fleet, so it generally assigned only a few of its oldest vessels to the Squadron, which continued the traditional naval mission of cruising in Central and South America until it was disbanded in 1940. The Navy Department formally abolished the Squadron on 17 September, reassigning most of its vessels to the 15th Naval District.⁴⁰

This being the days before the US forces broadcasting services, in 1940, soldiers of the Coast Artillery Corps in the Canal Zone built a couple of 50 watt radio transmitters and began radio transmissions, without authorisation, labelling the new stations “PCAN” (Pacific Coastal Artillery News) and “PCAC” (Pacific Coastal Artillery Corps), operating for four hours a day. The transmitters were situated in the basement of the headquarters at Quarry Heights. The men read news and played records, and did so for over two years before any official military radio station was established. They were later able to receive recorded radio programmes on gramophone records from the US.⁴¹

THE THIRD LOCKS PROJECT

This project was initiated in 1939, but would be suspended in 1942. The basic plan was to enhance the capacity of the Canal to take more, and larger, ships by the construction of a third set of locks of greater dimensions than those dating from 1914.

The US Congress passed the necessary Appropriation Act on 24 June, allowing initial dredging to begin on 1 July. Dry excavation at Gatún would start on 19 February 1941.

⁴⁰ Ibid. See also *The Special Service Squadron and the Caribbean Region 1920–1940: A Case Study in Naval Diplomacy* by Donald A Yerxa (Naval War College Review, Vol.39, No.4, Autumn 1986).

⁴¹ <http://www.scncz.com/PCAN%20history.htm>

Work began near Miraflores, when the dredge *Cascades* started excavating at the Pacific end of the channel leading to the New Miraflores lock site. Construction and planning were placed in the hands of the Canal administration, not the US Army, although the War Department controlled the finances. The plans called for a series of single locks parallel to, but at some distance from, the existing double chambers (which would minimise risks of the Canal being put out of action).⁴²

Construction of the new locks was scheduled to be completed by 1946,⁴³ and were to be 200 feet (61 metres) longer and 30 feet (9.1 metres) wider than the existing ones.⁴⁴

THE WORST FIRE IN THE HISTORY OF COLÓN

On 13 April, the largest fire in the history of the city broke out, reportedly caused by the charcoal fire of a washerwoman setting fire to a basket of dry clothes.

It was, in fact, the third such major conflagration – one had occurred during the Colombian Civil War in 1885, and the second in 1915. As elsewhere in the country, many of the buildings of the city were built of wood and this, combined with strong winds, meant the fire took a firm hold.⁴⁵

Additional firefighting equipment and firefighters were sent by rail from Panama City (at the time there was then no road route between the two cities), with US firemen from Cristóbal, Coco Solo, Fort Randolph, Davis and France Field in the Canal Zone, as well as the tugboats of the Canal Company all eventually involved.⁴⁶ When the fire approached a butane gas plant, the nearby masonry buildings were blown up to form a fire break.⁴⁷

⁴² <https://www.globalsecurity.org/military/facility/panama-canal-third-locks.htm>

⁴³ Concern of the threat of Japanese bombing also influenced the plans. Whilst the new locks were never completed, the work undertaken would later assist in the Canal expansion project of the 21st Century.

⁴⁴ <https://www.globalsecurity.org/military/facility/panama-canal-third-locks.htm>

⁴⁵ <https://www.elistmopty.com/2018/04/sucedio-un-dia-como-hoy.html>

⁴⁶ The *Tavernilla* and the *Favorite* were used to pump water from the Bay of Limón.

⁴⁷ <https://www.metrolibre.com/opini%C3%B3n/198982-el-gran-incendio-de-col%C3%B3n-del-13-de-abril-de-1940.html>

In all, it destroyed 283 buildings over an area of 23 city blocks of the city and losses were estimated at around \$500,000. In April, the New York Times reported that 10,000 inhabitants had lost their homes, with hundreds of wooden-framed tenements destroyed.⁴⁸ However, despite the intensity of the fire there was no loss of life or serious injuries.

In the aftermath of the fire, the US Army, with the assistance of the American Red Cross, provided tented accommodation for many victims.

THE 1940 CENSUS

By 1940, approximately 40.3% of Panama's population was concentrated in the Panama and Colón provinces, comprising some 622,576 people.⁴⁹ The Canal Zone population reached a pre-war peak of 51,827 in 1940, but during the war it was to fluctuate, consisting chiefly of military and naval personnel, at around 100,000⁵⁰. There were estimated to have been around 2,000 Germans, 750 Italians and 400 Japanese in Panama in 1940.

According to the data released by the 1940 census⁵¹, Panama in 1940 had the smallest population in the Americas, and one of the three least densely populated. It was estimated that 33.3% of the census population resided in urban areas, with 27.5% concentrated in the cities of Panama City, Colón and David, an increase of 4% compared to the Population Census of 1930.⁵²

In the province of Panama, 72% of the population resided in urban areas, an increase of 50% on 1930, and rising from 74,409 to 111,893 inhabitants; not including the recent suburbs.

⁴⁸ <https://www.nytimes.com/1940/04/14/archives/10000-lose-homes-in-fire-at-colon-windswept-flames-consume-hundreds.html>

⁴⁹ A US publication in 1942 pointedly said that "*only about 75,000 are white; 75,000 are Jamaican negroes; 5,000 orientals; and 50,000 are Indians*" (by "Indians" one presumes it meant indigenous peoples).

⁵⁰ *Panama in the context of World War II: rich historical approach, Contributions to the Social Sciences* by E Rascón Palacio (February 2010), www.eumed.net/rev/cccs/07/erc.htm

⁵¹ This was first Population Census carried out on a single day, registering not only the population that usually resided in the country, but also all individuals who had spent the night before in the territory of the Republic on 7 September. It was also the most expensive until then, at \$154,626.25. The results were not published until 1945 (so would not reflect the effects of wartime developments).

⁵² <https://www.laestrella.com.pa/nacional/191115/censo-1940-fotografia-demografia-desarrollo-urbano-ciudad-panama>

The census highlighted two particular issues, the decrease in the proportion of foreigners in the Republic, which had gone from 12% in 1911, at the time of Canal construction, to 8% in 1940, and the reduction of the population residing in the Canal Zone during the same period. The racial composition of the population (based on the census-taker's judgment, not a person's self-declaration) was recorded as follows, white - 26,906, black - 38,770; mestizo - 103,393⁵³; others - 2,980.

In 1940, radio intercepts originating in Ecuador were thought to provide evidence of the existence of a Nazi radio net in Latin America. As a result, Ecuador asked the US for technical assistance in locating illegal radio transmitters. At about the same time, Colombia made a similar request. It was proposed that the operation would be under the direct control of the US naval attachés in the two countries and the Commandant of the 15th Naval District in the Canal Zone. It was thought that direction-finding (DF) equipment located in Bogota and at Balboa could get cross-bearings on targets for general location and mobile direction-finders, manned by local military personnel, could then determine the exact location of the transmitters.

Four French-made DF radio trucks operated by the Colombian Army were shipped to Panama in August for repairs at the US Navy radio station at Balboa.⁵⁴ However, the planned operations would never really be successful, and were hampered from the start by the fact that the Navy wanted its personnel to be involved in training only, despite claims that local personnel would not be able to operate or maintain the equipment, and that the only practical way to operate would be use US operators.⁵⁵

The Costa Rican Ministry of Security also requested DF equipment in 1940, but the Army responded that the Navy's long-distance radio DF stations in the Canal Zone would

⁵³ Mestizo is a term used for ethno-racial classification to refer to a person of mixed European and Indigenous American ancestry.

⁵⁴ https://www.nsa.gov/Portals/70/documents/about/cryptologic-heritage/historical-figures-publications/publications/wwii/cryptologic_aspects_of_gi.pdf

⁵⁵ Ibid.

eventually be able to establish the general locality of all clandestine radio stations operating in Central and South America.⁵⁶

A NEW PRESIDENT

In Panama, the big story in 1940 (which would have repercussions for years afterwards) was the election of Arnulfo Arias Madrid.

The rising nationalism and the call for sovereignty (such a popular call that there is even a brand of beer called *Soberania* – and one of the Republic’s national parks has the same name) of the 1930s, inevitably linked to anti-American sentiment, would reach its pre-war peak in 1940 with the election of Arias Madrid, who had made an anti-American stance a key part of his appeal, leading an alliance of parties that made up the National Coalition.

He is said to have won the Presidency after an uncontested election assured by support of the National Police.⁵⁷ During the 1930s, the rival political factions in the country had each had their own armed supporters, which sometimes fought one another in the streets. However, the National Police remained the best-trained and most heavily-armed “paramilitary” group and, during the 1940 Presidential campaign, it emerged as the decisive factor in the political process, thanks to patronage and support for successive Presidents. This status would only increase as the 1940s continued, culminating in its commander eventually becoming President in the 1950s, continued background kingmaking and, ultimately, the dictatorships from the 1960s.

In 1941, a US State Department official stated that –

“Boyd [the interim Acting President 1939-40] virtually assured the election of Arnulfo Arias in the most recent presidential election by permitting the National Police and

⁵⁶ https://www.nsa.gov/Portals/70/documents/about/cryptologic-heritage/historical-figures-publications/publications/wwii/cryptologic_aspects_of_gi.pdf

⁵⁷ Ironically, the National Police would be behind the bloodless coup that deposed Arias Madrid in 1941. Many in the force resented the President’s interference and dissension grew. In June 1941, a US State Department memo said that *“it is very probably that a large part of the police force would revolt against the present government if promised American backing”*.

other government agencies to overawe and intimidate the electorate in favour of Arias”.

Some members of the National Police had been involved in a failed counter coup in the 1930s, and several prominent members were also allegedly involved in a second counter coup in 1935.⁵⁸ Those said to have been involved in the second revolt included José Remon Cantera, future head of the force and a postwar President, who was dismissed (only to be rehired by President-elect Arnulfo Arias Madrid in 1940).⁵⁹

The 1940 election campaign is said to have underlined the role that violence had become as part of politics in Panama. Each candidate had his own armed supporters – Arias Madrid his brother’s *Guardia Civica*, as well as (because of the support of the acting President Augusto Boyd, who had seen out the few remaining months of the previous President’s tenure after his death) the backing of the National Police. Arias Madrid also used his brother’s newspaper, *El Panama América*, to attack and malign his opponent. That opponent had been on the same side as him at the time of the 1931 coup, but now appeared to detest both Arias Madrid brothers.

This opposing candidate, Dr Ricardo Joaquin Alfaro Jované (the co-author of the 1936 Treaty)⁶⁰ had his own armed supporters, originally formed during his own interim Presidency 1931-32 following the 1931 coup, the *Reserva Nacalista*, refashioned to combat Arias Madrid’s supporters as the *Guardia Civica Nacionalista*. Despite its own substantial following, Alfaro’s *Frente Popular* party could not compete against Arias Madrid and his support. It therefore boycotted the election day itself, allowing Arias Madrid to win unopposed.

⁵⁸ The original 1931 coup, in which Arnulfo Arias Madrid had been prominent, had sought to displace the rule of the conservative ruling elite (known as the Union Club elite) which had dominated politics since the formation of the Republic. The coup leaders had called for a “Panama for the Panamanians”, an end to nepotism and corruption, better conditions for the country’s workers and increased autonomy from the US. Almost inevitably, by 1940, the leaders had fallen out and little had seemingly changed – which contributed to the victory of Arias Madrid.

⁵⁹ He rehired Remón Cantera in November 1940, but sent him to a military school in the US for training.

⁶⁰ <https://www.panamaviejaescuela.com/ricardo-joaquin-alfaro-jovane/>

After conceding the election, Alfaro Jované left the country, only returning in 1942 (after Arias Madrid had been deposed and gone into exile).

The Arias Madrid Administration came to office in 1940 under the nationalist motto *solo Dios sobre nosotros* ("We answer only to God"). At 39, he was the country's youngest President.

A new Constitution, something of a pet project for Arias Madrid, was put before the National Assembly on 17 October. This would see power concentrated in the hands of the President whose term, along with that of members of the National Assembly, would be extended from four to six years, so that Arias Madrid's term would have ended in 1947 instead of 1945 (although he was to be deposed in October 1941). Unlike its 1904 predecessor (and its 1948 successor), this Constitution did not involve an elected constitutional assembly, but was drafted by a select committee of jurists. At the first reading, on 31 October, only six Deputies opposed the contents of its 189 Articles.⁶¹ Arias Madrid then ordered that the second reading would end in the following five days. As a result, on 22 November, barely a month after the draft Bill had been laid before it, the National Assembly declared the new Constitution approved.

Less than a week after the new Constitution was approved, on 26 November, Arias Madrid signed a Decree by which he granted himself "the supreme representation of the State" and called for a plebiscite on the new Constitution on 15 December. As this was not in accordance with the rules laid down in the original 1904 Constitution, two Supreme Court judges resigned rather than be seen to go along with the plan. Nevertheless, the plebiscite was held and overwhelmingly approved the new Constitution.⁶² Following this, on 30 December, the National Assembly formally adopted the Constitution, to come into force on 2 January 1942.

The Arias Madrid administration would be marked by his authoritarian and racist policies, which included seeking to removing citizenship from those of ethnic origin he considered

⁶¹ <https://publicandohistoria.com/2018/04/01/un-grave-problema-etnico/>

⁶² Although there were said to be serious "anomalies" in the voting process – there were apparently only "yes" votes: <https://www.nytimes.com/1951/05/08/archives/panamas-charter-revoked-by-arias-1941-constitution-voted-under-yes.html>

undesirable. He aspired to rid the country of non-Hispanics (which meant not only North Americans, but also West Indians⁶³, Chinese, Hindus, and Jews). To the US, he also seemed susceptible to the influence of Nazi and fascist agents.⁶⁴

On 22 November, an additional clause for the new Constitution was presented to the National Assembly and approved. This called for the removal of nationality from the children of those of Asiatic and Afro-Caribbean origin whose original language was not Spanish. He also included the large Jewish population in the list of “foreigners of races the immigration of which is prohibited” under the 1941 Constitution, and adopted an antisemitic stance, which threatened to disenfranchise, both politically and economically, Jews living in Panama. This was followed by the effective “nationalisation” of the country’s commerce through control of business licences, with the stated aim of “reclaiming Panama for the Panamanians”.⁶⁵

As part of his nationalist policies, Arias Madrid launched a crackdown on English-speaking public and private schools that flourished in Colón, Panama City, and Bocas del Toro. He insisted that the Spanish language was an integral part of Panamanian patriotism.

To counter criticism and to undermine the opposition, Arias Madrid also introduced such progressive things as giving women the vote, establishing a social security system, and setting up a cattleman’s bank (*Banco Agropecuario*) and the Bank for Urbanisation and Rehabilitation.

Nevertheless, in 1941, an official memorandum sent by the US Ambassador described the situation in Panama under Arias Madrid as follows –

⁶³ The US refused to deport the West Indians and other non-Hispanics. A distinction was made by the Arias Madrid government between West Indian blacks and what were termed Jamaicanos-Americans.

⁶⁴ On 18 October, he received a telegram of congratulations from Hitler.

⁶⁵ *We Answer Only to God: Politics and the Military in Panama 1903-1947* by Thomas L Percy (University of New Mexico Press, 1968).

“what has developed in Panama is about as near an approach to Hitlerism as the characteristics of Latin Americans and the peculiar circumstances affecting Panama could be expected to permit”.⁶⁶

As the war in Europe continued, Arias Madrid maintained Panama’s neutrality, and he refused to break off diplomatic relations with the Axis countries.⁶⁷

The US had been confronted by problems with the new administration from day one. Shortly after the inauguration in October, the foreign ministry had received from the US Ambassador a list of 71 defence sites, including 12 airfields, thought to be required outside the Canal Zone. The Panamanian Government stalled on a response, and accused the US military with having already occupied some of the sites without proper authorisation. The foreign minister told the Ambassador that the new administration did not recognise any authority bestowed by an earlier regime, and that no definitive commitments could be made until the President had reached a decision.⁶⁸

When the Ambassador, the Commanding General of the Panama Canal Department and the President met in November, the latter made clear that he wanted to include the question of the defence sites as part of a general settling of various disagreements and other matters – such as the question of the commissaries (felt to be undermining trade in the Republic by the leakage of subsidised material from the Canal Zone), holdings in the railway, water and sewerage works etc. However, in subsequent meetings, the foreign minister agreed to establishing a joint commission for a formal inspection of proposed sites and to settle terms.

⁶⁶<https://scholarship.richmond.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=2131&context=masters-theses>

⁶⁷ *We Answer Only to God: Politics and the Military in Panama 1903-1947* by Thomas L Percy (University of New Mexico Press, 1968).

In fact, in October 1940, the Minister at the Japanese Legation in Panama, told Tokyo that the new Arias Madrid administration in Panama would cooperate with the US over use of the Canal Zone and other areas in Panama, the registration of merchant ships, and over additional air bases – this being despite Arias Madrid being seen as pro-German and a nationalist: <https://apps.dtic.mil/dtic/tr/fulltext/u2/a617466.pdf>

⁶⁸ During the war, the US was to construct in the Canal Zone and elsewhere various new airbases and aerodromes, 10 bases for ground forces, 30 aircraft warning stations, 634 searchlight and anti-aircraft positions, and various other facilities, including the Coco Solo Naval Hospital to the south-east of the Naval Air Station – at a total cost, in 1940 dollars, of \$1.36 billion.

MARTINIQUE

For some time during the war the US would maintain a force in Panama, prepared to invade Vichy-held Martinique. After the Fall of France in June, the island opted to side with the Vichy government. It and Guadeloupe were ruled by Admiral Robert, a Vichy supporter, who had taken up the post of High Commissioner of the Republic to the Antilles⁶⁹ and Guiana and Naval Commander in Chief for the Western Atlantic in September 1939.

Initially, in June 1940, the General Council of Martinique had called for continuing the war on the side of the Allies; but Admiral Robert had enforced the Armistice and launched the Vichy “National Revolution” (*Révolution Nationale*)⁷⁰ in the island.⁷¹

At Martinique were the battleship *Emile Bertin*⁷² and several oil tankers. These were joined on 24 June, by France’s only aircraft carrier, the *Bearn*, had slipped into the harbour with 106 US-built Brewster Buffalo fighters and Curtiss SBC Helldiver dive-bombers aboard.

In July, there were plans by the joint US/British planning committee for a US expeditionary force to invade the island, but this was called off. Measures continued to be imposed against the island, but it would be 1943 before the island switched sides.⁷³

JANUARY

The uniform authorised for the Panama Canal Department from January - except while attending drill, other military instruction, and on fatigue - consisted of a khaki shirt, with long sleeves, and either a new or old type collar, khaki trousers, tropical helmet⁷⁴ and leather shoes. The cotton khaki shirt was said to be excellent. The long sleeves afforded

⁶⁹ Guadeloupe and Martinique (plus Saint Martin – though the southern half of the Dutch Sint Maarten - and Bathélemy).

⁷⁰ https://en.wikipedia.org/wiki/R%C3%A9volution_nationale

⁷¹ However, on 28 June, he began negotiations with the neutral US for essential supplies.

⁷² Which had brought the French gold reserves to the island. It had been destined for Canada under the armistice with Germany.

⁷³ <http://www.schudak.de/timelines/martinique1502-1947.html>

⁷⁴ The helmet was far more suitable for use with anti-mosquito netting.

adequate protection, the neck could be worn open, the long trousers were comfortable, and the pockets were adequate for garrison wear.

The barracks available for the housing of the troops of the Panama Canal Department in January represented a cross-section of the types adopted by the US Army in the region from 1915 to 1940. All barracks were of open construction and had porches. A fresh construction programme had been approved, but work did not start until the Autumn.

The new Commanding General, realising the importance of Rio Hato over the other sites in the Republic, made it clear in January that he wished the its lease a model for other bases being sought.

The first radar unit, the Signal Company, Air Warning, Panama, was formed in the US in January, left the US in May and received two fixed-site SCR-271 radars in June for use in the Canal Zone. One site, located at Fort Sherman became the first radar station in US service in October.⁷⁵

In January, two officers on the Japanese liner *Tokai Maru* were arrested for possession of cameras in the Canal Zone and fined.⁷⁶

Until 7 January, the Commanding General of the Panama Canal Department was Major General David L Stone. He was then succeeded by Lieutenant General Daniel Van Voorhis, who would command until 17 September 1941.

FEBRUARY

In February, the forces available to the Army in the Canal Zone, the Panama Canal Department, were divided into Department Troops, the Panama Mobile Force (Provisional), the Panama Separate Coast Artillery (Provisional) and the US Army Air Corps (USAAC) 19th

⁷⁵ Air Power History Vol. 56, No.2, Summer 2009 (The Air Force Historical Foundation):

<https://docplayer.net/146680977-Summer-volume-56-number-2.html>

⁷⁶ <https://encyclopedia.densho.org/Panama%20Canal%20Zone>

Wing.⁷⁷ Prior to this, the Department had been divided for military and administrative purposes into the Atlantic Sector, with headquarters at Fort DeLesseps, and the Pacific Sector, with headquarters at Balboa. Each Sector had been commanded by a general. Pre-war service in the Canal Zone had been for a nominal two years, this applying to both officers and enlisted men.

Throughout 1940 and 1941, USAAC fighter capacity was steadily built up. For example, the 30th Pursuit Squadron was activated on 1 February at Albrook Field. It briefly moved to Rio Hato in October, returning to Albrook in November. It was initially equipped with obsolete P-26A Peashooters, with its mission the air defence of the Canal. The P-26A would be replaced by the much more modern Curtiss P-40 in November 1941.

The Mobile Force was activated on 16 February by the Commanding General of the Panama Canal Department in order to improve defences. It consisted of four infantry and an engineer regiment, plus two artillery battalions. In line with the Haan doctrine,⁷⁸ the plan to defend the Canal Zone involved a mobile defence in depth beginning at the beaches and not preparing and holding static defence positions. The Atlantic side was considered the least likely invasion route because the few landing areas there were too small to allow the discharge of numerous forces simultaneously.⁷⁹ The commander of the Mobile Force until 20 September was Major General Ben Lear.

On 18 February, the first Panama-flag vessel was sunk by a German U-boat, the 1,406-ton steamship *El Sonador* was torpedoed by U-61 south of the Shetland Islands, while carrying a load of coal. There were no survivors from the 17 crew.

MARCH

In March, plans were approved for a bombproof, reinforced concrete structure “for use in case of emergency and vital to the security of important data”, and this Command Post

⁷⁷ <https://apps.dtic.mil/dtic/tr/fulltext/u2/a388262.pdf>

⁷⁸ <https://www.armyupress.army.mil/Books/Browse-Books/iBooks-and-EPUBs/Escaping-No-Man-Land/>

⁷⁹ https://en.wikipedia.org/wiki/Panama_Canal_Department

structure 200 feet under the hill at Quarry Heights would be completed in January 1942 at a cost of \$400,000.⁸⁰

An Executive Order on 25 March prohibited the possession of cameras, or the taking of photographs, aboard any ship in transit through the Canal, with the ship master having to have collected all cameras before the start of the transit.⁸¹

APRIL

On 10 April, the 14th Infantry Regiment was assigned to the Mobile Force. The Regiment had first arrived in Panama in 1921, then being assigned to the former Panama Canal Division, until that command was stood down in 1932. The Regiment would remain in Panama until 1943, when it departed for combat training in the US before shipping to Europe.

In April, a Japanese resident of Panama was arrested and admitted planning to pass on information of a British ship in Balboa port to a German resident (described as an “ardent pro-Nazi”). Hans Heidelk, a pro-Nazi employee of Boyd Brothers Steamship Agency in Panama City, which was also agent for Japanese shipping lines, was the intended recipient of the details of a British vessel loaded with Douglas A-20 Boston bombers in Balboa, noted by Katalino Kobiyama, a ship’s chandler. Kobiyama was seen by a Panamanian stevedore writing something on a matchbox, and he was stopped and searched as he left the pier.⁸²

MAY

In May, the commander of the Mobile Force proposed than an experienced merchant marine officer accompany the Army Transit Guard placed on ships in passage through the

⁸⁰ It continued in use postwar, as command headquarters, including for US Southern Command through to 1998 http://william_h_ormsbee.tripod.com/gh_legacy_report.htm and <https://ufdc.ufl.edu/AA00022175/00001/pageturner#page/35>

⁸¹ <https://ncisahistory.org/wp-content/uploads/2017/06/Executive-Order-of-25-March-1940-Prescribing-Regulations-Governing-the-Passage-of-Vessels-Through-the-Panama-Canal.pdf>

⁸² *Security and Defense of the Panama Canal 1903-2000* by Charles Morris, Panama Canal Commission: <https://original-ufdc.uflib.ufl.edu/AA00047733/00001/6j>

Canal, arguing rightly that Army officers would not know if a given act aboard a ship was suspicious or not – the Commanding General agreed immediately.

On 22 May, the US amended controls on persons in the vicinity of the Canal (as it had done during World War 1). The controls included the listing classes of persons excluded or that could be deported from the Canal Zone. Persons engaged in, or inciting, strikes that resulted in obstructing or interfering with the Canal and Canal Zone, or the observance, safeguarding and enforcement of neutrality were added to the list. The Act of Congress requiring the registration of persons employed to distribute foreign propaganda was applied to the Canal Zone and, in Summer 1940, a German dispatch carrier travelling on a Japanese ship was arrested, fined \$2,000 and received a suspended sentence for acting as an alien agent without registration and notifying the State Department.

On 30 May, the Commanding General of the 19th Wing in the Canal Zone recommended to the War Department developing airports in Latin America with the assistance of commercial companies, such as Pan American Airways and Panagra. However, the War Department subsequently revealed that it and the Navy Department had already initiated a programme to have Latin American airport facilities at certain designated locations developed and improved by Pan American (the Airport Development Program).⁸³

JUNE

US Army Mine Planter *Lt Colonel Ellery W Niles* was despatched in June to Fort Amador, and in June to August, together with the *General William M Graham*, installed the wartime minefields protecting the Canal Zone.⁸⁴

The *Conte Biancamano*⁸⁵ was a 23,225-ton liner that had set out in 1940 on a voyage routed Genoa-Naples-Panama-Valparaiso-Panama. It arrived in the Canal Zone June with 400 crew, 50 passengers and 2,000 tons of copper. On 7 June, the Italian Government ordered vessels

⁸³ Ibid.

⁸⁴ <http://www.navsource.org/archives/30/11/1102.htm>

⁸⁵ Launched in Glasgow in 1925, she carried 180 passengers in first class, 220 in second class, 390 in economic class and 2,660 in third class.

flying the Italian flag to neutral ports, as the country was about enter the war (as it did on 10 June). After a transit of the Canal on 25 June, with an armed guard aboard, it anchored in Limón Bay off Colón. It remained there until 7 March 1941, initially impounded by the Neutrality Patrol.⁸⁶

In June, following the Fall of France, revised instructions were issued classifying high-risk ships as being those not flying the US or British flags (reference to the French, Belgian and Dutch flags having been deleted), carrying eight or more male passengers, or any ship carrying a cargo of oil and tankers in ballast but not gas-free.

The security situation for the Atlantic end of the Canal improved considerably in June with the acquisition by the US of bases in bases in Jamaica, Antigua, St. Lucia, Trinidad⁸⁷ and in British Guiana.

In June, the US Navy was given responsibility for intelligence coverage in the Pacific, and the US Army responsibility in Europe, Africa and the Canal Zone.⁸⁸ Elsewhere in the Western Hemisphere, except Panama, responsibility lay with the FBI.⁸⁹ Under a Presidential Directive of June 1939, the US Army had authority in Panama for military intelligence, sabotage and counter-espionage. The Office of Naval Intelligence (ONI) had been keeping track of Japanese activities in South America and the Panama Canal Zone since the early 1930s, and much of the information on Japanese activities in the Canal Zone was collected by the Naval

⁸⁶ It would be held in the custody of a marshal of the District Court pending the outcome of judicial proceedings which had been instituted by British fuel suppliers over fuel supplied at Suez. She was subsequently seized by the US, converted into a troop transport, accommodating up to 7,000 men, and commissioned into the US Navy in March 1942 as USS *Hermitage* (AP-54). The crew were confined on board for 18 months before finally transferred to Ellis Island in New York in early 1941.

⁸⁷ Base rights in Trinidad were an important element of the bases for the "bases for destroyers" deal with the UK in 1940, the justification for these facilities being coverage of the southern routes through the Caribbean islands toward the Panama Canal.

⁸⁸ The Army's MID assumed responsibility for investigation and disposal of all cases in the military establishment, including civilians employed on military reservations or under military control, and for cases involving civilians in the Canal Zone, the Republic of Panama, and the Philippine Islands:
<https://ncisahistory.org/wp-content/uploads/2020/10/A-CENTURY-OF-US-NAVAL-INTELLIGENCE-compressed.pdf>

⁸⁹ The agreement was entitled "Proposal for Coordination of FBI, ONI and MID". It was dated 5 June 1940 and was signed by J Edgar Hoover, Rear Admiral Walter S Anderson, and Brigadier General Sherman Miles, as the heads of the three agencies involved *Counterintelligence In World War II* (National Intelligence Center):
https://fas.org/irp/ops/ci/docs/ci2/2ch1_a.htm

Attaché in Buenos Aires. Close cooperation in regard to Japanese activities was also maintained with the FBI.⁹⁰

Pan American Airways, having gained an interest in the German-controlled Colombian airline SCADTA as early as 1931, had contrived to keep its interests from both the Colombian and US Governments until January 1939. It had then publicly acknowledged its ownership and began purging German personnel and, by June 1940, it had (with the collaboration of the US State Department and the authorities in Colombia⁹¹) been able to remove most of the German influence and a new company called AVIANCA was set up, owned jointly by Pan American and the Colombian government.⁹² The War Department and State Department agreed to repay Pan American for its costs in “de-Germanising” airlines in Colombia.⁹³

In June, the founder and head of Pan American Airways, Juan Trippe, and other representatives from the airline, attended a secret meeting in Washington and were told of the airport development requirements throughout Latin America, with the airline formally accepting the task. A contract was signed on 2 November for what would be called the Airport Development Program (ADP).⁹⁴

In June, all anti-aircraft defences in the Canal Zone were ordered to wartime status, and remained at this level of preparedness until 1945.

The Hawaiian and Panama Canal Departments were alerted on 17 June of the possibility of surprise attack and internal sabotage. The Alert Directive required them to take “*every possible precaution*” against any sort of action “*naval, air or sabotage, aimed at putting the*

⁹⁰ The District Intelligence Office, 15th Naval District was established in 1936, but until 1938 it was staffed by only one part-time officer. By 1940, it had three officers, two enlisted personnel, and four civilians.

⁹¹ On the night of 8 June 1940, the main airfields were taken over by Colombian troops assisted by the crews of Pan American. All German personnel were arrested: http://clipper-connection.blogspot.com/2015/05/pan-american-en-america-latina_2.html

⁹² On 14 June 1940, *Aerovías Nacionales de Colombia SA* (which became AVIANCA) was constituted; the company resulting from the integration of SCADTA and *Servicio Aéreo Colombiano* – SACO.

⁹³ <https://history.army.mil/books/wwii/framework/ch10.htm>

⁹⁴ The original contract ran to 30 June 1942, but was extended by agreements to 30 June 1944. By 20 June 1945, 12 supplementary agreements had modified and extended the original contract.

canal out of commission" and it specified that "the air component and antiaircraft forces must be in a state of preparedness for action at any hour".⁹⁵

On 24 June, the second Panama-flag vessel lost to a U-boat was the 1,885-ton steamship *Cathrine*, was sunk by U-47 off south-west Ireland. After missing with torpedoes in heavy seas, the Germans fired 113 rounds from the deck gun and scored 12 hits that caused the ship to sink after 52 minutes. All the 19 Estonian crew escaped and were later rescued by a British decoy ship.⁹⁶

TYPE	ON HAND
Boeing P-26A	25
Curtiss P-36A	22
Douglas B-18	54
Douglas C-33	2
Douglas C-39	1
Douglas CA-4B/C-26A	1
Grumman OA-9	2
Martin B-10B	2
North American BC-1	4
North American BC-2	1
North American O-47A	10
Northrop A-17	15
Sikorsky Y10A-8	2
	141 total all types (129 combat)

USAAC aircraft on hand at France Field and Albrook Field in June 1940

JULY

The 105 mm (4-inch) M1927 anti-aircraft artillery gun, later redesignated as the 105 mm AA Gun M3, was a "rare" weapon, with there being only 13 examples still in service with the US Army by July 1940, with all these being located in the Canal Zone.

July saw the start of the Third Locks Project, with dredging commencing.

Following the Havana Foreign Ministers Conference in July, it was agreed that the Central American states would, in the event of war, declare German diplomats *persona non grata*

⁹⁵ Journal American Aviation Historical Society, Spring 1974.

⁹⁶ <https://uboat.net/allies/merchants/ship/382.html>

U-47 was commanded by U-boat ace, Gunther Prien, who had sunk the battleship inside the Royal Navy's Scapa Flow base in 1939.

and return them home (this would be done in January 1942). The states also agreed to intern the “most dangerous” Germans who supported the Third Reich, and 695 men, women and children of German descent would eventually be deported to the US.⁹⁷

On 2 July, the 4,919-ton *Santa Margarita*, travelling in ballast under British charter and with a Yugoslav crew, was sunk by gunfire by the U-29 in the Atlantic after leaving Britain. All 39 crew escaped (though three were later lost, when the ship that rescued 21 of the crew was itself sunk by a German raider on 13 July).⁹⁸

On 11 July, Glen Edgar Edgerton became Governor of the Canal Zone. He would be Governor for most of the coming war, being replaced in 1944. He had been preceded from 1936 by Clarence S Ridley, another Army engineer officer, who was notable for having supervised the construction of the Lincoln Memorial in Washington DC.

From around July 1940, USAAC headquarters demanded that colours and markings be removed if they might detract from the effectiveness of camouflage. However, camouflaging aircraft with the required Olive Drab presented problems for the Panama Air Depot (PAD), given the scarcity of the requisite paint. PAD attempted to resolve the problem by making its own mix (using paint intended for latrines), applied in some instances using mops, ending up with mixed results, with a patchy finish, in part due having to stretch the supply of paint.⁹⁹

On 19 July, President Roosevelt signed into law the Two-Ocean Act.¹⁰⁰

On 30 July, the War Department revealed to the Commanding General that it and the Navy Department had initiated a programme to have Latin American airport facilities at certain designated locations developed and improved by Pan American. This Airport Development

⁹⁷ *Latin America During World War II* edited by Thomas M Leonard & John F Bratzel (Rowman & Littlefield, 2007).

⁹⁸ <https://uboat.net/allies/merchants/ship/404.html>

⁹⁹ *Panama Canal Defenders: Camouflage and Markings of US Sixth Air Force and Antilles Air Command 1941-1945 – Volume 1: Single-engined Fighters* by Dan Hagedorn (Model Centrum PROGRES, 2021).

¹⁰⁰ <https://www.usni.org/magazines/naval-history-magazine/2019/february/fdr-his-mighty-navy>

Program (ADP) saw a contract between Pan American and the War Department signed on 2 November, and identified certain airfields in 14 countries from Mexico, through Central America and the Caribbean to the eastern coast of South America. Already, by Spring 1940, the Pan American Airways system operated from over 250 airfields in Latin America and the Caribbean, with slightly more than half of Pan American's route mileage was accounted for by Latin American operations.

AUGUST

In August, the US Army added another ferry service across the Canal in addition to the existing passenger and car Thatcher Ferry¹⁰¹), using petrol-powered barges to meet military needs and to serve the new townships and Army and Naval installations being developed in the lead-up to the war¹⁰². These services were complimented by the Miraflores swing bridge in June 1942, which was intended to alleviate pressure on the ferries.¹⁰³

In August, the Corps of Engineers succeeded in making the argument for taking over airfield projects in the Canal Zone; and it assigned work on proposed airfields and air warning stations to two companies of the 11th Engineers Regiment. What was subsequently redesignated in June as the 805th Engineer Battalion arrived in the Canal Zone on 5 March to assist with the projects.¹⁰⁴

Also in August, Congress gave the Corps of Engineers \$1.5 million to improve the road from the Canal Zone to the Rio Hato airfield.

In 1940, the US military considered that a sea landing to mount a threat to the Canal could not be dismissed, and the militaries of the Central American states would be incapable of

¹⁰¹ This ferry survived until the Bridge of the Americas, the first substantial bridge over the Canal, opened in the 1960s.

¹⁰² <http://www.alonso-roy.com/cp/cp-07-eng.html>

¹⁰³ Ibid.

¹⁰⁴ *Good Outfit: The 803rd Engineer Battalion and the Defense of the Philippines, 1941–1942* by Paul W Ropp (Air University Press, 2021):

https://www.airuniversity.af.edu/Portals/10/AUPress/Books/B_0166_ROPP_GOOD_OUTFIT_THE_803RD_ENG_INEER_BATTALION_AND_THE_DEFENSE_OF_THE_PHILIPPINES_1941_1942..pdf

offering any meaningful resistance. Consequently, it initiated bilateral military conversations with the states concerned – primarily to make available to the US those sea, air and land bases considered necessary for hemispheric defence. Following discussions during August and September, five states involved (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) agreed to request US military assistance in the event of any military (or “fifth column”) attack, and to allow entry of US troops – even if passing through to aid another state. They granted access to railways, seaports, airports and other facilities, and allowed the US to undertake medical, signal and aerial photography surveys. In return, the US undertook to use its forces to repel external attacks and suppress internal uprisings, and to provide military equipment, training and advisors. In 1941, military assistance agreements would be concluded with four of the states (Honduras’ President waited until near the war’s end in 1945 to join in).

In August, the then Commanding General of the Panama Canal Department had put forward how much easier it would be to help maintain a friendly government in power than to oust a pro-Axis government once it was established, proposing that a few hundred infantrymen and a battery of pack howitzers transported by air from the Canal Zone could probably handle the first of these situations in nearby countries at least until additional forces could be dispatched from the Continental US.¹⁰⁵

In a plan approved on 14 August, the Caribbean was earmarked as a “theater of probable initial operations”. Early assessments suggested that though a direct invasion of Panama by Axis forces was unlikely, the use of submarine warfare to disrupt shipping and possibly threaten the Canal itself was a real threat if control over the Atlantic was not definitely settled.¹⁰⁶

¹⁰⁵ *United States Army in World War II: The Western Hemisphere – The Framework of Hemisphere Defense* by Stetson Conn and Byron Fairchild (Center of Military History, US Army), 1989:

<https://history.army.mil/books/wwii/Framework/ch08.htm>

¹⁰⁶ *A History of the United States Caribbean Defense Command (1941-1947)* by Cesar A. Vasquez (Florida International University, FIU Electronic Theses and Dissertations No. 2458, 2016):

<https://digitalcommons.fiu.edu/etd/2458>

On 20 August, the 4,397-ton Panama-flag steamship *Tuira* was sunk by an unidentified U-boat in the North Atlantic out of Britain, with two of its 32 crew being killed.¹⁰⁷

SEPTEMBER

During the war, a large hangar was constructed at Albrook Field to house the Panama Air Depot (PAD), the maintenance, repair and servicing centre. Work on this hangar and many ancillary buildings that eventually constituted the PAD commenced in September. The main hangar remained, for many years, the single largest structure in all Central America and the Caribbean.¹⁰⁸ By November, 95% of the PAD buildings would be complete and the 805th Engineer Battalion (Aviation) was stationed there.

In September, after relations between the US and the USSR were affected by harassment of US diplomats in Moscow, the US authorities responded by banning a Soviet ship from transiting the Canal.¹⁰⁹

The Fort Sherman radar station became operational in September.

An article entitled "*Panama in Defenseless*" by Colonel Billy Mitchell, which had appeared in a popular aviation magazine in 1929, was widely reprinted in September by Popular Aviation magazine and helped to spur the assignment of additional air units the Canal Zone.¹¹⁰

In September, a Japanese citizen sailing on the *Argentina Maru* was arrested by a US military guard for violating an order forbidding possession of cameras in the Canal Zone.¹¹¹

¹⁰⁷ <https://uboat.net/allies/merchants/ship/471.html>

¹⁰⁸ Ironically, it may be that the enormous Albrook Mall, the largest shopping mall in Latin America, and nearby to the old Albrook Air Base, may have that title.

¹⁰⁹ <https://histclo.com/essay/war/ww2/cou/us/pr/40/rna39.html>

¹¹⁰ *Alae Supra Canalem: Wings Over the Canal* by Dan Hagedorn (Turner) 1995:
<https://www.historynet.com/book-wings-over-the-canal-dan-hagedorn-avh.htm>

¹¹¹ <https://encyclopedia.densho.org/Panama%20Canal%20Zone>

On 20 September, the 5,560-ton steamship *Boka* was sunk by U-138 off the Scottish west coast, when part of a British convoy. Eight of the 34 crew were lost.¹¹²

On 21 September, Major General William F Prosser took up command of the Mobile Force, continuing in post until March 1942.

OCTOBER

In October, Kaiser & Co purchased the original SS *Ancon* (which had found fame as the first ship to make a commercial transit of the Canal in August 1914), giving the aging freighter to the Permanente Steamship Company and renaming her the SS *Permanente*. The new owners were based in Oakland, California and converted it to a bulk cement carrier. The ship went into service as the SS *Permanente* in March 1941 under contract with the US Navy, and was in Hawaii at the time of the attack on Pearl Harbor.

In October, a radar site at Fort Sherman, at the Atlantic end of the Canal, became the first operational US Army radar site.

Federico Augusto Boyd López had been Acting President to 1 October, following the death of President Juan Demóstenes Arosemena in December 1939. He had been succeeded as Ambassador to the US by his brother, Jorge, whose wife was a niece of former US President Woodrow Wilson. Jorge would himself be replaced later in 1940 by the former chief surgeon at the Santo Tomas Hospital in Panama City, Carlos N Brin.¹¹³

2 October saw Arnulfo Aria Madrid inaugurated as President, and on 17 October he presented the new draft Constitution before the National Assembly. It had its first debate on 31 October, and was approved by the National Assembly on 22 November.

¹¹² <https://uboat.net/allies/merchants/ship/533.html>

¹¹³ <https://panamaadvisoryinternationalgroup.com/blog/news-from-panama/1941-panama-insists-on-sovereignty/>

On 30 October, Cole Porter's Broadway musical "*Panama Hattie*" opened in New York – running for 501 performances. Based on (very toned down) real night life in Panama City and Colón (which Porter had personally experienced), Hattie Maloney (Ethel Merman) ran a saloon in Panama where assorted characters congregate where they would frequently sing and dance to Cole Porter numbers. An upper-class gentleman arrives, and sparks fly between him and Hattie. They try to overcome complications between songs. The musical would be made into a movie in 1942.¹¹⁴

NOVEMBER

In the lead-up to the US entry into the war ammunition storage for the Navy was greatly increased. An initial programme began in November and, after war was declared in December 1941, a further increase was ordered.

In November, after he claimed that "*Panama is being trodden on by the iron boot of Uncle Sam*" and that it "*can no longer hold her head high among the family of nations as a sovereign state*", the Spanish Minister to Panama was declared *persona non grata* and said he had no option but to resign.¹¹⁵

The Airport Development Program (ADP) contract between Pan American Airways and the War Department signed on 2 November.¹¹⁶

On 20 November, what had started out as the 7th Aero Squadron in the Canal Zone during World War 1, was renamed the 7th Reconnaissance Squadron (Heavy). Its final name would become the 397th Bombardment Squadron in April 1942.

¹¹⁴ <https://www.imdb.com/title/tt0035170/>

¹¹⁵ <https://apps.dtic.mil/dtic/tr/fulltext/u2/a617466.pdf>

¹¹⁶ A new dummy corporation was formed, the Pan American Airports Corporation, to protect the airline's existing financial framework. This new company then signed an agreement with the airline company for the latter to actually undertake the necessary airport construction work. The original contract ran to 30 June 1942, but was extended by agreements to 30 June 1944. By 20 June 1945, 12 supplementary agreements had modified and extended the original contract.

When the Panama Coast Artillery Command was formed on 20 November it included two anti-aircraft brigades, alongside the two Harbor Defense units at either end of the Canal –

- 76th Antiaircraft Artillery Brigade – for air defence of the Pacific Canal sector, including the Pedro Miguel Locks; Miraflores Locks; Spillway and power plants; Madden Dam; Albrook and Howard Fields; and Navy facilities at Balboa Dry Dock and tank farm; and
- 75th Antiaircraft Artillery Brigade – for air defence of the Atlantic sector, including Gatun Locks, Dam and Spillway; Mount Hope Filtration Plant; France Field; and Coco Solo.

On 22 November, the National Assembly approved the new Constitution.

Also on 22 November, the US Army Air Corps (USAAC) 20th Transport Squadron was constituted in the Canal Zone. Activated on 15 December, it would have no aircraft until the following February.

On 26 November, Arias Madrid signed a Decree by which he granted himself "the supreme representation of the State" and called for a plebiscite on the new Constitution.

On 30 November, the Canal Zone's resident 19th Wing was renamed the Panama Canal Department Air Force^{117, 118} By 1940, a rapid increase in the number of flying squadrons in both the Canal Zone as well as in the rest of Panama as a result of the pre-war mobilisation of the USAAC warranted a new organisation, and the Panama Canal Air Force was therefore created as a major command on 19 October, and activated on 20 November. It was

¹¹⁷ There was always confusion about the correct title. It sometimes being referred to as the Panama Air Force, the Panama Canal Air Force, or the Caribbean Defense Air Force. Even its official letterhead bore an incorrect title, as "Headquarters, Panama Canal Air Force":

<https://www.afhra.af.mil/Portals/16/documents/Studies/1-50/AFD-090602-096.pdf>

¹¹⁸ The title of 19th Wing, having been deactivated in Panama in 1941 on it being redesignated, was reactivated in the US in July 1942 and moved to Egypt as part of the 9th Air Force, as a bomber unit in the Mediterranean and European theatres, becoming in 1944 the 9th Bombardment Division (Medium) and thence the 9th Air Division: <https://www.afhra.af.mil/Portals/16/documents/Studies/101-150/AFD-090529-056.pdf>

subsequently renamed the Caribbean Air Force in August 1941 and the Sixth Air Force in February 1942.¹¹⁹

DECEMBER

Two housing developments, totalling 1,400 units, to provide for the families of married enlisted personnel and civilian employees of the 15th Naval District, were to be built under a contract awarded in December. 1,104 were on the Atlantic end, and 296 on the Pacific end of the Canal.

After the German-controlled Ecuadorian airline, SEDTA, announced plans for a service to the Galapagos Islands (a focus of US security concerns in connection with Pacific approaches to the Canal), the US Government provided funds to Pan American Grace Airways (Panagra)¹²⁰ to enable it to set up a rival airline, which began services in December, with both equipment and services superior to those of SEDTA.¹²¹

In December, the second radar site became operational, located on Taboga.¹²²

On 6 December, Major General Frank M Andrews became commander of the Panama Canal Air Force.¹²³

¹¹⁹ The Sixth Air Force was officially constituted on 19 October 1940 and activated in November as the Panama Canal Air Force, before being redesignated Caribbean Air Force in August 1941 and the Sixth Air Force in February 1942. It was again renamed as Caribbean Air Command in July 1946. It comprised the VI Bomber, VI Fighter and XXVI Fighter Commands and was headquartered at Albrook Field:

<https://www.afhra.af.mil/Portals/16/documents/Studies/101-150/AFD-090529-056.pdf>

¹²⁰ In 1929, Pan American and the WR Grace and Company shipping line had announced the formation of Pan American Grace Airways Inc to further Pan American's expansion in South America. Panama was the northern border of the Panagra route system until Braniff International entering the Latin American market, when it began flying to Miami and New York in the 1950s. Panagra was eventually acquired by Braniff in 1966, with Panagra ceasing to operate on 1 February 1967 (the Grace shipping line had lost interest in Panagra as its business model changed in the late 1950s). It had provided air transport for passengers, mail and cargo along 4,251 miles (6,841 km) of routes through Panama, Colombia, Ecuador, Peru, Bolivia, Chile and Argentina – Pan American Airways: *La historia de la que fuera la aerolínea más grande del mundo* (2007):

https://www.oocities.org/paa_clippers/hpanagra.htm

¹²¹ However, SEDTA managed to maintain a reduced service until its aircraft and property was requisitioned by the Ecuador government in September 1941: https://www.oocities.org/paa_clippers/hpanagra.htm

¹²² At the time of the Pearl Harbor attack in December 1941, there were still only the two radar sets in use in the Canal Zone – one at each end of the Canal, with visual sighting and sound detection also still in use.

¹²³ https://www.armyaircorpsmuseum.org/wwii_6th_Air_Force.cfm

16 December saw the first meeting of the Land Lease Board, set up to organise a formal inspection of proposed additional defence sites in the Republic and to settle terms¹²⁴.

On 21 December, the last Panamanian-flag vessel lost to U-boats in 1940 was sunk off Liberia by U-65. Two of the 42 crew of the tanker *Charles Pratt* were lost. Of course, not only was the ship a neutral, it was also well away from any obvious war zone. The captain of the U-boat is said to have clearly seen the Panama flags painted on her sides, but decided to attack without warning as the tanker was obviously heading for an enemy port.¹²⁵

On 30 December, the National Assembly formally adopted the new Constitution, to come into force on 2 January 1942.

Ray Todd
Panama City
Republic of Panama
6 April 2023

¹²⁴ However, at this first meeting, it was made clear that the Panamanian representatives favoured the inclusion of all the sites in one agreement, and the US Army could not be allowed to occupy the sites until the Panamanian authorities had visited them and determined ownership.

¹²⁵ <https://uboat.net/allies/merchants/ship/727.html>