

## PANAMA AND PAN AMERICAN

For information on prewar aviation in Panama and the Canal Zone, as well as during World War 2 and (to an extent) postwar, see the separate article.<sup>1</sup> However, Pan American Airways had such an impact on Panama, the Canal Zone, and more generally throughout Latin America during World War 2 that it seemed to deserve its own article. While Pan American's phenomenal growth saw it expand to virtually all parts of the world, here we will concentrate on the effects in and on Panama and the Canal Zone.

As explained in the other article, the US authorities exercised tight control over the airspace above the Canal, and sought to also control of the airspace over the whole country, on similar grounds of wanting to ensure the security of the Canal and Canal Zone. For example, in 1929, the US State Department introduced a series of regulations concerning access to the airspace of the Canal Zone, including a prohibition on foreign aircraft flying solely within the Zone. Foreign aircraft could fly to and from the Zone, if they had the correct permission, but not between any two points totally within the Zone.



Charles Lindbergh, something of a living legend following the first solo flight across the Atlantic in 1927, was closely associated with Pan American's initial activities in Panama. He had first visited the country in 1928, as part of his "Good

Will Tour" of 16 Latin American states with the Ryan *Spirit of St Louis*, in which he had flown the Atlantic.<sup>2</sup> He acted as a consultant for Pan American, laying out air mail

<sup>1</sup> <https://raytodd.blog/2025/10/08/panama-in-world-war-2-panama-civil-aviation-an-overview/>

<sup>2</sup> <https://www.panamviejaescuela.com/charles-lindbergh-panama/>

routes in Latin America and the Caribbean and, piloted a Sikorsky S.38 amphibian with which Pan American opened its Miami-Panama route.<sup>3</sup>

Until after World War 2, Panama was quite undeveloped and, until the airport at Tocumen opened in the late 1940s, the only international air terminals in the country were actually in the Canal Zone. Initially, France Field at the Caribbean end of the Canal, and then from 1936 Albrook Field at the Pacific end was used (Panagra retained France Field as its northern terminal until December 1941).<sup>4</sup> This was in addition to the harbours at either end of the Canal, used by floatplanes and flying-boats. Both France Field and Albrook Field were US Army Air Corps (USAAC) airfields (the USAAC became



the US Army Air Forces in 1941, and then the US Air Force in 1947, with Albrook remaining an airbase throughout, and afterwards).

*The Pan American terminal at France Field  
c.1932*

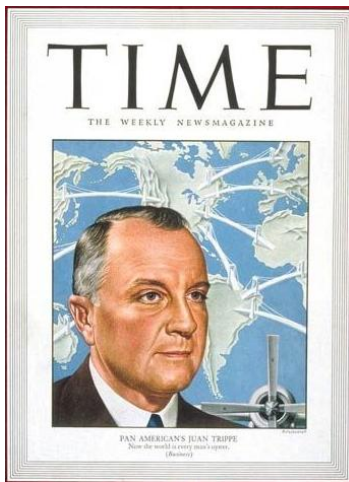
## THE FORMATION OF PAN AMERICAN

The Pan American Airways Corporation, originally known as Aviation Corporation of the Americas, was formed in on 8 March 1927, through a merger of three small airlines (engineered by Juan Trippe, who would go on to continue to be president of Pan American until 1968). It sought capital to enable a bid for various foreign airmail contracts from the US Postmaster General, these being for routes to Latin America under the Foreign Air Mail Act 1928. The first such route it operated was between Havana, Cuba and Key West in Florida.

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<sup>3</sup> The S.38 was piloted by Charles Lindbergh: <https://postalmuseum.si.edu/exhibition/canal-zone-stamps-airmail-issues/the-panama-canal-25th-anniversary-airmails>

<sup>4</sup> The USAAC had been unhappy with the presence of the Pan American hub at France Field, as it felt that it had been imposed on it by Washington.  
<https://www.braniffinternational.com/panagratimeline>



*Juan Trippe*

Other routes included Foreign Air Mail Route (FAM) No 5 for service between Miami and the Canal Zone (the airline had determined that if it received such a contract then it could ask for extension services beyond the Canal Zone to and along the western coast of South America). In the prewar years, the carriage of air mail, and the associated government subsidies, were as valuable, or more, than passenger revenues.

On 6 February 1929, it undertook the first flight carrying international airmail in Central America and USA. Charles Lindbergh piloted the amphibious Sikorsky S-38, and in doing so opened the Pan American Airways Miami-Panama route.<sup>5</sup>



*Panagra Sikorsky S.38 amphibian at Colón airport in the early 1930s*

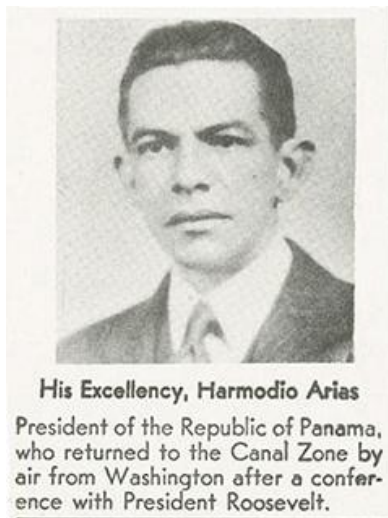
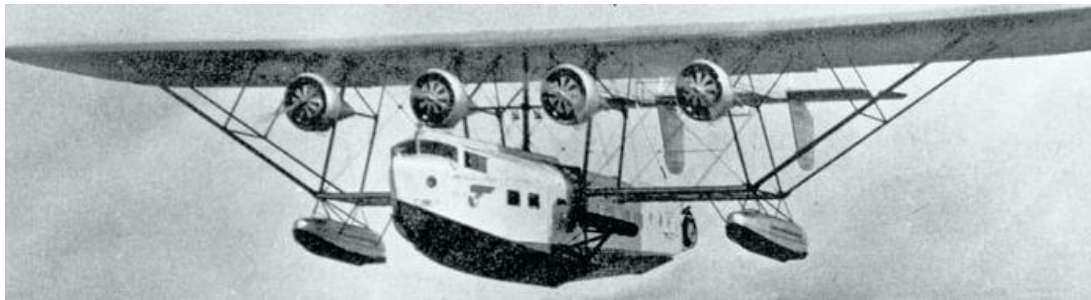
In 1930, Pan American began to provide passenger service between the Canal Zone, the US, and various points in Mexico, Central America, and the east coast of South America. Already, by 1930, Pan American was the largest air-transport company in the world and, for many years flew more route miles than any other airline.<sup>6</sup>

<sup>5</sup> [https://hermes.aero/wp-content/uploads/2018/10/100-YoCA\\_E-BOOK.pdf](https://hermes.aero/wp-content/uploads/2018/10/100-YoCA_E-BOOK.pdf)

In 1928, the founder of Pan American, Juan Trippe, engaged the services of Charles Lindbergh, who served as a technical advisor on the airline's board for the next 45 years.

<sup>6</sup> <https://www.britannica.com/biography/Juan-T-Trippe>

In September 1933, a four-engine Sikorsky S.40 flying-boat was intended to start the multi-stop journey for its passengers from Miami to Barranquilla, Colombia, a trip that included calls at Cristobal in the Canal Zone, where passengers would transfer to a different flying-boat for the flight to its final destination. Delayed on its departure from Havana, the pilot opted to overnight at the airline's emergency seaplane base at Manzanillo, Mexico before making the next planned hop to Kingston, Jamaica. However, an hour after take-off all four engines stopped, forcing the pilot to make the world's commercial first four-engine emergency landing.<sup>7</sup>



In 1933, returning from his meeting in Washington with President Roosevelt, Panama's President Harmodio Arias boarded a Pan American flight at Brownsville, Texas to fly home, stopping in Mexico City where his First Lady met him.<sup>8</sup>

In the decade before the war, by 1939, Pan American Airways was operating flying-boat "clippers" throughout Latin America using more than 200

airports. In Panama it used the harbours at either end of the Canal for its seaplanes.

The Pan American services were complemented by those of its associate, Panagra, of which more below.

<sup>7</sup> <https://www.panam.org/pan-am-sep-1933>

<sup>8</sup> Ibid.

In 1939, a passenger traveling from the US to Buenos Aires could board a Pan American Sikorsky S.42 flying-boat at Miami and fly to Colón (or rather the harbour at Cristobal), stay overnight and then board a Panagra DC.2 or DC.3 landplane airliner and fly to Buenos Aires with three overnight stops *en route*. This routing was a full day faster than the Pan American service operated via the coast of Brazil. The one-way fare from Miami to Buenos Aires was \$550.<sup>9</sup>

By 1940, slightly more than half of Pan American's route mileage was accounted for by its Latin American operations, and during the 1930s the company had gradually absorbed or invested in a number of smaller companies in Latin America.

One important development was the eventual and gradual change from seaplanes to landplanes. In September 1939, the airline announced plans to use landplanes, such as the modern Douglas DC.3 and Boeing SA.307 Stratoliner monoplanes, on its Latin American routes.<sup>10</sup> In 1940, the first such service began, from Miami to the Canal Zone, using the Stratoliner.<sup>11</sup>

During the war, Pan American became the largest air transport contractor to the US Army and Navy, flying some 90 million miles (145 million km) for the US Government, and making more than 18,000 ocean crossings. Before the role was taken over the USAAF Air Transport Command, it delivered 542 bombers and transports. It also trained over 5,000 pilots and thousands of mechanics.<sup>12</sup>

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<sup>9</sup> In 1947, a Panagra DC.6 airliner could reach Buenos Aires from Miami in 20 hours 25 minutes:

[https://www.spantip.com/wiki/Pan\\_American-Grace\\_Airways](https://www.spantip.com/wiki/Pan_American-Grace_Airways)

<sup>10</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

<sup>11</sup> An advanced four-engine design that used elements used on the famous B-17 Flying Fortress bomber, and which incorporated a pressurised cabin.

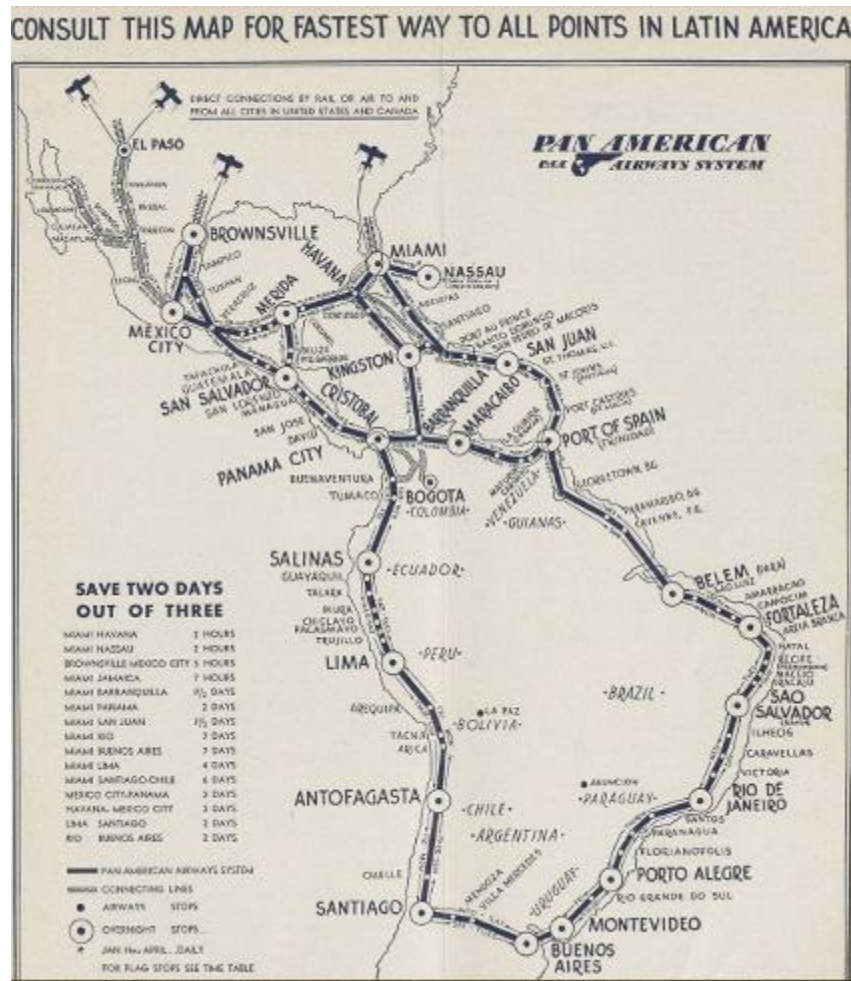
<https://www.afhra.af.mil/Portals/16/documents/Studies/51-100/AFD-090601-032.pdf>

<sup>12</sup> At least a dozen Pan American aircraft were lost **during the war**, over 200 employees were killed, and many imprisoned in enemy prison camps.

*VPNavy! USN, USMC, USMC and NATS Patrol Aircraft Lost or Damaged During World War II* by Douglas E Campbell (Synerga Research Group Inc) 2018.



In one secret mission, the airline carried tons of Central African uranium ore to the US, with approximately 75% of the uranium in the Manhattan Project was brought from Africa by such operations.<sup>13</sup>



1933 route map<sup>14</sup>

## PREWAR US GOVERNMENT POLICY ON AVIATION

In the immediate prewar period the US Government policy on aviation and air defence in Latin America involved three major objectives<sup>15</sup> –

<sup>13</sup> <https://simpleflying.com/pan-ams-role-in-world-war-ii/>

<https://www.mercurynews.com/2019/12/20/horgan-pan-am-had-a-secret-role-in-the-manhattan-project/>

<sup>14</sup> [https://digitalcollections.library.miami.edu/digital/collection/asm0341/id/20443/rec/39?fbclid=IwAR1Y4eXyAx6Rzvc5cgv3uCM\\_rhxPtHQjJSa2TRl6ThWcNgaduCxrGKYiUpQ](https://digitalcollections.library.miami.edu/digital/collection/asm0341/id/20443/rec/39?fbclid=IwAR1Y4eXyAx6Rzvc5cgv3uCM_rhxPtHQjJSa2TRl6ThWcNgaduCxrGKYiUpQ)

<sup>15</sup> *US 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/index.htm>

- elimination of commercial airlines owned, controlled, or manned by Axis nationals, and their replacement by US or locally controlled companies (which normally meant Pan American or its Panagra associate);<sup>16</sup>
- development of airfields and airway facilities of a nature that would permit the projection of US military airpower into strategic areas; and
- other preparations that would permit air operations<sup>17</sup> to begin at once in the event of an actual or imminently threatened hostile air attack.<sup>18</sup>

The main means for the achievement of these objectives was Pan American Airways<sup>19</sup> (including its Panagra subsidiary<sup>20</sup>), which had a dominant role in Latin American aviation by 1938, largely without any official backing from the US Government – except that provided by means of substantial mail subsidies.

Between 1937 and 1940, military flights over Central and South America had revealed the general unsuitability of airport facilities, with airports having substandard runways, no weather reporting services, and virtually no communication facilities other than those supplied by commercial airlines. On the other hand, airfields which were strategically located and adaptable for hemisphere defence had been identified.<sup>21</sup>

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<sup>16</sup> As we shall see, although this effort initially focused on airlines in Brazil, it gradually expanded until it had essentially purged Axis aviation from Latin America as a whole:

<https://www.jstor.org/stable/10.7249/j.ctt24hrv8.15>

<sup>17</sup> It was not the airlines' aircraft that were seen as the real threat, instead it was felt that it was "obvious that the ground facilities, the radio and photographic equipment, and the personnel of those lines would have been of utmost value to an invading army...offered a means whereby Axis agents could enter South America, lightweight strategic raw materials could be smuggled out, and, most importantly, observation of American and British merchant shipping and land or maritime military movements could occur undetected": <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

<sup>18</sup> <https://history.army.mil/books/wwii/framework/ch10.htm>

<sup>19</sup> *Flying the Andes: The Story of Pan American Grace Airways and Commercial Aviation in South America 1926-67*, William A. Krusen, Stephen Morrill, Harold R. Harris (University of Tampa Press), 1997.

<sup>20</sup> Formed in 1929, to compete with German-owned SCADTA of Colombia, Panagra's network stretched from Panama and the Canal Zone to Santiago in Chile and Buenos Aires in Argentina. In the 1940s and 1950s, it was to have a virtual monopoly in parts of Colombia and elsewhere in South America.

<sup>21</sup> Ibid.

## PAN AMERICAN DISPLACES ISTHMIAN AIRWAYS

Pan American was always hostile to rivals, or potential rivals, in the markets it targeted. In Panama in the 1930s, this involved a small, local operation called Isthmian Airways.<sup>22</sup> There was a lucrative market in Panama for flights across from one side of Panama to the other, following the route of the Canal, particularly for the thousands of cruise passengers who visited the country during the cruise ship season (usually January to March). It is also worth remembering that roads, even in the Canal Zone, were few and poorly maintained at the time, and the alternatives to flying across the isthmus were (slowly) by ship, or on the railway.<sup>23</sup>

Pan American managed to beat Isthmian Airways by making the first trans-isthmus flight itself, on 1 May 1929. The local airline made its first flight four days later. Pan American had used a six-passenger, single-engine Fairchild Model 71 landplane, and offered three flights per day each way, operating from the military airfields of France Field and Albrook Field.<sup>24</sup> Isthmian Airways used larger, but still single-engine, floatplanes from the harbours at either end of the Canal.

Eventually, the pressure applied by Pan American paid off, and it was successful in forcing the upstart airline out of business, claiming that the concept had been that of their employee, Charles Lindbergh, which Isthmian had stolen.<sup>25</sup> The Canal Zone Government cancelled the airlines' contract in 1936.<sup>26</sup>

Pan American in 1936 set up its own subsidiary, Panama Airways, initially using the larger Ford Trimotor for services between Albrook Field and France Field, later it sometimes used the more modern Douglas DC.2 or DC.3 for the route – even though flights could take less than half an hour. Services began in December 1936.

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<sup>22</sup> For more on Isthmian Airways' short existence, see <https://raytodd.blog/2025/10/08/panama-in-world-war-2-panama-civil-aviation-an-overview/>

<sup>23</sup> The first trans-isthmus highway opened in 1942, and initially was restricted to official and military traffic.

<sup>24</sup> <https://raytodd.blog/2025/10/08/panama-in-world-war-2-panama-civil-aviation-an-overview/>

<sup>25</sup> <https://www.flyelevair.com/the-legacy-of-seaplanes-in-panama-isthmian-airways/>

<sup>26</sup> [https://www.tvn-2.com/variedad/Aerolinea-Isthmian-Airways-Panama-ayer\\_0\\_5012498722.html](https://www.tvn-2.com/variedad/Aerolinea-Isthmian-Airways-Panama-ayer_0_5012498722.html)



In 1938, the cruising season saw 43 cruise ships and 16,000 passengers passing through Cristobal on the Caribbean side of the Canal, with 3,000 taking flights with the airline. In 1939, there were 65 cruise ships scheduled to call. However, as war threatened, Pan American would close the Panama Airways operation on 30 April 1941.<sup>27</sup>

## **PANAGRA<sup>28</sup>**

Pan American Grace Airways Inc was formed in 1929<sup>29</sup> to compete with German-owned SCADTA of Colombia. Panagra's network would extend from Panama and the Canal Zone to Santiago in Chile and Buenos Aires in Argentina – Panama marking the northernmost limit of its route network (until postwar). In the 1940s and 1950s it was to have a virtual monopoly in parts of Colombia and elsewhere in South America.



*The Grace Line offices in Panama City*

In 1929, Pan American and the W R Grace and Company shipping line had announced the formation of a new airline to further Pan American's expansion in South America. This followed the US Postmaster General having requested applications for a contract for Foreign Air Mail Route No. 9, which would extend from the Canal Zone down the West Coast of South America to Santiago, with an option for the Postmaster General to licence an extension of services from Santiago across to Buenos Aires, and beyond to Montevideo in Uruguay. The first airmail flight from Panama to Peru was in May 1929, with the first to Chile in July.

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<sup>27</sup> <https://www.laahs.com/isthmian-airways>

<sup>28</sup> Panagra was initially known as P. A. G. A. I.

<sup>29</sup> Its actual origins was as Peruvian Airlines Inc, formed in 1928 and 50/50 owned by Pan American and WR Grace. A small single-engine Fairchild made the airline's first flight in Peru in September. Peruvian Airlines would subsequently merge with Chilean Airways (50% owned by Juan Trippe and never operational as an airline) to form Pan American Grace Airways Inc.  
<https://www.braniffinternational.com/panagratimeline>



It is said that the arrangement came about because the two partners had the power and the resolve to block each other's ventures in the area. William R Grace was influential enough to frustrate any Pan American proposals to fly down the west side of South America, as his company effectively controlled the west coast of South America through steamship routes, and was not about to let some outsider into its lucrative territory.<sup>30</sup> Juan Trippe would be able to use his lobbying powers in Washington to prevent W R Grace from forming an air carrier with privileges to fly routes north of Panama (and, of course, Panama would be the northern limit of the new airline's operations until after the war). The only sensible solution was to merge interests.<sup>31</sup>



*Panagra Ford Trimotor 1929*

Under the deal, Panagra was to undertake a study into the possibility of operating airline and mail services between the Canal Zone and Valparaiso,

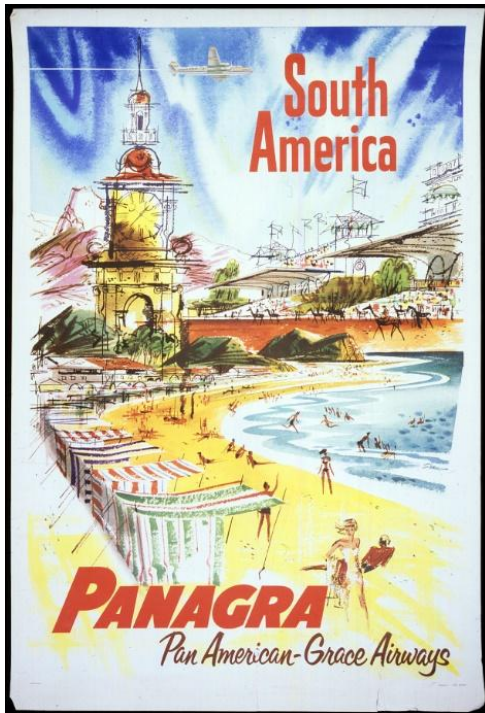
Chile. The original intention of the agreement with Pan American had been that Pan American would operate the air services, while W R Grace operations in cities along the proposed new route would act as agents for the new company.

<sup>30</sup> <https://www.robertnovell.com/panagra-part-one-of-seven-april-8-2017-2/>

<sup>31</sup> However, Trippe was to say later "that he had misgivings all along about the combination". *American Aviation Historical Society Journal* (Spring 2009).



*The offices of Pan American Grace Airlines in Panama City in 1945*



*In 1929, Pan American and the WR Grace and Company shipping line announced the formation of Pan American Grace Airways Inc to further Pan American's expansion in South America*

In February 1929, Pan American and W R Grace announced the formation of Pan American Grace Airways Inc, to bid for the new airmail contract. Despite not being the lowest bid, the new entity won the contract, and operations began in July 1929.

The joint venture began with airline operations into Peru,<sup>32</sup> and the first flight was an internal one within Peru, using a small, four-passenger, single-engine Fairchild monoplane. In October 1929, Panagra inaugurated a successful route across the Andes using a Ford Trimotor. In due course, Panagra began services to a number of cities along South America's west coast.

Like Pan American, Panagra steadily improved its fleet. For example, in 1934, it introduced the more modern Douglas DC.2 landplane, operating from France Field.<sup>33</sup> Its larger development, the famous DC.3, followed in 1937.

<sup>32</sup> Originally as the Peruvian Airways Corporation, there was also a company for Chile.

<sup>33</sup> <https://www.braniffinternational.com/panagratimeline>



*A Panagra S.43*

On 1 August 1937, a Sikorsky S.43 twin-engine amphibian belonging to Panagra, returning to France Field in the Canal Zone from Ecuador, disappeared in bad weather at night, crashing into the

Caribbean. Three crew and 11 passengers died.<sup>34</sup>

In 1938, when the Civil Aeronautics Act came into force in the US, it was recommended that both partner airlines apply for an airline licence under the Act, with Pan American arguing that their services were complimentary, rather than competitive. For example, a large proportion of Pan American's traffic carried from the Canal Zone to the US was flow-through traffic originating with Panagra from along the west coast of South America, and Panagra's southbound services would carry traffic fed into Panama by Pan America.<sup>35</sup>

In December 1941, France Field was replaced as Panagra's northern terminal by Albrook Field.<sup>36</sup>



<sup>34</sup> The subsequent investigation by the US Bureau of Air Commerce Board found no obvious reason for the crash, although there was suspicion of fuel supply problems. No blame was attached to the pilot, although he would have been suffering from fatigue, tension and the effects of flying at altitude without oxygen.

<sup>35</sup> A non-compete clause in the agreement between Pan American, Grace, and Panagra made Panama the northern end of Panagra's route system;

<https://www.robertnovell.com/panagra-the-airline-pan-am-created-to-dominate-latin-and-south-america-may-20-2016/>

<sup>36</sup> <https://www.braniffinternational.com/panagratimeline>



*Panagra DC.3*

During the war, Panagra operations were divided into sections or runs. The north run was between Lima and Balboa; and was usually flown by very senior Captains. The south run was

from Lima south to Santiago, then across the Andes and Pampas to Buenos Aires. The Jungle run operated from Lima, which was the hub or headquarters of the airline, through Bolivia into Brazil.<sup>37</sup>

It is said that Panagra was the first airline in South America to develop and apply airways weather forecasts.<sup>38</sup>

By 1946, the time required for a flight between Panama and Buenos Aires would have been shortened to less than 24 hours.

In August 1942, Panagra started its first scheduled commercial all-express cargo service by an international carrier certified by Civil Aeronautics Board (CAB) in the US. It converted two DC.3 airliners into freighters, and services commenced between Albrook Field to Lima. In just two and a half months it had transported nearly 80,000 lb (36.3 tonnes) of cargo by means of this new service.<sup>39</sup>

However, at least until after the war, and due to the agreement with Pan American, Panagra was never allowed to extend its route system even one mile north of its

<sup>37</sup> <https://www.robertnovell.com/panagra-part-five-of-seven-april-12-2017/>

<sup>38</sup> Ibid.

<sup>39</sup> <https://www.panam.org/pan-am-stories/429-background-notes-on-pan-am-cargo>  
<http://www.geocities.ws/panagra/memoriesofpanagra.htm>

However, the New York Times in January 1943, said the destination was Buenos Aires:  
<https://www.nytimes.com/1943/01/03/archives/panagra-lines-opened-cargo-run-to-peru-and-daily-service-to-buenos.html>



original northern terminus in the Canal Zone, and was thus prevented from competing with Pan American throughout Central America and the Caribbean to US cities.<sup>40</sup> This was to remain the case until 1948, when CAB finally approved its access to the Continental US (while also allowing for a competitor in Braniff Airways).<sup>41</sup>

The relationship between Pan American and the Grace shipping line was not always harmonious. In June 1942, Time Magazine reported that W R Grace had asked the CAB to force Pan American to sell or trustee enough of its stock in Panagra to give Grace clear-cut control. The main allegation levied against Pan American by its partner was that it was suppressing the growth of Panagra because it wants to keep Panagra as an auxiliary, feeding passengers and freight from South America into Pan American services. Grace, on the other hand, maintained that it wished to make Panagra a self-contained airline, with its own terminal facilities in the US, preferably at New Orleans.<sup>42</sup>

The continued improvement in aircraft types and their capabilities continued, and in the immediate postwar Panagra was employing the new four-engine Douglas DC.6 airliners. Capable of carrying 52 passengers, these were to be used on the company's proposed "Great Circle" route from Panama to Buenos Aires, cutting flying times and offer new and comfortable nighttime service in both directions.<sup>43</sup>



<sup>40</sup> *American Aviation Historical Society Journal* (Spring 2009).

<sup>41</sup> <https://www.braniffinternational.com/panagratimeline>

<sup>42</sup> <http://content.time.com/time/subscriber/article/0,33009,932094,00.html> The New York Times in March 1957 was reporting on the "longstanding conflict over Panagra", which it described as a "civil war", with Pan American reported to have asked the CAB to allow it to give up half of Panagra in return for new routes in Latin America.

<sup>43</sup> <https://www.braniffinternational.com/panagratimeline>



Panagra was to eventually merge with the Texas-based airline Braniff in 1967 to form



what was then the largest US airline serving South America. Panagra had been Braniff's chief competitor along the South American west coast since June 1948, when Braniff began serving the region.<sup>44</sup> With the merger, Panagra disappeared.<sup>45</sup>

*This notice was published in several newspapers in the last days of January 1967  
(Pablo Luciano Potenze collection)*

## PANAMA AS A TOOL OF GOVERNMENT

In South America in the years before World War 2, Pan American's position was being challenged, and what worried the US Government was that some of the rivals were seen to be subsidised by the German and Italian governments,<sup>46</sup> setting the stage for competition that, whilst ostensibly commercial, was in fact, to some extent, a proxy struggle between the US and the Axis states.<sup>47</sup>

As early example of the rivalry involving Pan American was that it had gained an interest in the German-controlled Colombian airline SCADTA, from as early as 1931, but it had contrived to keep its interests from both the Colombian and US Governments. In January 1939, this was revealed, with Pan American publicly acknowledging its

<sup>44</sup> In May 1946, CAB awarded Braniff approval to operate routes to the Caribbean, Mexico and Central and South America, competing with Panagra, including a 7719-mile (12,418 km) route to Havana, Balboa, Guayaquil, Lima, La Paz, Asuncion, and finally Buenos Aires.

<sup>45</sup> In the late 1950s, the shipping line had begun a transition and lose interest in the airline.

<https://www.braniffinternational.com/pan-american-grace-airways-inc>

In February 1967, Braniff International completed a merger with Panagra, Braniff having purchased the airline for \$30 million from WR Grace and Company and Pan American World Airways Inc.

<sup>46</sup> For more information see <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

<sup>47</sup> "The United States, through the use of Pan American Airways, would attempt to fortify the Western Hemisphere, block German expansion into South and Central America, and build a chain of Latin American air bases that would form the building blocks for an offensive and defensive strategy during World War 2": *War Plan Juan: The Strategy of Juan Trippe and Pan Am in Latin America and Africa Before and During World War II* a thesis by Matthew F Brady (School of Advanced Air and Space Studies, Air University, Maxwell AFB), June 2012: <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

ownership and, in the following November (with war underway in Europe), it began purging German personnel.

By June 1940, Pan American had (with the collaboration of the US State Department and the authorities in Colombia)<sup>48</sup> 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.<sup>49</sup>

Subsequently, the War Department and State Department agreed to repay Pan American for its costs in “de-Germanising” the airlines in Colombia.<sup>50</sup>

The removal or replacement of airlines potentially controlled by the Axis states were seen by the US as a gain for the security of the Panama Canal. However, from the beginning of 1941, a more systematic program and policy would be adopted for the promotion of US aviation in South America.

In Autumn 1939, there were plans for the development of an air route from the US and Puerto Rico, to reach as far south as Natal, Brazil,<sup>51</sup> with the proposal that the USAAC establish airbases at 400-mile (643 km) intervals (with emergency landing fields at 100-miles, 160 km, distances) along the route, and that Pan American facilities be employed. In late 1939, the Secretaries of the Army and the Navy, and the Chairman of the Civil Aeronautics Authority (CAA) approved such a plan. However, in November, the State Department said that it opposed a government agency being involved, proposing that a private company, such as Pan American, should be contracted instead.<sup>52</sup>

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<sup>48</sup> 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](http://clipper-connection.blogspot.com/2015/05/pan-american-en-america-latina_2.html)

<sup>49</sup> 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. The German pilots and other staff set up a new airline called ARCO, which was itself bought out by AVIANCA in 1941.

<sup>50</sup> <https://history.army.mil/books/wwii/framework/ch10.htm>

<sup>51</sup> In November 1939, the USAAC flew a flight of bombers to Natal.

<sup>52</sup> <https://www.afhra.af.mil/Portals/16/documents/Studies/51-100/AFD-090601-032.pdf>

In March 1941, the USAAC commander in the Canal Zone informally suggested to the War Department that it would be a good idea to station small Army detachments of servicing and communications specialists at each of the airfields being developed by Pan American Airways. The Commanding General in the Canal Zone followed this up by suggesting that USAAC servicing, communications and weather detachments be placed at Pan American airports in Mexico, Central America, the West Indian republics, and northern South America, controlled from a headquarters in the Canal Zone.

In 1941, Nelson Rockefeller, the Coordinator of Commercial and Cultural Relations Between the American Republics, proposed expansion of the authority of the CAB to carry out an systematic “de-Germanisation” program for Axis-controlled airlines, replacing them with US or locally controlled companies. The War Department promptly endorsed the proposal, with George Marshall, the Army Chief of Staff stating that the *“airlines constitute a definite threat to the security of the United States in the event of war with Germany”*.

President Roosevelt had directed the Postmaster General to consult with representatives of all interested government agencies in the formulation of a general policy toward commercial aviation, and in February 1941 an overall policy was agreed with the War, Navy and State Departments. A policy statement was approved by Roosevelt in March and, in respect to Latin America, provided that –

- the US Government would oppose the establishment of any new services by US airlines south of Mexico City that would be in competition with Pan American;
- until the undesirable airlines in South America were eliminated, it would not take action to lessen the strength and effectiveness of the Pan American system, it being a seen and operating as a tool of US official policy;<sup>53</sup>
- while the needs of the armed services must have priority on airplane equipment and personnel during the emergency (i.e. what we would now see

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<sup>53</sup> The commercial benefits to the airline are obvious – in 1945, it controlled 50% of all US air traffic in South America and 98% in the Caribbean: <https://history.army.mil/books/wwii/framework/ch10.htm>

as the time before the US became formally embroiled in the war), all government agencies should lend all possible assistance to the State Department *“in the elimination of European-controlled airlines in the Western Hemisphere south of the United States, and in replacing them by United States controlled airlines”*.<sup>54</sup>

Before the war, many airfields in Central and South America had substandard runways and lacked weather and even basic communications. However, Pan American and Panagra had been expanding and improving their operations in South America and by the Summer of 1940, Pan American already owned 216 airports and 55% of the routes in Latin America.<sup>55</sup> Hence, when the US Government called for the airlines to participate in a formal expansion program *“it was only asking the company to do what it had already been doing on a much smaller scale and in a less hurried manner”*.<sup>56</sup>

In June 1940, the founder and head of Pan American, Juan Trippe, and other representatives from the airline attended a secret meeting in Washington, being told of the airport development requirements, with the airline formally accepting the task. A contract was signed on 2 November 1940 for what was now called the Airport Development Program (ADP). US military aircraft received the right to use ADP facilities for a 99-year period (to the extent that the airline was able to authorise such use).<sup>57</sup>

Pan American had already established and maintained good relations with government officials in the various countries involved. However, Trippe was concerned that if the

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<sup>54</sup> *United States Army in World War II: The Western Hemisphere - The Framework of Hemisphere Defense* by Stetson Conn and Byron Fairchild: <http://tothosewhoserved.org/usa/wh/usawh01/>

<sup>55</sup> *History: Latin American Division Air Routes* (PAA Archives).

<sup>56</sup> <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

<sup>57</sup> 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. The original agreement called for 25 airports in 14 Latin American countries.

In the agreements for each airport, Pan American stipulated that user rights for at least 20 years should be the norm, although terms of less than 20 years could be accepted, but one which expired before 30 June 1957 would be unacceptable.

clandestine arrangement were to be made public this would affect the image of the airline in Latin America – but was assured that the Program would be classified.

In July 1940, President Roosevelt approved the War Department plan to contract Pan American to undertake the program, approving the use of emergency defence funds to affray any costs.<sup>58</sup>

President Roosevelt described Juan Trippe as “*the most fascinating Yale gangster*” he had ever met but, like his Secretary of War, Henry Stimson, he shared Trippe’s philosophy of seizing bases, routes, contracts, and the initiative in South America before his competitors. He also understood the value and military significance of using Trippe’s South American airfields for gaining a foothold on the African continent, should that be necessary.<sup>59</sup>

A new dummy corporation was formed on 2 November 1940, the Pan American Airports Corporation, separate from the airline’s existing financial framework. This new company then signed an agreement with the airline which would undertake the necessary airport construction work, the airline to conducting all subsequent negotiations of leases, work permits, and other necessary business arrangements.<sup>60</sup> It was logical for the airline to seek to use and improve existing airports, rather than seek to establish new ones.

After Pearl Harbor, the attitude of various countries changed, with removal of much of the red tape (over imports of US personnel and equipment, customs delays and obtaining local approvals) that had hitherto hampered the Program.

Pan American and Panagra were to continue constructing or improving airfields across Latin America, from Mexico to Uruguay, both for their own purposes and for the

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<sup>58</sup> Initially \$12 million, with a further \$7 million in 1942. By late December 1943, the President had stipulated that the US Government would limit its exposure to no more than \$70,960,429.24 for overall costs of the ADP.

<sup>59</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

<sup>60</sup> Ibid.

purposes of US policy generally.<sup>61</sup> This would involve expanding existing commercial airfields in Latin America and building a string of new airports, ostensibly designed for civilian air transport, but actually to provide a chain of military bases for the US. About the Program, General Marshall stated that *“the immediate conclusion of the PAA contract is now more essential to our national defense than any other matter”*.<sup>62</sup>

In April 1942, a supplementary agreement provided a process whereby any air carrier certified by the US could also be allowed to use the airports. In addition, once the US entered the war, it was necessary to expand the original Program substantially and this led to a new contract with Pan American.

The ADP contract stipulated the nominal sum of \$1 as payment to Pan American. However, \$12 million was set aside from the President’s emergency funds for the project. Later, the amount was increased to \$19 million, and by the end of 1942 the amount involved had risen to \$33 million. Eventually the entire program cost the Government more than \$90 million, with an additional \$10 million paid by mid-1945 for maintenance work done by Pan American on the airfields.<sup>63</sup>

A joint planning committee, consisting of officers from the Army and Navy War Plans Divisions, was responsible for the selection of airport sites. The committee, which also included Pan American representation, defined the scope and objectives of the Program. Among other things, it specified that airfields should be located along the coasts rather than further inland, to facilitate logistics and ensure availability of naval and land forces for their protection as well as provide anti-submarine facilities.<sup>64</sup>

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<sup>61</sup> <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

<sup>62</sup> Ibid.

There would also be three airfields in the British West Indies, which were included in the original contract, but completed by the Army Corps of Engineers. Plans for a large base on Martinique fell through when the island’s authorities opted to support the French Vichy government. The airfield at David, in Panama, was eventually transferred from the program for construction by the Army.

<sup>63</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

Although the construction contract was not signed until November 1940, preliminary surveys of existing airport facilities and negotiations for new sites and improvement of existing bases was already underway.

<sup>64</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

It is said that ADP airfields made their greatest defensive contribution in support of anti-submarine operations when U-boats launched their campaign in the Caribbean in 1942, and in operations from the Brazilian coast.



The Program employed in its main offices over 500 specialists including executives, design engineers, technicians and office personnel. To supervise work in the field, it employed over 1,500 men, consisting of project managers, construction engineers, field techs, foremen, and equipment operators. The actual labour was carried out by over 110,000 men employed locally.<sup>65</sup>

By November 1944, the Program would have built or improved airfields at 40 locations,<sup>66</sup> and by 1942 it was able to help cope with the problems caused by the U-boat threat in the Caribbean, by providing a vital air link.<sup>67</sup> Following the attack on Pearl Harbor, the War Department began using the facilities to transport reinforcements to the Canal Zone.<sup>68</sup>

Many airfields were constructed or improved in Panama, within and outside the Canal Zone, but these were US Army projects, outside the Program.

To avoid provoking the host countries, the US did not disclose its role in the Program and did not deploy troops or preposition equipment at any of the airfields before the attack on Pearl Harbor took place.<sup>69</sup> To operate on the Atlantic coast Pan American was forced by Brazilian legislation to create a company of this nationality, *Panair do Brasil*, which also served Buenos Aires, and flew between Cristobal and Miami from 1931 using the large Consolidated Commodore flying-boats.<sup>70</sup>

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<sup>65</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

<sup>66</sup> A total of 48 land bases, seaplane bases and Navy lighter-than-air (LTA) bases, the latter for US Navy patrol blimps, were constructed under the Program. A base in Liberia was also included in the program. The total cost of the program was approximately \$89 million.

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

<sup>67</sup> <https://history.army.mil/books/wwii/framework/ch10.htm>

<sup>68</sup> Ibid.

<sup>69</sup> *US Global Defense Posture, 1783–2011* by Stacie L Pettyjohn (RAND Corporation, 2012):

<https://www.jstor.org/stable/10.7249/j.ctt24hrv8.15>

<sup>70</sup> <https://www.gacetaeronautica.com/gaceta/wp-101/?p=20258>

Early flights over the South Atlantic air route used by the USAAC depended very largely for weather intelligence upon the meteorologists of *Panair do Brasil*:

<https://media.defense.gov/2010/Nov/05/2001329892/-1/-1/0/AFD-101105-020.pdf>

In January 1931, *Panair do Brasil* began a service between Cristobal and Miami, using the Consolidated Commodore flying-boat.

Juan Trippe was to claim that Pan American “*never has and as far as I know never will make a dollar of private profit out of the ADP contract*”.<sup>71</sup>

After the war, ADP fields were all turned over to the countries in which they were built. Pan American also gave up most of its stock in the local airlines in which it once held a controlling interest, such as *Panair Do Brasil*. There was the ironic result that the Program permitted more competition for Pan American than had existed before the war.<sup>72</sup>

By the end of the war, the Program had produced two air bridges comprising 48 landplane and seaplane bases stretching from the Continental US to the coast of Brazil, which included airfields in Cuba, Haiti, the Dominican Republic, Dutch Guiana, Brazil, Mexico, Guatemala, Nicaragua, Bolivia, Colombia, Venezuela, and Paraguay.<sup>73</sup>

## **DISPLACEMENT OF AXIS-OWNED AVIATION IN SOUTH AMERICA**

As early as 1927, Majors Henry “Hap” Arnold and Carl Spaatz, who would both go on to be leading USAAF generals during World War 2, conceived an idea to counter what they perceived as foreign encroachment on the Western Hemisphere by European airlines laying claim to basing and routes in South America, creating security concerns around border sovereignty and endangering the Canal.<sup>74</sup>

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<sup>71</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

<sup>72</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

<sup>73</sup> Ibid.

<sup>74</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

In 1923 or 1924, SCADTA, the German-run airline in Colombia, applied to extend its services to the Canal Zone, with the authorities there blocking the bid. SCADTA tried again in 1925, this time supported by the Colombian Government, and receiving restricted permission from the US to land in the Canal Zone while undertaking a survey flight between Colombia and Key West in Florida.

The airline sought to extend its services to the US, via Central America and Cuba, in which case the Canal Zone was an obvious and necessary stepping stone. It had obtained agreement with various Central American governments, and it seems that, at the time, the Coolidge administration in the US was minded to also agree (if only because there were so plans for a similar US-owned service). However, the US Army and commercial interests opposed the plan, the latter insisting on control of the new US company required as a condition of US approval.

Frustrated, SCADTA nevertheless received the formal backing of the government on Colombia, but this proved too late. In November 1927, US Government officials had decided to give full and exclusive backing to the plan for what became Pan American to assert US dominance in Latin American commercial aviation.<sup>75</sup>

During the 1930s, German airlines in South America had expanded considerably, and such airline activities continued to expand, even during the early years of World War 2. Deutsche-Lufthansa, for example, provided two flights per week from Europe, and Condor in Brazil received two 26-passenger FW 200 airliners, the first four-engine landplanes in South America, for service between Rio and Buenos Aires. However, it was the airfields, ground facilities, personnel, and reconnaissance undertaken by the airlines that would be of most value to any attacker (rather than the aircraft used by the airlines themselves).<sup>76</sup>

In the late 1930s, the Pan American Airways system was almost the only competitor to the German airlines in South America. During the 1930s, it had gradually absorbed or

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<sup>75</sup> *International Aviation Rivalry in Latin America, 1919-1927* by Wesley Phillips Newton (Journal of Inter-American Studies, July 1965): <https://www.jstor.org/stable/164987>

<sup>76</sup> *Empire of the Air, Juan Trippe and the Struggle for World Airways* by Matthew Josephson (New York, 1943),

invested in a number of smaller companies in Latin America, among them New York, Rio and Buenos Aires (NYRBA) (which became *Panair do Brasil*); the *Compania Mexicana de Aviacion*; and the *Compania Nacional Cubana de Aviacion*. Pan American had also purchased 84% of the stock in Colombia's SCADTA, and founded the *Uraba Medellin y Central Airways* (UMCA), also in Colombia.<sup>77</sup>

As mentioned, Pan American had become a tool in the US strategy of displacing German and Italian aviation involvement in South America, Panagra was also involved.

In 1938, *Aerovias del Peru* was sold to Faucett Airlines, with Panagra holding a 20% share. By 1941, 20% of *Lloyd Aereo Boliviano* had been purchased by Panagra (with the acquiescence of the Bolivian Government), the Peruvian branch of Deutsche Lufthansa was shut down, and the Ecuadorian Government had been threatened with having their oil supply cut off by the US, allowing Panagra to take over the Ecuadorian routes of SEDTA.<sup>78</sup> Meanwhile, in Colombia, SCADTA had become AVIANCA, a Pan American subsidiary,<sup>79</sup> and in Brazil the formerly German-owned *Syndicato Condor* became *Panair do Brasil*, another Pan American subsidiary.<sup>80</sup>

While, by Spring 1940, the Pan American Airways system operated 55% of the route systems in South America,<sup>81</sup> due to the importance of air travel in Latin America, it was virtually impossible to eliminate the foreign-controlled airlines completely. This was until the end of 1942, when substitute services, either through Pan American or through local airlines, were made available.<sup>82</sup>

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<sup>77</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

<sup>78</sup> The German-owned local airline owned only two obsolete aircraft, but nevertheless provided indispensable services to the struggling Ecuadorian economy. After it announced plans for a service to the Galapagos Islands (a focus of US security concerns over the Pacific approaches to the Canal), the US Government provided Panagra with the funds to set up a rival, which began operations in December 1940. Nevertheless, 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\\_clipppers/hpanagra.htm](https://www.oocities.org/paa_clipppers/hpanagra.htm)

<sup>79</sup> Pan American sold it in December 1947.

<sup>80</sup> <http://www.geocities.ws/panagra/memoriesofpanagra.htm>

<sup>81</sup> <https://apps.dtic.mil/sti/pdfs/AD1019707.pdf>

<sup>82</sup> iBID

SEDTA's stubborn resistance came to an end only in September 1941, when the Ecuadorian government requisitioned the company's only two Junkers Ju 52 airliners.

## IN PANAMA DURING THE WAR

At the time of Pearl Harbor in December 1941, Pan American operated on 88,478 total route miles (142,390 km) serving 52 countries, and had 8,750 employees (including new Africa and Air Ferry divisions), with 162 aircraft, 192 radio/weather stations and 300 airports.<sup>83</sup> Panama was a small, but important, cog and hub in its route network.

During the war Pan American operated from Albrook Field, as did Panagra from December 1941.



*DC.3A of Pan American in Panama c. 1941 (photo: Pan American Museum)*

It continued its opposition to rivals, and potential rivals, for example opposing the 1940 application by an El Salvador airline called TACA,<sup>84</sup> which sought to extend services to the Canal Zone. Despite the application being backed by the Commanding General in the Canal Zone, who saw advantages in access to the airline's bases in Central America, Pan American opposed the application<sup>85</sup> at the CAB in the US.<sup>86</sup> In Panama, as the US entered the war, of the four airlines that at the time operated in the country and Canal Zone, three belonged to, or was an associate of, Pan American.<sup>87</sup> The airline had offices in the Century Club Building, at 5<sup>th</sup> Street in Panama City, as well

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<sup>83</sup> <https://www.panam.org/about-pahf/a-brief-history-of-pan-am-by-gene-banning>

<sup>84</sup> For more on the story of TACA (and its colourful early history), see <https://www.encyclopedia.com/books/politics-and-business-magazines/grupo-taca>

<sup>85</sup> Made in conjunction with US airline American Export Airlines (AEA), which had agreed to purchase TACA, planning to use it to connect with its Continental US routes and extend operations throughout the Caribbean. The application was successful, although the planned takeover did not go ahead, as it was rejected by CAB.

<sup>86</sup> <https://history.army.mil/books/wwii/framework/ch10.htm>

For more about TACA etc, see <https://raytodd.blog/2025/10/12/panama-and-world-war-2-panama-civil-aviation-an-overview/>

<sup>87</sup> Pan American Airways, Panagra, and UMCA. As mentioned, the other local subsidiary, Panama Airways, was closed down in April 1941. In 1942, Braniff was given a contract to operate a military cargo flight between Brownsville, Texas, and Albrook. It then acquired approval from CAB to serve Mexico, Cuba, Panama and South America, adding Miami as its "gateway" airport to South America in 1944.

as branches at Albrook Field and in Cristóbal, in the Canal Zone. Panagra, in addition to sharing Pan American's offices in Panama City and Albrook Field, had an office at Balboa Terminal in the Canal Zone.

Pan American operated a daily route between Miami and Balboa via Kingston, Jamaica, and another between Balboa and New Orleans, twice a week via Mexico. In addition, in the daily service between Brownsville, Texas and Port of Spain in Trinidad, a stopover was made in Balboa.<sup>88</sup>

Pan American had begun express air cargo operations as early as 1929, and by 1934 had a well-established distribution network across the US.<sup>89</sup> After Pearl Harbor, the amount of express air cargo carried by Pan American is said to have increased substantially, due to a reduction in sailings and heavy war risk insurance involved in sea services to the West Indies and Central and South America. Shippers were also said to feel that they were more certain that their merchandise would reach their destination if sent by air. As a consequence, such cargo carried by Pan American in Latin America in 1941 showed an increase over 1940 figures of more than 25%.<sup>90</sup>



Corrugated boxes being loaded on Pan Am DC-3 at Miami.

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<sup>88</sup> [http://clipper-connection.blogspot.com/2015/05/pan-american-en-america-latina\\_2.html](http://clipper-connection.blogspot.com/2015/05/pan-american-en-america-latina_2.html)

<sup>89</sup> Linked with the domestic air express system of the Railway Express Agency, which gave more than 23,000 express stations in the cities and towns of the US the facilities for shipping to any point in Pan American's network

<sup>90</sup> 5,533,190 lb (over 2,500 tonnes) as compared with 4,417,404 (over 2,000 tonnes) in 1940.

<https://www.panam.org/war-years/timeline-pan-am-cargo>

In May 1942, Pan Am initiated the use of corrugated cardboard cartons for Cargo, thereby reducing weight of some shipments by as much as 40% - or an additional flight facilitated for every three flown.



## PAN AMERICAN AND ALBROOK FIELD

In 1936, the airline's landplane airline services transferred from France Field near Colón, to Albrook Field, which was close to Panama City at the Pacific end of the Canal, where there was a more serviceable runway available. It remained the case, until Tocumen Airport opened in 1946, that commercial cargo or passenger aircraft arriving in the Republic had to use Albrook Field. Panagra relocated its northern terminal to Albrook from France Field in December 1941.<sup>91</sup>

The Arias Madrid administration that came to power following the 1940 elections resented the fact that arrivals into Panama had to travel through the Canal Zone, and be submitted to controls imposed by customs, immigration and security personnel there. Worse, passengers arriving from the interior of the country were also affected. The state of emergency imposed by the US Government in the lead up to the war brought with it a series of extra procedures regarding the control and review of Panamanian passengers arriving at Albrook. Domestic passengers were subject to the controls, on the face of it a violation of the Panamanian Constitution, which stipulated that any person could freely transit through the territory of the Republic. It was only after constant demands from the Panamanian Government that these measures were relaxed by order of the Governor of the Canal Zone.

Initially, Pan American set up at the northern end of the primary runway adjoining Hangar 1, but this location soon resulted in never-ending congestion and interference with growing USAAC operations. As a result, the airline opted to build its own temporary facilities on the east side of Albrook. The temporary structures that it erected soon proved to be inadequate and approval was soon granted to use some discretionary funds (part of the Airport Development Program, see above) to erect a modern, permanent terminal building - the so-called Canal Zone Airport Building.

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<sup>91</sup> <https://www.braniffinternational.com/panagratimeline>

Approval for the permanent terminal was contingent upon consent from Pan American to lease part of the finished structure to other airlines operating into the Canal Zone. At the time, these consisted of only two: the rival TACA, operating north through Central America, and UMCA (Uraba, Medellin and Central Airways Inc). The latter was, in fact, a wholly-owned Pan American subsidiary formed specifically to penetrate the neighbouring Colombian market, operating between Balboa harbour and Medellin.

In all its literature, and when applying for routes, Pan American listed Albrook Field as “Balboa, Canal Zone”.<sup>92</sup>

In 1942, a dispute arose between the Panamanian Government and the US authorities over developments at Albrook Field. Panama argued that the developments had *“nothing to do, directly or indirectly, with the use, operation, or protection of the Panama Canal”*, and that all that was allowed were activities *“directly and necessarily connected with the use, maintenance, sanitation, operation, or protection of the”* Canal.<sup>93</sup> In response, the US pointed out that such activities had been carried out for 12 years without any complaint from Panama, were not contrary to the spirit or letter of the treaties, the improvements were essential, and that the development was, in fact, a wartime emergency requirement, and that anyway Panama was ill-suited for commercial aviation.<sup>94</sup>

On 13 February 1943, a licence was issued for the airline to also make use of hangar space at the “Old” France Field, as well as permission to erect an additional small terminal building, pending completion of new facilities at Albrook Field.

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<sup>92</sup> *Journal of the American Aviation Historical Society* (Spring 2005 and Fall 2009).

<sup>93</sup> <https://history.state.gov/historicaldocuments/frus1942v06/d575>

<sup>94</sup> *US-Panamanian Relations Since 1941* by Lester D Langley (*Journal of Interamerican Studies and World Affairs*, Vol. 12, No. 3, July 1970), Cambridge University Press: [https://www.jstor.org/stable/175020?read-now=1&seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/175020?read-now=1&seq=1#page_scan_tab_contents)

## POSTWAR

As early as 1943 the US authorities, including the USAAF, felt strongly that both defence and peacetime commercial operations demanded that treaties and agreements should provide that no foreign-owned or operated airline other than a US one should be permitted to operate in the Caribbean and South America. It was felt that commercial aviation promised to be a vital element in postwar US economic prosperity, with some thinking that it was on the verge of the same sort of tremendous growth that the railroads had experienced in the 1840s. In 1945, President Truman told his Secretary of Commerce that the future of international aviation was “*the most important postwar international problem*”. Civil and military planners hoped to integrate military and civil airfields into a vast network, assuring both physical and economic security for the US.<sup>95</sup>

In 1946, the new Tocumen Airport, outside the Canal Zone, was ready for its first arrivals, replacing Albrook Field. Prior to that, all commercial aviation within the Canal Zone had been centralised at the Canal Zone Air Terminal at Albrook Field. From this terminal three US airlines operated daily services to all major gateways in North, Central, and South America –

- Pan American operated from Albrook to Brownsville, Texas, New Orleans, Miami, and Port of Spain in Trinidad;
- Panagra operated between Albrook and Santiago, Chile, Buenos Aires, Lima, and Corumba in Brazil; and
- Pan American subsidiary, Urabe. Medellin & Central Airways Inc (UMCA), operated from Albrook to Medellin in Colombia.<sup>96</sup>

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<sup>95</sup> *Circling the Earth: United States Plans for a Postwar Overseas Military Base System, 1942–1948* by Elliott V Converse III (Air University Press, Maxwell AFB, Alabama) August 2008:

[https://media.defense.gov/2017/Mar/31/2001725262/-1/-1/0/B\\_0097\\_CONVERSE\\_CIRCLING\\_EARTH.PDF](https://media.defense.gov/2017/Mar/31/2001725262/-1/-1/0/B_0097_CONVERSE_CIRCLING_EARTH.PDF)

<sup>96</sup> <https://bdigital.binal.ac.pa/bdp/The%20Panama%20canal%20and%20its%20ports5.pdf>

In May 1946, CAB announced that Panagra would be allowed to extend its service beyond Panama to the Continental US. It would be two more years before final approval was obtained. At the same time, Braniff Airways was also awarded routes to the west coast of South America, providing a competitor.<sup>97</sup>

By 1947, after only two decades of operation, Pan Am employed 19,000 people in 62 countries. By the end of the 1940s, it would have established around-the-world service and introduced more economical fares.<sup>98</sup>

Ray Todd

Panama City

Republic of Panama

13 October 2025

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<sup>97</sup> <https://www.braniffinternational.com/panagratimeline>

<sup>98</sup> <https://scholar.library.miami.edu/digital/exhibits/show/panamerican/history>



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