PANAMA - THE VITAL BACKWATER

One thing that everyone seemed to agree upon in the 1930s was the vital importance of the Panama Canal to the defence of the United States. In its isolation, the US, protected by the vast Atlantic Ocean and the even larger Pacific Ocean, with a friendly neighbour to the north and no threatening ones to the south, the US Navy could be relied upon to keep any would-be enemy at bay. The Canal allowed the Navy to redeploy its fleets from one coast to the other more easily and quickly, avoiding the long voyage around Cape Horn. Without it there was the risk of the US Navy being outgunned by an opponent and unable to bolster its forces using vessels from the other ocean

Even by the 1930s, aviation was not sufficiently developed to consider an airborne assault on the Continental USA – either by bombing or by aircraft carrying troops, so any attack would have to be from the sea. At worst, the Navy could hold any belligerent off so as to give the relatively small US Army time to organise and grow.

For this reason, during the period between the wars when defence budgets were thin, the Navy did best. Where funds went to the Army, much of this went into coastal defences, for which the Army was responsible. The Army would protect the harbours and bases while the Navy protected the country.

The Canal Zone in Panama, garrisoned and protected by Army, was regarded as having probably the best defences of any US territory or possession. This was seen as essential, not just because it facilitated the movement of the US fleet from one side of the Continental US to the other, but also due to the Canal's importance in US and global trade.

In the late 1930s, as the threat of war from either Germany or Japan became more obvious, there were urgent attempts to improve and reinforce the defences in the Canal Zone. In 1939, these still relied heavily on shore-based long-range artillery in coastal batteries, much of which was inadequately protected against enemy air attack. Originally put in place during World War 1, the shore batteries were designed to deter enemy warships from getting close enough to bombard the Zone, or to land troops.

Air defences were recognised as being insufficient, despite the supply of additional, and more modern, fighter aircraft, with a lack of radar, and a shortage of suitable long-range patrol aircraft to detect an approaching enemy force at distance. Furthermore, defences were concentrated in the narrow Canal Zone, for most of its length just 10 miles wide, seemingly leaving the remainder of the Republic of Panama open to being used as a route or base for any attacker.

As was also the case at Pearl Harbor, in the years immediately before the outbreak of war in Europe, as well as in the months following, sabotage was seen as perhaps the greatest risk. This could come from enemy agents already in the country, or infiltrated from the

sea, or from vessels passing through the Canal carrying saboteurs or explosives aboard them.

Several of the Latin American countries were thought (or known) to harbour pro-German tendencies – and even Panama's own President, who took office in 1940, had nationalist policies, had spent time in Germany and was thought to be at least ambivalent in his attitude to that country. It was feared that an enemy could use a base in a nearby country as a base to mount such an air attack – with there being a heavy German involvement in the air services of several South American states, including neighbouring Colombia. There is some evidence of German preparations in Colombia that could have facilitated such an attack.

Furthermore, in the 1930s, the Japanese community effectively ran the fishing industry in Panama, and there were some lurid tales published about spying activities undertaken by boats of the fishing fleet. There was, in fact, some basis for these tales.

In exercises during the 1930s, the US Navy had shown that a carrier-based force could successfully mount an attack on the Canal – even when the defenders knew that the attack was coming.

Of course, even by 1939-40, Germany did not have a large naval fleet, with no aircraft carrier at the time (although one was laid down in 1936, largely completed, with

construction abandoned in 1940, remaining unfinished[1]), and was probably not capable of launching a sea-based attack on the Canal – especially if it and its Italian ally (which had a more substantial fleet) had to also cope with the French and British navies. However, Japan did have such a fleet, and fears of a conflict with Japan grew steadily through the 1930s.

While the distances involved in any Japanese attack were considerably greater than one from the west (and far greater than that involved in the audacious attack on Pearl Harbor), the approaches to the Canal through the Pacific were seen to be more open, lacking the screen of islands that was present in the more confined Caribbean. Hence, it was conceivable that any attacking fleet could close more easily without detection. Of course, this was what happened when the Japanese attacked Pearl Harbor, although, as said, the distances involved in that attack, though considerable, were far less than the distances involved in any attack on the Canal.

Notwithstanding the "Good Neighbor" policy adopted by the Roosevelt Administration towards Latin America in the 1930s, and some improvement in relations between the US Government and the Panamanian Government following the 1936 revisions of the 1903 Treaty arrangements involving the Canal (although it took until 1939 for the US Senate to finally ratify the amendments – the US Army being opposed to the changes), there remained the fear that the Canal could become trapped in a surrounding hostile

[1] The incomplete vessel was scuttled in 1945, recovered by the Soviets, only to hit a mine on its voyage

environment in the event of a war. The large numbers of civilians and dependents in the Canal Zone (not to mention the servicemen) could even, it was feared, become hostages should the Canal Zone be overrun. The likelihood of there being large numbers of American prisoners or hostages was said to have loomed large in the minds of decision makers in Washington[2] (and, in fact, in 1941, an evacuation of non-essential civilians took place[3]).

The Canal Zone, it has to be remembered, was only a narrow sliver of territory; extending roughly 5 miles each side of the centreline of the Canal, and with the isthmus through which it cut itself only around 40-50 miles wide. It was recognised that any effective defence of the Canal and Canal Zone would require bases and deployment outside the Zone itself and, at least until the 1936 Treaty revisions, the US had always taken the view that this could be done as and when necessary, and under the 1903 Treaty additional territory could be added to the Zone if required for the operation or security of the Canal. The new agreement required cooperation between the two countries, rather than granting the US a peremptory right of acquisition[4].

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[2] https://digitalcommons.fiu.edu/cgi/viewcontent.cgi?article=3672&context=etd

[3] Which, incidentally, had an unfortunate effect on security involving censorship efforts – see the Chapter on the Canal Post Office and wartime censorship.

[4] In order to ensure the US Senate ratified the Treaty, in February 1939, the Panamanian Government made two concessions: that the US Army could carry out manoeuvres in Panamanian territory and that it could take unilateral defence measures to protect the Canal if there was not enough time to consult with the Panamanian Government.

However, when war did come, and the expansion of defences outside the Canal Zone became an imperative, it proved more problematical and, eventually, it needed the Panamanian President to be removed, in an internal coup which the US did nothing to prevent or oppose, to pave the way for the agreement on the necessary new bases in 1942. This provided for the areas involved to be occupied by US forces for a year following the end of hostilities[5].

One of the results of pre-war diplomatic moves by the US, intended to counteract any potential Axis (particularly German) influence or sympathies in Latin America, was the Declaration of Panama of September 1939, which had seen Central American states (a number of which, including Panama, had leaderships with some pro-German sympathies) align with the US in the creation of a maritime security zone (the Pan-American Security Zone)[6]. An unstated element of the Declaration was a willingness to accept US leadership in the defence of the region.[7]. As it was, this led directly to the establishment of the Neutrality Patrol and restricted German U-boat activity in much of the western Atlantic Ocean.

[5] An attempt in 1947 to extend use of many of the sites postwar led to protests and a political crisis in Panama.

[6] For a map showing the maritime security zone see: http://images.library.wisc.edu/FRUS/EFacs/1939v05/reference/frus.frus1939v05.i0004.pdf#page=21

[7] https://digitalcommons.fiu.edu/cgi/viewcontent.cgi?article=3672&context=etd

The Declaration of Panama confirmed the neutrality of the participating states, banned belligerent nations' submarines from entering their ports, demanded the cessation of subversive activities within their countries, and announced the formation of a maritime security zone which was to extend over 300 nautical miles (560 km) on either side of the Americas (except for Canada and the colonies and possessions of European states) - this area was subsequently to be policed by the US Navy Neutrality Patrol.

However, Panama was absent from bilateral military staff discussions, it being suggested that this was because it would deal directly with the Commanding General of the Panama Canal Department, the Army command in the Canal Zone[8].

The greatest irony was to be that the Canal suffered no real direct threat at all during the years 1939-45 – if one discounts activities of the U-boats in the Caribbean[9] and, even from as early as 1943, defences and troop numbers were to be run down. For example, some of the coastal artillery was effectively stood down and some parts of the defences removed in 1943-44.

There was a serious German U-boat campaign in the Caribbean, and the Japanese Navy did hatch a plan to mount an air attack on the Canal using aircraft launched from submarines (the submarines and aircraft were built, but came too late in the war for the

[8] https://digitalcommons.fiu.edu/cgi/viewcontent.cgi?article=3672&context=etd

[9] It did not even suffer the embarrassment that Costa Rica did, when a U-boat attacked shipping actually inside one of its harbours.

operation to take place), but for the troops actually stationed in Panama and the Canal Zone (as opposed to sailors and aircrew, who did encounter dangers in and over the surrounding seas) the greatest risk would turn out to be disease and illness.

The Canal's greatest single importance from a US Navy perspective, that of being able to transfer parts of the US Navy from one side of the country to the other, was to be in large part negated by, firstly, the Two Ocean Act of 1940 and the resulting large-scale expansion of the Navy and, secondly, the fact that some of the newer and larger battleships and aircraft carriers built or planned would be unable to use the Canal anyway. These factors contributed to the so-called Third Locks project, to make the required expansion of the Canal. being shelved).

Furthermore, a study undertaken during the war showed that, at least in theory, the railway in Panama, which also extended across the isthmus and, in one form or another, had been operating since the middle of the 19th Century, could have handled the cargo handled by the Canal (albeit with greater difficulty, delay and cost), with an oil pipeline having already removed the need for tankers to make a full transit of the Canal.

Hence, by at least 1944, what had been seen as recently as 1941 as a vital component in the Allied war effort had become to a degree a backwater. Of course, the traffic using the Canal was of enormous importance, and would continue to be so, and even in 1945 many thousands of troops were being transferred to the Pacific theatre – until the war came to

a sudden end in August. However, in terms of naval or military actions it turned out to be one of the quietest of the world's war zones.

This has meant that, in modern day Panama, and unlike in Europe, and with the US forces having long departed, there appears to be little or no knowledge, nor indeed interest, in what happened during World War 2.

Ray Todd

Panamá City, Republic of Panamá

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