

**The Panamanian Paradox: A President's Struggle to  
Remove Manuel Noriega**

**By**

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## Introduction

To the world, too, we offer new engagement and a renewed vow: We will stay strong to protect the peace. The offered hand is a reluctant fist.<sup>1</sup>

President George H.W. Bush

On December 20, 1989, United States Armed Forces entered Panama to topple General Manuel Noriega, an unelected military strongman. Years before that moment, however, American officials attempted a number of strategies and methods either to remove or placate Noriega. George H.W. Bush, a longtime public servant who became president in 1989, was intimately familiar with Noriega's activities as early as the 1970s, when he served as director of central intelligence from 1976 to 1977. Despite working in two different administrations prior to becoming president, Bush did not adopt either of his predecessors' approaches to handling Noriega. Instead he attempted to solve the Noriega problem by taking a more aggressive, uncompromising stance, a position that he believed would precipitate a quick end to Noriega's rule and bring Central America back into alignment with American interests. Bush also refrained from adopting any form of grand strategy in his methodology. He asserted that an overarching strategy restricted his options and instead embraced a situation-specific approach, believing that it would provide the greatest versatility in handling difficult foreign policy matters.

In discussing the Bush Administration's decision-making process for removing Noriega, one must consider the legal context of the United States and Panama's unique relationship. Since its signing on September 7, 1977, the Torrijos-Carter Treaties have governed the United States' activities in Panama, and especially in the Panama Canal Zone. The Panama Canal was, and continues to be, a vital link between the Atlantic and Pacific Oceans, saving ships time in traversing the two oceans. The United States generally believed the Canal to be vital to American

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<sup>1</sup> George H.W. Bush, Inaugural Address, United States Capitol, Washington D.C., January 20, 1989, Miller Center of Public Affairs, University of Virginia, <http://millercenter.org/scripps/archive/speeches/detail/3419> (accessed February 22, 2010).

commerce and military operations, and regarded the Canal's stability as a bellwether for other Latin American nations' stability, including Chile and Ecuador.<sup>2</sup> The Torrijos-Carter treaties, which annulled the Hay-Bunau Varilla Treaty of 1903, provided considerable freedoms for the American government to conduct its business in Panama. They allowed the United States to continue operating the Canal until 1999 and to exercise whatever means necessary to safeguard its operation and security. Article III of the Panama Canal Treaty also allowed American military forces to conduct unlimited training operations, and gave the United States "free and unimpeded access to and use of the anchorages" in the Canal Zone.<sup>3</sup> Crucially, Article II of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal stipulates that the Canal be secure and open in times of war and peace and articulates its neutrality in regards to the transit of vessels through the Canal.<sup>4</sup> By invoking their provisions, the Treaties became the U.S. government's best grounds for interfering in Panama's internal affairs, up to and including the employment of armed forces to return or reconfigure the country to acceptable standards. In addition to its historic ties with Panama dating to the early twentieth century, the United States relied on its advantageous legal position with the Central American country to advance its own interests and affairs with that state.

Armed with the legal authority to intervene when necessary, various presidential administrations paid close attention to Panama's effect on Canal operations, but none intervened until the Bush Administration settled into power in January 1989. From January to December,

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<sup>2</sup> Michael Kozak, "Panama Canal: the Strategic Dimension," Statement, Sub-Committee on Panama Canal and Outer Continental Shelf of the House, Committee on Merchant Marine and Fisheries, Washington, D.C., November 2, 1989, Sharon Haynes, ed, Office of Public Communication, United States Department of State Bureau of Public Affairs, November 1989.

<sup>3</sup> "Panama Canal Treaty," September 7, 1977, *Canal de Panama*, Panama Canal Authority, <http://www.pancanal.com/eng/ctransition/treaty/frame.html> (accessed 8/14/2010).

<sup>4</sup> "Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal," September 7, 1977, *Canal de Panama*, Panama Canal Authority, <http://www.pancanal.com/eng/legal/neutrality-treaty.pdf> (accessed 8/14/2010).

the Bush Administration attempted to contain, to isolate, and to remove Noriega from power. Noriega, however, was a skilled strategist and political manipulator, one who exploited every situation to escape making uncomfortable decisions. Where other American administrations chose to either deal with or to ignore Noriega, the Bush Administration actively pursued an aggressive position against him and his officials.

### **A Bad Friend, a Worse Enemy**

Manuel Noriega's rise to regional influence as a leading Panamanian figure had greater American involvement than the Bush Administration wished to acknowledge.<sup>5</sup> For nearly thirty years, various administrations had worked with Noriega to advance U.S. objectives in Central America. As an intelligence officer in the Panamanian Defense Forces (PDF), Noriega worked with American civilian and military officials on drug trafficking interdiction, as well as against the Nicaraguan Contras. Ambler Moss, Jr., ambassador to Panama during both the Carter and Reagan Administrations, wrote that "despite some official disagreement, Noriega was a valued source for 'US forces in Panama as well as . . . intelligence agencies.'"<sup>6</sup> The United States Army paid him more than \$162,000 between 1959 and 1986, while the Central Intelligence Agency (CIA) remitted more than \$160,000 from 1971 to 1986.<sup>7</sup> The Drug Enforcement Agency (DEA) also enjoyed a close partnership with Noriega. DEA agents, including Administrator Peter

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<sup>5</sup> C. Boyden Gray to Dante B. Fascell, June 26, 1990, George H.W. Bush Presidential Records, White House Office of Records Management - Subject File General, CO121 -149570, George H.W. Bush Presidential Library. A letter from the Counsel to the President to Representative Fascell, Chairman of the Committee on Foreign Affairs, bluntly argues against revealing U.S. payments to and contacts with Noriega. Mr. Gray states that the disclosure "would intrude into issues that may be the subject of discovery and are more properly reserved to the judiciary at this time."

<sup>6</sup> David N. Miller, "Understanding Panama and Our Policy," George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-017, George H.W. Bush Presidential Library, 14.

<sup>7</sup> "Substitution Documents on Noriega Payments," George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-020, George H.W. Bush Presidential Library. The exact amount from the Army is \$162,168.32, and the exact amount from the CIA is \$160,058.10. The largest single payment to Noriega was \$56,176, for a "sound and projection system" in 1982.

Bensinger, personally wrote Noriega to congratulate him on their “close cooperative efforts.”<sup>8</sup> One agent went so far to describe his work with Noriega as “one of my most gratifying professional and personal experiences.”<sup>9</sup>

During the unpublicized working relationship with Noriega, Bush served as director of central intelligence from 1976 to 1977, and as vice president from 1981 to 1989, having met Noriega while at the CIA.<sup>10</sup> Moss argues that Noriega ingratiated himself to “as many ‘gringos’ as he could.”<sup>11</sup> In contrast to the Americans’ discreet approach to the relationship, Noriega embarked on an overt effort to consolidate his power. Noriega used his close ties with U.S. officials as a bargaining chip to maintain progressively prominent status within the PDF. This effort not only influenced high-ranking military and government officials, but the Panamanian public as well. Photographs and videotapes of PDF personnel working with U.S. forces solidified the perception that Noriega was a vital link between Panama and the United States.<sup>12</sup> As a result, these actions arguably contributed to the strongman’s 1983 rise to military leadership in Panama.

The relationship quickly soured, however, during Reagan’s second term as the administration began to view Noriega as a liability and a growing threat to its objectives in Central America. Chief among the Reagan Administration’s concerns were Noriega’s close connections with Colombian cartels and his indiscriminate dealings with all interested parties. Noriega did not pick a side but played all sides against each other.<sup>13</sup> Notwithstanding, this reality was nothing new to American officials. A report by the Senate Subcommittee on Terrorism,

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<sup>8</sup> Peter Bensinger to Lt. Col. Manuel Noriega, October 2, 1978, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-015, George H.W. Bush Presidential Library.

<sup>9</sup> Arthur M Sedillo to Lt. Col. Manuel Noriega, May 19, 1979, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-015, George H.W. Bush Presidential Library.

<sup>10</sup> John T. Correll, “A Small War in Panama,” *Air Force Magazine*, December 2009, 57.

<sup>11</sup> Ambler H. Moss, Jr., “The Strategic Importance of Panama,” *American Legion Magazine*, March 1989, 28-29; 66.

<sup>12</sup> Miller, 15.

<sup>13</sup> Larry Rohter, “The World: Noriega’s Indictment; Corruption Runs Deep in Panama,” *New York Times*, February 7, 1988.

Narcotics, and International Operations accused the U.S. government of turning a blind eye to Noriega, stating that “the failure of U.S. officials to act was largely the result of the relationships Panamanian officials had developed with U.S. intelligence and law enforcement.”<sup>14</sup> Nonetheless, the Reagan Administration began applying public measures to pressure Noriega into relinquishing power. Beginning in July 1987, the U.S. suspended military and economic assistance to Panama. In December of that year, it halted humanitarian and scholarship aid, as well as Panama’s sugar quota to the United States.<sup>15</sup>

The critical juncture, however, was in February 1988 when the United States indicted Noriega on drug trafficking and money laundering.<sup>16</sup> While there was little doubt that Noriega was involved in an array of illicit activities, the charges were nothing more than political theater and served to put public pressure on Noriega.<sup>17</sup> Notably, Panama did not have any extradition treaty with the United States, and Noriega never mentioned any intent of defending himself from the charges. The indictments did, however, give the Reagan Administration a moral authority vis-a-vis Noriega. Following the indictment, the Reagan Administration introduced economic sanctions against Panama, officially recognizing President Eric Delvalle, in place of Noriega, as the legitimate leader of Panama.<sup>18</sup>

Three months after the indictment, U.S. State Department officials, led by future Assistant Secretary of State for Inter-American Affairs Michael Kozak, began quiet negotiations with

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<sup>14</sup> Subcommittee on Terrorism, Narcotics, and International Operations of the Committee on Foreign Relations, United States Senate, *Drugs, Law Enforcement and Foreign Policy*, December 1988, (Washington, D.C.: U.S. Government Printing Office), 79.

<sup>15</sup> Robert S. Pastorino to John D. Negroponte, Memorandum, September 1, 1988, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-013, George H.W. Bush Presidential Library. The sugar quota was an important economic tool used by the United States to allocate sugar imports from Caribbean countries, rewarding friendly countries and punishing hostile governments.

<sup>16</sup> Robert S. Pastorino to John D. Negroponte, September 1, 1988, William Pryce Files.

<sup>17</sup> Stephen J Hedges, “The Power of Noriega, Inc.,” *U.S. News & World Report*, December 31, 1990, 109, 26; 37-39.

<sup>18</sup> Robert S. Pastorino to John D. Negroponte, September 1, 1988, William Pryce Files.

Noriega.<sup>19</sup> The objectives of these talks were obvious: to remove Noriega from power and to ensure that he would “otherwise avoid involvement in Panamanian politics.” In return for stepping down, all charges against him would disappear, and Panama would call for elections. Nevertheless, U.S. officials had many general objectives and few specific ones for the long term. The Administration was even unsure about whether its conditions, if met, would achieve its goals.<sup>20</sup> Allen Weinstein of the *Wall Street Journal* argues that after the negotiations failed Noriega and his advisors were disappointed, even angry, at the United States, as “the weeks of negotiation had made it evident that the Reagan Administration planned no imminent military action.”<sup>21</sup> Noriega predicated his participation in the negotiations on the belief that the United States was in the final stages of preparing for intervention. This miscalculation degraded the lines of communication between the leader and the U.S. government, creating a spirit of distrust on both sides. Noriega did not realize, however, that the Reagan White House would be the last amenable American Administration.

### **A President Apart**

As President-elect George Bush publicly discussed the growing Panama-United States row, he declared status quo ante, openly assuring a continuation of Reagan-era policies that focused on ousting Noriega. In private, however, Bush began adopting a tougher and less-tractable stance on the Panama situation. Press Secretary Marlin Fitzwater, who served both Reagan and Bush, indicated a willingness to hold discussions with Noriega, but now refused to drop the indictment

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<sup>19</sup> Allen Weinstein, “U.S. Should Confess Failure in Panama,” *Wall Street Journal*, May 9, 1989.

<sup>20</sup> Richard L. Armitage, Interview by the Tropic Times, January 13, 1989, Transcript, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-021, George H.W. Bush Presidential Library. Among the negotiated terms, the United States would agree to suspend economic and other IEEPA (International Emergency Economic Powers Act) sanctions; Panama would limit the PDF commander’s term to five years, commit the PDF to reevaluate its future role, and grant full amnesty to and pardon all political prisoners and exiles.

<sup>21</sup> Allen Weinstein, “U.S. Should Confess Failure in Panama.”

as a compromise measure.<sup>22</sup> Working in the shadow of a popular outgoing president and now former boss, Bush proceeded cautiously in instituting dramatic foreign policy changes at the outset.<sup>23</sup> While he arguably did play a part in forming Reagan's policies as vice president, Bush's stale outlook narrowed his options in dealing with Noriega. Secretary of State James Baker pointedly noted that "while I agreed with the President's position, his principal refusal to drop the indictments substantially lessened any chance for a peaceful resolution of the matter."<sup>24</sup> It soon became clear that the new president did not have a clear strategy for ending the Noriega situation.

Coming into power, President Bush's top priority was the USSR. As he noted, "My own thoughts were focused on putting the United States back out in front, leading the West as we tackled the challenges in Eastern Europe and the Soviet Union."<sup>25</sup> This statement clearly highlighted the natural focus at the time: the fall of the Soviet Union. Central America, a region the Bush Administration believed to be "the biggest thorn in the U.S.-Soviet relations," did play into the geopolitical fight with the Soviet Union, however, because of the heavy Soviet involvement in Nicaragua, Cuba, and El Salvador.<sup>26</sup> Nonetheless, Bush hesitated to form a grand strategy for Panama or Central America. Administration officials, including National Security Council staffers Richard Haass and David Gompert, noted a distinct unwillingness to adopt "the

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<sup>22</sup> William McAllister, "Bush Vows to Press Noriega," *Washington Post*, December 23, 1988.

<sup>23</sup> Frank Newport, Jeffrey Jones, and Lydia Saad, "Ronald Reagan From the People's Perspective: a Gallup Poll Review," Gallup, <http://www.gallup.com/poll/11887/ronald-reagan-from-peoples-perspective-gallup-poll-review.aspx> (accessed August 23, 2010). According to Gallup, Reagan had higher approval ratings than the averages of Presidents Carter, Ford, and Nixon. Reagan was also Gallup's "Most Admired Man" during his entire presidency.

<sup>24</sup> James A. Baker, III, *The Politics of Diplomacy; Revolution, War & Peace, 1989-1992*, (New York: Putnam, 1995), 180.

<sup>25</sup> George H.W. Bush and Brent Scowcroft, *A World Transformed*, (New York: Random House, 1998), 44.

<sup>26</sup> Bush and Scowcroft, 135.

‘vision thing.’”<sup>27</sup> Former Secretary of State Henry Kissinger publicly criticized the Bush Administration for the very lack of a grand strategy, insisting “of a need for a grand design.”<sup>28</sup> Bush preferred to operate on a situational basis as opposed to an overall problem-based approach. This preference led the Administration to consider a range of options, offering more flexibility and political maneuverability in exchange for risking the ends for the means.

Bush’s unsystematic methodology, however, appeared at times to be more vulnerable to limitations than liberating. Noriega and the PDF’s actions constrained what the president could accomplish publicly at his own pace. From February 1988 to May 1989, the Department of Defense recorded 723 incidents in which PDF and Panamanian government officials breached 1,232 treaty provisions, which ranged from illegally entering U.S. controlled airspace to detaining American soldiers without charges. Notably, the highest incidence of violations occurred immediately after Bush’s inauguration, the months of January, February, and March of 1989.<sup>29</sup> Furthermore, with Panama’s presidential elections approaching in May that year, the White House National Security Council began receiving top secret intelligence reports indicating that electoral fraud would almost certainly occur;

Noriega has no intention of losing the May 7 elections. They are his vehicle for achieving legitimacy and putting pressure on the United States to normalize relations . . . If he finds his election strategy running into difficulty, he will probably find a pretext for cancellation . . . Noriega may cancel or postpone the balloting, citing US economic sanctions or alleged ‘opposition’ violence.<sup>30</sup>

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<sup>27</sup> Derek Chollet and James Goldgeier, *America Between the Wars; From 11/9 to 9/11*, (New York: Public Affairs, 2008), 8.

<sup>28</sup> Bush and Scowcroft, 26.

<sup>29</sup> “Harassment of DOD Personnel and Dependents in Panama, 1 Feb 88 - 10 May 89,” May 11, 1989, Report, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-007, George H.W. Bush Presidential Library.

<sup>30</sup> “Panama: Election Theft in Progress,” Intelligence Analysis Report SC#12198-99, February 11, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-020, George H.W. Bush Presidential Library, 7. The report goes on to list in detail why “observers may have difficulty proving massive fraud,” including allegations that the PDF was providing multiple identity cards to supporters, stuffing ballot boxes, and controlling the electoral tribunal, which is the election certifier.

In an effort to coax the PDF to conduct free and fair elections, the Bush Administration considered at least \$3 million in financial aid to support a vague charter that “will encourage or promote increased adherence to civil and political rights.”<sup>31</sup> Additional financial support amounted to \$10 million, which the president secretly ordered the CIA to use to support the opposition’s political campaign.<sup>32</sup> The Administration also approved an observer group led by Presidents Ford and Carter, as well as a group of congressional representatives to witness and report on the election.<sup>33</sup> These actions left the Administration vulnerable to accusations of meddling in Panama’s internal affairs. The very perception, let alone action of the Administration pouring American money into a foreign election on such ill-defined and arguably illicit terms would only serve to precipitate the intelligence report’s prediction: a nullification of election results by Noriega.

### **The Canal is King**

As the Administration sought methods to end the quarrel, it was clear that the Panama Canal took precedence over all other concerns. A strategic economic and geopolitical bellwether, the Canal was a vital waterway that facilitated American force projection and business interests in Central America.<sup>34</sup> Bush Administration officials, including Assistant Secretary of Defense for International Security Richard Armitage, made it clear that this fact was not to be forgotten:

U.S. Policy is designed to serve U.S. interests. The primary U.S. interest in Panama lies in

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<sup>31</sup> Mitchell Reiss to Nicholas Rostow, “Legal Restrictions on U.S. Aid to Panama for Fair Elections,” Memorandum, January 26, 1989, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-022, George H.W. Bush Presidential Library. Of note, the memorandum specifically states that no funds can be used to influence the election outcome.

<sup>32</sup> Jill Smolowe, James Carney, & Ricardo Chavira, “Panama Sparring (Again) With a Dictator,” *Time Magazine*, May 8, 1989, <http://www.time.com/time/magazine/article/0,9171,957622-1,00.html> (accessed November 17, 2010).

<sup>33</sup> “Panama: Observer Groups,” May 5, 1989, report, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-020, George H.W. Bush Presidential Library.

<sup>34</sup> Frank Niess, *A Hemisphere to Itself; a History of US-Latin American Relations*, (London: Zed Books, 1990), 194-195.

a democratic, politically stable, and economically prosperous society. Only in such an environment can the Canal function effectively and the foundation be established for efficient operation and defense of the Canal by Panama.<sup>35</sup>

Armitage considered a stable and developing society to be a necessary condition for the Canal's functioning. Thus, the Bush Administration viewed Panama's economic, political, and social conditions as significant factors affecting the continued commercial operation of the Canal.

Where the once Vice President Bush had worked in an administration that maneuvered around Noriega's antagonistic rhetoric, President Bush viewed the leader and the PDF as genuine threats to the Canal's security. Bush's posture was not solely a consequence of Noriega's actions, but a culmination of events both within and outside of his control. Panama's economy proved to be an especially delicate issue for the Bush Administration.

As he weighed available options for Panama, President Bush had to reconcile several key economic factors that would influence his decision-making. First, the United States' trade relationship with Panama at the time decidedly favored the Americans. American exports to Panama in 1987 and 1988 were almost doubled Panama's exports to the United States. Crucially, while nearly two-thirds of Panama's exports were food or foodstuffs, more than half of United States exports to Panama were manufactured or industrial goods.<sup>36</sup> Panama depended on imports for capital investment, a necessity for economic and social development. Second, the Reagan-instituted economic sanctions against Panama were unsuccessful in their attempt to increase pressure on Noriega. In response to the sanctions, Noriega used profits from the drug trade and loophole dealings with foreign entities to substitute for American money. The Panamanian people and businesses were the parties that significantly suffered from the Reagan sanctions, which in turn reinforced the country's dependence on the Noriega regime for survival. In an

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<sup>35</sup> Interview by the Tropic Times, January 13, 1989.

<sup>36</sup> "Trade with the United States," Table and Pie Chart, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-016, George H.W. Bush Presidential Library.

uncalculated consequence of the trade ban, American businesses also bore a large portion of the sanctions' punitive effects, having lost their Panamanian clientele while sitting on substantial investment in Panama's economy. Moreover, the Panamanian government worked hard to "de-Americanize the economy," which not only further reduced the need for American business, but diminished U.S. influence as well.<sup>37</sup> Third, the deteriorating economy of Panama posed great uncertainty for Panamanians and contributed to the destabilization of Panamanian society. Panama's gross domestic product (GDP) growth rate in 1988 was an astounding negative fifteen percent, and its GDP in 1989 was around negative two percent. Unemployment rates in 1988 and 1989 hovered around twenty percent, nearly four times that of the United States.<sup>38</sup> Exiled Panamanian leaders, including Panamanian Ambassador to the United States Juan Sosa, highlighted the dire situation in their home country, one that would lead to an eventual and "complete collapse of the economy which will trigger social unrest and instability."<sup>39</sup> These three major factors of the Panamanian situation painted Noriega as an even more immediate threat to the Canal's operations and United States interests in Central America, as the individual problem that was Noriega evolved into a national problem that stood to destabilize the entire country and possibly the region. More importantly, the three economic factors restrained President Bush's

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<sup>37</sup> Prepared Remarks of the American Chamber of Commerce and Industry of Panama (AMCHAM) before the Sub-Committee on International Economic Policy and Trade and the Sub-Committee on Western Hemisphere Affairs of the Committee on Foreign Relations of the United States, June 28, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-019, George H.W. Bush Presidential Library.

<sup>38</sup> "Panama: Selected Economic Indicators, 1985-1990," Bar Chart, August 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-011, 99-0186-F/2, George H.W. Bush Presidential Library. The citation for the U.S. unemployment figure is: Bureau of Labor Statistics, "(Seas) Unemployment Rate," U.S. Department of Labor, [http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data\\_tool=latest\\_numbers&series\\_id=LNS14000000](http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LNS14000000) (accessed November 3, 2010).

<sup>39</sup> Juan B. Sosa to Enzo de Chiara, January 13, 1989, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, FG006-06, 013254, George H.W. Bush Presidential Library. Ambassador Sosa was appointed during President Delvalle's rule, and represented the Government of Panama's official position until Noriega's overthrow of the Panamanian government. Following Noriega's rise, the United States recognized Sosa as a legitimate representative, and Sosa actively campaigned against Noriega while maintaining his title and office in Washington, D.C.

options; any successful policy would have to address the concerns posed by all factors. Any policy would also have to address what the Bush Administration hoped to do after Noriega's departure should he hand over power.

The worsening economic situation Noriega only contributed to Bush's perception that Noriega was a growing threat to American interests. Already in a geopolitical contest with the Soviet Union in Central America, the Bush Administration grew increasingly wary of Panama's warm relations with Cuba's Fidel Castro, Nicaragua's Daniel Ortega, and Libya's Muammar Gaddafi.<sup>40</sup> The Soviet-backed triumvirate stood in remarkable juxtaposition to the United States' presence, influence, and prestige in Central America. These outsiders' activities in and with Panama deeply concerned the Bush Administration. Richard Armitage, speaking in his official capacity, argued that the three countries' growing association with Noriega and Panama constituted a direct threat to the Canal and reminded those parties that the United States "has the right under the treaties to take whatever action it deems necessary to protect against threat to the Canal."<sup>41</sup> American consternation towards the developing relationship among the four countries and accusations of arms trafficking and intelligence sharing did not diminish over time, but remained until the December invasion.<sup>42</sup> As 1989 unfolded, Panama's connections to these partners progressively irked the Administration. Noriega's warm relations with Soviet-backed Cuba, Libya, and Nicaragua further removed the leader from any chance of an American reprieve.

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<sup>40</sup> Baker, 184.

<sup>41</sup> Richard L. Armitage, Interview by the Tropic Times, January 13, 1989.

<sup>42</sup> Richard Wyrough to Michael Thompson, December 15, 1989, George H.W. Bush Presidential Records, White House Office of Records Management - Subject File General - FO003-01, 095768, George H.W. Bush Presidential Library. Wyrough, the State Department Director of the Office of Panamanian Affairs, wrote, "Cuba and Nicaragua are known to have provided Noriega with advisers, internal security, intelligence, and arms. We, of course, closely monitor such matters on a continuing basis." Michael Thompson was a member of the Council for National Defense at that time.

## **Contain, Isolate, Eliminate**

Frustrated, perturbed, and out of patience, President Bush sought almost any solution short of immediate and vigorous intervention in Panama. Occasionally implementing an initiative that was incompatible with his stated objectives, Bush eventually settled on two different but complementary methods to contain, to isolate, and to eliminate the Noriega problem. However, only one of the two plans was in place before the Panama's elections on May 7, 1989.

Throughout 1989, the Administration actively considered, and twice put into motion, plans to abduct Noriega when he was out of Panama.<sup>43</sup> While administration officials, including Secretary Baker, assured the plan's international legality, the fact that Bush even contemplated such an idea illustrates the Administration's lack of foresight and subtlety in dealing with Noriega. In the midst of a rising public feud between Panama and the United States, such brazen interventionist action in a region extremely suspicious of American heavy handedness would result not only in a power vacuum in Panama, but also regional destabilization and further aggression from anti-American leaders in Latin America.

During the time that the Administration was planning Noriega's capture, it aimed to limit Noriega's influence within Panama and to isolate his authority from the PDF. The Administration was determined to persuade the PDF that its best interests lay in abandoning Noriega. As such, it commenced a series of actions to relay this message to the PDF. In a private message to PDF officers, American officials made their demands clear: the PDF must allow the upcoming elections to occur unhindered, and they should remove Noriega without delay:

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<sup>43</sup> Baker, 181-182.

[Noriega] has placed the PDF in a confrontation with the people of Panama. He has used your institution to brutally beat citizens of your country before the eyes of the world . . . the United States has no hostility to the PDF as an institution. The USG wants to see the integrity of the PDF as an institution restored . . . the United States believes that once Noriega leaves Panama the crisis will be resolved, and the PDF has an important role to play in Panama's democratic future.<sup>44</sup>

Blunt in its delivery, this statement was one of several public and private messages to the PDF, messages that were intended to intimidate Noriega, but also to indicate tacit support and exoneration for the PDF should it overthrow Noriega.<sup>45</sup> More importantly, it served to restrict the PDF's options, offering a favorable course of action and simultaneously discrediting any excuse for noncooperation should Noriega be removed by any entity besides the PDF. Unfortunately for Bush, the Panamanian officers did not react at an opportune time with an agreeable response. It is unclear whether PDF officials took the Administration's thinly veiled threats seriously. Noriega's American connections ran high into the Pentagon's senior staff, having previously worked in Central American operations with Lieutenant Colonel Oliver L. North, a Marine officer who gained notoriety for his illegitimate dealings in the Iran-Contra affair.<sup>46</sup> General Frederick Woerner, another American officer who had close ties to Noriega, was commander-in-chief of United States Southern Command (SouthCom), a military command outlet responsible for South and Central American operations. The effect of these close affiliations was obvious: in early February 1989, the Department of Defense was "resisting" the Administration's efforts to intensify diplomatic, economic, and political pressure on Noriega. Baker argued that SouthCom stalled efforts to cooperate on Administration objectives, stating, "Woerner had developed a

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<sup>44</sup> "Draft Message to the PDF," 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-003, George H.W. Bush Presidential Library.

<sup>45</sup> George H.W. Bush, Remarks, May 11, 1989, Public Papers, George H.W. Bush Presidential Library, [http://bushlibrary.tamu.edu/research/public\\_papers.php?year=1989&month=5](http://bushlibrary.tamu.edu/research/public_papers.php?year=1989&month=5) (accessed March 21, 2010). Remarks made by President Bush echoed that of the private messages, albeit with greater tact.

<sup>46</sup> Larry Rohter, "The World: Noriega's Indictment; Corruption Runs Deep in Panama," *New York Times*, February 7, 1988.

severe case of ‘clientitis’ with Noriega, and was opposing the President’s get-tough policy. Each time the Administration considered a new recommendation for stronger action, SouthCom objected.”<sup>47</sup> With Noriega’s indirect influence over the Department of Defense, it is no surprise that the Administration’s strong rhetoric was largely ignored.

Regardless of the military’s reluctance to pressure Noriega, the United States intelligence community was actively collecting information on both Noriega and the PDF’s activities. Kurt Muse, a suspected CIA operative in Panama, ran a covert network of seven radio stations and three television transmitters reportedly capable of disabling other frequencies while broadcasting their own programming. Unsurprisingly, after Panama’s military intelligence discovered and arrested Muse, the Panamanian government accused Muse of working toward “subversive” activities and claimed he confessed to being associated with the U.S. government.<sup>48</sup> This capture was yet another setback for the Administration, adding more evidence to Noriega’s accusations of internal meddling. Months after an unyielding president took office, Noriega still controlled the pace and direction of American policy in Panama with the help of President Bush’s fellow Americans. Until he was able to retake the initiative from Noriega, Bush could only react to situations, not prescribe them.

### **The Breaking Point**

Up to May 1989, the steady escalation between the United States and Panama was neither effective nor irreversible. The Bush Administration, at times hampered by its forgotten close

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<sup>47</sup> Baker, 178; 184. General Maxwell Thurman finally relieved Woerner from command in July 1989, two months after the May 7 elections.

<sup>48</sup> “Panama: Clandestine Radio TV Stations Dismantled,” *Agencia ACAN-EFE*, April 7, 1989. Notably, Kurt Muse was caught with a handgun, a carbine rifle, ammunition, numerous maps of Panama City, and opposition materials. During the December invasion, Delta Force operators rescued Muse from a Panamanian prison, flying him straight to Washington, D.C. (Lawrence Soley, “Heating Up Clandestine Radio After the Cold War,” *Radio: the Forgotten Medium*, New Brunswick, NJ: Transaction Publishers, 1995, 142.)

relationship with Noriega, could not fully control the intensification's direction, pace, or scale. Manuel Noriega manipulated almost every situation to his advantage. There appeared to be no quick answer to removing Noriega; any overt use of force would still attract much negative attention to a new president who prided himself on diplomacy. Without a vision but with a cause, Bush began to consider the Panamanian May elections as an indicator, opportunity, and mandate.<sup>49</sup> Unfortunately for the president, events that later transpired quickly escaped his control and put the United States on a new course: war.

As the elections approached, the Administration further amplified its pressure on Noriega to hold a fair ballot and for the PDF to defect. A week before the elections, Secretary Baker announced, "the key is in the hands of the Panamanian Defense Forces." When asked by reporters if Baker was prompting the PDF to disobey Noriega to ensure free elections, Assistant Secretary of State Margaret Tutwiler tactfully replied, "the Secretary was merely pointing out in the speech you've referred to the fact that all the people and institutions in Panama, including the Defense Forces, are paying a price because of the isolation and economic crisis which they have been subjected to because of General Noriega's rule."<sup>50</sup> President Bush, in a question-and-answer session with reporters three days before the elections, was equally candid in his exhortation: "I simply want the people in Panama to do everything they can to guarantee free and fair elections. And what pressures they can bring to bear on the PDF leader, Mr. Noriega, I don't know." The Administration, however, had already received intelligence reports that this was not to be.<sup>51</sup>

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<sup>49</sup> Baker, 183.

<sup>50</sup> Margaret Tutwiler, State Department Daily Press Briefing, May 1, 1989, H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-019, George H.W. Bush Presidential Library.

<sup>51</sup> George H.W. Bush, Remarks, May 4, 1989, Public Papers, George H.W. Bush Presidential Library, [http://bushlibrary.tamu.edu/research/public\\_papers.php?year=1989&month=5](http://bushlibrary.tamu.edu/research/public_papers.php?year=1989&month=5) (accessed March 15, 2010).

As the May elections were underway, Administration-backed observers watched for voter fraud and reported PDF activity. The opposition party and Catholic Church exit polling revealed that opposition candidate Guillermo Endara was ahead of Noriega-supported Carlos Duque by a three-to-one margin, whereas Noriega claimed victory for Duque by a margin of more than six percent.<sup>52</sup> Through the following day, it became clear that Duque had lost. Former President James Carter, a leading member of the American observer team, stated, “it’s clear to me that the Panamanian people voted for democracy . . . I don’t believe the Noriega regime can distort the results of the vote without this being known.”<sup>53</sup> For the first time, the Bush Administration had an opportunity to regain the initiative by confining Noriega’s actions. However, instead of immediately working against Noriega’s grip on power, Bush relied again on local populist sentiment to overpower Noriega and the PDF. The president refused to satisfy Noriega’s accusations of American interference in Panama’s internal affairs, but in doing became a passive observer to rapidly unfolding events. Jill Smolowe of *Time* magazine succinctly the Bush tactic:

As Washington sketches [sic] it, Noriega's supporters will resort to such blatant electoral fraud that Panamanians will take to the streets in furious protest, sparking a brutish response from the Panama Defense Forces. The international outcry will deepen Panama's diplomatic isolation, and eventually the economic and political erosion will reach such dire proportions that the military will abandon Noriega. And then? “We'll let things collapse of their own weight,” says a senior Administration official.<sup>54</sup>

Three days after the presidential election, Noriega nullified the results and maintained his role as Panama’s leader.<sup>55</sup> In an effort to display a show of strength to the PDF and Noriega, Bush quickly ordered the Department of Defense to deploy more than 1,800 additional troops to

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<sup>52</sup> David Sciacchitano and Steven R. Mann, “Situation Report No. 3, Situation as of 0600 EDT, May 8, 1989,” Panama Monitoring Group, U.S. State Department, May 8, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-016, George H.W. Bush Presidential Library.

<sup>53</sup> James Carter, Remarks, *CBS Morning Show*, CBS, Undated, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-016, George H.W. Bush Presidential Library.

<sup>54</sup> Smolowe, Carney, & Chavira, *Time Magazine*.

<sup>55</sup> Kenneth Freed, “Noriega Foes Propose a Short-Term Coalition, Opposition Leaders Say They Would Serve in a Provisional Government if General Steps Down,” *Los Angeles Times*, May 12, 1989.

the Canal Zone.<sup>56</sup> The deployment, known as Operation Nimrod Dancer, was part of a multi-faceted plan to increase American pressure on Noriega and to present tacit encouragement to both the opposition and PDF officers willing to defect. The Administration also recalled Ambassador Arthur Davis from Panama in a diplomatic rebuff to Noriega.<sup>57</sup> Unsurprisingly, the Administration's motive behind Nimrod Dancer was twofold: to put itself in a better position to prevent conflict from occurring and to assert its legal right to defend the Canal's operations. In a daring maneuver, Bush escalated the situation in hopes of forcing Noriega to yield.<sup>58</sup> However, Noriega had little reason to concede his power. While the opposition groups protested in public and the PDF violently suppressed unauthorized gatherings, the Panamanian military did not abandon Noriega, nor did the government collapse.<sup>59</sup> Having skillfully played the system to his advantage in the past, Noriega continued to dodge political traps and the Bush Administration's efforts to exert significant pressure on him.

Using the void elections as evidence of Noriega's illegitimacy, Bush labored to gather other Latin American and world leaders to denounce the Panamanian strongman. This second effort to contain, to isolate, and to eliminate Noriega required much more subtlety and political wrangling. Working primarily through the Organization of American States (OAS), the Administration pleaded its case to an agreeable yet apprehensive audience. However, it laced attempts to persuade the same countries wary of American intervention with words of caution both against the OAS and the Latin American community:

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<sup>56</sup> Memorandum by Nicholas Rostow, May 10, 1989, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-020, George H.W. Bush Presidential Library. The additional 1,882 soldiers supplemented a standing force of 11,743, 6,500 of whom were classified as "combat troops."

<sup>57</sup> David Sciacchitano, "Panama: Observer Groups," Prepared Remarks, May 11, 1989, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-020, George H.W. Bush Presidential Library.

<sup>58</sup> "Points to be Made; Re: Panama," Report, May 11, 1989, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-020, George H.W. Bush Presidential Library.

<sup>59</sup> Kenneth Freed, "Noriega Agents Beat Up Leaders of Opposition," *Los Angeles Times*, May 11, 1989.

At the same time, we recognize that many countries in Latin America will be reluctant to take firm action against a neighbor, even one with a repugnant dictator like Noriega, and we must be prepared to go it alone, while seeking the understanding and tacit support of others.<sup>60</sup>

The Administration first proceeded to build a support base from larger Latin American powers before garnering the attention of the entire OAS. Within a week of the elections Bush wrote explanatory letters to the respective leaders of Argentina, Brazil, Colombia, Mexico, Peru, and Uruguay.<sup>61</sup> While the leading Latin American and OAS nations agreed that Noriega stole the election and should not hold office, they continued to resist the Bush Administration's perceived preparation for intervention. At a meeting of foreign ministers just a week after Panama's elections, eleven member countries, including five of the six larger powers, drafted a resolution to censure Noriega, but also to plead "that no State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State."<sup>62</sup> Clearly, leaders in the Western Hemisphere were weary of direct American action in Panama, urging restraint and patience in dealing with Noriega. With the Bush Administration's growing fear of and annoyance with Noriega, however, the OAS's lack of concrete action only enabled Noriega to continue his operations without new impediments and with more time. To complicate diplomatic matters even more, Cuba, Nicaragua, and the Soviet Union accused American observers and officials of interfering in the elections. Cuban government officials claimed that the United States paid \$100 million to the Endara-led opposition, as opposed to the \$10 million actually spent. President Daniel Ortega of Nicaragua placed the military on combat

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<sup>60</sup> "Points to be Made; Re: Panama," Nicholas Rostow Files, CF00741-020.

<sup>61</sup> "Proposed Openings for Letters to Presidents With Whom the President Spoke," May 18, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-003, George H.W. Bush Presidential Library.

<sup>62</sup> Twenty-First Meeting of Consultation of Ministers of Foreign Affairs, Organization of American States, Draft Resolution, May 17, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-016, George H.W. Bush Presidential Library. The authors of the resolution are Argentina, Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Peru, Uruguay, and Venezuela.

alert in anticipation of American military action.<sup>63</sup> Despite the outstanding arrest warrant and stolen election, the United States had to produce more incriminating evidence against Noriega to placate the Latin American community.

Struggling to gain a foothold in his diplomatic efforts, President Bush labeled Noriega as a dangerous drug trafficker who posed a grave threat to the American public and its core values.<sup>64</sup> Regardless, the Administration did not view Noriega or Panama to be a paramount threat to its War on Drugs. In a request for foreign aid funds, the State Department did not name Panama as a significant drug smuggling or trafficking center, but the agency listed the Bahamas, the Dominican Republic, Haiti, Jamaica, Mexico, and Peru as nations of noteworthy concern.<sup>65</sup> Moreover, the Administration did not realize the scale of Noriega's criminal activities. In a secret post-invasion report on Panamanian money laundering operations, the State Department conceded, "the USG [United States government] has never had reliable information about the extent of money laundering in Panama. Instead, the amount of money laundering in Panama during the Noriega years is only now coming to light. Thus, it is not possible to do a valid comparative analysis of the extent of money laundering pre- and post-Operation 'Just Cause.'"<sup>66</sup> While Noriega actively partook in drug trafficking and money laundering, the Administration viewed that fact more as a convenient political ploy than a legitimate charge. Bush capitalized on nearly any relevant accusation to build his case against Noriega. As the Administration hoped,

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<sup>63</sup> "Foreign Reaction Summary," Report, May 12, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-007, George H.W. Bush Presidential Library.

<sup>64</sup> George H.W. Bush, "Address to the Nation on Panama," the White House, Washington D.C., December 20, 1989, Miller Center of Public Affairs, University of Virginia, <http://millercenter.org/scripps/archive/speeches/detail/3422> (accessed February 22, 2010).

<sup>65</sup> Bernard Aronson, "Foreign Aid Request for Latin America and the Caribbean," Prepared Statement, United States Congress, Washington, D.C., June 23, 1989, in Nancy Golden & Sherrill Wells, eds, *American Foreign Policy, Current Documents, 1989*, (Washington, D.C.: U.S. Department of State, 1990), Document 436, Page 661.

<sup>66</sup> Julieta Valls Noyes, "Panama: Money Laundering Situation," Report, Bureau of Inter-American Affairs, U.S. State Department, September 6, 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-019, George H.W. Bush Presidential Library. The Bureau of Inter-American Affairs is now known as the Bureau of Western Hemisphere Affairs.

the elections placed a renewed international focus on Noriega. A man who used to be a common thug and drug runner quickly became a brutal oppressor and democracy's enemy. However, Bush's prior inaction and missteps, combined with the OAS's hesitancy, limited his options. Having once again entered a potentially advantageous position, the Administration found itself being viewed as either inept or overzealous.

The elections inevitably became the breaking point for Bush as five months of impasse underscored the frustration and difficulty he faced in removing Noriega. The Panamanian ruler publicly challenged the Americans' moral authority after the elections, daring the Administration to divert more time and effort away from the Soviet Union and Eastern Europe. Critically, the amalgamation of Noriega's actions and the OAS's inaction proved to be a humiliating turn for the Administration. Bush's dedication to "putting the United States back out in front" appeared to be in jeopardy as an unwavering and vociferous Noriega hampered his actions and world image.<sup>67</sup> It was during this period that President Bush brought the military option to the forefront, all but assured that his government had reached an impasse.

### **A Strategist Against an Idealist**

Great nations like great men must keep their word. When America says something, America means it, whether a treaty or an agreement or a vow made on marble steps. We will always try to speak clearly, for candor is a compliment; but subtlety, too, is good and has its place.<sup>68</sup>

President George Bush

In keeping with his theory that escalation would prevent intervention, Bush ordered a series of military and political directives in response to the void elections. Besides enacting Operation

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<sup>67</sup> Bush and Scowcroft, 44.

<sup>68</sup> George H.W. Bush, Inaugural Address, United States Capitol, Washington D.C., January 20, 1989, Miller Center of Public Affairs, University of Virginia, <http://millercenter.org/scripps/archive/speeches/detail/3419> (accessed February 22, 2010).

Nimrod Dancer, these measures included upgrading the State Department's travel advisory and relocating American dependents in Panama.<sup>69</sup> Crucially, these actions expanded the Administration's options and its flexibility in relation to the constantly evolving situation. By relocating dependents, discouraging travel to Panama, and sending combat forces to supplement existing troop levels, the Administration readied itself for rapid military action. American forces would have few barriers to conducting any operation short of a full-scale war at little notice, despite the State Department's assurance that the United States was "not looking for a confrontation."<sup>70</sup> Nonetheless, the Administration could not hide the heightened alert's effect on troop movements and behavior. Shortly after the elections, the *Washington Times* reported that American forces in Panama "have been authorized to shoot or crash their way through barricades if necessary to move their military vehicles anywhere along the Panama Canal waterway."<sup>71</sup> As a result of these actions, Noriega anticipated the possibility of the American military intervention to remove him from power and responded by increasing his antagonistic rhetoric against the United States. In the days after the election, the Panama Canal Commission, the American-backed entity that runs the Canal, accused the PDF of harassing its employees and restricting their travels and monetary transactions.<sup>72</sup> After the opposition parties called for a general strike on May 17, Noriega intimidated businesses that were planning to participate, compelled the public transportation sector to continue operating, and changed the national payday to the day of the strike. State Department spokesman Richard Boucher denounced Noriega for alleged

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<sup>69</sup> "Presidential Statement," Draft Statement, Undated, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-019, George H.W. Bush Presidential Library.

<sup>70</sup> David Sciacchitano, "Panama," Prepared Answers, U.S. State Department, May 11, 1989, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-020, George H.W. Bush Presidential Library.

<sup>71</sup> James Dorsey, "U.S. Troops Will Fight if Panama Interferes," *Washington Times*, May 17, 1989.

<sup>72</sup> Dennis McAuliffe, Testimony, United States Congress, May 16, 1989, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, CO121-134721, George H.W. Bush Presidential Library.

physical abuse and torture against protesters.<sup>73</sup> A seemingly foolish maneuver, Noriega's belligerent stance reinforced the Administration's fears of destabilization and rampant violence in Panama. However, Noriega calculated and expected that by exacerbating the situation, he could convince the Americans that intervention in Panama was too risky a proposition. Noriega wanted to impress upon the Administration that escalating the present condition even more would not be worth its cost, economic or political.

Reacting to Noriega's increased hostility and the rising level of violence in Panama, President Bush continued to intensify his administration's pressure on Noriega, the PDF, and the OAS. By early June, Bush instructed General Woerner to change the rules of engagement to "respond to any challenges" he perceived and consulted Woerner on possible overt and covert methods to compel the PDF to remove Noriega.<sup>74</sup> Consequently, SouthCom initiated a much more visible presence in the Canal Zone, using Air Force aircraft to escort trans-isthmian convoys and conducting more frequent exercises in full view of the PDF and general public.<sup>75</sup> The Administration also worked to assist the Panamanian opposition in its efforts, drawing up a laundry list of possible actions the opposition could take in protest of the elections. These measures varied from candlelight vigils to mass demonstrations.<sup>76</sup> While conducting these efforts, Bush showed consideration for other Latin American countries' fear of intervention but stood

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<sup>73</sup> Richard Boucher, U.S. State Department Press Briefing, May 17, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-020, George H.W. Bush Presidential Library.

<sup>74</sup> "Points to be Made For Meeting With General Woerner," Briefing Document, Undated, 1989, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, CO121-134721, George H.W. Bush Presidential Library. While the document itself is undated, its content indicates that it was produced no later than June 30, 1989.

<sup>75</sup> Kristie Kenney and David Sciacchitano, "Situation Report No. 66, Situation as of 1500 EDT, June 21, 1989," Panama Monitoring Group, U.S. State Department, June 21, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-019, George H.W. Bush Presidential Library.

<sup>76</sup> "Activities the Panamanian Opposition Could Undertake," Report, Undated, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-002, George H.W. Bush Presidential Library. The list of actions contained four categories: Passive Activities, Higher Risk Activities, Threat of Violence Activities, and Activities to be Organized Outside of Panama.

firm on his administration's aggressive posture toward Noriega. Despite agreeing with Bush on the philosophical and moral reasons to remove Noriega, Latin Americans refused to endorse any inclination toward hostilities. The OAS members agreed on four demands of the Noriega government: first, that Noriega should step down from power; second, that Panama would establish a transitional government on September 1; third, that the transitional government would hold new elections; and fourth, that the United States would lift all sanctions and measures against Panama.<sup>77</sup> In a letter to Bush, Mexican President Carlos Salinas wrote, "Mexico maintains its complete adherence to the resolution adopted . . . the obligation to respect the principle of non-intervention . . . the validity and immutability of the Panama Canal Treaties . . . the need for all states to cooperate in implementing the resolution and to refrain from adopting any measure that could worsen the prevailing situation."<sup>78</sup> OAS member-states put the Bush Administration in an inescapable position, not because they restricted its abilities, but because they supported and criticized it simultaneously. President Bush had no alternative free from political attack. If he did not end the Noriega situation on his terms, then Noriega would outlast yet another president, tarnishing Bush's still-forming image in foreign and domestic circles. However, if Bush acted without considering the Latin American community's concerns, he would quickly lose their respect and willingness to work together in the future. Noriega's antagonistic behavior paid dividends. Bush had to decide whether Panama would be worth its cost.

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<sup>77</sup> Lawrence Eagleburger, "The OAS and the Crisis in Panama," Speech, the Meeting of Consultation of Foreign Ministers of the Organization of American States, Washington, D.C., August 24, 1989, in Nancy Golden & Sherrill Wells, eds, *American Foreign Policy, Current Documents, 1989*, Document 469, Page 714.

<sup>78</sup> Carlos Salinas to George H.W. Bush, June 2, 1989, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, CO121-135606, George H.W. Bush Presidential Library.

## Patiently Trying, Hurriedly Waiting

Six months after his inauguration, President Bush failed to bring the Panamanian situation to a conclusion of any kind. Noriega still controlled the country, and Bush appeared no closer to reaching an acceptable outcome. Nevertheless, Bush persisted in isolating and containing Noriega. In response to the OAS's hesitant stance, the Administration stressed its deep disappointment, prophesying that unless it acted against Noriega in a meaningful fashion the organization would "prove the critics of the OAS correct: that it is a weak, ineffective organization, and that Latin/Caribbean governments will not act - not even to defend democracy when it is highjacked by a thug like Noriega."<sup>79</sup> The White House also lost its patience with the PDF, engaging in considerably harsher terms with the military organization. In a secret message to Panamanian officers, the Administration accused the PDF of interfering with the electoral process and, crucially, disregarding the Canal treaties by endangering the Canal's security and operations.<sup>80</sup> By holding the PDF at least partially responsible for threatening the Canal, Bush likened PDF activities to Noriega's actions, labeling the Panamanian military a direct threat to American interests in the Canal Zone. Moreover, U.S. military officials had little confidence in the PDF's ability and willingness to fight the Americans should the situation arise. General Marc Cisneros, SouthCom's chief of operations, publicly recommended an invasion of Panama, arguing that most Panamanian forces would surrender without a fight.<sup>81</sup>

The Bush Administration's new opinion of the PDF was symptomatic of its frustration and

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<sup>79</sup> "U.S. Objectives for OAS Meeting of Foreign Ministers: Background Talking Points," Cable from U.S. State Department to ALOEC, Undated, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-020, George H.W. Bush Presidential Library.

<sup>80</sup> "Message for the PDF," Letter, May 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-007, George H.W. Bush Presidential Library. In a testament to the ever-rising anger toward the PDF, the closing lines of the letter read, "The purpose of this message is to advise you that we will now suspend the patience and forbearance shown toward your regime during the electoral period and vigorously exercise all U.S. Treaty rights."

<sup>81</sup> Eloy Aguilar, "Army General Says U.S. Should Use Military Option in Panama," *Associated Press*, July 8, 1989.

impatience with both a former reliable partner and the overall situation. The Administration's public appeals and aggressive efforts to garner PDF attention had not only failed, but also handicapped its very goal. Noriega became even more suspicious of his subordinate officers after the elections, removing several from their respective positions and placing others under house arrest.<sup>82</sup> Panama's strongman lived in fear of a PDF coup d'état and reacted by removing as many potential threats as possible. Nonetheless, when Bush finally got what he wanted from PDF officers, he failed to capitalize on the situation.

The Administration worked hastily and tirelessly to convince the PDF to remove Noriega. The White House promised support in return for the military's cooperation. However, when a group of PDF officers led by Major Moises Vega successfully entered the Panamanian Comandancia and arrested Noriega, no American forces provided backup, and no Administration officials provided comment.<sup>83</sup> Instead, American soldiers positioned less than half a mile away from the mutiny stood by and documented events minute by minute waiting for orders to arrive. Fifteen minutes after the first gunshots rang through Panama City, SouthCom augmented its security status from "Exercise Caution" to "Remain on Defense Site." As the October 3 coup progressed into the afternoon hours, loyalist PDF reinforcements rushed to the Comandancia, suppressing the mutinying officers and rescuing Noriega.<sup>84</sup> Before the day ended, PDF loyalist forces killed ten rebels, wounded twenty-five others, and arrested thirty-five officers and soldiers,

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<sup>82</sup> David Sciacchitano and Steven Mann, "Situation Report No. 64, Situation as of 1500 EDT, June 19, 1989," Panama Monitoring Group, U.S. State Department, June 19, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-019, George H.W. Bush Presidential Library.

<sup>83</sup> P. Peter Sarros and Joseph Mussomeli, "TFPM02 Panama Task Force Situation Report No. 1, Situation as of 1800 EDT, 10/03/89," Operations Center, Executive Secretariat, U.S. State Department, October 3, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-010, George H.W. Bush Presidential Library.

<sup>84</sup> American Embassy in Panama to Secretary of State James Baker, "Log of October 3, 1989 Coup Attempt," Cable, October 6, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-008, George H.W. Bush Presidential Library.

including three from the Panamanian High Command.<sup>85</sup> The Administration's unwillingness to involve itself in a situation it actively helped to create was an unsettling showcase of its inconsistency. Secretary Baker defended Bush's inaction by arguing that the time was inopportune: "if you're going to risk American lives, it's the President's view that you do so on your own timetable. You don't do so on the basis of someone else's plans and in response to rapidly changing circumstances."<sup>86</sup> Bush himself contended that he refused to intervene in deference to other Latin American countries' sensitivities.<sup>87</sup> Nevertheless, the Administration's apathy during an event it inspired produced deleterious consequences. Not only did Noriega attribute the coup to American influence, but the Bush Administration had lost all credibility in Panama. By his own decision, Bush squandered any future possibility of cooperation with the PDF, removing any realistic hope for an internal solution to the Panamanian crisis. Ironically, the Administration's paradoxical actions enabled Noriega to become even stronger and, therefore, more dangerous to American interests in Panama.

## **The Road to War**

Following the failed coup attempt in October, the Bush Administration faced a stark reality that underlined a dangerous situation with few remaining options. While Latin American leaders, including Argentine President Carlos Menem and Brazilian President Jose Sarney, expressed their satisfaction with the Administration's refusal to assist the coup attempt, other critics, especially in Bush's Republican base, assailed the White House's inaction and its implications

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<sup>85</sup> Eloy Aguilar, "High Officers Arrested in Coup Bid," *Associated Press*, October 5, 1989. The three officers from Panamanian High Command were Colonels Guillermo Wong, Julio Ow Young and Armando Palacios Gondola.

<sup>86</sup> Eloy Aguilar, "Noriega Dodges a Bullet, But the Gun May Still be Loaded," *Associated Press*, October 5, 1989.

<sup>87</sup> George H.W. Bush and James Baker to Diplomatic Posts in Foreign States, October 14, 1989, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, CO121-164803, George H.W. Bush Presidential Library.

for United States credibility abroad.<sup>88</sup> Regardless of others' criticisms and commendations, Bush persisted in his approach to contain, to isolate, and to eliminate Noriega.

After numerous consultations with Latin American leaders, Bush achieved immaterial but well-publicized concessions from key economic powers Mexico and Brazil. Besides enacting multiple diplomatic rebuffs, Mexico agreed to suspend all oil shipments to Panama and technical cooperation programs between the two nations.<sup>89</sup> Brazil indefinitely recalled its ambassador to Panama.<sup>90</sup> These actions further isolated Noriega from the established Latin American community, delegitimizing his government and rule in Panama. However, despite using the nullified elections as grounds for removing Noriega, the Bush Administration's chief concern remained with the Panama Canal's operations.

For his part, Manuel Noriega exploited the United States' interest in the Canal, using it as leverage in the escalating duel between himself and the Administration. Bush clearly regarded Noriega as a threat but had exhausted most of his non-intervention options. Nonetheless, the Administration continued its hardline stance toward Noriega and dismissed any compromise with Noriega or the PDF.<sup>91</sup> Upon receiving news of impending sabotage and possible acts of terrorism by Panamanian agents, Bush responded by authorizing American intelligence, law

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<sup>88</sup> Carlos Menem to George H.W. Bush, October 26, 1989, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, CO121-167694, George H.W. Bush Presidential Library; Jose Sarney to George H.W. Bush, October 31, 1989, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, CO121-168004, George H.W. Bush Presidential Library; Eloy Aguilar, "High Officers Arrested in Coup Bid." House Representative William Broomfield, R-Michigan, Senior Minority Member of the House Foreign Relations Committee stated, "It raises questions whether people down there can ever have confidence in the United States."

<sup>89</sup> Carlos Salinas to George H.W. Bush, October 18, 1989, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, CO121-165386, George H.W. Bush Presidential Library. Salinas touted seven measures against the Noriega regime. These included withdrawing Mexico's military attaché from its embassy in Panama, refusing to attend official Panamanian functions, and postponing the opening of a Panamanian consulate in Guadalajara, among others.

<sup>90</sup> Jose Sarney to George H.W. Bush, October 31, 1989, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, CO121-168004, George H.W. Bush Presidential Library.

<sup>91</sup> Michael Kozak, "Panama Canal: the Strategic Dimension."

enforcement, and military personnel to “use whatever force and to take whatever other actions may be necessary in and around Panama, including preemptive action, to prevent any such terrorist or criminal acts from being carried out.”<sup>92</sup> Noriega countered the American edict by declaring war on the United States, citing unnecessary and illegal actions against Panamanian citizens, including harassment, unfair sanctions, international humiliation, and open aggression. Significantly, the war proclamation reinforced Noriega’s rule by securing special emergency powers for the leader, which gave him full control of all government activities. The declaration of war also retitled him as “Maximum Leader of the Struggle for National Liberation.”<sup>93</sup> Bush and Noriega’s policy of brinksmanship brought the highly charged rhetoric to a perilous level. Neither leader was willing to yield or make concessions, but both knew that, should the dispute lead to war, Noriega’s PDF would be no match for the U.S. military. Thus despite his aggressive posture towards the Bush Administration, Noriega anticipated the White House to reconsider its escalation in order for his government and personal image to be spared. The Bush Administration truly did not want American forces involved in what may have been seen as a tertiary dispute, but it also believed that allowing the Panamanian situation to remain status quo ante would only tarnish the president’s no-nonsense approach to the War on Drugs and the country’s standing in a post-Cold War era. Where his predecessor failed in Western Hemisphere politics, Bush wished to succeed.

The amplified war of words between Bush and Noriega soon spiraled into violence within days of Noriega’s war declaration. On the evening of December 16, PDF soldiers opened fire on

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<sup>92</sup> George H.W. Bush, Draft Order, November 19, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF01577-021, George H.W. Bush Presidential Library.

<sup>93</sup> National Security Council, Memorandum, December 15, 1989, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-023, George H.W. Bush Presidential Library; National Security Council, Memorandum for Janet Ayers, December 17, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-013, George H.W. Bush Presidential Library.

four U.S. officers at a vehicle checkpoint in Panama City, killing Marine Lieutenant Robert Paz and injuring the car's driver.<sup>94</sup> In a separate incident on the same night, PDF military officials arrested and physically assaulted an American officer and his wife. The Bush Administration accused Noriega and the PDF of intentionally conducting and approving the violent assaults.<sup>95</sup> The United States viewed these abuses as an act of war, thereby enabling it to use Article 51 of the United Nations Charter and Article 21 of the OAS Charter as justification for military intervention.<sup>96</sup> With the high-profile attacks on American soldiers, the Bush Administration concluded that all peaceful methods to stop the Noriega regime had failed and that the only remaining option was a full-scale invasion. Noriega underestimated Bush's resolve to remove him from power. The commander-in-chief decided that Panama was worth whatever cost it demanded.

### **Just Cause**

My fellow citizens, last night I ordered U.S. military forces to Panama. No President takes such action lightly. This morning I want to tell you what I did and why I did it. For nearly two years, the United States, nations of Latin America and the Caribbean have worked together to resolve the crisis in Panama. The goals of the United States have been to safeguard the lives of Americans, to defend democracy in Panama, to combat drug trafficking, and to protect the integrity of the Panama Canal treaty. Many attempts have been made to resolve this crisis through diplomacy and negotiations. All were rejected by the dictator of Panama, General Manuel Noriega, an indicted drug trafficker.<sup>97</sup>

President George Bush

Nearly eleven months after taking office, President Bush relinquished any hope for a swift

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<sup>94</sup> "Re: Events in Panama," Cable, December 17, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-013, George H.W. Bush Presidential Library.

<sup>95</sup> Michael Gordon, "U.S. Troops Move in Panama in Effort to Seize Noriega; Gunfire is Heard in Capital," *New York Times*, December 20, 1989.

<sup>96</sup> "Panama: International Legal Justification," Report, U.S. State Department, January 25, 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-009, George H.W. Bush Presidential Library. Both Article 51 and Article 21 of the respective charters recognize a member nation's right to self-defense and its territory's inviolability.

<sup>97</sup> George H.W. Bush, "Address to the Nation on Panama."

and non-intervening end to the Noriega problem. In the early hours of December 20, he gave orders to commence Operation Just Cause, a military invasion that aimed to find and apprehend General Noriega, to install Guillermo Endara's opposition members as elected leaders of Panama, and to restore order in the country.<sup>98</sup> Bush believed that all three goals were necessary for Panamanian stability and the Canal's unimpeded operations. Until December 20, the Administration worked through backchannels and public efforts to oust Noriega, but quietly prepared itself for intervention should an appropriate season arise. Michael Gordon and Andrew Rosenthal of the *New York Times* reported that the Administration directed the Pentagon to prepare new war plans weeks in advance of the actual invasion. The Department of Defense repeatedly drilled these plans and sent into Panama additional tanks and helicopters to support any possible action.<sup>99</sup> While not unprecedented in its history, the Pentagon's war planning relieved President Bush's concerns about the military's flexibility and readiness. With growing confidence in the Pentagon's ability to conduct an invasion, Bush felt less pressure to succeed through other means. The preparation for war itself became a self-fulfilling action.

Despite resorting to the military option, Bush telephoned key Caribbean and Latin American leaders throughout the day, explaining his rationale for invasion and his plans for Panama. Notably, he assured other states that he intended to withdraw American forces as soon as the operation was complete and that he would oversee a full restoration of diplomatic and economic relations between the United States and Panama.<sup>100</sup> Bush also discussed the invasion

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<sup>98</sup> "Excerpts From Briefings on the Military Action in Panama," *New York Times*, December 21, 1989. Lieutenant General Thomas W. Kelly and Admiral Ted Sheaffer, both members of the Joint Chiefs of Staff, briefed news correspondents on the operation's events.

<sup>99</sup> Michael Gordon and Andrew Rosenthal, "U.S. Invasion: Many Weeks of Rehearsals," *New York Times*, December 23, 1989.

<sup>100</sup> "Talking Points for Presidential Calls to Latin and Caribbean Leaders," December 20, 1989, George H.W. Bush Presidential Records, National Security Council, David Pacelli Files, CF01576-005, George H.W. Bush Presidential Library.

with other Western leaders, including German Chancellor Helmut Kohl, French President François Mitterrand, and Japanese Prime Minister Toshiki Kaifu.<sup>101</sup> President Bush's motive behind the successive telephone calls to strategic partners was clear: to dissuade any rumors or notion of an interventionist administration and to make his case for using the military as a last resort.

As American troops took positions across Panama City, Noriega, isolated, attempted to stifle the Administration's final attempts to eliminate him. In a bizarre sequence of events, Noriega sought refuge in the Vatican Apostolic Nunciature. The world watched as the Vatican refused to force the former leader out, claiming that "an embassy is only empowered to deal with the government of the host country."<sup>102</sup> In response, Secretary Baker wrote an ominous message to Vatican leaders, asserting that Noriega's continued stay at the nunciature threatened additional lives and that the Administration would not allow Noriega to travel to any country other than the United States.<sup>103</sup> DEA agents finally arrested and extradited Noriega to the United States only after he surrendered. General Maxwell Thurman, commander of SouthCom during the invasion, said, "he left of his own will . . . the decision was his and his alone."<sup>104</sup> Even in his last stand against the Bush Administration, Noriega used his options to cause maximum embarrassment to the United States. While inconsequential in practice, Noriega's rebellious gesture underscored the dictator's ability to outmaneuver an American president in the public sphere, albeit for one final time. With Noriega eliminated from public office, the Administration soon faced an entirely

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<sup>101</sup> "President's Telephone Conversation with Prime Minister Hawke on Panama," Transcript, December 20, 1989, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-010, George H.W. Bush Presidential Library; "Telephone Conversation with Prime Minister Toshiki Kaifu of Japan," Transcript, December 20, 1989, George H.W. Bush Presidential Records, National Security Council, David Pacelli Files, CF01576-006, George H.W. Bush Presidential Library.

<sup>102</sup> Mary Sheridan, "Holy See Urging Noriega to Leave Embassy Refuge," *Associated Press*, December 29, 1989.

<sup>103</sup> James Baker, "Talking Points," Cable, December 25, 1989, George H.W. Bush Presidential Records, National Security Council, David Pacelli Files, CF01576-006, George H.W. Bush Presidential Library.

<sup>104</sup> James Gerstenzang and Kenneth Freed, "Noriega Surrenders to U.S.," *Los Angeles Times*, January 4, 1990.

new set of problems with Panama. A year after dedicating diplomatic and military resources from other regions to solve the Panamanian crisis, the Bush Administration quickly realized that there would be no rest from its work in the Central American nation.

### **No End in Sight**

A month after Operation Just Cause began, American military forces in Panama successfully achieved their objectives and had no enemy left to fight. The Endara Government quickly took over domestic operations, Noriega was on trial in Miami, and the military did not witness any insurgent or Noriega loyalist uprisings.<sup>105</sup> Of the more than 20,000 soldiers deployed, SouthCom reported, 314 were killed in action. Coroners in Panama announced that 267 Panamanian citizens were either dead or missing. By April 1990, U.S. troop levels in Panama stabilized at pre-war levels and functions.<sup>106</sup> In a clear redemption of the Administration, United States Information Agency polls suggested that 90 percent of Panamanians surveyed supported Just Cause, and 75 percent viewed the operation as a liberation and not an invasion.<sup>107</sup> On the surface, the Bush Administration appeared to be the clear and easy victor in Operation Just Cause. However, significant post-war problems, ranging from a devastated national economy to an abrasive relationship with the new Panamanian government, posed new threats to the Canal's security and U.S. interests in Panama.

Panama's economy at the time of the invasion produced depression-level statistics. The Endara government reported that the country's unemployment rate approached one-third of the

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<sup>105</sup> Michael Matheson to Nicholas Rostow, January 30, 1990, George H.W. Bush Presidential Records, National Security Council, Nicholas Rostow Files, CF00741-014, George H.W. Bush Presidential Library.

<sup>106</sup> Julieta Valls Noyes, Report, U.S. State Department, Undated, 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-018, George H.W. Bush Presidential Library.

<sup>107</sup> Office of Research, United States Information Agency, Briefing Paper, April 2, 1990, George H.W. Bush Presidential Records, White House Office of Records Management, Subject File General, CO121-194866, George H.W. Bush Presidential Library.

entire labor force, and the financial sector was operating on a severely restricted level.<sup>108</sup> An economic collapse would not only cast the Bush Administration as a selfish interventionist, but would set the entire Panamanian nation on course for rapid destabilization and social unrest. With Noriega's departure came a power and economic vacuum. Recognizing the immediate threat that Panama's instability would cause to its interests in the Canal and country, the Bush Administration requested \$500 million from Congress to help revitalize the Panamanian government and private sector.<sup>109</sup> However, congressional leaders balked at the funding request, citing their concerns about the Administration's lack of strategy and its inability to articulate a long-term foreign aid plan. Senate Majority Leader George Mitchell wrote that "by continuing to approach foreign aid on a country by country basis and in one-shot emergency increments, the Administration has provided no overall or long-term view of how the foreign aid requests are affordable in relation to other spending plans; nor is there a clear explanation of the relationship between this request and our overall national security objectives."<sup>110</sup> It was only until May 1990 that the Congress approved the funding request for Panama, nearly five months after Just Cause concluded.<sup>111</sup>

As part of its desire to prevent another strongman from rising to power within the PDF, the Bush Administration worked with the Endara government to transform the PDF into a domestic

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<sup>108</sup> Guillermo Endara to George H.W. Bush, January 8, 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-013, George H.W. Bush Presidential Library.

<sup>109</sup> "Fact Sheet on Panama Economic Assistance," Undated, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-011, George H.W. Bush Presidential Library. Of the \$500 million, the Administration allocated \$185 million to Private Sector Revitalization Credits (construction, manufacturing, tourism, commerce, agriculture), \$140 million to Public Sector Investment Programs (health & sanitation, education, agriculture, electric energy, transportation and communication), \$130 million to Assistance in Clearing IFI (International Financial Institutions) Arrears, and \$45 million to Public Sector Restructuring and Development (law enforcement, environmental protection).

<sup>110</sup> George Mitchell to James Baker, April 2, 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-012, George H.W. Bush Presidential Library.

<sup>111</sup> J. Stapleton Roy, Report, U.S. State Department, July 6, 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-020, George H.W. Bush Presidential Library.

police force in early 1990.<sup>112</sup> Both Bush and Endara envisioned that the new Panamanian Public Forces (PPF) would focus on anti-drug and anti-money laundering activities, but the newly minted organization soon faced an uphill struggle to defeat well-entrenched criminal factions. As a method to reduce the transnational obstacles to conducting law enforcement operations in Panama, the United States vigorously pursued a Mutual Legal Assistance Agreement (MLAA) with the Endara government, using the \$500 million economic aid package as leverage for signing the agreement.<sup>113</sup> The MLAA, a legal precursor to the MLAT, or the Mutual Legal Assistance Treaty, indicated Panama's willingness to allow American law enforcement officials greater access to Panamanian bank records and other financial information to better stop money laundering organizations. While both governments accepted a MLAA, the Endara government, pressured by the financial and legal sectors, refused to sign a MLAT until late 1991.<sup>114</sup> Nonetheless, the Endara government did make significant strides in combatting money laundering, including forming a drug control policy and freezing hundreds of suspected bank accounts.<sup>115</sup> Panama also cooperated on various agreements with the United States, such as allowing American forces to board Panamanian-flagged vessels suspected of transporting narcotics and collaborating with American agencies to monitor the transportation of chemicals used in illegal drug manufacturing.<sup>116</sup>

Hoping for a strong start to its renewed relationship with Panama, the Bush Administration

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<sup>112</sup> Bernard Aronson, Press Briefing, White House Briefing Room, April 30, 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-004, George H.W. Bush Presidential Library.

<sup>113</sup> "Suggested Talking Points, Panamanian Vice President Ricardo Arias Calderon," November 28, 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-012, George H.W. Bush Presidential Library.

<sup>114</sup> Organization of American States, "Information Exchange Network for Mutual Assistance in Criminal Matters and Extradition," <http://www.oas.org/juridico/MLA/en/usa/index.html> (accessed 9/20/2010).

<sup>115</sup> Julieta Valls Noyes, "Panama: Money Laundering Situation."

<sup>116</sup> Office of the Press Secretary, "Agreements Signed During Endara Visit," Fact Sheet, White House, Undated, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00732-001, George H.W. Bush Presidential Library.

valued a democratic regime for its relative predictability and accountability to international and domestic public opinion. The Administration, however, did not anticipate infighting among top cabinet-level officials within months of Endara's inauguration.<sup>117</sup> Vice-President Arias Calderon threatened to withdraw from the coalition government if his party continued to play a minority role in the legislature, while the political parties reached a deadlock in the public eye. A State Department report observed, "the language of the dispute quickly degenerated into insults and threats of dire consequences for the coalition."<sup>118</sup> As a result of the Endara government's unreliability as a partner, the Bush Administration started to question whether it should decrease its support for the new president, describing its decision as a choice between supporting Panamanian democracy or the Endara government.<sup>119</sup> Having rested its hopes on a democratically elected, American-friendly regime, the Administration once again found itself in an uncomfortable situation that seemed almost more unstable than with Noriega in power. A consequence of the invasion, Panama's domestic problems, problems that demanded additional time, money, and effort to address the added insecurity and uncertainty both for the country and the Canal, became the United States' inheritance.

## Conclusion

The American invasion of Panama in 1989 was neither a hasty nor predestined event.

During his career as a vice president and president, George Bush repeatedly attempted to remove

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<sup>117</sup> "Arias Calderon Says Assembly Incident 'Most Serious'," *Agencia ACAN-EFE*, September 2, 1990. The main political parties involved in the political scuffle were the Christian Democratic Party and the Revolutionary Democrats.

<sup>118</sup> Cable from American Embassy in Panama to James Baker, "Coalition Rocked by Allegations of Faustian Pact to Exclude Christian Democrats from Legislative Assembly Leadership," September 7, 1990, White House, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-018, George H.W. Bush Presidential Library.

<sup>119</sup> "Notional PCC Agenda," December 14, 1990, George H.W. Bush Presidential Records, National Security Council, William Pryce Files, CF00731-016, George H.W. Bush Presidential Library.

Manuel Noriega from power but failed at every attempt to do so peacefully. It was not for lack of cause—Bush knew exactly what outcome he hoped for—but a lack of direction, a lack of a grand strategy. The president, and by extension his administration, worked vigorously to contain, to isolate, and to eliminate Noriega from power, but it proceeded to do so in an ill-mannered and, at times, contradictory fashion. While its resultant effect, Operation Just Cause, proved to be a success both in its main goals and in the American public’s eye, the Administration’s methodology proved not only to prolong the Panamanian crisis, but also to stifle its own objectives in the process.<sup>120</sup> Bush pitted himself against an adept strategist and manipulator in Noriega, who appeared to single-handedly derail the Administration’s efforts either to remove him or pressure the PDF to do so. The months-long jostling match between the world’s preeminent power and a small, Central American, nation’s leader only underscored the importance of having a consistent strategy to achieve the desired ends.

President Bush believed that a situation-based approach would be more effective in dealing with global and regional crises because it offered him greater flexibility and political maneuverability in constantly evolving situations. However, he did not escape his tactic’s flaws, which included risking ends for means and involuntarily acting in ways contradictory to the main objective. As such, Bush opened himself to manipulation by Noriega. Despite ruling the politically, militarily, and economically weaker power, Noriega manipulated the United States’ wide reach and range of interests against Bush, using a targeted campaign to discredit and discourage Bush from intervening. The Panamanian leader was willing to take greater risks to gain leverage in each situation, and President Bush allowed him to do so because he lost sight of

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<sup>120</sup> Michael Oreskes, “Approval of Bush, Bolstered by Panama, Soars in Poll,” *New York Times*, January 19, 1990. The New York Times/CBS poll revealed that Bush enjoyed a 76 percent approval rating barely a month after Operation Just Cause began, a figure nearly 25 percent higher than Reagan and only less than former President John Kennedy.

the ends, allowing the means to dictate the direction of the Administration's policies instead. Bush pursued a set of tactics that appeared straightforward and easy, and by doing so mismanaged the tools at his disposal for procuring his objectives.

Unlike Bush, Noriega was much more focused on aligning each action with its ultimate purpose: holding power. He recognized that he had less room for error and overconfidence in dealing with the Americans because he had so much to lose and far fewer options at his disposal. In an ironic twist, the Panamanian dictator had greater control over his own future than Bush. He pushed the limits of Bush's patience on multiple occasions, raising the question of the American president's willingness to risk more for Noriega. It was only in December 1989 that Noriega pushed too hard and underestimated the Bush Administration's diminished patience and list of options.

Operation Just Cause materialized because the Bush Administration had misplayed other options; it had exhausted all of them in the months prior and could not find any other way of eliminating Noriega. A year after it began, it was difficult to argue who won Operation Just Cause. President Bush successfully apprehended Noriega and handed control to a democratically elected government, but Noriega had left behind a country ravaged by massive debt, economic ruin, and instability. By the end of 1990, Bush appeared no closer to his desire to providing a safer and more efficient operating environment for the Canal than Reagan did in 1987. The American invasion of Panama in 1989 was not a natural end to years of negotiating; it was an example of how the lack of a grand strategy bound leaders to choices with few alternatives.

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