

Originally Processed With FOIA(s):
S; 1999-0186-F; 2004-0722-F; 2005-0992-F

FOIA Number:
2004-0728-F; 2005-0989-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron Files, 1989-1993

OA/ID Number: 13716
Folder ID Number: 13716-007

Folder Title:
Departure Statement / President Endara of Panama 4/30/90 [OA 8312]

Stack:	Row:	Section:	Shelf:	Position:
G	21	1	7	1



EMBAJADA DE PANAMA
WASHINGTON, D. C. 20008

EMBAJADA DE PANAMA

Si tienen cualquier problema con la recepción de la transmisión,
llamar a (202) 483-1407.

Numero de fax enviado: (202) 483-6132

De:

Carolyn Cowley

Para:

ANALISA MITZ

Asunto:

Numero de Paginás (incluyendo esta paginá):

2

More information will follow. I AM SORRY
about the delay, but the President's schedule
is taking up all my time.

04/23/90 15:28

002

GUILLERMO ENDARA GALIMANY

Guillermo Endara is the President of the Republic of Panama.

President Endara is a founding member of the Arnulfista Party. In 1964, he was elected First Deputy Alternate, but when he became aware of the fraud that had been carried out against his running mates, he solicited and obtained the annulment of his credentials.

In 1968, as one of the closest collaborators of Dr. Arnulfo Arias, Guillermo Endara actively participated in political campaigns on the national level. In this same year he was appointed to the position of the Minister of Planning and Political Economy, under the government of President Arnulfo Arias. After the 1968 coup d'etat, which overthrew the government of Arias only 11 days after the inauguration, Endara was persecuted and remained in hiding for a few months. In 1971, he was imprisoned and sent into exile with other members of his party.

A key player in his party, in 1977 Endara was named to the National Political Committee, which was responsible for reorganizing the Arnulfista Party in every province and also launched the campaign to return Dr. Arnulfo Arias to Panama. In 1979, he was named Sub-Secretary General of the Party by Dr. Arias.

In 1983 Endara was one of the principal organizers of the registration of the Arnulfista Party and later he assumed the functions of the General Secretary of the party. Also in 1983, Endara represented the Arnulfista Party, as a member of the Commission for the Review of the Constitution.

He became the authorized spokesman of Arnulfo Arias in 1988 along with Don Jorge Pacifico Adames.

Prior to assuming the presidency, Endara was a professor of Business Law at the University of Panama and was one of the founders of the law firm of Solis, Endara, Delgado and Guevara where he has practiced since 1963.

Endara studied pre-medicine at Tulane University and then studied Law and Political Science at the University of Panama where he graduated with honors. Endara went on to complete post graduate work at New York University School of Law. In addition to this work, Endara studied for four years at the Black Foxe Military Institute in Los Angeles, California. Endara is a widower and has one daughter.

Stuffed
4/24

(Lange/Cawley)
April 24, 1990
6:00 P.M.
[ENDARA.DOC]

PRESIDENTIAL REMARKS: DEPARTURE, PRESIDENT ENDARA OF PANAMA
WASHINGTON, D.C.
MONDAY, APRIL 30, 1990
[1:15 P.M.]

President Endara, and distinguished members of the Panamanian delegation; [members of Congress], friends and colleagues.

It's been a pleasure, and an honor, to welcome President Endara to Washington. His struggle -- the struggle for peace and prosperity in Panama -- has special meaning for all Americans throughout this hemisphere.

It both inspires, and reminds us, that the cause of freedom is as hard as it is just. Many struggle for it. Some pray for it -- fast for it -- are beaten, or shed blood for it. **Guillermo Endara and his people have done all of that, and more.**

But while the challenges they face are daunting, the people of Panama remain steadfast. For theirs is a rare privilege: to be present, and serve, in the re-birth of a nation.

Two hundred-and-one years ago today, George Washington was sworn in on the steps of Federal Hall, as the President of a newly-created nation -- an office he did not seek, but felt compelled to serve. He was called into the service of his country "on the eve," he said, "of an arduous struggle for its liberties."

While Washington was acutely aware of the responsibilities of his office, and the power that attended it, he once said that

axis
NY Times
12-31-89
P.A-22

Almanac
of Dates

Presidential
Speeches & Quotes
of Thomas Bailey
p. 295



Residential prints of
Stivers, p. 1

"the most enviable of all titles" is "the character of an honest man."

Guillermo Endara, freely elected and called forth on the eve of his nation's struggle for liberty, is renowned for that character. His intelligence, his grace -- his ability as leader, as conciliator, as consensus-builder -- have won the confidence of Panamanians, and all Americans.

But the struggle is not over in Panama. While democracy has been restored -- and the peace is now preserved -- we must see that prosperity returns to the people of Panama.

That has been the principal focus of President Endara's visit, and our discussions.

Now that Panama enjoys freely-elected, legitimate leadership -- in a democracy based on equality of opportunity -- the United States is working to lay a foundation for cooperative relations that will serve both nations, well into the coming century.

In that light, I'd like to emphasize our commitment to the Panama Canal Treaties, as a framework for the smooth and orderly transfer of canal management responsibilities to a sovereign Panama. And I'm happy to announce today the nomination of the Administrator of the Panama Canal: Gilberto Guardia.

We're committed to cooperation with Panama across the entire range of our relations -- diplomatic, cultural, and economic. And we're already beginning to see signs of a Panamanian renaissance -- as ransacked stores are restocked and

News-
NY Times
1-28-90
p. 1-1

News-
Reuters Business Rpt.
4-11-90

reopened, depositors and lenders are returning, and a new economic confidence is now emerging.

Still, it will take time to correct the economic distortions and social dislocations of a dictatorship's corruption. Too many now find their most basic needs for food and shelter still unmet. The ticking time-bomb of high unemployment in Panama must be defused.

After the liberation, expectations among the people of Panama have risen hard and fast -- but there is no risk in rising expectations when people have the means and reason to succeed. In fact, high expectations are the best motivation for economic growth -- and Panama's best hope for the future.

As President Endara has said, "You can't eat democracy." But as the Revolution of 1989 reminded us, in any hemisphere, no nation can long prosper without it.

America is committed to Panama's future. That's why we proposed a billion dollar aid package to Panama last January. Half of that package -- our trade and credit guarantees -- has been approved, to the great credit of the members of Congress.

But it's time to finish the job. Just as you can't cross a chasm in two small steps, the people of Panama can't hope to make the leap to liberty and prosperity with only half-hearted support from her neighbors to the north.

[[So today I want to appeal to Congress -- I have asked, and asked again, that our aid package to the newly-liberated

Nelis -
Lenders Business Rpt
4-11-90

EXIS-LATIMES
4-15-90
P.A-8

EXIS -
Lenders
Library Rpt -
4-17-90

people of Panama be passed, and passed swiftly. Still it waits, and with it, the future of a fledgling democracy.]]

[ALT., IF SIGNING CEREMONY:]

[[Today I'm privileged, thanks to the members on the Hill, to be able to say that America will help finish the job that President Endara and his colleagues began in the May 7 elections of last year.]]

Many material things may now be in short supply in Panama. But freedom is there in abundance. And with freedom, everything else follows.

Panama -- a nation newly re-born in liberty -- can count on the support of the United States. We were with you in war -- and will stand with you in peace.

#

THIS STORY OF LEVEL 2 PRINTED IN FULL FORMAT.

COPYRIGHT (C) 1990 REUTERS;
THE REUTERS BUSINESS REPORT

APRIL 11, 1990, WEDNESDAY, BC CYCLE

LENGTH: 711 WORDS

HEADLINE: PANAMA'S ECONOMY BEGINS TO SHOW SIGNS OF TURNAROUND

BYLINE: BY DAVID HARRIS

DATELINE: PANAMA CITY, Panama

KEYWORD: PANAMA -ECONOMY

BODY:

Like seedlings piercing parched soil, there are unmistakable signs that Panama and its new government have begun a turnaround of the country's devastated economy.

In the city's major thoroughfares, the retail stores, picked clean by looters who ransacked the city during the December U.S. invasion that ousted Gen. Manuel Noriega, have reopened with re-stocked shelves.

Newspapers are starting to bulge with advertisements for everything from office furniture, fax machines and computers to consumer loans and mortgages.

Traffic lights that were ripped down during anti-Noriega street protests in 1987 and 1988 have been re-installed at major intersections, providing a sense the new government of President Guillermo Endara is in business and ending what was for years a daily dance of darning for Panama City motorists.

"I would say that conditions are improving," said Ruben Mario Carles, the nation's controller general, whose job is to restore the financial health of what is still a virtually bankrupt government.

Panama's banking industry, its reputation tarnished by years of money laundering during the corrupt Noriega regime, shows signs of renewal. Both foreign and local depositors are slowly returning, government and private banking officials said.

"We have increased our deposit base by 10 percent as of March," said the director of one bank. "We feel very optimistic."

During the Noriega regime, deposits by foreigners frightened by Panama's political crisis dropped from \$30 billion in 1987 to about \$8 billion prior to the invasion, according to the National Bank.

"We are stabilizing the system, little by little, and depositors and lenders are now showing greater confidence," National Bank President Luis Moreno said in a newspaper interview this week.

But despite such optimism, Panama's economic problems remain enormous.

Handwritten note:
Panama stores
are re-stocked and reopened

Learn of Slope, Court

high

(C) 1990 REUTERS, APRIL 11, 1990

unemployment hovers at 30 percent and more than 40 percent of the population does not have enough money to buy basic necessities. In addition, the government's foreign debt of \$5.2 billion is among the world's highest on a per capita basis.

The consensus is that the U.S. aid package which is expected to range between \$420 million and \$470 million, will strengthen the new democracy and help rebuild an economy devastated by U.S. sanctions designed to oust the corrupt Noriega administration.

"With the change in government there has also been a revolution in expectations. People are expecting things to turn around," said Luis Sanchez Masi, an economist with the Inter-American Development Bank.

*work
of
by
speculation*

"A very key element in obtaining an economic recovery is assistance Panama is about to get from the United States," he added.

But nearly four months after the invasion, it is still not clear when the U.S. aid will arrive. While it has been approved by both houses of Congress, it is part of a \$2.4 billion appropriations bill that will not be taken up until Congress returns next Wednesday from its Easter recess. President Bush had originally asked to have it approved by last Thursday.

Meanwhile, vice President Guillermo Ford, who holds the government's planning portfolio, has been working on a deal to repay interest arrears of more than \$620 million to international financial institutions, including the World Bank and International Monetary Fund and Inter-American Development Bank, so that new credits can be extended.

A plan now being proposed would have Panama, the United States, the European Community and Japan contributing \$150 million apiece toward the arrears, with the balance being made up by a bridge loan. Panama would begin immediately to keep up with interest payments.

Returning last week from a trip to Washington and Montreal, where he attended a meeting of the IADB, Ford said Panama intended to meet all its obligations to creditors but warned that lending institutions would have to show flexibility.

"Panama cannot make a substantial payment toward the charges and in return not receive anything," he said. "What is important is to establish a repayment of our responsibilities in exchange for receiving support from them ... that will open credits to Panama."

Ford said in March he hoped Panama would receive as much as \$400 million from lending institutions this year.

BIB STORY OF LEVEL 2 PRINTED IN FULL FORMAT.

COPYRIGHT (C) 1990 THE TIMES MIRROR COMPANY;
LOS ANGELES TIMES

APRIL 15, 1990, SUNDAY, BUILDING EDITION

SECTION: PART A; PAGE 8; COLUMN 1; ADVANCE DESK

LENGTH: 1030 WORDS

HEADLINE: ONE-THIRD OF PANAMANIAN'S JOBLESS IN A 'TIME BOMB' FOR THE COUNTRY

BYLINE: BY CHRIS ANGELU, ASSOCIATED PRESS

DATELINE: PANAMA CITY, PANAMA

BODY:

Noriega is gone, but one-third of Panamanians are out of work and unemployment has become the greatest threat to the new government.

"It has to be resolved or the country will go into a spiral of robberies . . . strikes, demonstrations against the government and backlash against the United States," said Carlos Rodriguez, a Panamanian who is vice president of the American Chamber of Commerce.

For now, there seems to be no opposition to President Guillermo Endara's new government. The end of Gen. Manuel Antonio Noriega's corrupt, repressive dictatorship and the lifting of U.S. economic sanctions have brought hope.

The government is scratching to keep itself afloat, however, and has nothing to invest in reactivating the economy. It is looking to U.S. aid and private enterprise to do the job.

Jorge Heraza, 21, finished high school three years ago with a specialty in commercial accounting, which seemed sensible in an economy that is 70% to 80% services. He still fills out job applications, and still has no job.

The Dec. 20 invasion that ousted Noriega and installed Endara seemed like a good idea, he said, "but they must follow through. They say they're going to give jobs, but unemployment -- with what has happened, it is worse."

Government officials say about 33% of the work force, estimated at 650,000 people, is unemployed.

Looting and vandalism that accompanied the invasion caused about 40% of businesses to close, raising the jobless figure from about 20% before the political crisis began in 1987, about 10% of Panamanians did not have jobs.

Endara fasted during the first 12 days of March to dramatize Panama's economic problems. He has criticized the slow pace of U.S. aid and of freeing government funds frozen during the Noriega regime.

"People cannot eat democracy," the president said. "There could be popular unrest unless there are some quick solutions. The congressional delay of approval endangers our democracy."

(C) 1990 LOS ANGELES TIMES, APRIL 15, 1990

Of the Bush Administration's \$1-billion package, Congress has approved \$43 million to rebuild the Chorrillo neighborhood, which was destroyed in the invasion, and the start of credit the Administration says is worth \$500 million.

Panamanians say they are well-equipped to use aid effectively.

"Panama is not a basket case like some other countries," said Rodriguez, the general manager of Colgate-Palmolive's operations in Panama. "It has good infrastructure, a good entrepreneurial class."

With the U.S. dollar as its currency, Panama was a thriving international banking and trade center.

That ended with the political crisis created by U.S. indictments of Noriega for drug trafficking, his dismissal of presidents, the closing of banks for nine weeks in 1988 and U.S. economic sanctions.

Assets in the cluster of gleaming, modern banking towers plummeted from \$40 billion in June, 1987, to less than \$15 billion two years later.

On streets that had teemed with visitors buying cameras, electronic equipment, watches and tailored suits, business slowed to a trickle.

The gross national product fell 20% in 1988 and 7.5% more in 1989. Much of the government's revenue was lost to corruption.

"If you stop the corruption, that by itself is income. It was that bad," said Guillermo Ford, the second vice president and planning minister.

Since the invasion, the government has survived on gradually improving tax revenue and partial release of the \$370 million in frozen funds.

"There is a change in mentality" about taxes, said Willie Lochez, the new mayor of Panama City. "They know people like President Endara will not steal the money and they decide to pay."

Officials continue plugging corruption leaks. Kindergartens are \$3,000 a month better off since Lochez sent a department head to jail for stealing that much.

New officials cut their own salaries, which saves \$2.1 million a year. Endara's pay was reduced from \$10,000 a month to \$7,000.

Until Panama pays the \$540 million in arrears on its \$5.2-billion foreign debt, it will not be eligible for new loans.

Rodriguez, the businessman, feels Panamanians may be too optimistic.

"People probably feel the problems are over and they are not," he said. "They probably think it will rebound to pre-1987 in three months and it will not."

He said unemployment is a "time bomb" against the Endara government or any democratic government.

TYPE: MIM

..Every unemployed person has a reason to protest, and it will be so if you protest..

..We cannot sit and wait. We have to have to get this... Kudenario rates, a former banker and now the government's computer,

..The perception in Kanama is that the United States is delaying approval of the economic recovery package to squelch out stronger restrictions on banking, rights restrictions on labor-related companies, .. Koozigue said.

International banking could revive, but is considered unlikely to regain its former prominence. Kanamians dismiss concerns that the banks could again become a haven for drug money and say current secrecy laws allow access to information when laundering is suspected.

The zone also does a brisk trade in transshipment of goods.

Kanama has had the cotton free-trade zone for years and it was not seriously affected by the crisis. Officials are promoting establishment of new in-bound plants there, which assemble products for export, and expansion of existing ones.

For the long term, Koozigue said, officials speak of a U.S.-Kanama free trade agreement similar to those the United States has with Canada and Israel.

Crime has skyrocketed because of unemployment and because so many weapons are in the hands of paramilitary groups set up by Noriega. Police said murders have gone up from four a month to 50.

A major worry in this strategy is reducing the payroll of 150,000 before there are enough new jobs for the people dismissed.

Kanama at the end of 1977, could be operated as a concession. Some businessmen even suggest that the Kanama Canal, to be turned over to

state-owned Air Kanama, sugar mills and cement and citrus processing plants, government strategy is to strengthen the private sector by setting

(C) 1978 Los Angeles Times, April 15, 1978

END STORY OF LEVEL 2 PRINTED IN FULL FORMAT.

Copyright (c) 1990 Reuters
The Reuter Library Report

April 17, 1990, Tuesday, 06 cycle

LENGTH: 411 WORDS

HEADLINE: PANAMA FACES TOUGH ECONOMIC BATTLE, U.S. AMBASSADOR SAYS

BYLINE: BY DAVID HARRIS

DATELINE: PANAMA CITY, APRIL 17

KEYWORD: PANAMA -AMBASSADOR

BODY:

Panama's new government, hampered by the delay in promised U.S. post-invasion aid and lacking resources of its own, faces a tough battle to get its economy moving, according to U.S. Ambassador Jeane Hinton.

"The general population has got, at some point, to have the clear impression that things are getting better, that it is working," Hinton said in an interview on Monday. "I don't think they've gotten there."

Hinton, a career diplomat whose other ambassadorial postings have included Pakistan, El Salvador and Costa Rica, expressed frustration at the delay in congressional approval of President George Bush's aid package four months after the U.S. invasion in December.

"You've got to have some tangible results. I think this is one of the reasons the Congress of the United States better pull itself together and make the decision to get the aid moving," he said. "If it were a six-month delay, that would be a real danger."

Bush proposed a billion dollar aid package in January, half of which consisted of trade and credit guarantees which have already been approved.

But the remaining 500 million dollars, part of his 800 million dollar "fund for democracy" that includes 300 million dollars for Nicaragua, has been pared back by both the Senate and House and is likely to be between 420 and 470 million dollars when approved.

The aid is part of a 2.4 billion dollar appropriations bill that Congress will take up when it returns from its Easter recess. Bush had originally sought congressional approval for the Central American aid by April 5.

While Hinton said the aid was essential, he also expressed some annoyance at what he viewed as a tendency of the new government to rely on the United States to solve its problems.

"There is a tendency here, like everywhere else, I mean this is not just Panama, if they have a problem they call the AID (Agency for International Development) director and say they need the problem solved," he said. "It is pretty important that Panamanians solve Panamanian problems."

(C) 1990 REUTERS; APRIL 17, 1990

He said, however, that government officials were strapped for resources in key areas.

"There are lots of things that need doing, public works, the health system, education, (the government) just doesn't have what it needs to function, it doesn't have the resources," he said. "You talk to any of the ministers, everyone will tell you ... he's got about two-thirds of what he thought he needed for new projects investment," he said.

SUBJECT: POLITICS

AND STORY OF LEVEL 1 PRINTED IN FULL FORMAT.

COPYRIGHT (C) 1989 THE NEW YORK TIMES COMPANY;
THE NEW YORK TIMES

DECEMBER 21, 1989, THURSDAY, LATE EDITION - FINAL

NAME: RICARDO ARIAS CALDERON; GUILLERMO FORO; GUILLERMO ENOARA

CATEGORY: POLITICS AND GOVERNMENT (FOREIGN)

SECTION: SECTION A; PAGE 22, COLUMN 3; FOREIGN DESK

LENGTH: 1003 WORDS

HEADLINE: FIGHTING IN PANAMA: A NEW GOVERNMENT;
THE 3 PANAMANIAN WHO'LL LEAD WHERE NORIEGA HELD SWAY

BODY:

GUILLERMO ENOARA

GUILLERMO ENOARA

Guillermo Enoara, a 54-year-old lawyer who was sworn in yesterday as the new president of Panama, was virtually unknown in Panamanian politics until last year, when he emerged as the compromise candidate of a three-party anti-Noriega group called the Civilian Democratic Opposition Alliance.

Like other members of the opposition, Mr. Enoara, representing the Authentic Liberal Party, was resolutely anti-Noriega. But he was equally opposed to American military action.

"We are not in accord with military intervention by any country," Mr. Enoara said last spring, soon after General Noriega nullified the results of the presidential election. "It will cause more problems than it solves." Mr. Enoara, a widower known for his amiable manner and ample girth, is believed by many to have defeated the pro-Noriega candidate, Carlos Duque, by a margin of 3 to 1.

Three days after the May 7 election, Mr. Enoara and his two vice-presidential running mates were beaten by paramilitary thugs as they led an opposition motorcade through Panama City. Mr. Enoara was hospitalized for a week with head injuries.

Over the summer, with public opposition to General Noriega at a low ebb, Mr. Enoara sought to step up the economic pressure by urging Panamanians to delay paying taxes and utility bills, and to boycott the state-controlled lottery and casinos.

Discouraged by the response, Mr. Enoara began a two-week hunger strike on Sept. 20, announcing that it was in protest of the National Assembly's appointment of Francisco A. Rodriguez as president. Lying on a hospital bed in the window of a downtown office building, Mr. Enoara is believed to have shed at least 30 of his 265 pounds - and stirred many jokes in the process.

Two weeks later, on Oct. 5, hours after the second abortive military coup against General Noriega in two years, armed men ransacked opposition-party headquarters and Mr. Enoara fled into hiding, where he remained until

(C) 1987 THE NEW YORK TIMES, DECEMBER 21, 1987

yesterday's strike.

Ricardo Arias Calderon

For months, Ricardo Arias Calderon, 56, a philosophy professor who became leader of Panama's Christian Democratic Party, was considered Mr. Endara's strongest rival for the opposition nomination for the presidency. But Mr. Arias Calderon, whose sometimes austere personality has been overshadowed by Mr. Endara's warmth, settled for a spot as candidate for first vice president.

But as Panama's political crisis worsened, it was almost invariably Mr. Arias Calderon who stepped forward to articulate the views of the opposition.

He seemed especially presidential in March 1988, when the government allowed him to return from a brief period of exile and he gave a moving speech to supporters at the airport. "We have but one objective," he said. "To get rid of Noriega and build reconciliation and democracy in Panama."

Like his running mates, Mr. Arias Calderon is no stranger to physical violence at the hands of the Panamanian military. In June 1987, as General Noriega found himself faced with a rising wave of street demonstrations and general strikes, Mr. Arias Calderon and his wife were clubbed by the riot police during a demonstration.

Last May 10, he was wounded when paramilitary men attacked the same opposition motorcade in which Mr. Endara was hurt. And in early October, shortly before the unsuccessful military coup, Mr. Arias Calderon and eight companions were detained for 20 hours and questioned about their role in the opposition campaign to convince Panamanians to deprive the government of tax revenues.

Despite his appreciation for American support against General Noriega, Mr. Arias Calderon made it clear over the years that he had few illusions about the relationship of the United States and the general. "The chief interest of the Americans here is the security of the Panama Canal," he said in June 1986. "In all these years, they have known exactly what Noriega was doing. But now they are against him because they feel he is a source of instability rather than stability."

Guillermo Ford

Although Guillermo Ford was the junior vice-presidential candidate in May's presidential elections, for a time he eclipsed his two running mates as the country's most recognizable anti-Noriega leader.

For many Panamanians, the 53-year-old Mr. Ford's slashing stump style and brusque manner seemed to project a machismo that contrasted favorably with the cautious approach of other opposition figures, whose defiance of the Noriega regime seemed limited to waving white handkerchiefs, nonking corn horns and banging pots.

Yet he made it clear that he had no plans to help lead the opposition into a suicidal charge. "We're not going to ask our people to confront these monsters," Mr. Ford said on May 13, three days after he and his associates were beaten during an opposition motorcade. "We're not going to take them to the butcher shop."

PHOTOGRAPHERS: PHOTOS OF KICARDO ARIAS LATORRE (KUEPERS); PHOTODATA (AP) ;

any hint of what he might have in mind.

and the rest of the world. . . At the time, Mr. Ford said, Mr. Ryan did not offer

he would not allow a dictator like Noriega to make a fool of the United States

to get Noriega out, that nothing has been put out, Mr. Ford said. . . He said

. . . I looked Ryan straight in the eye and he told me he'd do whatever it takes

of the failed October coup. A day later, he discussed it with President Ryan.

attempt aimed principally at him. Mr. Ford was in the United States at the time

that many suspected that the motorcade attack might have been an murder

self-described political novice, but he was so successful at forging a following

known by its Spanish acronym of Mottiana, Mr. Ford, a businessman, was a

At the time of his nomination by the nationalist Liberal Republican Party,

being punned by a crowd-swinging vigilante group.

on May 10, he was shown clad in a shirt soaked with his stain doggyard's blood,

English, his nickname of Rilly, and especially by stirring pictures of him taken

for Americans, Mr. Ford's prominence was assured by his command of automatic

1ST STORY OF Level 1 printed in FULL format.
Copyright (c) 1990 The New York Times Company;
THE NEW YORK TIMES
January 28, 1990, Sunday, Late Edition - Final

NAME: GUILLERMO ENOARA

CATEGORY: POLITICS AND GOVERNMENT (Foreign)

SECTION: SECTION 1; Part 1, Page 16, Column 1; Foreign Desk

LENGTH: 2024 WORDS

HEADLINE: TO MANY IN PANAMA, THE NEW PRESIDENT IS AN ENIGMA WRAPPED IN A SMILE

BYLINE: BY DAVID E. PHIL, Special to The New York Times

DATELINE: PANAMA, Jan. 27

BODY:

TO MANY PEOPLE WHO KNOW HIM ONLY FROM AFAR, GUILLERMO ENOARA BALIMANY, a 55-year-old lawyer with a dimpled smile and a quick laugh, is something of an enigma.

UNLIKE MANY OF HIS PREDECESSORS IN THE 21 YEARS OF MILITARY RULE, PANAMA'S NEW CIVILIAN PRESIDENT, WHO SOMETIMES JOKES ABOUT HIS WEIGHT PROBLEM, OFTEN SEEMS ALTOGETHER TOO GUILTESS AND SELF-EFFACING TO BELIEVE.

ALTHOUGH MANY PANAMANIANs THINK HE IS THE PERFECT MAN FOR THE JOB, OTHERS WONDER IF HE HAS THE POLITICAL SKILL TO REBUILD THE DEVASTATED ECONOMY, CREATE AN EFFECTIVE POLICE AGENCY TO REPLACE THE PANAMANIAN DEFENSE FORCES AND STILL GENERATE THE POPULAR SUPPORT THAT HIS GOVERNMENT WILL NEED WHEN THE EUPHORIA OVER THE OUSTER OF GEN. MANUEL ANTONIO NORIEGA SUBSIDES. AMONG OTHER THINGS, THE CIRCUMSTANCES UNDER WHICH MR. ENOARA AND HIS TWO VICE PRESIDENTS TOOK POWER - AS THE INVASION BY UNITED STATES TROOPS BEGAN LAST MONTH - IS CERTAIN TO BE USED AGAINST THEM AS PANAMA'S TRADITIONALLY ANTI-AMERICAN NATIONALISM REAWAKENS.

IN A PARTICULARLY COMPLEX PANAMANIAN PLAY OF RACE AND CASTE, MR. ENOARA IS ALSO LIKELY TO FIND HIMSELF DENOUNCED AS THE LEADER OF THE PRIVILEGED FEW AGAINST THE VAST RANKS OF THE POOR.

ON THE NIGHT OF DEC. 17

BUT THERE ARE ASPECTS OF THE NEW PRESIDENT'S PERSONALITY AND CAREER THAT SUGGEST THAT HE MAY BE ABLE TO RALLY THE COUNTRY IN WHAT MANY AGREE WILL BE THE DIFFICULT MONTHS OF RECONSTRUCTION AHEAD.

MR. ENOARA SAID THAT WHEN AMERICAN OFFICIALS TOLD HIM LATE ON DEC. 17 THAT THE INVASION WAS IMMINENT AND THAT THEY WANTED HIM TO TAKE THE OATH AS PRESIDENT, 'I FELT LIKE I HAD BEEN HIT IN THE HEAD WITH A SIEGENHAMMER.'

'IT WOULD HAVE BEEN VERY EASY FOR ME TO SAY, 'I'M NOT GOING TO TAKE THIS JOB UNDER OCCUPATION BY AMERICAN FORCES,' 'MR. ENOARA SAID IN A RECENT INTERVIEW IN HIS OFFICE OVERLOOKING THE PACIFIC. 'BUT I KNEW THAT I COULDN'T DO THAT. I HAD TO ASSUME THE RESPONSIBILITY OF GOVERNMENT - THE PEOPLE CHOSE ME TO BE

(C) 1990 THE NEW YORK TIMES, JANUARY 28, 1990

PRESIDENT. I COULDN'T SIMPLY TELL THE U.S.: 'YOU PICK THE GOVERNMENT. YOU ARE THE OCCUPYING POWER AND YOU DO WHAT YOU WANT.' ..

'HISTORY MAY SPEAK HORRIBLY OF ME,' HE SAID OF HIS DECISION. 'I CERTAINLY KNEW THAT LATIN AMERICANS WEREN'T GOING TO BE VERY FOND OF ME. BUT MORALLY, PATRIOTICALLY, CIVICALLY, I HAD NO OTHER CHOICE. I HAD TO DO IT.'

A REPUTATION AS A GREAT LAWYER

A YEAR AGO, BEFORE HE AGREED TO RUN AS THE CIVILIAN COALITION'S NOMINEE FOR THE PRESIDENCY AGAINST GENERAL NORIEGA'S CANDIDATE, MR. ENOARA WAS VIRTUALLY UNKNOWN AS A POLITICAL COMMODITY, EXCEPT FOR TWO THINGS.

POLITICAL INSIDERS KNEW HIM AS THE LONGTIME BEHIND-THE-SCENES SECRETARY FOR HIS 1991, DR. ARNULFO ARIAS MADRIGAL, THE CHARISMATIC, PERON-LIKE FIGURE WHOSE PRESENCE AND VIEWS - A CURIOUS MIX OF SOCIALISM, FASCISM, RACISM, MYSTICISM AND RESISTANCE TO UNITED STATES DOMINATION OF THE PANAMA CANAL - DOMINATED PANAMANIAN POLITICS FOR HALF A CENTURY.

BUT IN THE CAPITAL'S FINANCIAL CENTER, BANKERS, BUSINESSMEN AND WOULD-BE BUSINESSMEN KNEW MR. ENOARA IN A MORE PRAGMATIC INCARNATION, AS ONE OF THE BEST CORPORATE LAWYERS IN TOWN, SMART AND WELL-CONNECTED.

BOTH PURSUITS SEEM TO HAVE TAUGHT HIM THE FINE ART OF QUIET COMPROMISE, A SKILL HE HAS REPORTEDLY PUT TO USE IN RECENT WEEKS SETTLING DIFFERENCES BETWEEN HIMSELF AND HIS FIRST VICE PRESIDENT, RICARDO ARIAS CALDERON, LEADER OF THE FORMIDABLE CHRISTIAN DEMOCRATIC PARTY; AND THE SECOND VICE PRESIDENT, GUILLERMO (BILLY) FORD OF THE NATIONALIST LIBERAL REPUBLICAN PARTY, A SPLINTER GROUP KNOWN BY THE SPANISH ACRONYM OF MOLIRENA. UNDER A PACT SAID TO HAVE BEEN SIGNED DEC. 21 BY THE THREE MEN, DECISIONS ARE BEING MADE NOT BY MR. ENOARA ALONE, BUT BY CONSENSUS OF ALL THREE.

SOME POLITICIANS SAY THE COUNTRY IS APPARENTLY BEING RUN BY A LESS-THAN-EFFICIENT JUNTA, NOT A PRESIDENT. 'THEY'RE TRYING TO PLAY THE PIANO WITH SIX HANDS,' COMPLAINED ONE CRITIC, CARLOS IVAN ZUNIGA, AN OPPOSITION POLITICIAN WHO HEADS A SMALL, CONSERVATIVE POLITICAL PARTY KNOWN AS PAPD.

BUT OTHERS ARE HOPEFUL ABOUT MR. ENOARA'S SKILLS AT CONCILIATION.

'OVER THE YEARS, I'VE SEEN HIM ACT MANY TIMES AS A BRIDGE BETWEEN COMPETING GROUPS,' SAID FERNANDO MANTREDO, WHO BEGAN SERVING THIS MONTH AS THE FIRST PANAMANIAN ADMINISTRATOR OF THE PANAMA CANAL COMMISSION, ALTHOUGH IN AN ACTING CAPACITY. IN 1983, MR. MANTREDO RECALLED, MR. ENOARA, REPRESENTING DR. ARIAS'S AUTHENTIC PANAMANIAN PARTY, MANAGED TO GET A ROOMFUL OF BITTER POLITICAL ADVERSARIES, INCLUDING A COMMUNIST GROUP, TO AGREE ON A COMPLEX CHANGE IN THE CONSTITUTION.

BRILLIANCE AT SCHOOL, SUCCESS AT THE OFFICE

MR. ENOARA, AN ONLY CHILD, WAS BORN MAY 12, 1936, TO UPPER-MIDDLE CLASS PARENTS IN THE CAPITAL. BY ALL ACCOUNTS A BRILLIANT STUDENT, HE ATTENDED SECONDARY SCHOOLS IN ARGENTINA AND A NOW-DEFUNCT MILITARY ACADEMY IN LOS ANGELES, CALIF., EVENTUALLY GRADUATING FIRST IN HIS LAW CLASS AT THE UNIVERSITY OF PANAMA.

(C) 1990 THE NEW YORK TIMES, JANUARY 28, 1990

HE ALSO STUDIED LAW FOR A TIME AT NEW YORK UNIVERSITY, RETURNING HOME TO OPEN A LAW PRACTICE IN 1963 WITH AN OLDER LAWYER, BALBUENO SOLIS. MR. ENDARA WAS 27 AT THE TIME.

THE FIRM, NOW CALLED SOLIS, ENDARA, DELGADO & BUEVARA, HAD ALWAYS SPECIALIZED IN CORPORATE WORK, ALTHOUGH IN ITS EARLY GROWTH YEARS, "THEY TOOK ON JUST ABOUT ANYBODY WHO WALKED IN THE DOOR," SAID A PANAMANIAN LAWYER FAMILIAR WITH THE FIRM.

SOLIS ENDARA WAS THUS WELL-POSITIONED TO TAKE ADVANTAGE OF THE EXPLOSION IN COMMERCIAL ACTIVITY IN PANAMA THAT OCCURRED AFTER THE MILITARY COUP OF 1968, WHICH TOPPLED PRESIDENT ARIAS ON HIS 11TH DAY IN OFFICE; IT WAS THE THIRD TIME HE HAD BEEN DEPOSED BY THE MILITARY SINCE 1941.

MUCH OF THE SUCCESS OF PANAMA'S FINANCIAL CENTER IN THE 1970'S AND 80'S, MR. ENDARA READILY ACKNOWLEDGES, WAS A RESULT OF THE LATIN AMERICAN DRUG CARTELS, WHICH BROUGHT BILLIONS IN COCAINE AND MARIJUANA PROFITS TO BE LAUNDERED IN PANAMA. BUT THE PRESIDENT SAYS THAT NEITHER HE NOR HIS LAW PARTNERS EVER KNOWINGLY WORKED WITH DRUG TRAFFICKERS OR ACCEPTED THEIR MONEY.

IN THE INTERVIEW IN HIS NEWLY RENOVATED OFFICE AT THE PRESIDENTIAL PALACE, WHICH ONLY A MONTH AGO HAD BEEN OCCUPIED BY AMERICAN COMBAT TROOPS, MR. ENDARA ALSO DISMISSED PRESS REPORTS IN THE UNITED STATES THAT SECOND VICE PRESIDENT BILLY FORD'S BROTHER, HENRY FORD, WAS ASSOCIATED WITH A MIAMI ACCOUNTANT WHO WAS CONVICTED OF LAUNDERING MONEY FOR THE MEDELLIN CARTEL.

OTHERS FAMILIAR WITH MR. ENDARA AND BILLY FORD, FROM CHILDHOOD FRIENDS TO LONGTIME POLITICAL ADVERSARIES, SAY THAT WHATEVER THEIR FAULTS, THEY ARE NOT CORRUPT.

"I KNOW BILLY FORD SINCE WE WERE 10 YEARS OLD," SAID I. ROBERTO EISENMANN JR., A BUSINESSMAN AND PUBLISHER OF THE FIERCELY ANTI-NORIEGA NEWSPAPER LA PRENSA. "I KNOW BASICALLY EVERYTHING HE'S DONE IN HIS PROFESSIONAL LIFE, INCLUDING ALL THE TEMPTATIONS HE HAS HAD, AND I KNOW HE HAS NEVER BROKEN UNDER THEM."

MR. ENDARA SAID OF HIS OWN LAW FIRM: "WE DID LEGAL WORK UNDER THE DICTATORSHIP WITHOUT ANY HELP FROM THE GOVERNMENT, BUT WE HAVE DONE NO BUSINESS WITH NARCOTRAFFICKERS OR ANYTHING LIKE THAT THAT WE KNOW OF."

"BUT," HE SAID, "LIKE ANY LAWYER, I CANNOT VOUCH THAT EVERY CLIENT WHO COMES THROUGH OUR DOORS IS A SAINT."

"LIKE MANY OTHER LAW FIRMS IN PANAMA, WE ARE OFTEN ASKED TO DO COMPANY WORK, SUCH AS INCORPORATING COMPANIES," HE WENT ON. "IT'S POSSIBLE THAT WE MIGHT HELP SOMEONE INCORPORATE A COMPANY - AND THEN MAYBE THEY WOULD USE THE COMPANY FOR SOMETHING ELSE."

"THE FACT IS, I'M NOT SURE OF EVERYBODY I DO LEGAL WORK FOR, BUT I DO TRY TO AVOID SHADY CHARACTERS."

ACCORDING TO A PRESIDENTIAL SPOKESMAN, LOUIS MARTINEZ, MR. ENDARA REMAINS A PARTNER OF THE FIRM, BUT SUSPENDED HIS WORKING RELATIONSHIP AT THE BEGINNING OF THE POLITICAL CAMPAIGN LAST YEAR. "HE WILL NOT BE RETURNING UNTIL HE LEAVES PUBLIC OFFICE," THE SPOKESMAN SAID.

(C) 1990 THE NEW YORK TIMES, JANUARY 28, 1990

A CLOSE FRIEND AND AN ATLANTA ARREST

Mr. Endara said he remained "close friends" with Carlos Elita, a wealthy Panamanian businessman who was arrested in Atlanta last April on charges that he conspired to set up a major cocaine smuggling ring. He was released on bail pending his trial.

People here who know Mr. Elita remain puzzled by his arrest, saying that the idea of drug smuggling seems totally out of character for him. Some Panamanians, like Guillermo Sanchez Gordon, political columnist for the daily La Prensa, suggest that he may even have been set up by General Noriega or people close to him.

"Carlos Elita is a friend, but we have nothing in common with him in the sense that we are not partners with him in anything, anything that I know of," Mr. Endara said, "although he may have snares in some company that I might have snares in."

"He's a friend, but I have many friends in Panama."

The law firm's current clients, Mr. Endara said, include a cross-section of major Panamanian companies.

"We're not a big firm," Mr. Endara said. "In addition to the partners, we have another lawyer and some secretaries. In all, 12 people working in the office."

Asked whether he had felt apprehensive about being offered the presidential nomination last year, Mr. Endara signed heavily. "I was not apprehensive, I was surprised," he said. "I had not sought this nomination."

"A group of politicians felt that somebody representing Dr. Arias - his prestige, his authority with the masses - should be on the ticket."

Nearly two years after his death in Miami at the age of 86, Dr. Arias - or simply "Arnulfo," as Panamanians commonly refer to him - still exerts an eerie gravitational pull on public life here.

After Dr. Arias's young widow, Mireya, turned down repeated offers that she run for the presidency as the candidate of the National Civic Crusade, Mr. Endara said, the job was thrust upon him. He says he accepted it philosophically.

"I remember Dr. Arias always saying to me and to others that responsibilities for the country were things that came upon oneself by force of destiny."

"It's sort of like karma. You know about karma? I'm not an orientalist, I'm not a Buddhist, I'm not anything like that. But I've read books, and I learned that karma was something that you have to accept. I was surprised, but I felt an obligation to do my best, to finish the work of my teacher, my maestro, my mentor. And that is still my thought here."

(C) 1990 THE NEW YORK TIMES, JANUARY 28, 1990

Mr. Sanchez Gordon of La Prensa said he believed that whatever his political skills, Mr. Endara's easy-going ways might be exactly what the country wanted right now.

"After all the horror we've had, I think he is a good choice," Mr. Sanchez Gordon said. "He's a very humble man, very placid - anything but charismatic. But he may surprise people."

A NEW FRIENDSHIP AND A NEW LIFE

Some would say he already has. A few weeks ago, Mr. Endara was observed in a booth of the Marriott hotel coffee shop with a dark-haired young woman who, reporters agreed, was definitely not Marcelita, his 26-year-old married daughter.

Soon after the much-talked-about sighting, Mr. Endara announced that he was dating the woman, 24-year-old Ana Mae Diaz. He has been a widower since June, when his wife, Marcela, died of a heart attack, a month after the abortive May elections that were followed by street clashes in which her husband was beaten by paramilitary toughs.

Mr. Endara and Miss Diaz had met in September, when she went to visit him during his two-week hunger strike against the Noriega government. At the time, Mr. Endara, who says he lost 30 of his 265 pounds on the liquid-only diet, was usually flat on his back on a hospital bed in the window of a downtown office building, where skeptics could see for themselves that he wasn't eating.

"We're still getting to know each other," the President was quoted as saying of Miss Diaz this week.

That is a good description, many Panamanians say, of the relationship between Mr. Endara and the people of this close-knit country of 2.4 million as it struggles to reconstitute itself as a independent civilian democracy.

"In essence, I really don't care what reputation I acquire," President Endara said, sounding a bit like his beloved mentor. "What is important to me is to do my duty to the Panamanian people, to act in their interest and according to their will."

GRAPHIC: PHOTO: President Guillermo Endara visiting a refugee camp in Panama City on Christmas Day. Unlike many of his predecessors in Panama's 21 years of military rule, the civilian President appears guiltless and self-effacing. (Reuters)

April 18, 1990

MEMORANDUM

TO: MARK LANGE
FROM: CAROLYN CAWLEY
RE: PRESIDENT ENDARA OF PANAMA -- DEPARTURE REMARKS

Basic Info on Endara:

--he is a widower; currently engaged to a 23^{4?} year old woman

--he is a lawyer. Went to high school in Los Angeles, got his law degree from the University of Panama and did graduate work at NYU. He is VERY smart and has consistently been at the top of his classes. Speaks good English.

--He was elected on May 7, 1989 after massive demonstrations. Noreiga cancelled the elections.

Endara and his two Vice Presidents, Guillermo Ford and _____ have all been beaten badly, on several occasions, by opposition thugs (ie Noriega etc.) Vice President Ford is the man we all saw being beaten with steel pipes.

Endara was sworn in on December 19-20, in the midnight hours shortly before US troops paid their visit. ((A Gallup poll in early January said that 92% of the Panamanian people approved of the US invasion and 95% of them thought of Endara as the legitimately elected President.

He is very popular with the people of Panama. One part of this popularity is the fact that he smiles all the time and in Panama, a smile is the value of the man. He is by no means a professional politician, but nor is he an Aquino type who came into politics by accident.

--His coalition is made up of 6 parties and collectively they are known as "the Civil Crusade". 2 parties of the coalition are his, 2 are VP Ford's, and 2 are VP _____.

--He lives in Panama City.

--His nickname, at least with the press, is "Cachungo".
(exact translation TBD)

--Sites of interest in Panama:

the Panama Canal

"old Panama" -- the ruins of the original site where Panama was founded by the Spaniards.

It is the rough equivalent of Plymouth Rock.

Source: Bill Barr USEmbassy - Panama #27 17 77 ext 397
27 20 46

5
Jan. 198

1
154
WERC



JANUARY 1, 27 B.C.

**BYLINDA
MILGATE**



JANUARY 1, 1515

THE ALMANAC OF DATES



JANUARY 1, 1618



JANUARY 1, 1735



JANUARY 1, 1757



JANUARY 1, 1863



JANUARY 1, 1959



JANUARY 1, 1972

EVENTS OF THE PAST FOR EVERY DAY OF THE YEAR

\$5.95

THE WHITE HOUSE
WASHINGTON

POTUS began his term =

- during the 100th anniversary of the modern inter-American system
- @ the beginning of the 3rd century of US relations w/ L. Am. & the Carib.
- 4th yr = 500th anniversary of the discovery of the Americas

100
R23
W160

THEODORE ROOSEVELT
CYCLOPEDIA

EDITED BY

ALBERT BUSHNELL HART
Professor Emeritus, Harvard University

AND

HERBERT RONALD FERLEGER
Roosevelt Memorial Association

FOREWORD BY

WILLIAM ALLEN WHITE

ROOSEVELT MEMORIAL ASSOCIATION
ROOSEVELT HOUSE
NEW YORK CITY

PANAMA

PANAMA — RECOGNITION OF. I confidently maintain that the recognition of the Republic of Panama was an act justified by the interests of collective civilization. If ever a government could be said to have received a mandate from civilization to effect an object the accomplishment of which was demanded in the interest of mankind, the United States holds that position with regard to the inter-oceanic canal. Since our purpose to build the canal was definitely announced, there have come from all quarters assurances of approval and encouragement, in which even Colombia herself at one time participated; and to general assurances were added specific acts and declarations. In order that no obstacle might stand in our way, Great Britain renounced important right under the Clayton-Bulwer treaty and agreed to its abrogation, receiving in return nothing but our honorable pledge to build the canal and protect it as an open highway. . . .

That our position as the mandatory of civilization has been by no means misconceived is shown by the promptitude with which the powers have, one after another, followed our lead in recognizing Panama as an independent State. (Message to Congress, January 4, 1904.) *Presidential Addresses and State Papers II*, 750-752.

PANAMA AND THE UNITED STATES.

The people of the United States and the people of the Isthmus and the rest of mankind will all be the better because we dig the Panama Canal and keep order in its neighborhood. And the politicians and revolutionists at Bogota are entitled to precisely the amount of sympathy we extend to other inefficient bandits. (To Cecil Arthur Spring-Rice, January 18, 1904.) *Mem. Ed.* XXIII, 343; *Bishop I*, 297.

_____ . The sole desire of the United States as regards the Republic of Panama is to see it increase in wealth, in numbers, in importance, until it becomes, as I so earnestly hope it will become, one of the republics whose history reflects honor upon the entire Western world. Such progress and prosperity . . . can come only through the preservation of both order and liberty; through the observance of those in power of all their rights, obligations, and duties to their fellow citizens, and through the realization of those out of power that the insurrectionary habit, the habit of civil war, ultimately means destruction to the republic. (Speech at Panama, November 1906.) *Mem. Ed.* XXIII, 520; *Bishop I*, 452.

PANAMA CANAL. The canal will be of great benefit to America, and of importance to

PANAMA CANAL

all the world. It will be of advantage to us industrially and also as improving our military position. It will be of advantage to the countries of tropical America. It is earnestly to be hoped that all of these countries will do as some of them have already done with signal success, and will invite to their shores commerce and improve their material conditions by recognizing that stability and order are the prerequisites of successful development. No independent nation in America need have the slightest fear of aggression from the United States. It behooves each one to maintain order within its own borders and to discharge its just obligations to foreigners. When this is done, they can rest assured that, be they strong or weak, they have nothing to dread from outside interference. (Second Annual Message, Washington, December 2, 1902.) *Mem. Ed.* XVII, 176-177; *Nat. Ed.* XV, 152.

_____ . To my mind this building of the canal through Panama will rank in kind, though not of course in degree, with the Louisiana Purchase and the acquisition of Texas. I can say with entire conscientiousness that if in order to get the treaty through and start building the canal it were necessary for me forthwith to retire definitely from politics, I should be only too glad to make the arrangement accordingly; for it is the amount done in office, and not length of time in office, that makes office worth having. (To Samuel W. Small, December 29, 1903.) *Mem. Ed.* XXIII, 340; *Bishop I*, 295.

_____ . The one thing evident is to do nothing at present. If under the treaty of 1846 we have a color of right to start in and build a canal, my offhand judgment would favor such proceeding. It seems that the great bulk of the best engineers are agreed that that route is the best; and I do not think that the Bogota lot of obstructionists should be allowed permanently to bar one of the future highways of civilization. Of course, under the terms of the Act we could now go ahead with Nicaragua, and perhaps would technically be required to do so. But what we do now will be of consequence, not merely decades, but centuries hence, and we must be sure that we are taking the right step before we act. (To John Hay, August 19, 1903.) *Mem. Ed.* XXIII, 319; *Bishop I*, 276.

_____ . Every action we took was not only open and straightforward, but was rendered absolutely necessary by the misconduct of Colombia. Every action we took was in ac-

PANAMA CANAL

cordance with the international, and of the United States of the United States mandated the building could not have been begun, precisely as it dictated by the government foreign power was more vitally our people, and taken with a high honor, of course should distinguish States in all its world. (*Metropolitan Ed.* XX, 513; *N*

PANAMA CANAL

have good reason Germans] will be energetic protests: Bulwer treaty, on our own hook the power, would Britain that we would like a treaty respect as well as permit us to have the amended treaty possible I would Bulwer treaty at the last step unless I was proceeds, to keep make our army formidable expense The Germans an absolute confidence resemble an army would be in an army of the same

I think Lord mischievous and should be exceeding ourselves we have not the least fear in any way which may be a the immediate abrogate the Clayton be sure of the peace Germany and Earl H. C. Lodge, *Mem. I*, 485.

United States w

Panama

Embassy of Panama

483-1407 Analisa Pir

DOS - Panama desk

647-4982 Kim

OCD PAO

Maj Kathy Wood 697-5131

CINCSOUTH

9-011-507-82-4226

US Embassy Panama

Bill Barr 27 17 77 X397

27 20 46

Jan Edmondson

VOLUME 21

Oporto to Photoengraving

T H E E N C Y C L O P E D I A
AMERICANA
I N T E R N A T I O N A L E D I T I O N

COMPLETE IN THIRTY VOLUMES
FIRST PUBLISHED IN 1829



GROLIER INCORPORATED

International Headquarters: Danbury, Connecticut 06816

heorist George Padmore. The congress demanded independence. The umah proposed to obtain it in the organizing the masses and seizing 1957 that British colony became state of Ghana by constitutional African nations soon gained their attempts were made to implement ideas. On Nov. 23, 1958, Ghana decided to unite and form the basis ted States of Africa. In the Cona- n of May 1959, they "solemnly the Ghana-Guinea Union in prac- ined its two neighbors in 1961, but no practical or structural effect on ations.

became the chief spokesman for " Pan-Africanists, who held that ation should come before econom- At Casablanca, Morocco, in 1961, ea, and northern African states African consultative assembly, a committee for political affairs, and litary high command. "Moderate" ily from former French colonies, economic rather than political coop- preliminary to an eventual political . Meeting in Brazzaville, Congo, 7 formed the nucleus of a broader artered in 1961 at Monrovia, Liber- ter-African and Malagasy States Or- This "Monrovia group" included pendent African states except those blanca group."

d drive for African solidarity led to a May 1963 at Addis Ababa, Ethiopia, he 33 African heads of state charter- ization of African Unity (OAU). Africa, Morocco, and Togo did not n the conference. Since then the en the primary continent-wide orga- including all independent Africa t South Africa.

the surrender of sovereignty or of a ide federal union are now mentioned . In many ways the Pan-Africanist effected conditions of the period be- 1 nations became independent. It a common front against British, Portuguese colonial powers. With ment of independence by most Afri- , different ethnic, regional, and ideo- pectives began to intrude. The chief African political unity have been the governments to agree on the struc- cal orientation, and leadership of a 1 federation and their unwillingness er their sovereignty to a political nore radical view of the failure of Pan- sees the recession of the goal of Afri- as caused by "neocolonial" regimes dent African economies.

African states now seek greater degree on regional levels. Organizations : Southern African Development Coor- onference (SADCC) and the Econo- munity of West African States (ECOWAS) to resolve regional economic and p- blems. These efforts, coupled with ations cooperative ventures in educa- tion, science, and technology, are anifestations today of the spirit of Pan-

PATRICK O'MEARA, *Indiana Unicern*

PANAMA, pan'ə-mā (Spanish, Panamá; pä-nä-mä), a country occupying the narrow isthmus that joins Central and South America. Its location has led geographers to call it one of the great crossroads of the world. While comparable in size to its small Central American neighbors, Panama differs from them culturally and historically. See also **CENTRAL AMERICA—Introduction**.

The isthmus was occupied and settled by Spain shortly after the discovery of the New World. The settlers interbred with the native Indians, producing a people of predominantly mixed race. Later, slaves brought from Africa added a strong Negroid element to the population mix.

CONTENTS

Section	Page	Section	Page
1. The Land	335	4. Education and Culture	338
2. The Economy	336	5. History and Government	339
3. The People	337		

Balboa, the first European to cross the isthmus, realized that Panama would be a vital path between the Atlantic and Pacific oceans. In time the idea of an interoceanic canal became fixed in the Panamanian dream of the future. The United States finally fulfilled that dream by building the Panama Canal early in the 20th century. However, the new waterway proved to be a mixed blessing for Panama. Although in order to build the canal the United States had helped engineer the country's independence from Colombia in 1903, for many years thereafter North Americans supervised Panama's domestic affairs. Moreover, the canal and its flanking zone were under exclusive U.S. control. Much of Panama's recent history can be seen as a struggle to escape U.S. tutelage and to assume the role of a sovereign nation controlling one of the world's vital waterways.

1. The Land

Panama extends along the southern edge of the Caribbean crustal plate, which is tectonically stable in this area—one reason why the interoceanic canal was built there rather than in Nicaragua. The land lies roughly east and west, with a gentle curve like a sideways S. Its tropical location determines much of its climate and vegetation.

Physiography and Climate. Panama's sinuous shape is interrupted mainly by the southward extension of the Azuero Peninsula. Most of Panama is coastal plain, with its longest rivers flowing into the Pacific. Two mountain ranges form

INFORMATION HIGHLIGHTS

Total Area (land and inland water): 29,761 square miles (77,082 sq km).
Boundaries: North, Caribbean Sea; east, Colombia; south, Pacific Ocean; west, Costa Rica.
Elevations: Highest—Volcán Barú (11,401 feet, or 3,475 meters); lowest—sea level.
Population: (1980 census) 1,824,796.
Capital and Largest City: Panamá (Panama City).
Major Languages: Spanish (official) and English.
Major Religious Groups: Roman Catholics and Protestants.
Monetary Units: Balboa (= 100 centésimos) and U.S. dollar.
 For Panama's flag, see under **FLAG**, both illustration and text.



NAT NORMAN/PHOTO RESEARCHERS

The monument to Balboa in Panama City overlooks the Pacific, which he reached by crossing Panama in 1513.

a continental backbone, the Cordillera Central from the Costa Rica border almost to Panama City (officially, Panamá) and the lower Cordillera de San Blas from east of Colón to the Colombian border. Through the gap between them in central Panama runs the Panama Canal.

The climate of Panama is dominated by tropical weather systems in the Caribbean that carry warm, humid air over the isthmus throughout the year. Much of the moisture is dropped on the northern slopes of the two mountain systems, which receive an average of 128 inches (3,250 mm) of rainfall a year, or almost double the 68 inches (1,720 mm) that fall on the southern slopes. Panama is outside the hurricane belt but experiences violent thunder squalls during the rainy season, from May to December. Average temperatures vary little—from 77° to 80°F (25°–27°C), for example, at Panama City.

Geographic Regions. The two cordilleras create the country's contrasting natural regions, the Caribbean and Pacific slopes. The wetter Caribbean slope has a natural cover of dense tropical rain forest but is subject to rapid erosion when the trees are cleared. Except at the canal entrance it is sparsely inhabited, mainly by unhispanicized Indians and by blacks. The Pacific slope was favored by the Spanish settlers and their descendants because of its lower rainfall, its savanna areas of open wooded grassland, its more familiar and more easily penetrable semideciduous forests, and its soils better suited to European agriculture.

Economic and historical factors have led Panamanians to a somewhat different view of their

geography. They distinguish three less precisely defined but nonetheless distinctive regions that cut across the isthmus. The most important is the central "transit zone," which includes the Panama Canal, the Panama Railroad, the Trans-Isthmian Highway, the two largest cities (Panamá, the capital, and Colón), and some 60% of the country's population. Here is where the vital activities of the nation take place.

Another region is known as "the interior," a term signifying the areas beyond the transit zone that were favorable to settlement, whether coastal or inland. The interior was opened up during the colonial period, when families migrating west from Panama City founded towns, the largest of which became provincial capitals. This region includes the Pacific lowlands and hilly Azuero Peninsula southwest of the canal, with a large rural population and intensive cultivation of food crops as well as cattle raising. In the western "interior," along the border of Costa Rica, banana districts on the Caribbean and Pacific slopes employ a large share of the population and land, while the mountainous Chiriqui highlands support subtropical and temperate agriculture.

The eastern quarter of Panama, known as the Darién region, is occupied mostly by Kuna (Cuna) and Chocó Indians. In contrast to the westward movement from the central transit zone, European movement eastward into Darién was limited by dense rain forest and swamps on both coasts.

Natural Resources. Panama's greatest natural resource, according to its leaders, is the narrowness of the isthmus, which permits easy transit between the seas by ship canal, railroad, highway, and pipeline. Next come moderately fertile lands for grazing and agriculture. Native hardwood forests, once abundant, have mostly been cleared. Coastal waters contain rich fishing grounds, but many have already been overexploited. Panama has considerable hydroelectric potential and substantial deposits of copper, as well as some coal, molybdenum, silver, and gold.

2. The Economy

Even though canal services have been important to Panama's economic life, today they contribute only about 5% to the gross national product (GNP). Other international and domestic services are the heart of the economy. Agriculture ranks second and manufacturing third.

Agriculture. Farming is the oldest continuous economic activity in Panama, followed by grazing, which was introduced by the Spaniards. A hybrid system of agriculture emerged in colonial times, aspects of which are evident in some regions even today. Europeans introduced practices like slave labor and wage labor, crop storage, animal husbandry, and the plow; yet many settlers adopted native techniques such as shifting agriculture (without permanent fields). Before the 20th century Panama produced little for export, so there was scant incentive to modernize.

Commercial agriculture began only late in the 19th century, to supply cities, foreign markets, and canal workers. Bananas were cultivated all along the Caribbean coast, but soon the industry was concentrated near the Costa Rica border. Sugar and dairy farming were introduced in the interior in the 1920's. Eventually coffee spread into the Chiriquí highlands and vegetable and fruit farming began in the transit zone. Finally, the cattle industry was modernized to supply urban markets and the canal.

Most commercial agriculture took place on plantations and other extensive holdings. The ordinary farmer continued to subsist on his small plot, where he grew rice, corn, and beans and raised cattle, pigs, and poultry; he also worked on the estates to earn extra income. Generally the older, politically active families of the interior transformed their idle lands into production units, invested in processing plants, bought trucks to transport their goods to market, and used their influence to fix prices and keep out foreign competition.

Several factors have made Panama's farm products expensive in international trade. The country's soils produce lower than average

yields. Wages are relatively high, competing employment opportunities and canal area. Machinery, fertilizer, and irrigation equipment have been imported, raising costs. So except for sugar and coffee, farm produce goes to foreign markets.

Forestry and Fishing. Commercial logging has been keyed primarily to civil construction during the building and expansion of the canal and its terminal cities. Even today, however, with the use of forced concrete as a basic construction material, some tropical hardwood logging still occurs in the Darién region.

Panama has exported frozen shrimp and "spiny lobster tails" (from the spiny lobster) since 1950. When the native sources largely exhausted, a new industry arose to produce shrimp from frozen fish.

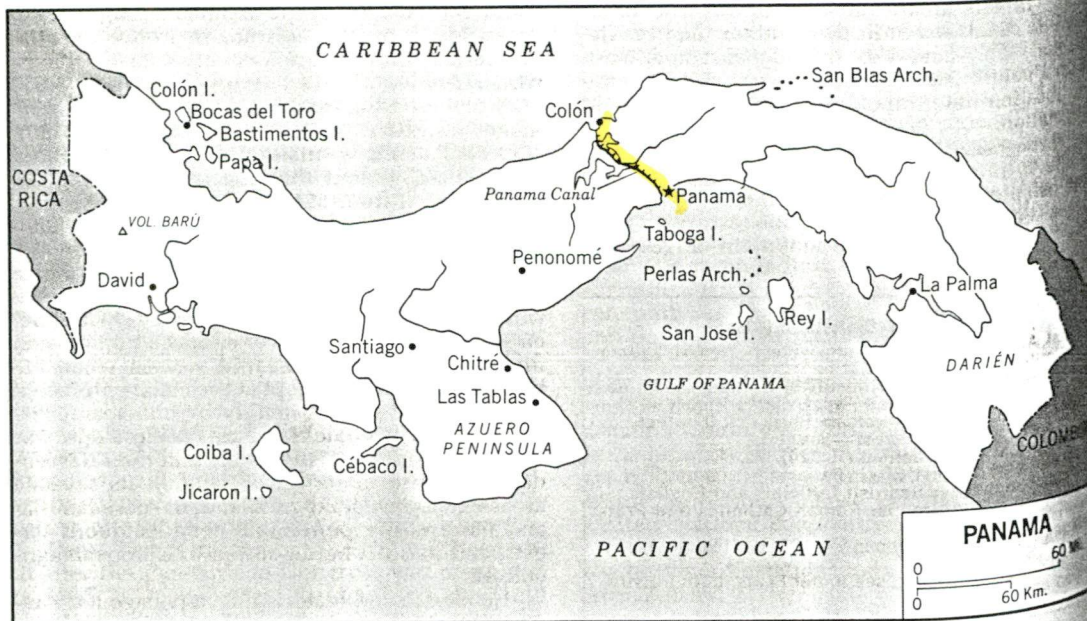
Mining and Energy Production. Because of fluctuations in world market prices, Panama has counted on the exploitation of its copper and mineral resources as a major source of income. For electricity the country relies on hydroelectric power and thermal energy, the latter being imported petroleum.

Manufacturing. In the 1940's, industrialists began to promote industrialization. They created the Colón Free Zone, where materials and intermediate goods are duty free and transformed into finished products for reexport only. The government followed a policy of import substitution, favoring domestic industries with subsidies as well as tariff quotas to compete with foreign industry imports. Panama created publicly owned industries, such as hydroelectric power generation, which was deemed necessary to economic development. However, private investment was unattractive to private investors, and, although industry failed to keep pace with the growth of the economy as a whole, government and generous labor legislation made it inefficient in comparison with foreign industry. So few Panamanian goods can compete in international markets. Today the manufacturing sector produces mostly light consumer goods for domestic demand.

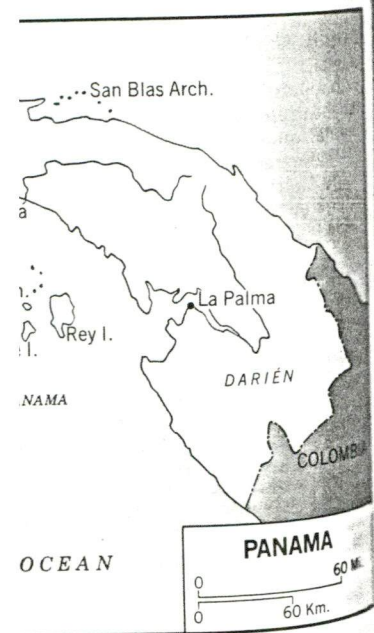
Transportation. Panama has a good transportation network. Two main highways carry the bulk of passenger and freight traffic: the Isthmian, between Colón and Panama, and the Inter-American, between the Caribbean and the Darién region. Good roads connect most cities and towns that are on the main routes. In addition, the Panama Railroad connects Colón with the capital, and several airlines operate mainly for the business and pleasure markets. Major towns have air service, and the airport is an intercontinental hub.

The chief ports—Cristóbal and Colon—serve the opposite ends of the canal—serve as smaller ports, outside the transit zone, for specialized cargoes such as bananas and oil. Coastwise shipping, in connection with the canal, is derutilized.

Foreign Trade. Three quarters of Panama's modest exports are primary commodities, chiefly in the United States and Canada. The remainder are manufactured goods. Panama is a Free Zone. Imports include a broad range of consumer products from all over the world.



canal services have been important; economic life, today they contribute 5% to the gross national product. The heart of the economy. Agriculture and manufacturing third. Farming is the oldest continuous activity in Panama, followed by grazing introduced by the Spaniards. Agriculture emerged in colonial times, of which are evident in some ways. Europeans introduced practices and wage labor, crop storage, and the plow; yet many settlers used techniques such as shifting agriculture (permanent fields). Before Panama produced little for export, an incentive to modernize. Agriculture began only late in the 19th century, to supply cities, foreign workers. Bananas were cultivated on the Caribbean coast, but soon concentrated near the Costa Rica border and dairy farming were introduced in the 1920's. Eventually into the Chiriqui highlands and fruit farming began in the transit zone. The cattle industry was modernized, urban markets and the canal. Commercial agriculture took place on other extensive holdings. The farmer continued to subsist on his small plots: grew rice, corn, and beans and pigs, and poultry; he also worked to earn extra income. Generally, the active families of the interior shifted their idle lands into production in processing plants, bought transport their goods to market, and succeeded to fix prices and keep out competition. Exporters have made Panama's farm productive in international trade. The banana produce lower than average



Wages are relatively high because of competing employment opportunities in the cities and canal area. Machinery, fertilizer, hybrid seed, and irrigation equipment have to be imported, raising costs. So except for bananas, sugar, and coffee, farm produce goes to domestic markets.

Forestry and Fishing. Commercial logging has been keyed primarily to civil construction, especially during the building and expansion of the canal and its terminal cities. Even that activity has diminished, however, with the use of reinforced concrete as a basic construction material. Some tropical hardwood logging still goes on in the Darién region.

Panama has exported frozen shrimp and "lobster tails" (from the spiny lobster of the tropics). When the native sources largely disappeared, a new industry arose to produce shrimp from salt-water farms.

Mining and Energy Production. Because of fluctuations in world market prices, Panama cannot count on the exploitation of its copper and other mineral resources as a major source of revenue. For electricity the country relies mostly on hydropower and thermal energy, the latter generated by imported petroleum.

Manufacturing. In the 1940's, Panama's leaders began to promote industrialization. Thus they created the Colón Free Zone, where raw materials and intermediate goods are imported duty free and transformed into finished products for reexport only. The government also followed a policy of import substitution, establishing or favoring domestic industries by means of subsidies as well as tariff quota barriers against competing foreign industry imports. Finally, Panama created publicly owned industries, such as hydroelectric power generation, that were deemed necessary to economic development but were unattractive to private investors. Eventually, however, industry failed to keep up with the growth of the economy as a whole. Protectionism and generous labor legislation rendered it inefficient in comparison with foreign industry, so few Panamanian goods can compete in international markets. Today the manufacturing sector produces mostly light consumer goods for domestic demand.

Transportation. Panama has a good transportation network. Two main highways carry the bulk of passenger and freight traffic: the Trans-Isthmian, between Colón and Panama City, and the Inter-American, between the Costa Rica border and the Darién region. Good feeder roads run to most cities and towns that are off the two main routes. In addition, the Panama Railroad connects Colón with the capital, while other rail lines operate mainly for the banana industry. Major towns have air service, and Panama City's airport is an intercontinental hub.

The chief ports—Cristóbal and Balboa, at opposite ends of the canal—serve world shipping. Smaller ports, outside the transit zone, handle specialized cargoes such as bananas, coffee, and oil. Coastwise shipping, in comparison, is underutilized.

Foreign Trade. Three quarters of Panama's modest exports are primary commodities, sold chiefly in the United States and Europe. Most of the remainder are manufactures from the Colón Free Zone. Imports include crude oil and a broad range of consumer products from all over the world.



CARL FRANK/PHOTO RESEARCHERS

Bananas, the chief Panamanian export crop, are grown in the western lowlands primarily for U.S. markets.

Since colonial times Panama has earned its livelihood by providing services to international trade. Such services as canal transits, flag-of-convenience registration for shipping companies, offshore banking, and insurance amount to several times the value of merchandise exports. A pipeline service pumps crude oil from Alaska and other Pacific sources across western Panama to a Caribbean port.

3. The People

Panama is the least populous country in Latin America. With a rate of natural increase about average for the region, the population was not expected to reach 3 million before the 21st century.

Ethnic and Religious Groups. Since the early days of Spanish settlement, *mestizos* (persons of mixed European and Indian ancestry) have constituted the largest and most widespread ethnic group in Panama. Blacks and mulattoes, descendants of African slaves and of West Indian blacks who built the canal, make up about a third of the population; they are concentrated in the transit zone and along the Caribbean coast. Although some sources state that 10% of the people are white, as a result of racial blending only a few of the country's long-resident families, mainly of the elites, can claim to be of purely European descent. However, Europeans and North Americans who immigrated during the 20th century compose a small but important segment of the urban population. Small Indian minorities preserve their traditional ways: the Kuna in the northeast, the Chocó in the southeast, and the Guaymí in the northwest.

Most Panamanians profess the Roman Catholic faith, but historically they have been less devout than their Andean neighbors and the church has played a muted part in national affairs. A relatively large Jewish community has prospered in Panama since the 18th century, and its members remain religiously active. Other



COURTESY OF PANAMA GOVERNMENT TOURIST BUREAU

A Kuna Indian displays her ornate clothing and ornaments. Kuna women have preserved many handicrafts.

immigrant groups brought with them Protestantism, the nation's second-largest religious denomination. These were British, French, and American settlers, as well as West Indian blacks.

Panamanian Society. Historically, two elites have directed the course of national life, one recruited from prominent families in the interior and the other drawn from the capital. They took control of the best lands, businesses, and government positions. A middle social stratum—necessary for the service economy and bureaucracy, and beholden to the elites—also has been traditional in Panama. The masses of working-class people perform the economy's manual and clerical jobs.

The descendants of West Indian immigrants form a special subculture. They inherited the English language, Protestant faith, and Anglo-Caribbean culture from their parents. Because most worked for the Panama Canal and lived in ghettos in the transit zone, their integration was difficult. During the 1930's and 1940's, in fact, leaders of the dominant Hispanic culture brought strong pressure to bear on this group either to emigrate or acculturate. After World War II, however, the West Indians began to find niches within Panamanian society and produced some outstanding figures.

By urban standards the interior subsistence farmers and ranchers are poor, and few own the land they work. With the advent of a national highway system and inexpensive transistor radios, they came into greater contact with the cities and began to sample the good life there. As a result thousands of peasants moved into the transit zone in search of urban opportunities. Public officials have striven to provide homes, schools, and jobs for these migrants, who largely settled into shantytowns on the outskirts of the capital.

Despite disparities in wealth and landholding, social cleavages are not so great as in many developing countries. Virtually everyone speaks Spanish and has an elementary education. A fairly high wage structure and per capita income provide paid workers with a decent stan-

dard of living, and the poor subsistence farmers are not desperate. In addition, the absence of a one-product export or single dominant industry has impeded the emergence of a family empire or dynasty within the elites. The equity of Panamanian society, as seen in relation to the societies of some Latin American countries, has produced a peaceable, hardworking populace.

4. Education and Culture

Panama's elites historically have identified themselves with Western learning and culture, which then trickled down to the middle and working classes. European influences were predominant until the end of the 19th century, and North American thereafter. Education and culture weigh heavily in the calculus of social status.

Education. In colonial times education was Catholic and limited to children of the elites. During the 19th century secular schools were opened, both public and private, but little progress was made toward mass education because of the country's poverty. The optimism of the canal-construction era led the founders of the republic to pass a law providing for universal public education. Thanks to the devoted efforts of educators since then, virtually all Panamanians over the age of 10 can read and write.

In the first quarter of the 20th century Panama also sent several dozen of its talented youth for college studies abroad, in order to create a pool of nation builders who could improve the society and government. On their return they founded institutes and colleges, some of which were amalgamated into the University of Panama in 1935.

Culture. Panamanian culture has a Hispanic base with Indian, African, and non-Hispanic Western influences. Major avenues of expression have been imaginative literature and folk music and dance.

Imaginative literature developed mainly after independence in 1903. Representative figures include Rogelio Sinán (surrealistic fiction), Joaquín Beleño (political and social-protest fiction), José de Jesús Martínez (drama with philosophical themes), Darío Herrera (modernist poetry—see MODERNISMO), and Demetrio Korsi (postmodernist, realistic poetry).

Folk music and dance, with performers in traditional costumes, are popular on festive occasions such as carnival time, the four days preceding Lent. In the national dance, the *tamborito*, the dancers are surrounded by handclapping participants. Couples take turns dancing precise steps, accompanied by drummers who beat out intricate, contrapuntal rhythms; the melody, sung by women, is divided between a soloist and chorus. Musicians such as Luis Azgárraga made names for themselves by playing native and popular music in a style recognizably Panamanian. Noteworthy composers of art music emerged in the 20th century. Roque Cordero used Panamanian themes in his mainly instrumental music; he headed the National Institute of Music and conducted the Symphonic Orchestra of Panama. Narciso Garay was an ethnomusicologist and folklorist as well as a composer.

Painting began to depart from academic traditions after 1930, led by Humberto Ivaldi. His pupil Alfredo Sinclair was the first Panamanian painter to win international recognition. Guillermo Trujillo exhibited widely abroad and

Painted murals for public buildings in Panama City.

Many of the best examples of colonial architecture, such as churches, buildings, and fortresses, were destroyed by earthquakes or were not maintained and fell into ruin. Subsequent French and North American influences gave way after World War II to a search for a national identity. The campus of the University of Panama illustrates the success of this effort.

Among the leading cultural institutions is the Biblioteca Interamericana Simón Bolívar, founded in 1935 as the library of the University of Panama. The Museo del Hombre was established in 1976 to exhibit archaeological and ethnographic.

5. History and Government

The several native peoples that inhabited the Isthmus of Panama at the time the Spaniards discovered it in 1501 numbered about 100,000. These were seminomads who resisted the European invasion.

Colonial Panama. After Vasco Núñez de Balboa reached the Pacific by crossing the Isthmus in 1500, the Spaniards established a permanent settlement on the west side of the isthmus in order to control trade with its colonies, and Panama became an official route for goods shipped between South America and the home country.

The native population declined to disease and enslavement. In 1671, the city was destroyed by African slaves, who set fire to the "hands and feet" of the Spaniards. The cities were repopulated by Spaniards.

Old Panamá was destroyed in 1671 by African slaves.



5, and the poor subsistence farmers. In addition, the absence of export or single dominant industries within the elites. The equity of Panamanian society, as seen in relation to the Latin American countries, has been equitable, hardworking populace.

and Culture

Elites historically have identified with Western learning and culture, which trickled down to the middle classes. European influences were prevalent until the end of the 19th century, and American thereafter. Education and culture heavily in the calculus of social structure.

In colonial times education was limited to children of the elites. 19th century secular schools were both public and private, but little was made toward mass education because of the country's poverty. The optimism of reconstruction era led the founders of the country to pass a law providing for universal education. Thanks to the devoted efforts since then, virtually all Panamanians of age of 10 can read and write. In the first quarter of the 20th century Panama sent several dozen of its talented youth to study abroad, in order to create a generation of builders who could improve the country's government. On their return they founded institutes and colleges, some of which were integrated into the University of Panama.

Panamanian culture has a Hispanic, Indian, African, and non-Hispanic influences. Major avenues of expression have been imaginative literature and folk dance.

Native literature developed mainly after independence in 1903. Representative figures include Rogelio Sinán (surrealistic fiction), José Martí (political and social-protest fiction), Jesús Martínez (drama with philosophical themes), Darío Herrera (modernist poetry—MODERNISMO), and Demetrio Korsi (postmodernist poetry).

Music and dance, with performers in traditional costumes, are popular on festive occasions such as carnival time, the four days preceding Independence. In the national dance, the *tamborito*, dancers are surrounded by handclapping partners. Couples take turns dancing precisely accompanied by drummers who beat out complex, contrapuntal rhythms; the melody, often by women, is divided between a soloist and a chorus.

Musicians such as Luis Azgarraga made their names for themselves by playing native and popular music in a style recognizably Panamanian. Notable composers of art music emerged in the 20th century. Roque Cordero used Panamanian themes in his mainly instrumental music. He founded the National Institute of Music and directed the Symphonic Orchestra of Panama. José Garay was an ethnomusicologist and pianist as well as a composer.

Contemporary music began to depart from academic traditions after 1930, led by Humberto Ivaldi. Alfredo Sinclair was the first Panamanian composer to win international recognition. Guillermo Trujillo exhibited widely abroad.

Painted murals for public buildings in Panama City.

Many of the best examples of Spanish colonial architecture, such as churches, government buildings, and fortresses, were destroyed by buccaneers or were not maintained and ultimately fell into ruin. Subsequent French and then North American influences gave way after World War II to a search for a national idiom adapting the International style to tropical conditions. The campus of the University of Panama demonstrated the success of this effort.

Among the leading cultural institutions, the Biblioteca Interamericana Simón Bolívar was founded in 1935 as the library of the University of Panama. The Museo del Hombre Panameño was established in 1976 to exhibit isthmian archaeology and ethnography.

5. History and Government

The several native peoples that inhabited the Isthmus of Panama at the time the Spaniards discovered it in 1501 numbered about 200,000 in all. These were seminomads who put up little resistance to the European invasion.

Colonial Panama. After Vasco Núñez de Balboa reached the Pacific by crossing Panama in 1513, the Spaniards established ports on both sides of the isthmus in order to move supplies over it. Spain assumed exclusionary rights in trade with its colonies, and Panama became the official route for goods shipped between western South America and the home country.

The native population declined abruptly due to disease and enslavement. Indians were replaced by African slaves, who served as the "hands and feet" of the Spaniards in Panama. Cities were populated by Spaniards and their

descendants and by *mestizos*, hispanicized Indians, and black slaves, roughly in descending order of status.

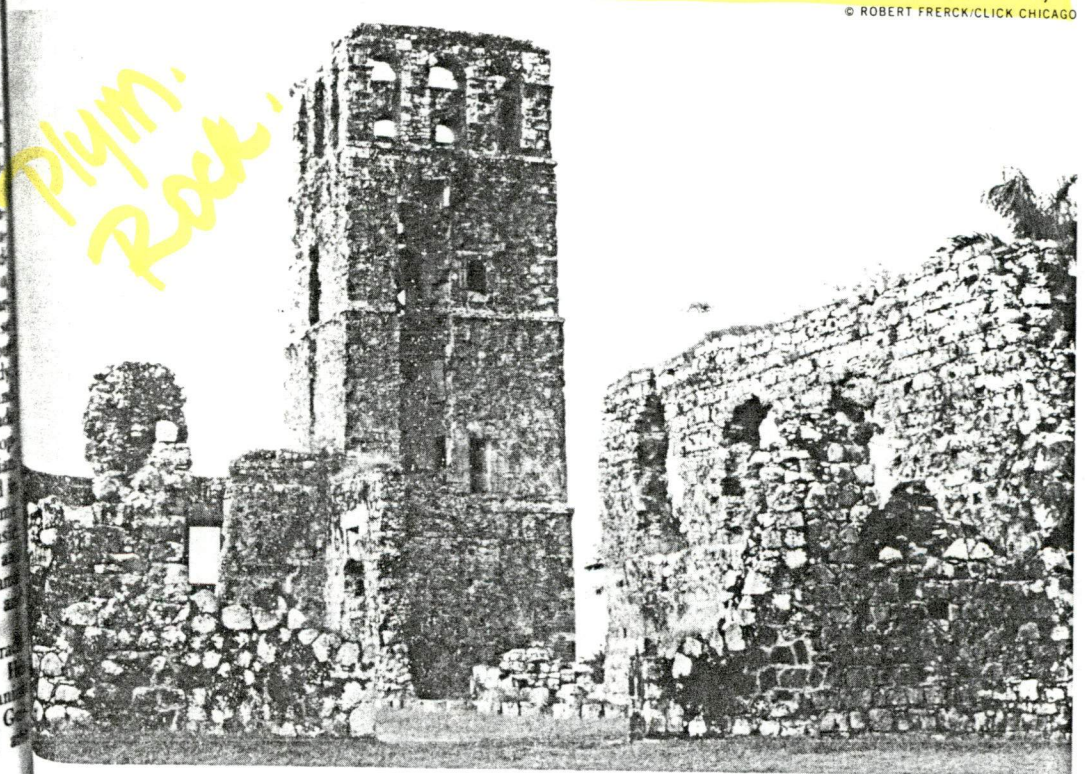
The first half of the 17th century was colonial Panama's heyday because of huge shipments of Peruvian silver moving across the isthmus by muleback for transshipment to Europe. The annual trade fairs at Portobelo were among the most opulent in the world. An elaborate system of galleons, escorts, and fortresses centered on Panama, the point at which Spanish trade was most vulnerable. Buccaneers attacked the isthmus frequently in hope of rich prizes.

The Panama route declined in the 18th century, especially after Pacific ports in South America were permitted to trade directly with Spain around the southern end of South America, a route made possible by improvements in ship design. A second important factor in Panama's decline was the growth of contraband trade circumventing the Spanish monopoly in the colonies. Many Spaniards moved out of the once prosperous transit zone to farm or ranch in the interior, effectively occupying the center-south of the country. By the early 19th century, Panama languished in depression.

The Colombian Period. Independence from Spain in 1821—followed almost immediately by voluntary incorporation into Simón Bolívar's Greater Colombia union of Colombia, Venezuela, and Ecuador—brought new opportunities for Panama's elites. They welcomed merchants from all over the Atlantic and Pacific trading basins and began providing services to vessels of all flags. They participated in the government in Bogotá to the extent possible. And they received visits from European scientists interested in building a ship canal across the isthmus.

Old Panamá was destroyed in 1671 by the British buccaneer Sir Henry Morgan. The ruins lie near Panama City.

© ROBERT FRERCK/CLICK CHICAGO



Still, independence from Spain failed to measure up to the Panamanians' expectations. After the breakup of Bolívar's union in 1830, Panama remained part of Colombia. The Colombians, unlike the Panamanians, were conservative and devout Catholics and looked down on the isthmians as unrefined and mongrelized. While trade picked up for a time, it failed to regain the importance it had in the 17th century. Moreover, Panama was too small and its population too dispersed to produce anything of value in world commerce. The disappointment felt by Panamanians and their desire for a liberal economic and political regime led to several revolts against Colombian rule during the 19th century. Each rising was eventually crushed by military force.

In the 1840's the U.S. drive to the Pacific and the discovery of gold in California revived interest in a modern short crossing between the oceans. Competing routes were developed: Cornelius Vanderbilt's, by coach and steamer, in Nicaragua; and the Panama Railroad, built by a New York corporation and opened in 1855. Thus the U.S. presence in Panama began.

The Panama Railroad, which gained the advantage over the Nicaragua route, created boom conditions in the isthmus. Several thousand laborers had been brought in to work on the line, generating demand for local products and services. Many of them stayed permanently, adding to the labor pool. The constant stream of travelers to California also made business soar. Finally, the railroad stimulated economic growth by giving local entrepreneurs easier access to foreign markets.

The 1860's and 1870's proved disappointing after the golden decade preceding them. Events in the United States—the Civil War and the opening of the first transcontinental railroad—caused a drop in transit business. Moreover, U.S. military protection of the isthmus, authorized under an 1846 treaty with Colombia, became increasingly oppressive as troops were landed every few years to quell disorder and protect the railroad.

Panama experienced a new boom in the 1880's as a result of a French canal project. Ferdinand de Lesseps, builder of the Suez Canal, formed a company in 1879 to construct a similar waterway in Panama. Lesseps raised three times the needed capital, and work began in 1881. Equipment, money, and immigrants poured into the isthmus during the years of excavation. But the collapse of the company in 1889, due to poor canal design, corruption, bad management, and mortality among the workers, left Panama even more depressed. Of the diseases that cost so many lives, yellow fever was the major killer, but tuberculosis, malaria, and others took their toll as well.

Some French stockholders kept alive the Colombian concession to build a canal, but in the 1890's the United States, newly prosperous and expansionist, seemed the most likely heir to the project. In 1901 the U.S. government committed itself to the canal. See also PANAMA CANAL.

The U.S. Protectorate. Panamanian separatist sentiment flared up in 1903 when the Colombian senate rejected a canal treaty with the United States. Panamanian leaders declared independence on Nov. 3, 1903, with the complicity of the U.S. government and agents of the French canal shareholders, who hoped to recoup some of their losses by selling their interests to the United

States. By terms of the Panama Canal (Hay-Bunau-Varilla) Treaty, signed on November 18, the United States agreed to provide military protection to Panama in exchange for the exclusive right to build a canal. The treaty gave the United States complete freedom to operate the canal and to govern a Canal Zone bisecting Panama. Just 15 days after independence, Panama had virtually become a U.S. protectorate.

Early in 1904, Panama adopted a constitution that provided for a four-year presidency, a unicameral legislature, and separation of powers. A controversial section authorized the United States to intervene in Panama to maintain peace and protect property, a right that would be exercised four times in the next 20 years. The first president, Manuel Amador Guerrero, elected in 1904, disbanded the army, adopted the dollar as currency, and oversaw the drafting of legal codes. Most of Amador's generation accepted the tutelary role of the United States.

Belisario Porras captured the presidency in the election of 1912 and dominated the government for the next dozen years. His administration saw the inauguration of the canal in 1914, which it celebrated with an international exposition the following year. However, the end of construction brought mass layoffs and a reduction of purchases from local merchants. Porras modernized operations of the government and stimulated economic development through infrastructure improvements. But a border war with Costa Rica in 1921 ultimately cost Panama some territory.

Most of the jobless during this period were West Indian blacks, who had been recruited to work on the canal and had little in common with Panamanians. A combination of economic competition and Panamanian ethnocentrism led to nativist demonstrations against the immigrants and to demands that they be deported. Many West Indians did leave the isthmus to work in Central America and Colombia, but the majority remained in Panama, hoping to be rehired by the canal.

Rodolfo Chiari was elected president in 1924 and within a few years he had created his own personalist rule. He took advantage of easy bank loans from Wall Street to expand rail lines in the banana district of western Panama and to begin work on new highways. His was a business-oriented administration, and many of his friends received lucrative contracts and concessions.

Middle Years of the Republic. Panama turned a corner in 1931, when the traditional elites lost their monopoly on power. Early that year Chiari's puppet successor was overthrown by a group called Community Action. The United States, having modified its interventionist policy in Latin America, declined to get involved, and the Panamanian government adopted a frankly nationalist position. Two brothers from outside the elites, Harmodio and Arnulfo Arias, emerged as leaders in Community Action. Both would serve as president (Harmodio, 1932–1936; Arnulfo, 1940–1941, 1949–1951, and 1968), and in their distinctive ways they reshaped the Panamanian nation.

Harmodio Arias' presidency brought attempts to soften the anti-West Indian sentiment that had surfaced in the 1920's and to divert more revenues toward economic development. The U.S. government agreed to renegotiate a number of issues, and concessions were embodied in a 1935

treaty. Among the most important was the announcement of the right to intervene in Panama, except (through a limited right) in case of a defense emergency for Panama to transmit radio messages. There was also a decrease in the canal annuity; agricultural and new land annexations would be approved by Panama; and, as a result, Panamanian businesses, limited to the Canal Zone. These reforms signaled a less servile relationship with the United States.

Arnulfo Arias' rise to power in the 1930's, aided by his brother, marked the creation of a new, mass political movement by the Panameñista Party, a nationalistic plan to make Panama strong. Elected president in 1938, he acted his program rapidly through an authoritarian nativistic cabinet that altered virtually every aspect of government. Also, Arias challenged Washington to cooperate in defense preparation and to reduce U.S. participation in World War II. Rising domestic and foreign opposition overthrew him in October 1941 and, still, his energetic administration benefited many lower-middle class and working-class citizens and provided a populist program.

Following Pearl Harbor, Panamanians assisted the U.S. war effort through promises of more money and better peace returned. After 1944 a group of reformist leaders lobbied for reform of the labor regime, transportation improvement, protection of Panamanian industry, and reduction of the U.S. military presence. They organized the civil and economic rights movements of West Indians and other minorities to give them better treatment. These reforms were embodied in a constitution promulgated in 1946.

The late 1940's and early 1950's saw concerted effort by Panama to reduce dependence on canal activities and diversify its economy. Industrialization received emphasis with the creation of the Colón Free Zone in 1948. A new airport at Panama and international flights. A new luxury resort facilities catered to foreign tourists. Canal authorities increased their dependence on Panamanian suppliers in an effort to improve relations.

In the late 1940's, Gen. José A. Arias became head of the National Police and a kingmaker. After an abortive attempt to install a puppet regime in 1949, he installed himself as president. When that fell apart in 1951, Remón ran for himself, winning easily in 1952. He is remembered for transforming the National Guard, which he made independent of negotiating the 1955 treaty with the United States. The new agreement raised the annuity paid to Panama and relocated U.S. Canal Zone residents to Panama, thus ending their commissary dependence. Early in 1955, Remón was killed in an assassination, and during the next years his party dissolved into several factions. Generalized disaffection due to economic stagnation, high unemployment, and the 1955 treaty, and a perceptible

s of the Panama Canal (Hay-Panama Treaty, signed on November 18, 1903) agreed to provide military assistance in exchange for the exclusive right to operate the Canal Zone bisecting Panama. In 1904, Panama had become a U.S. protectorate.

In 1904, Panama adopted a constitution for a four-year presidency, a separation of powers, and a provision authorized the United States in Panama to maintain peace, property, a right that would be exercised in the next 20 years. The first president, Amador Guerrero, elected in 1904, adopted the dollar as the national currency and oversaw the drafting of legal codes. Amador's generation accepted the Canal Zone as a U.S. protectorate.

Barra captured the presidency in 1912 and dominated the government for the next dozen years. His administration inaugurated the canal in 1914, a year with an international economic crisis. However, the end of the decade brought mass layoffs and a reduction of local merchants. Political operations of the government and economic development through infrastructural improvements. But a border war with Colombia ultimately cost Panama some

of the jobs during this period were lost to blacks, who had been recruited to work in the Canal Zone and had little in common with the Panamanian population.

A combination of economic conditions and Panamanian ethnocentrism led to demonstrations against the immigrants and that they be deported. Many did leave the isthmus to work in the United States and Colombia, but the majority remained in Panama, hoping to be rehired by the

Chiari was elected president in 1924. A few years he had created his own political machine. He took advantage of easy bank credit to expand rail lines in the Canal Zone and to begin building highways. His was a business administration, and many of his friends were in the Canal Zone.

Robles of the Republic. Panama turned a new page in 1931, when the traditional elites lost power. Early that year, a puppet successor was overthrown by a Communist Party. The United States modified its interventionist policy in Central America, declined to get involved, and the Panamanian government adopted a frankly nationalist position. Two brothers from outside Panama, Harmodio and Arnulfo Arias, emerged in the Communist Party. Both would be president (Harmodio, 1932-1936; Arias, 1941, 1949-1951, and 1968), and in different ways they reshaped the Panama

Arnulfo Arias' presidency brought attempts to end the anti-West Indian sentiment that had been in the 1920's and to divert more toward economic development. The U.S. government agreed to renegotiate a number of concessions were embodied in a 1955

treaty. Among the most important were U.S. renunciation of the right to intervene unilaterally in Panama, except (through a later understanding) in case of a defense emergency; permission for Panama to transmit radio programs; an increase in the canal annuity; agreement that any new land annexations would have to be approved by Panama; and, as a concession to Panamanian businesses, limitation of access by Panamanians to Canal Zone commissaries. These reforms signaled a less subservient position for Panama though by no means an equal relationship with the United States.

Arnulfo Arias' rise to power began in the late 1930's, aided by his brother. The younger Arias created a new, mass political movement represented by the Panameñista Party and announced a nationalistic plan to make Panama respected and strong. Elected president in 1940, he enacted his program rapidly through decree laws and an authoritarian nativistic constitution that altered virtually every aspect of the nation's life. Also, Arias challenged Washington by refusing to cooperate in defense preparations on the eve of U.S. participation in World War II. Because of rising domestic and foreign opposition, he was overthrown in October 1941 and went into exile. Still, his energetic administration impressed many lower-middle class and working-class citizens and provided a populist precedent.

Following Pearl Harbor, Panamanian authorities assisted the U.S. war effort in exchange for promises of more money and benefits when peace returned. After 1944 a group of progressive leaders lobbied for reforms in the canal labor regime, transportation improvements, protection of Panamanian industry, and a reduction in the U.S. military presence. They also recognized the civil and economic rights of the descendants of West Indians and urged canal authorities to give them better treatment. Many of these reforms were embodied in a liberal constitution promulgated in 1946.

The late 1940's and early 1950's saw a concerted effort by Panama to reduce its dependency on canal activities and diversify its economy. Industrialization received emphasis, especially with the creation of the Colon Free Zone in 1948. A new airport at Panama City attracted international flights. A new luxury hotel and resort facilities catered to foreign tourists. Finally, canal authorities increased their purchases from Panamanian suppliers in an effort to improve relations.

In the late 1940's, Gen. José Antonio Remón became head of the National Police and began to set himself up as kingmaker. After abortive attempts to create a puppet regime in 1949, he installed Arnulfo Arias as president. When that administration fell apart in 1951, Remón ran for president himself, winning easily in 1952. Remón is best remembered for transforming the police into the National Guard, which he made a proto-army, and for negotiating the 1955 treaty with the United States. The new agreement raised the canal annuity paid to Panama and relocated many non-U.S. Canal Zone residents to Panamanian territory, thus ending their commissary rights.

Early in 1955, Remón was killed in a gangland assassination, and during the next several years his party dissolved into squabbling factions. Generalized disaffection due to a stagnant economy, high unemployment, slow compliance with the 1955 treaty, and a perception of national

disgrace at the hands of the United States led to anti-American riots in 1958 and 1959. Panama had suffered a crisis of national self-esteem.

From 1960 to 1964 the Panamanian elites, represented in the presidency by Roberto Chiari, attempted to overcome the country's problems through limited social and economic reforms. They sponsored modest changes in the income tax, land laws, health and education agencies, and transportation and communications facilities. American authorities lent their support, in the hope of avoiding a repetition of the Cuban Revolution in Panama.

Chiari's program was too little too late. Early in 1964 the worst anti-American riots in Panamanian history erupted, lasting several days and costing 28 lives. Chiari was obliged to break relations with the United States and demand a new treaty to replace that of 1903.

In the negotiations that went on sporadically for 15 years, Panama's diplomatic position became as an assertion of national destiny. It was Panama's vocation to be a maritime transit facility for world commerce. The existing lock canal or a future sea-level waterway had to be the property of the nation. Distinctions of race and nationality in canal employment had to be eliminated. The separate zone had to be dismantled so that Panama's laws would prevail throughout the land. Finally, Panamanians had to benefit to the maximum extent feasible from canal revenues. These aims became a national crusade.

The vigorous administration of Marco A. Robles (1964-1968) continued to press for domestic reform while pursuing treaty negotiations with the United States. Robles inaugurated a hydroelectric dam, the highway to Costa Rica, and public housing and schools for the poor. Health clinics sprang up in isolated rural areas.

Toward the end of his term it seemed that Robles would pull off his complex set of programs. However, his reforms alienated the wealthy elites, which withdrew from his coalition. Business leaders failed to respond to his investment incentives. The poor became impatient with their continued low standards of living. And draft treaties with the United States, leaked in 1967, met with general repudiation by political leaders. Robles' failure plunged the country into a crisis. The legislature impeached him, and although the National Guard kept him in power his candidate lost the heated 1968 election to Arnulfo Arias.

Once in office, Arias began to reorganize the bureaucracy. He had mellowed with time and sought only to have an administration that would respond to his orders. The high command of the National Guard, however, was suspicious of his reassignments of top officers, and just 11 days after his inauguration it exercised its self-ordained prerogative to remove the president.

The Torrijos Era. The 1968 coup marked a turning point in Panama's history as important as those of 1903 and 1931. Historians refer to the post-1968 period as the "Torrijos Era," after the Guard commander who assumed sole power in 1969. Omar Torrijos ran the country actively for nine years and then exercised his influence behind the scenes until his death in a plane crash in 1981. Even afterward, however, the changes he had wrought served as a framework for the nation's leaders.

Torrijos governed as a dictator, making little attempt to consult representative groups or to

respect constitutional guarantees. The traditional elites, intellectuals, and the middle class remained neutral or opposed him. Vocal critics were exiled or jailed and tortured, and a few were murdered. Torrijos did manage to form a loose coalition by extending benefits to labor leaders, National Guard officers, public employees, and politicians who would not challenge him. His group was formally organized as the Democratic Revolutionary Party in 1977.

Torrijos' major benefit to the nation was the execution of two new treaties with the United States in 1977, replacing the hated 1903 agreement. The new treaties recognized Panama's sovereignty over the canal and created a system of bilateral management. At the end of 1999, Panama was to assume full ownership. The Canal Zone was abolished with the implementation of the treaty, and Panamanian jurisdiction was gradually phased in. Panama's share of canal profits was increased, as were its responsibilities for canal operation and defense. A second treaty guaranteed neutrality of the canal after 1999.

The treaties were a historic change, for both countries, and the long and difficult ratification process revealed great opposition to any alteration of the status quo. They were eventually ratified in 1978 and implemented in 1979.

Torrijos also promoted diversification of the economy, emphasizing industry and international services. The first did not take, because concessions to labor in 1972 and government regulations discouraged new investment. The second began with a law in 1970 to encourage offshore banking services. Soon investment in secret bank accounts soared, and Panama came to rival

the Bahamas as a center for clandestine financial operations. Panama also expanded maritime services, such as insurance, flag-of-convenience registration, ship provisioning, and legal representation.

Torrijos' negative impact was his dismantling of the civilian political system that had evolved since 1903. Flawed as it was, that system had fostered parties, rotated leaders into high office, made and upheld laws, protected citizens, guided the economy, and represented the nation internationally. What it lacked in innovativeness, it made up for in public acceptance.

Torrijos' successors were unable to recapture that elusive quality of legitimacy. After his death in 1981 the civilian leaders who held the presidency were unable to exercise authority. Instead the high command of the National Guard (later renamed the Panamanian Defense Force) wielded real power.

MICHAEL L. CONNIFF
University of New Mexico

Bibliography

- American University, Foreign Area Studies, *Panama: A Country Study* (USGPO 1981).
Conniff, Michael L., *Black Labor on a White Canal: Panama, 1904-1981* (Univ. of Pittsburgh Press 1985).
Farnsworth, David, and McKenney, James, *U.S.-Panama Relations, 1903-1978* (Westview 1983).
McCullough, David, *The Path Between the Seas: The Creation of the Panama Canal, 1870-1914* (Simon & Schuster 1977).
Pérez Venero, Alex, *Before the Five Frontiers: Panama from 1821-1903* (AMS Press 1980).
Ropp, Steve C., *Panamanian Politics: From Guarded Nation to National Guard* (Praeger 1982).
Wali, Alaka, *Kilowatts and Crisis: A Study of Development and Social Change in Panama* (Westview 1986).
World Bank, *Panama: Structural Change and Growth Prospects* (1985).

Panama City prospered with its growth as a modern center of international finance, trade, and maritime services.

© LUIS VILLOTA/STOCK MARKET



Artists display their work on the city of Panama's Independence Plaza, in front of the colonial cathedral.

PANAMA (city), pan'ə-mā, the capital of Panama and the nation's commercial center. The city (in Spanish) extends along the Bay of Panama at the Pacific end of the Panama Canal.

The urban economy is based on canal services, wholesale and construction, international banking manufacturing. Local industries include beverages, cigarettes, clothing materials, and furnishings, mainly for the Panamanian market.

The city's international airport is the busiest in Latin America. Maritime traffic through the canal port of Balboa. The Panamanian capital is on the Inter-American Highway and is connected by road and air to Colón, at the Caribbean end of the canal.

Description. The city of Panama is a blend of the peoples and cultures of the region. It has been described as a mix of Spanish tradition and international influences with some of the bazaar atmosphere of the old districts, with narrow streets, balconies, and traces of Spanish colonial architecture.

The city extends from a small peninsula where the city has spread northeast to the hillside of Alcañ Hill and the bay, as far as the predecessor, Old Panama (Panamá Viejo). The old districts, with narrow streets, balconies, and traces of Spanish colonial architecture, have been constructed on the hillside. Among the noteworthy buildings are the Legislative Palace, the Social Security Hospital, and the University of Panama.

In the oldest part of the city, on the peninsula, is the Plaza de Francia, a monument to the French, who pioneered the construction of the Panama Canal.

The Palace of Justice, where the Supreme Court sits, is behind this building rises a massive sea wall, called Las Bóvedas (the former dungeons) for the former dungeons. A regular esplanade runs along the top of the wall.

as a center for clandestine financial services, Panama also expanded maritime services as insurance, flag-of-convenience ship provisioning, and legal representation.

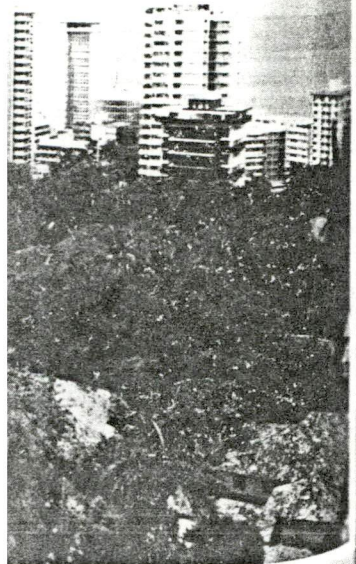
negative impact was his dismantling of the civilian political system that had existed since 1903. Flawed as it was, that system of elected parties, rotated leaders, and upheld laws, protected the economy, and represented the nation. What it lacked in innovation was made up for in public acceptance. Successors were unable to recapture the quality of legitimacy. After the fall of the civilian leaders who held the reins, they were unable to exercise authority with the high command of the National Guard and the Panamanian Defense Forces power.

MICHAEL L. CONNORS
University of New Mexico

Bibliography

University, Foreign Area Studies, Panama: A Study (USGPO 1981).
L. L., *Black Labor on a White Canal: Panama, 1914-1915* (Univ. of Pittsburgh Press 1985).
David, and McKenney, James, *U.S.-Panama, 1903-1978* (Westview 1983).
David, *The Path Between the Seas: The Opening of the Panama Canal, 1870-1914* (Simon & Schuster 1980).
Alex, *Before the Five Frontiers: Panama, 1903* (AMS Press 1980).
Panamanian Politics: From Guarded National Guard (Praeger 1982).
Powatts and Cris, *A Study of Development and Change in Panama* (Westview 1986).
Panama: Structural Change and Growth (Westview 1986).

il finance, trade, and maritime services.
© LUIS VILLOTA/STOCK MARKET



Artists display their work on the city of Panama's Independence Plaza, in front of the colonial cathedral.



© NAT NORMAN/RAPHO

PANAMA (city), pan'ə-mā, the capital of the Republic of Panama and the nation's cultural and commercial center. The city (in Spanish, Panamá) extends along the Bay of Panama just east of the Pacific end of the Panama Canal.

The urban economy is based on government and canal services, wholesale and retail trade, construction, international banking, tourism, and manufacturing. Local industries produce foods, beverages, cigarettes, clothing, building materials, and furnishings, mainly for the Panamanian market.

The city's international airport is one of the busiest in Latin America. Maritime trade passes through the canal port of Balboa. The Panamanian capital is on the Inter-American Highway and is connected by road and railroad with Colón, at the Caribbean end of the canal.

Description. The city of Panama is a meeting ground of the peoples and cultures of five continents. It has been described as a blend of Spanish tradition and international modernism, with some of the bazaar atmosphere of the East. The old districts, with narrow streets, overhanging balconies, and traces of Spanish fortifications, extend from a small peninsula. From there the city has spread northeastward between Ancón Hill and the bay, as far as the ruins of its predecessor, Old Panama (Panamá Viejo). Broad avenues, high-rise buildings, and handsome residential areas have been constructed since World War II. Among the noteworthy modern structures are the Legislative Palace, the National Library, the Social Security Hospital, and buildings of the University of Panama.

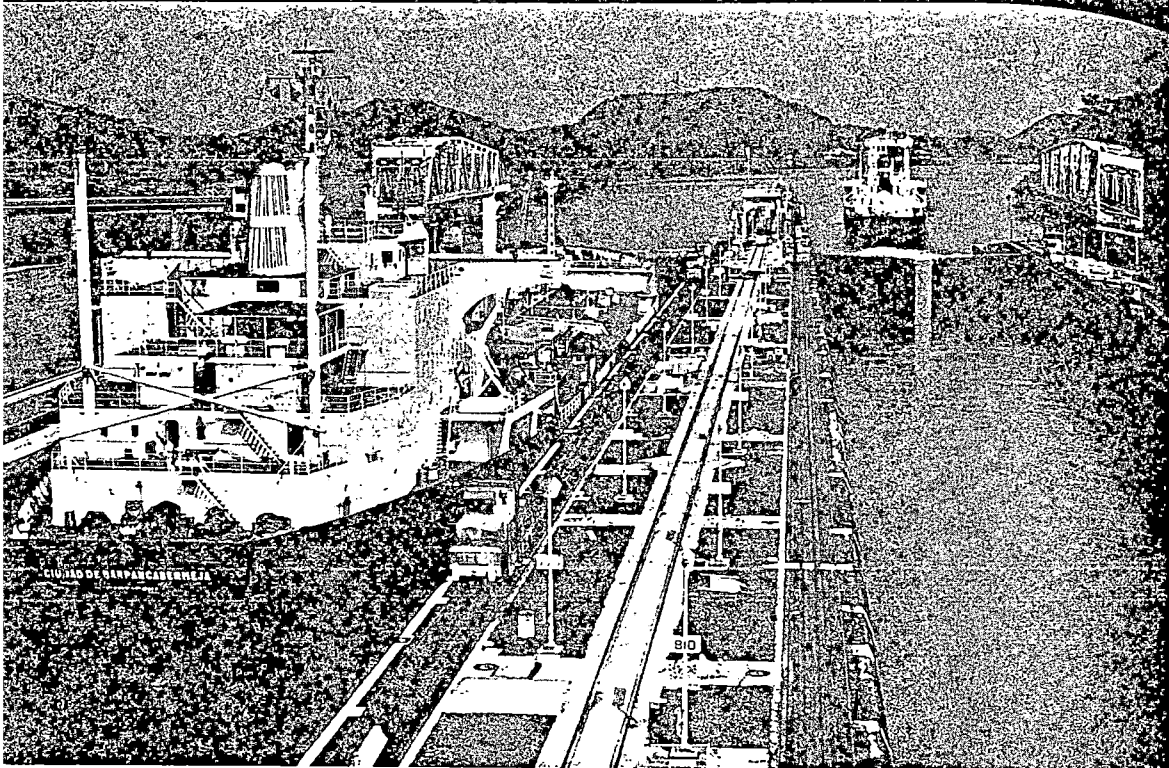
In the oldest part of the city, near the tip of the peninsula, is the Plaza de Francia, with a monument to the French, who pioneered in the construction of the Panama Canal. Here stands the Palace of Justice, where the Supreme Court meets. Behind this building rises part of the old defensive sea wall, called Las Bóvedas (The Vaults) for the former dungeons within it. A popular esplanade runs along the top of the wall.

Nearby are the National Theater, the Church of San Francisco, and Bolívar Institute, where in 1826 the liberator Simón Bolívar made his proposal of a confederation of Spanish American nations. At the northern end of the peninsula is the Presidential Palace with its Moorish courtyard. Not far away are the National Palace, housing government offices, and the bustling waterfront market.

Avenida Central, the city's main shopping street, leads from the peninsula to the Plaza de la Catedral, or Plaza de la Independencia, and continues through the downtown area. The cathedral (1673-1760) has two masonry towers adorned with mother-of-pearl. Its huge mahogany doors open into a solemn nave in Spanish colonial style. On the same plaza is the Municipal Palace, or city hall. The nearby Church of San José contains a splendid Baroque gold altar removed from the cathedral of Old Panama.

History. Old Panama was founded in 1519 by Pedro Arias de Avila (Pedrarias), the Spanish governor of the Isthmus of Panama. This city was destroyed in 1671 by the British buccaneer Sir Henry Morgan. Two years later the Spaniards founded the present city on its more defensible peninsular site, 7 miles (11 km) west of Old Panama's ruins. Both cities were a base for Spanish expeditions of conquest and a storehouse of vast treasure accumulated for transport to Spain.

The city of Panama prospered until the mid-18th century, when Spain abandoned the transisthmian trade route in favor of the all-sea route around South America. The discovery of gold in California in 1848 revived travel across Panama, restoring the city's economic vitality; but its prosperity declined again after the completion of a transcontinental railroad in the United States in 1869. A new surge of progress began with the opening of the Panama Canal in 1914. After World War II the population increased rapidly, and a construction boom transformed the city. Population: (1980) 652,361.



A ship moves through the Panama Canal's Miraflores Locks, assisted by an electric towing locomotive.

© HUBERTUS KANUS/SYGMA

PANAMA CANAL, a lock canal across Panama that connects the Atlantic and Pacific oceans. It bisects the Isthmus of Panama from Colón and the port of Cristóbal on the Atlantic side to Panama city on the Pacific side. The waterway was opened to commercial vessels of all nations on Aug. 15, 1914, fulfilling a centuries-old dream of connecting the two oceans and reducing the long voyage around Cape Horn by about 7,000 miles (11,200 km). The canal was built by the United States under authority of the 1903 treaty with the Republic of Panama, and operated under exclusive U.S. control until 1979.

The ship channel is 51.2 miles (82.4 km) long and has a minimum depth of 38.8 feet (11.8 meters). The channel varies in width, the minimum being 500 feet (152 meters) at the continental divide. The route reaches a maximum altitude of 87 feet (26.5 meters) above sea level as it crosses Gatun Lake.

The United States built the Panama Canal in ten years by taming a jungle, dividing a continent, and uniting two oceans. It was the greatest construction project the world had ever seen. No distinctly new engineering techniques were used in cutting the long channel, but the scale of the undertaking was unprecedented. More than 232 million cubic yards (177 million cu meters) of rock and earth were dug out from the bed of the canal. The locks, dams, and other concrete construction contained about 4.8 million cubic yards (3.7 million cu meters) of concrete. An average of about 35,000 men worked on the canal, about 5,000 of them Americans.

The four men who were most responsible for the success of the project were President Theodore Roosevelt, who resolved diplomatic and financial difficulties; William C. Gorgas, who stamped out yellow fever and malaria; John F. Stevens, the chief engineer from 1905 to 1907; and George W. Goethals, who succeeded Stevens, built the locks, and completed the canal.

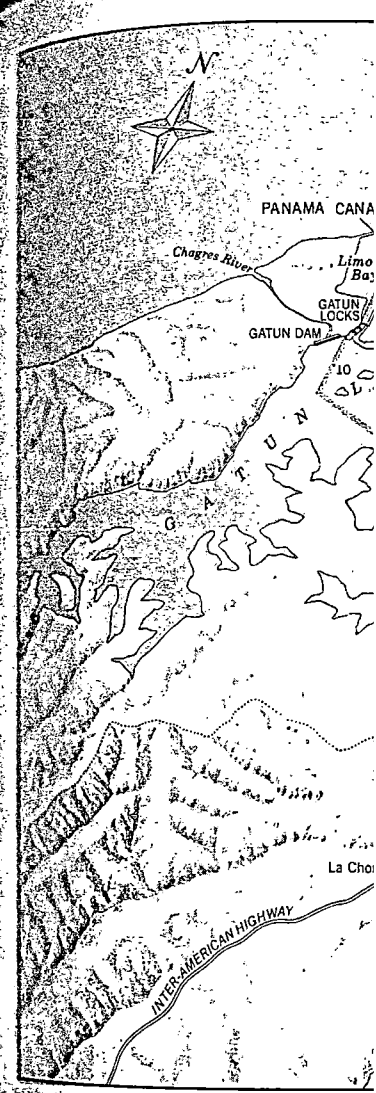
Route. The Panama Canal connects the Atlantic and Pacific oceans in a line that takes a northwest to southeast course because of the configuration of the isthmus. The canal begins at the breakwater in Limon Bay off Colón and Cristóbal on the Atlantic side and zigzags across the isthmus to take advantage of geographical features such as the Chagres River.

A controlled water supply is provided for the locks and ship channels by three artificial lakes: Gatun near the Atlantic terminus, Miraflores near the Pacific terminus, and Madden about halfway across the isthmus. Gatun and Miraflores were created at the time of original construction, and Madden was added in 1935.

Gatun Lake was created by the construction of a huge earthen dam across the Chagres River. The work took five years to complete, and at the time it was the largest earthen dam in the world. The lake covers about 165 square miles (429 sq km). In its midst is Barro Colorado Island, a world-famous wild game preserve. Because the water level dropped too low during some dry seasons, Madden Lake was built as a huge supplemental reservoir. The creation of Madden Lake extended the boundaries of the Canal Zone beyond the original 5 miles (8 km) on either side of the canal to a high-water mark at the 260-foot (79-meter) contour line around the lake. The expropriation of additional Panamanian land was authorized under Article II of the Hay-Bunau-Varilla Treaty in 1903 and of the Helms-Alfaro Treaty in 1936.

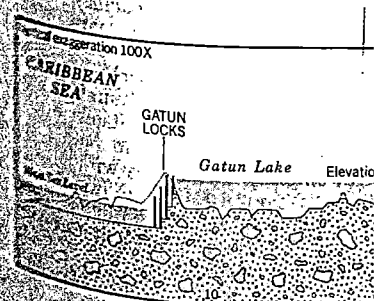
All three artificial lakes are vital sources of water for maintaining the ship channel over the continental divide and for regulating the flow that enables huge vessels to be lifted and lowered within the massive locks.

The Locks. The canal system has three sets of locks. The ones at Gatun comprise three double parallel chambers to take ships from the Atlantic side at sea level up to Gatun Lake, or to lower



ships traveling in the opposite direction. Pedro Miguel one double-chamber lock lowers ships between the level of Gatun and that of Miraflores Lake. The locks have two double chambers to regulate levels between the lake and the Pacific at Balboa below.

All the locks are made of concrete. Each chamber is 1,000 feet (305 meters) long and 110 feet (33 meters) wide. Huge steel gates between the chambers open and close to lower or raise the water levels for ships to enter or out of the locks. Ships move through the chambers by their own power but are regulated by electric power.





© HUBERTUS KANUS/SHOPL

by an electric towing locomotive.

The Panama Canal connects the Atlantic and Pacific oceans in a line that takes a north-south course because of the configuration of the isthmus. The canal begins at the Atlantic side and zigzags across the isthmus, taking advantage of geographical features such as the Chagres River.

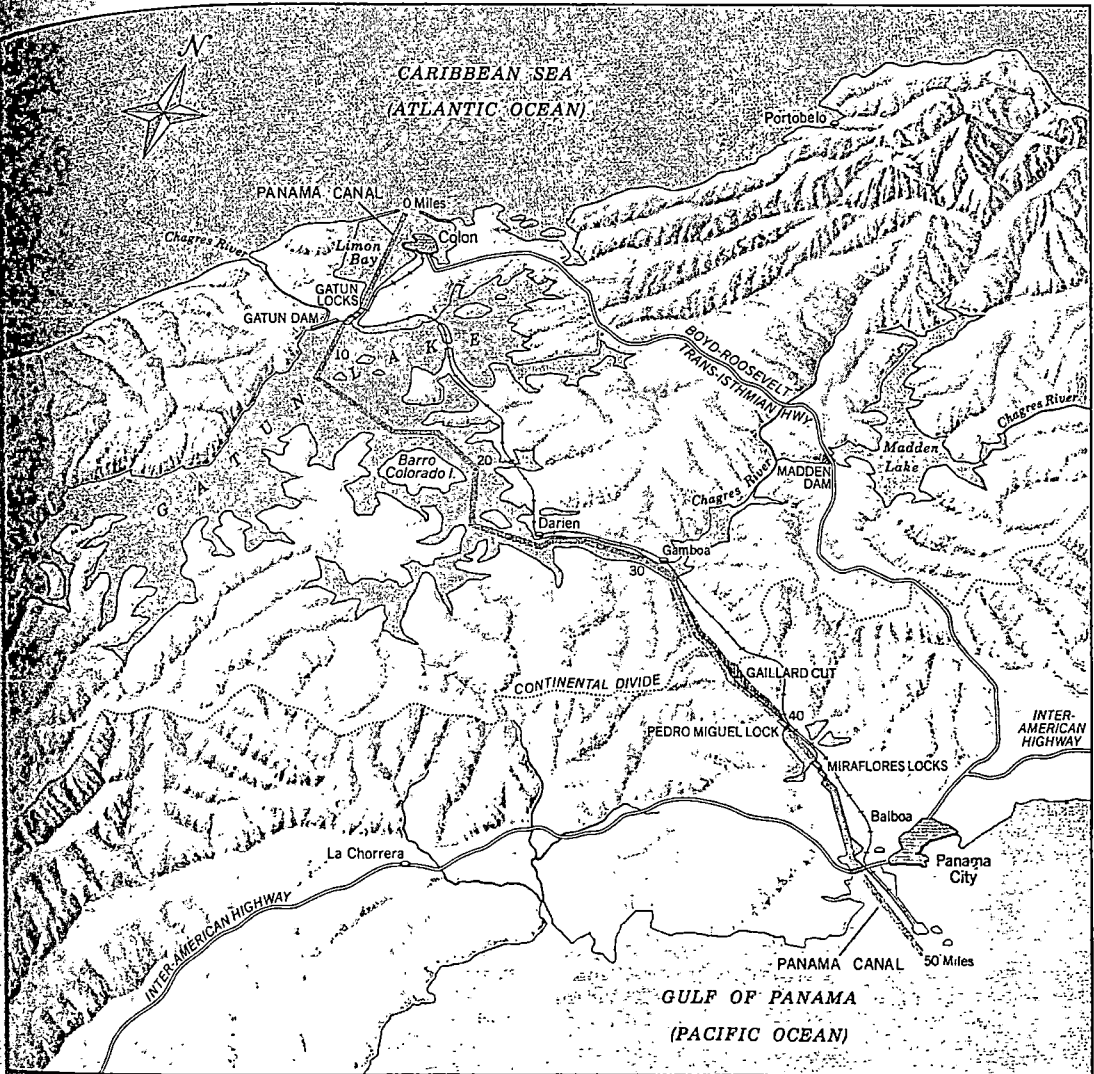
Artificial water supply is provided for the canal channels by three artificial lakes: Gatun at the Atlantic terminus, Miraflores at the Pacific terminus, and Madden about halfway across the isthmus. Gatun and Miraflores were created at the time of original construction, and Madden was added in 1935.

Madden Lake was created by the construction of a dam across the Chagres River. It took five years to complete, and at the time it was the largest earthen dam in the world, covering about 165 square miles (429 sq km). In the middle is Barro Colorado Island, which is a wild game preserve.

When the water level dropped too low during some dry seasons, Madden Lake was built as a huge reservoir. The creation of Madden Lake defined the boundaries of the Canal Zone, which is about 5 miles (8 km) on either side of the canal to a high-water mark at the 260-foot contour line around the lake. The construction of additional Panamanian locks was authorized under Article II of the Hay-Bunau-Varilla Treaty in 1903 and of the Panama Canal Act in 1936.

The artificial lakes are vital sources of water for maintaining the ship channel over the isthmus and for regulating the flow of the huge vessels to be lifted and lowered in the massive locks.

The canal system has three sets of locks. The ones at Gatun comprise three double-chamber locks to take ships from the Atlantic sea level up to Gatun Lake, or to lower



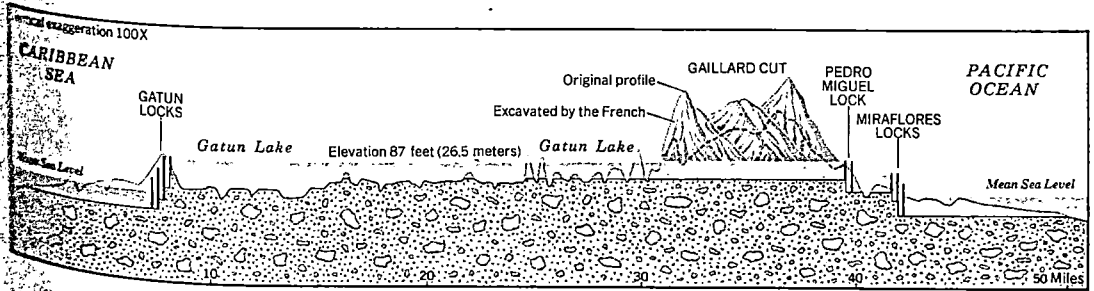
ships traveling in the opposite direction. At Pedro Miguel one double-chamber lock raises or lowers ships between the level of Gatun-Gaillard and that of Miraflores Lake. The locks at Miraflores have two double chambers to regulate the levels between the lake and the Pacific Ocean at Balboa below.

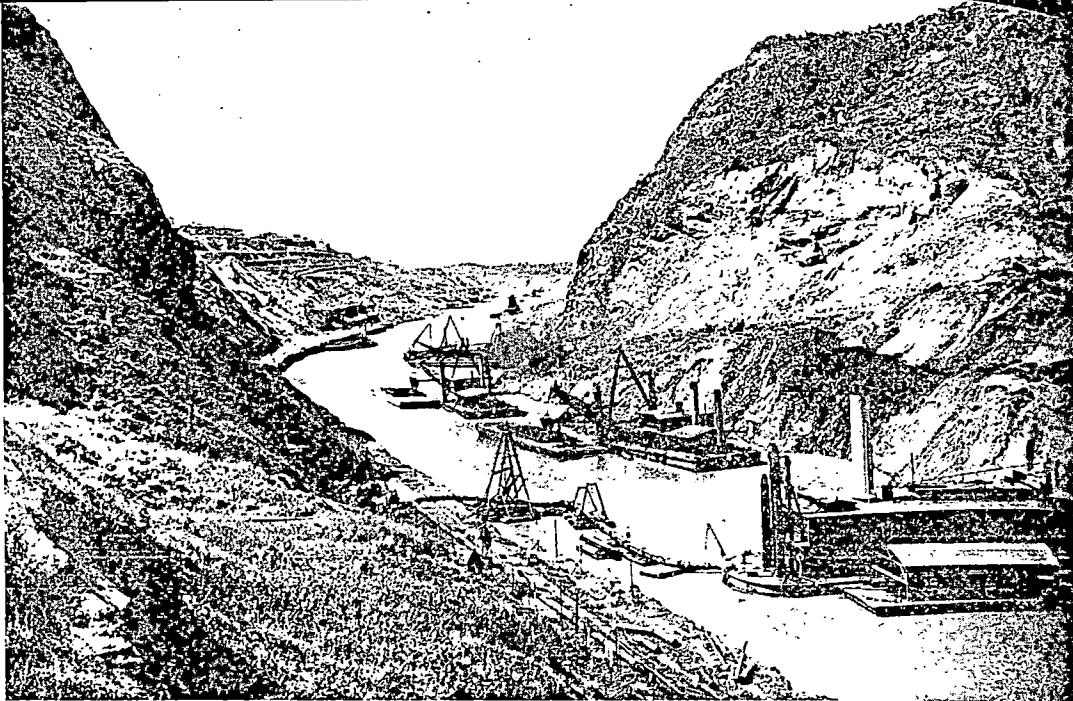
All the locks are made of concrete. Each lock chamber is 1,000 feet (305 meters) long and 110 feet (33 meters) wide. Huge steel gates between the chambers open and swing shut to lower or raise the water levels for ships passing into or out of the locks. Ships move through the locks under their own power but are helped through the chambers by electric towing loco-

motives running along the top of the lock walls, and harbor tugs nudge them in and out of the gates of the chambers. Every vessel transiting the canal is controlled by a highly trained pilot.

Canal Traffic. The Panama Canal operates 24 hours a day, usually with a backlog of ships awaiting transit at both the Atlantic and Pacific terminals. As many as 50 vessels go through in one day. The passage takes about eight hours. Major accidents are rare, and in all the years of the canal's operation only four ships have sunk in the waterway and temporarily halted the passage of ships.

Most of the world's ships can go through the locks, but a number of large naval vessels, such





Dredges work on Culebra Cut (renamed Gaillard Cut) in January 1914. Earth slides delayed the canal opening. BROWN ARCHIVE

as the bigger aircraft carriers, and large bulk carriers of petroleum and other cargoes are too large for them. More and more ships of such size are being built despite their inability to go through the canal because their lower operating costs and faster speeds undercut the time saving the canal provides.

Commercial oceangoing traffic through the canal varies from year to year, depending on world economic and political conditions. Since 1960, transits of the canal have ranged from about 12,000 to nearly 15,000 annually, with total cargo ranging from about 60.4 million long tons (71.5 million metric tons) to 168 million long tons (170.7 metric tons). Principal products carried by vessels from the Pacific to the Atlantic are oil, metal ores, lumber, bananas, and iron and steel products. Products carried from the Atlantic to the Pacific include oil, coal and coke, grains, soybeans, and phosphates.

Canal Tolls. From the opening of the canal in 1914, toll rates remained the same for about 60 years. A series of variable increases, depending on the ship's earning capacity went into effect beginning in 1974, but steadily rising operating costs tended to produce significant deficits. Shipments of Alaskan oil, beginning in 1978, increased the canal's revenues, but this source of revenue was seen as temporary, pending completion of an oil pipeline across the isthmus.

Defense. The military significance of the Panama Canal was very high for the United States at one time, with merchant and naval vessels able to cut thousands of miles from the long voyage around Cape Horn. United States naval deployments in World Wars I and II and the Korean and Vietnam conflicts were greatly facilitated by the Panama Canal. By the 1970's, however, it was clear that the locks and other facilities had become vulnerable to sabotage and enemy missiles, which greatly reduced the reliance that could be placed on the canal during military emergencies. The nuclear submarine, which could launch offshore missiles against the canal, is an especially troublesome concern.

After World War II the Navy made a basic decision to maintain sizable fleets in both the Atlantic and Pacific oceans. New naval vessels have been deliberately increased in size, even though they would be too large for the canal locks. The waterway, however, is still useful for most routine ship movements, and so long as any conflict is of the "cold war" type or against smaller powers, the Panama Canal remains a basic asset to the military establishment.

The United States could defend the canal and deny its use to a smaller hostile power, but an action by a major military power could jeopardize operation of the waterway.

Administration. The treaties, put into force in 1979, provide for the Republic of Panama to take full control of operating and responsibility for maintaining the canal after the year 2000. The pact, formally called the Panama Canal Treaty, calls for the United States to supervise the operation of the facility until 2000, with gradually increasing participation by Panama. During this period a new body called the Panama Canal Commission will supervise operations. The governing board will have five American and four Panamanian members. Until 1990 the Canal Administrator will be an American, and his deputy will be a Panamanian. During the next ten years of the dual arrangement, these positions will be reversed. In 2000 all U.S. participation will cease as a matter of legal right, but the Panamanian management may request the services of Americans in various capacities.

The first of the two treaties, ratified in March 1978, was named the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. It is of unlimited duration and commits Panama and the United States to defend the canal and keep it open to both merchant and naval ships of all nations without discrimination. Also provided for is the expedited passage of U.S. naval units, and an amendment by the U.S. Senate calls for American warships in time of emergency to proceed through the canal before all other vessels.

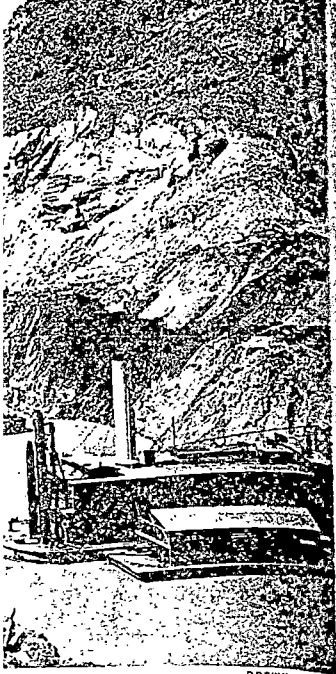
The United States agrees in this treaty to negotiate with any nation other than Panama the construction of a sea-level canal anywhere in the Western Hemisphere for the remainder of the 20th century. A further study, sponsored by two nations, will examine the feasibility of a sea-level canal across the isthmus. Provisions cover such things as employment, guarantees for U.S. citizens by the Panama Canal Commission, a commitment to pay the Republic of Panama a decreasing share of tolls until 2000.

History Before the Canal. After Balboa discovered the width of Panama in 1513 and discovered only a narrow strip of land separated the Atlantic from the Pacific, the possibility arose of building an interoceanic canal. Numerous expeditions were made by the Spanish during the 16th and 17th centuries. Emperor Charles V had little interest, but his successor, Philip II, requested a detailed recommendation. Thirty years such varied and distinguished men as Benjamin Franklin, Thomas Jefferson, Alexander von Humboldt, Henry Clay, and Simon Bolivar advocated a Central American canal. The great German poet-philosopher, Friedrich Schlegel, Napoleon, later emperor of the French, attracted considerable attention by their written proposals for the canal. A Frenchman, Ferdinand de Lesseps, first undertook construction of the canal. He had directed the building of the Suez Canal and was the premier canal builder of the 19th century.

De Lesseps' reputation seemed to guarantee success as he and his associates organized a private company, obtained a charter from the government of Colombia granting digging rights in Panama (then a province of Colombia) and began construction in February 1881. The funds were raised by public subscription, totaling \$10 million was obtained.

The original plan called for a sea-level canal, but the project began to appear infeasible because of the capability of a privately financed company of Ferdinand de Lesseps'. The prohibitive costs of digging through the hard rock of the continental divide had not been foreseen by the engineer. The company built a canal through the sand dunes of the Isthmus. Designs were altered to convert to a lock canal, but the company had already committed itself, physically and financially. Other factors contributed to ultimate failure, particularly outbreaks of malaria and yellow fever which took down a large part of the European workforce. The company went into receivership in 1889 and de Lesseps resigned, broken by the indignation of thousands of investors.

A strong effort was made to salvage the canal plan. Another company, the Compagnie Nouvelle du Canal de Panama, was organized in 1894 and excavations were resumed. The French government was about to guarantee the feasibility of the company when a treaty was signed by the U.S. Senate declaring the Isthmus of Panama a guarantee by a foreign state would violate the Monroe Doctrine. Although the company continued some desultory work, it was clear by 1898 that the project had ended in failure. That was the end of the Spanish-American War, and one of the reasons was to bring the United States into the canal-building enterprise. During the war of 1898 the U.S. government transferred the battleship Olinde



BROWN BROTHERS

Earth slides delayed the canal opening.

World War II the Navy made a basic maintain sizable fleets in both the Pacific oceans. New naval vessels liberately increased in size, even would be too large for the canal waterway, however, is still useful for ship movements, and so long as of the "cold war" type or against rs, the Panama Canal remains a military establishment. d States could defend the canal use to a smaller hostile power, but major military power could jeopardize of the waterway. ion. The treaties, put into force in e for the Republic of Panama to rol of operating and responsibility ng the canal after the year 2000 rminally called the Panama Canal for the United States to supervise of the facility until 2000, with reasing participation by Panama. eriod a new body called the Pan-ommission will supervise operations ng board will have five American-amanian members. Until 1990 the istrator will be an American, and ll be a Panamanian. During the last the dual arrangement, these posi- reversed. In 2000 all U. S. parties ease as a matter of legal right, be- nian management may request the mericans in various capacities. of the two treaties, ratified in was named the Treaty Concerning nt Neutrality and Operation of the al. It is of unlimited duration and ama and the United States to de- al and keep it open to both mer- val ships of all nations without ds. Also provided for is the expedite- J. S. naval units, and an amendme- Senate calls for American warship emergency to proceed through the all other vessels.

The United States agrees in this pact not to negotiate with any nation other than Panama for the construction of a sea-level canal anywhere in the Western Hemisphere for the remainder of the 19th century. A further study, sponsored by the nations, will examine the feasibility of building a sea-level canal across the isthmus. Other provisions cover such things as employment regulations, guarantees for U. S. citizens employed in the Panama Canal Commission, and a commitment to pay the Republic of Panama an increasing share of tolls until 2000.

History Before the Canal. After Balboa crossed the width of Panama in 1513 and discovered that only a narrow strip of land separated the Atlantic from the Pacific, the possibility arose of constructing an interoceanic canal. Numerous surveys were made by the Spanish during the 16th and 17th centuries. Emperor Charles V had a positive interest, but his successor, Philip II, dismissed a detailed recommendation. Through the years such varied and distinguished people as Benjamin Franklin, Thomas Jefferson, Alexander von Humboldt, Henry Clay, and Simón Bolívar advocated a Central American canal. Goethe, the great German poet-philosopher, and Louis Napoléon, later emperor of the French, attracted considerable attention by their written proposals for the canal. A Frenchman, Ferdinand de Lesseps, first undertook construction of a canal. He had directed the building of the Suez Canal and was the premier canal builder of his time.

De Lesseps' reputation seemed to guarantee success as he and his associates organized a private company, obtained a charter from the government of Colombia granting digging rights in Panama (then a province of Colombia), and began construction in February 1881. Funds were raised by public subscription, and nearly \$70 million was obtained.

The original plan called for a sea-level channel, but the project began to appear beyond the capability of a privately financed concern such as de Lesseps'. The prohibitive costs of cutting through the hard rock of the continental divide had not been foreseen by the engineers who had built a canal through the sand dunes of Suez. Designs were altered to convert to a lock-type canal, but the company had already overreached itself, physically and financially. Other problems contributed to ultimate failure, particularly epidemics of malaria and yellow fever that had struck down a large part of the European labor force. The company went into receivership in 1889 and de Lesseps resigned, broken by a storm of indignation of thousands of investors.

A strong effort was made to salvage the ambitious plan. Another company, Compagnie Nouvelle du Canal de Panama, was formed in 1894, and excavations were resumed. The French government was about to guarantee the financial stability of the company when a resolution passed by the U. S. Senate declared that such a guarantee by a foreign state would be a violation of the Monroe Doctrine. Although the company continued some desultory digging on the isthmus to keep alive its charter from Colombia, it was clear by 1898 that the French effort had ended in failure. That was the year of the Spanish-American War, and one of its consequences was to bring the United States actively into the canal-building enterprise.

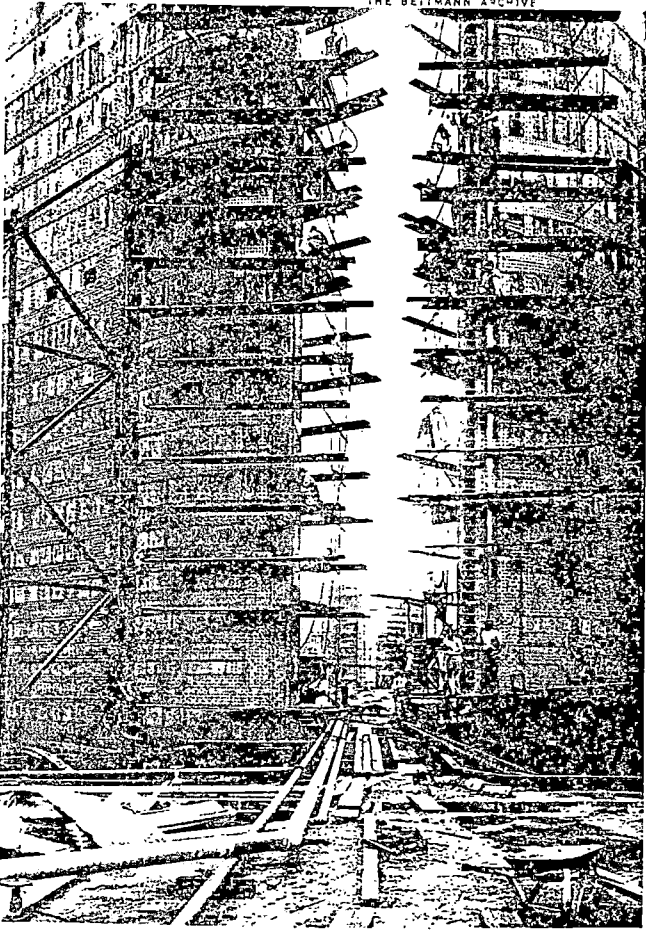
During the war of 1898 the U. S. Navy Department transferred the battleship *Oregon* from

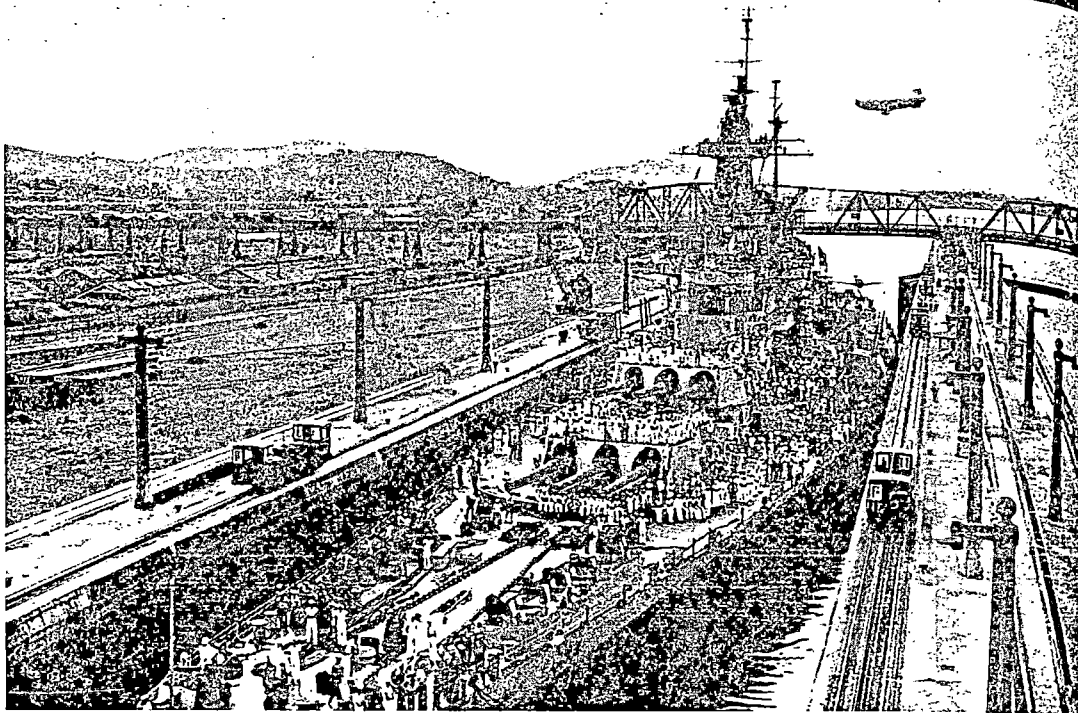
the Pacific to the Atlantic. The long, time-consuming voyage around South America through the Straits of Magellan raised anew the strategic importance of an isthmian canal. President McKinley appointed the Walker Commission to study the question of various projected routes. By the Hay-Pauncefote Treaty, negotiated with Britain in 1901-1902, the British withdrew from the canal-building partnership proposed in the Clayton-Bulwer Treaty of 1850. The United States was then free to act on its own initiative. The commission report favored a Nicaraguan route, but events during Theodore Roosevelt's presidency turned the decision toward Panama.

Many U. S. Navy engineers had favored Panama, in opposition to the views of Army and civilian specialists. It is apparent that they influenced the thinking of President Roosevelt, a former assistant secretary of the Navy. But most effective was the behind-the-scenes lobbying of the Compagnie Nouvelle du Canal de Panama and its shrewd and able agent in America, Philippe Jean Bunau-Varilla. The investors in the dying French company saw an opportunity to recover a considerable part of their financial losses. They offered to sell all rights and holdings in Panama to the United States for \$40 million. Although the Walker Commission had favored the Nicaragua route, a supplementary report had found a Panama canal to be an ac-

Gatun Locks (shown under construction) raise or lower ships between the Atlantic Ocean and Gatun Lake.

THE BETTMANN ARCHIVE





USS North Carolina goes through the Panama Canal in 1945. The canal had wartime strategic importance.

ceptable alternative. On June 28, 1902, Congress passed the Spooner Act, which authorized the purchase of the French holdings if the United States could secure Colombian assent to proceed with the unfinished canal. But the Colombian government failed to ratify the Hay-Herrán Treaty, negotiated to provide for such action.

An immediate consequence of this rejection by Colombia was a revolt in Panama in November 1903. Dissident groups there had long sought separation from Colombia. Covert support from the United States guaranteed the success of this uprising. Moreover, the French interests did everything in their power to move things along. Bunau-Varilla worked closely with Manuel Amador, leader of the Panamanian revolutionaries, and he also developed influential support within the United States. President Roosevelt even issued a statement in support of the revolutionaries. When it was clear that the independence movement had succeeded, Bunau-Varilla appeared in Washington carrying credentials as the first Panamanian minister to the United States. Within days the United States granted formal recognition to the new nation. The Hay-Bunau-Varilla Treaty was ratified by the U. S. Senate on Feb. 23, 1904, and shortly thereafter by the Panamanian government.

The treaty granted to the United States "in perpetuity" complete jurisdiction over a strip of land 10 miles (16 km) wide across the isthmus, which became known as the Canal Zone. Within this zone construction of an interoceanic canal was resumed in 1904. It followed the general route of the unfinished French canal.

In return for the concession granted to the United States, Panama was paid \$10 million and was to receive annual payments of \$250,000 beginning in 1913. Panama always maintained that this sum was a "rental payment" and supported the thesis that "sovereignty" was never relinquished over the land in the zone. Bunau-Varilla, as representative of the Compagnie Nouvelle du Canal de Panama, received \$40

million that the United States had agreed to pay for the French rights and returned to Paris to settle with his associates.

Construction of the Canal. Early work was undertaken with the goal of creating a sea-level canal between the Atlantic and Pacific. The same problems that had stymied the French company soon appeared formidable even to the government of the United States, especially the task of cutting through hard rock to sea level. The plans were soon changed in favor of a lock-type canal. Work proceeded under the direction of Col. George W. Goethals, who in 1907 was appointed chief engineer. Between 1907 and 1913, steam shovels, dynamite, and loading trains were used to excavate 96 million cubic yards (73 million cu meters) of rock at the Culebra (Gaillard) Cut, the hardest part of the route.

The North Americans were also able to overcome one of the worst obstacles that had faced de Lesseps—tropical disease. Col. William C. Gorgas, chief sanitary officer of the new Canal Zone, introduced modern sanitation and public health procedures in 1904. Medical scientists discovered that malaria and yellow fever were carried by mosquitoes. Widespread draining of swamps and other precautionary measures were conducted in both the Canal Zone and in the republic proper, and the diseases as well as the insects were virtually eliminated from the isthmus. At the outset of construction, thousands of workers fell sick every year. The incidence of sickness was cut to about seven per 1,000 employees by 1914, the year the new waterway opened.

History After 1914. For years the people of the United States regarded the Panama Canal with pride of ownership. Schoolchildren were taught that it undeniably "belonged" to the United States. Every map and every geography book showed the canal and the Canal Zone among the overseas "possessions" of the United States, in the same category as Guam or the Virgin Islands. In 1946 the U. S. government reported to the United Nations that the Canal

was one of its "non-self-governing territories." This action brought a furor of Panamanians, who contended that the Canal Zone had never belonged to the United States.

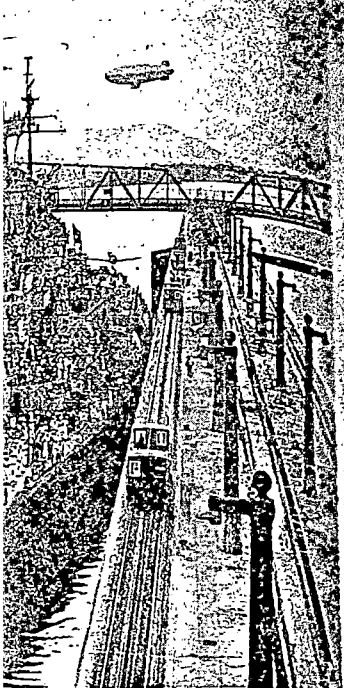
This episode aggravated the animosity, long felt in Panama, toward the United States, which had long bridled at the memory of signing away their country's most valuable asset. The annual \$250,000 gratuity was grossly inadequate for the loss of an important part of the national domain.

For decades Panamanian sentiment toward the United States was scant recognition in Washington. Secretary of State Charles Evans Coolidge declared that any question of modifying the Bunau-Varilla pact would not even be considered by the United States. It was in the 1930s that Franklin Roosevelt's "Good Neighbor" policy toward Latin America that the United States changed its unyielding attitude. The Treaty of 1936 terminated all U. S. intervention rights and raised an annual payment to \$430,000. In 1955 the Chapin-Argüello Treaty increased this to \$1,930,000. The United States postponed any thought of treaty modification. The United States used the canal for operations between the Atlantic and Pacific on a round-the-clock basis for many years. No time to consider U. S. control and operation. Peace came on the Axis and loyally supported the war effort. But once the war was over, the United States again sought basic treaty changes. The animosity of the war years was soon eroded.

Years of agitation and numerous Panamanian riots "invaded" the Canal Zone, which clashed with U. S. troops defending the zone. A break in diplomatic relations between the two republics followed this, which many lives were lost and damage amounted to millions of dollars.

The 1964 riots made it clear that a thorough renegotiation of the treaties could ever restore a climate of cooperation between Panama and the United States. But it was to take 14 more years of full and painstaking negotiations to reach a new understanding. The talks were held many times. Threats of violence were common. The background of the meetings was the powerful domestic opposition to the treaties were finally approved by the United States in 1978 with the barest two-thirds vote.

Even so, the U. S. Senate has reservations and the Panamanians back the entire negotiation. Panama, with some reluctance, to amend the 1904 treaty of March 16, 1978, which granted the United States a unilateral right to defend the canal against any aggression or against the canal or against persons or vessels. Sen. Dennis DeConcini, who authored a further "clarification" of the canal were to be closed or interfered with, the United States would take any steps it considered necessary to use of military force in Panama to defend the canal or restore the operation of the canal. The amendment in Panama denounced the 1978 amendment as a violation of



BROWN BROTHERS

... had wartime strategic importance.

The United States had agreed to pay rights and returned to Paris to associates.

of the Canal. Early work was the goal of creating a sea-level the Atlantic and Pacific. The is that had stymied the French appeared formidable even to the of the United States, especially the through hard rock to sea level, soon changed in favor of a lock-work proceeded under the direction of W. Goethals, who in 1907 was chief engineer. Between 1907 and shovels, dynamite, and loading used to excavate 96 million cubic (million cu meters) of rock at the Culebra Cut, the hardest part of the route. Americans were also able to overcome the worst obstacles that had faced tropical disease. Col. William C. Gorgas, sanitary officer of the new Canal, introduced modern sanitation and public health measures in 1904. Medical scientists that malaria and yellow fever were transmitted by mosquitoes. Widespread draining of swamps and other precautionary measures were taken in both the Canal Zone and in the surrounding area, and the diseases as well as the virtually eliminated from the isthmus. During the construction, thousands of workers died every year. The incidence of sickness was so high that about seven per 1,000 employees died each year the new waterway opened. After 1914. For years the people of Panama regarded the Panama Canal as a possession of the United States. Schoolchildren were taught that it undeniably "belonged" to the United States. Every map and every geography book showed the canal and the Canal Zone as possessions of the United States, in the same category as Guam or the Virgin Islands.

In 1946 the U. S. government referred to the United Nations that the Canal Zone

was one of its "non-self-governing territories." This action brought a furor of protest from Panamanians, who contended that "sovereignty" over the Canal Zone had never been transferred to the United States.

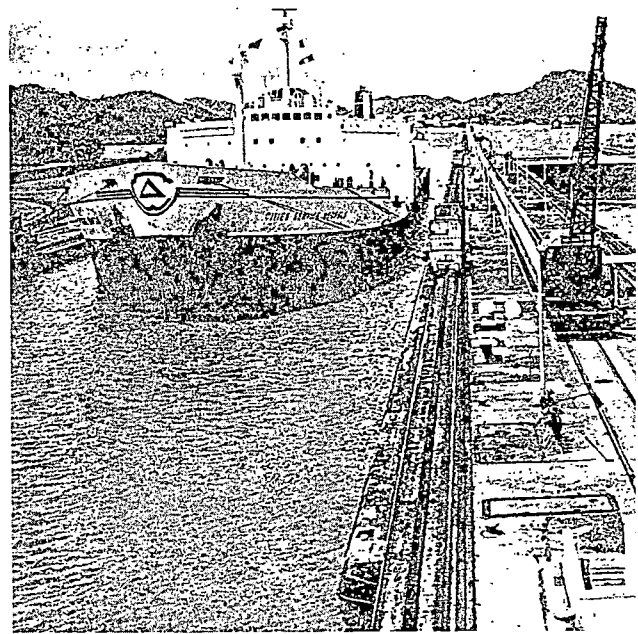
This episode aggravated the sense of injustice long felt in Panama, toward the provisions of the Hay-Bunau-Varilla Treaty. Panamanians had long bridled at the memory of a Frenchman signing away their country's most precious asset. The annual \$250,000 gratuity seemed to be grossly inadequate for the loss of the most valuable part of the national domain.

For decades Panamanian sentiment received scant recognition in Washington. In the 1920's, Secretary of State Charles Evans Hughes declared that any question of modifying the Hay-Bunau-Varilla pact would not even be discussed by the United States. It was in the climate of Franklin Roosevelt's "Good Neighbor" policy toward Latin America that the first break came in this unyielding attitude. The Hull-Alfaro Treaty of 1936 terminated all U. S. unilateral intervention rights and raised annual payments to \$430,000. In 1955 the Chapin-Fabrega Treaty increased this to \$1,930,000. The coming of World War II postponed any thoughts of further treaty modification. The United States used the canal for operations between the Atlantic and Pacific on a round-the-clock basis, and the war years were no time to consider any limitation of U. S. control and operation. Panama declared war on the Axis and loyally supported the Allied war effort. But once the war was over, Panama again sought basic treaty changes. The goodwill of the war years was soon eroded.

Years of agitation and numerous incidents came to a climax in January 1964 when Panamanian rioters "invaded" the Canal Zone and clashed with U. S. troops defending the installations. A break in diplomatic relations between the two republics followed this bloody affair in which many lives were lost and property damage amounted to millions of dollars.

The 1964 riots made it clear that nothing short of a thorough renegotiation of the basic treaties could ever restore a climate of amity and cooperation between Panama and the United States. But it was to take 14 more years of painful and painstaking negotiations to arrive at a new understanding. The talks were broken off many times. Threats of violence often colored the background of the meetings. Each country had powerful domestic opposition. The two treaties were finally approved by the U. S. Senate in 1978 with the barest two-thirds margin.

Even so, the U. S. Senate attached amendments and reservations that threatened to set back the entire negotiation. Panama had agreed, with some reluctance, to amending the neutrality treaty of March 16, 1978, which allowed the United States a unilateral right to "defend the canal against any aggression or threat directed against the canal or against peaceful transit of vessels." Sen. Dennis De Concini of Arizona then authored a further "clarification" of this proviso, which the Senate accepted. It held that if the canal were to be closed or its operations interfered with, the United States had the right to take any steps it considered necessary "including the use of military force in Panama, to reopen the canal or restore the operations." Virtually every faction in Panama denounced the De Concini amendment as a violation of the republic's



CARL FRANK

Electric engines assist a tanker through Miraflores Locks. Some supertankers are too big to use the canal.

sovereignty. These amendments raised questions in Panama about the possible necessity of re-considering its earlier ratification.

The situation was saved when the U. S. Senate voted on the second treaty on April 18, 1978. A statement was incorporated that soothed the growing antagonism in Panama. The proviso disavowed any intention by the United States ever to intervene in Panama's internal affairs. Ambassador Gabriel Lewis Galindo announced that his government would accept this proviso as a "dignified solution to a difficult problem."

On June 18, 1978, President Carter delivered the U. S. ratifications in Panama. The treaties became effective on Oct. 1, 1979. The president declared that these events marked the beginning of a new era of mutual respect and partnership with Panama. Never before, it was widely noted, had a superpower voluntarily entered into such an agreement.

LAWRENCE O. EALY, *Rider College*
Bibliography

Anguizola, Gustave, and Bunau-Varilla, Philippe, *The Man Behind the Panama Canal* (Nelson-Hall 1980).
Conniff, Michael L., *Black Labor on a White Canal: Panama 1904-1981* (Univ. of Pittsburgh Press 1985).
DuVal, Miles P., *And the Mountains Will Move* (1947; reprint, Greenwood Press 1969).
Ealy, Lawrence O., *Yanqui Politics and the Isthmian Canal* (Pa. State Univ. Press 1971).
Hogan, J. Michael, *The Panama Canal in American Politics: Domestic Advocacy and the Evolution of Policy* (Southern Ill. Univ. Press 1986).
LaFeher, Walter, *The Panama Canal: The Crisis in Historical Perspective*, expanded ed. (Oxford 1979).
Lee, W. Storrs, *The Strength to Move a Mountain* (Putnam 1958).
Mack, Gerstle, *The Land Divided: A History of the Panama Canal and Other Isthmian Canal Projects* (Octagon 1974).
McCullough, David, *The Path Between the Seas: The Creation of the Panama Canal, 1870-1914* (Simon & Schuster 1977).
Moffet, G. D., *The Limits of Victory: The Ratification of the Panama Canal Treaties* (Cornell Univ. Press 1985).
Ryan, Paul B., *The Panama Canal Controversy: U.S. Diplomacy and Defense Interests* (Hoover Institution Press 1977).
Smith, Darrell H., *The Panama Canal* (AMS Press 1974).
Valdés, Edouardo, *The Roots of the Problem: A Positive Approach to the Panama Canal Issue* (Vantage 1977).

183RD STORY of Level 1 printed in FULL format.

Copyright (c) 1989 Council on Foreign Relations, Inc.;

Foreign Affairs

1989 / 1990 America and the World

SECTION: Pg. 187

LENGTH: 7456 words

HEADLINE: DWINDLING OPTIONS IN PANAMA

BYLINE: Linda Robinson; Linda Robinson, Senior Editor of Foreign Affairs, is writing a book on Central America and Panama to be published by the Council on Foreign Relations in 1990.

BODY:

Panama has bedeviled every American president since Lyndon Johnson, who was forced to open negotiations over the Panama Canal after anti-American riots broke out there in 1964. It is not too surprising that Panama became President Bush's first foreign policy crisis.

In its

de facto

leader of Panama. It left office without accomplishing that goal, suffering embarrassment and criticism. The Bush Administration has pursued the same objective but no more successfully. General Noriega has continued to resist American pressures and escaped a coup in early October, when the United States chose to stand by as the rebellion collapsed.

The Bush Administration was deluged with criticism for being unwilling to back its rhetorical opposition to Noriega with more concrete action. Believing that an ideal opportunity to unseat Noriega had been lost, critics charged that the Bush Administration was indecisive. At a minimum, the episode suggested that the United States was unprepared to aid the very event that it had been encouraging. The Panama problem now seems likely to continue to fester, with no clear U.S. strategy in place to deal with it.

Panama is an unusual case. It is one of the few third world countries whose problems arouse domestic opinion, mainly because Americans still care about the canal, the basic reason for the long and intimate relationship between the United States and Panama. Furthermore, the United States has identified Noriega as a major actor in the drug trade, thus making him a public enemy in an area that some polls identify as Americans' most pressing concern. Finally, the close U.S. relationship with the Panamanian military since its creation confers a responsibility that makes the Panama issue difficult for the United States to walk away from. Yet, even though the United States has escalated Noriega's rule to a major foreign policy issue, the range of measures employed to deal with it has been limited.

11

The United States had expected a transition to civilian democracy that would provide the basis for stability in Panama when President Jimmy Carter won the arduous battle for congressional approval of the 1977 Panama Canal treaties, negotiated with Panamanian strongman Omar Torrijos. The treaties

(C) 1987 Foreign Affairs

provided for the gradual transfer of the canal to Panamanian sovereignty, to be completed by the end of 1977. This was deemed sufficient time to implant a stable, representative government.

Arter and Torrijos reached a tacit understanding -- not a formal part of the treaties -- that Torrijos would oversee a transition to a democratic civilian government in Panama. Congress made this assumption explicit in conditioning its ratification on the understanding that the promised democratic transition would occur.

The sudden death of Torrijos in a plane crash in July 1981 put the transition to democracy in jeopardy. Even had he lived, the advent of democracy was uncertain. Torrijos had stepped down in 1978, turning over nominal power to the Democratic Revolutionary Party (DRP) he had founded, but the military retained enormous power. The close U.S.-Panamanian military relationship operated to bolster the Panamanian military's power vis-a-vis the civilians.

The DRP is an alliance of business interests and the military. The merchant class that dominates Panama's service economy had no interest in setting itself against the military, which controls the ports and transit routes that are its lifeblood. Symbiosis and collaboration have been more characteristic of Panamanian politics than confrontation. In 1982 the four top officers of the National Guard agreed on a plan for rotating command of the guard among themselves, with each outgoing commander taking up a position of power within the DRP.

The scheme broke down when intelligence chief Noriega became commander of the guard in 1983. He reneged on the agreement for his predecessor, General Ruben Varo Paredes, to be the DRP presidential candidate. He combined all security and immigration forces under his control in the Panamanian Defense Forces and began a steady consolidation of power over the country's businesses and the government, including the key agency DEPAI, responsible for the Panamanian side of canal affairs.

Panama's undemocratic government was only the most visible flaw in the political system. Not yet part of the public discussion was the fact that among Panama's main businesses are drug trafficking, arms smuggling and illicit trade of all sorts. The 1970 secret banking laws made Panama an attractive haven for illicit profits, and some Panamanian officials (including Torrijos' brother) were paid to accommodate this business. As intelligence chief of the DRP under Torrijos, Noriega had come to know all the subterranean dealings in Panama, knowledge that helped him amass power and wealth. How much U.S. authorities knew of the corruption in the Panamanian military is unclear, although worrisome reports had surfaced in the late 1970s.

Questions about why the United States had not pursued the reports of illegal activities by the Panamanian military caused George Bush some difficulty in the 1988 presidential campaign. A former U.S. ambassador to Panama, Everett Ellis Briggs, said that he was convinced of Noriega's involvement in illegal activities, and reported this to Washington. When asked why the reports of the ambassador had not been acted upon, Bush's response, with which the ambassador subsequently concurred, was that the United States did not have hard proof of Noriega's complicity.

(C) 1987 Foreign Affairs

The problem became indisputably clear in February 1988, when two U.S. grand juries handed up indictments of General Noriega. The charges included his assistance in the transshipment of drugs from Colombia to the United States, laundering drug profits in Panama-based banks in return for a payoff, security for the fund transfers, permission to set up cocaine-processing plants including one in Darien province in 1984, and the sale of ether and acetone to the drug cartel. In the course of 1988 detailed information became public, through hearings held by the Senate Foreign Relations Subcommittee on Narcotics and Terrorism. The star witness was former Panamanian official Jose Blandon, who testified about various illicit activities of Noriega and the PUF. In September 1987 the Bush Administration corroborated some of the charges and said that Noriega had accumulated some \$ 200 - 300 million from his role in drug trafficking and had given safe haven to drug barons after the 1984 assassination of Colombian Justice Minister Rodrigo Lara Bonilla.

One explanation for the U.S. failure to take concerted action against Noriega before the indictments was his cooperation with such U.S. projects as aiding and training the Nicaraguan rebels fighting the Sandinistas. Responsible American officials well knew that Noriega traded intelligence with Cuba as well as the United States, but this also made him a useful source and channel of communication. The same was true of the drug traffickers; Noriega cooperated with the U.S. Drug Enforcement Agency, aiding in the occasional capture or arrest of traffickers, even as he was in league with them. Finally, because Noriega gained an intimate knowledge of U.S. military and intelligence operations, he would be a formidable adversary. The United States was understandably reluctant to confront him until it had no other option.

The United States was also leery of the dominant opposition politician, Arnulfo Arias, whose antimilitary stand could jeopardize U.S. interests in Panama. Arias had been ousted from the presidency shortly after winning elections in 1941, 1951 and 1968. He was the presumed winner again in 1984, but the PUF-backed candidate, Nicolas Arias Barletta, a former World Bank vice president, was installed instead. Secretary of State George Shultz attended Barletta's inauguration, thus lending a stamp of legitimacy to the new government.

In late 1985 Barletta sought an investigation into the death of Hugo Spadatura, a former Torrijos supporter who had accused Noriega of drug trafficking. The hapless president was locked in a room by Noriega's men until he submitted his resignation. Rumors that it was Noriega's defense forces who had killed Spadatura caused a scandal in the historically peaceful country. The United States condemned the pressure on Barletta, its first public move against Noriega, but took no further action when he was replaced by his first vice president, Eric Arturo Delvalle. Thus, the United States seemed to condone Noriega's increasingly arbitrary actions, and declined to wage an all-out campaign against him.

111

The United States was forced to confront the problem that Noriega had become after Panamanians expressed massive rejection of him and, more definitively, once U.S. courts indicted him on drug trafficking charges.

Panamanians' rising discontent with PUF corruption and dominance burst into the open in mid-1987. In June the PUF's former second-in-command, Colonel

(C) 1987 Foreign Affairs

Roberto Diaz Herrera, accused Noriega of corruption, rigging the 1984 elections, the murder of Spadafora and even planning the crash that killed Torrijos. Diaz Herrera, cousin to Torrijos, was seeking revenge because Noriega had denied him his scheduled tour in the top FWF position, as agreed in the power-sharing arrangement worked out after Torrijos' death. The colonel's charges catalyzed an outpouring of protest, strikes and demonstrations that lasted for several months.

The opposition coalesced in the National Civic Crusade, a broad spectrum of business, labor and community groups, with significant support from the church and political parties. The crusade's aim was a democratic government, and to attain this it insisted that Noriega step down. A public opinion survey showed that 75 percent of Panamanians wanted Noriega to relinquish power. The opposition assured the FWF that it did not deny its legitimacy as an institution, though it did wish to negotiate changes in its role; only Noriega's resignation was nonnegotiable.

But the civilian opposition simply did not have the muscle to force Noriega out. Several politicians acknowledged that their campaign would require help from the FWF and/or the United States to succeed. Some Panamanian bankers had drawn up a plan with Noriega representatives that included a retirement date for the FWF chief, but Noriega stood fast.

One reason for Noriega's steadfastness was his confidence that certain sectors of the U.S. government would support him. The Defense Department, the Central Intelligence Agency and the Drug Enforcement Agency all had an interest in continuing cooperation with Noriega. He had helped the DEA apprehend suspected drug traffickers operating in Panama, and as late as March 1987 had cooperated with "Operation Pisces," a major U.S.-Panamanian money-laundering investigation in which 18 accounts in Panamanian banks were frozen.

Thus, when the June 1987 protests began, the U.S. government reacted slowly, as it tried to gauge the magnitude of the crisis in Panama. Was Noriega becoming more a liability than an asset? Washington halted U.S. aid in July after its embassy in Panama City was stoned and vandalized by Noriega supporters who charged that U.S. diplomats were behind the unrest. The State Department called on the Panamanian government to uphold the rule of law and respect for democracy, but "correct and formal" military and other bilateral U.S. relations continued. Some in Congress threatened more punitive action, but the issue then receded.

In December 1987 the Reagan Administration sent Assistant Defense Secretary Richard Armitage to Panama to explore quietly the conditions under which Noriega would step down from his post. The mission failed, despite an offer to drop the ongoing investigations of Noriega by U.S. Customs and other agencies charged with combating illegal drug traffic into the United States. When the Panamanian leader rejected this offer, the administration had no next step planned. Even though the executive branch is not informed in advance of indictments, they could not have been surprising to those officials who had dealt intimately with Panama and Noriega. Nonetheless, the Reagan Administration was caught without a prepared policy when the indictments were announced by two courts in Florida in February 1988.

The United States had no choice but to escalate, given that public concern about drugs was at an all-time high. The government could not afford to be

(C) 1987 Foreign Affairs

seen as cooing a dictator-druglord after its own courts called for his prosecution. Nevertheless, the anti-Noriega campaign ran into problems almost as soon as it was launched. Some branches of the U.S. government still harbored misgivings about turning against a longtime ally, even though the indictments made the former intimate alliance publicly unpalatable or even untenable. This disunity within the administration complicated efforts to frame a coherent policy, particularly once the policy goal was defined as the removal of Noriega.

The difficulty of dislodging him was grossly underestimated by the officials in charge of formulating the anti-Noriega policy. As each denunciation of Noriega failed to have the desired effect, the United States was drawn further in. Washington had to take another step to avoid losing face in the battle against its former ally, and thus the pattern was set.

After the indictments, Assistant Secretary of State for Inter-American Affairs Elliott Abrams encouraged Panamanian President Delvalle's plan to dismiss Noriega as chief of the FUF. Delvalle did so on February 25, 1988, but the National Assembly was convened in emergency session hours later and dismissed Delvalle, on the grounds that he had unconstitutionally fired Noriega without the legislature's consent. The education minister was named acting president. Opposition politicians were annoyed at the United States for courting Delvalle as the front man for the anti-Noriega campaign because they saw him as a Noriega puppet. In any case, Delvalle did not have the power to compel the strongman to step down. The deposed president went into hiding and later ended up in Miami. The U.S. government continued to recognize him as president of Panama.

Delvalle took the next step in the anti-Noriega campaign. U.S. recognition of Delvalle permitted his lawyers to argue successfully in U.S. courts that Panamanian government assets in the United States should be placed under the control of Delvalle and his representatives. In early March court orders froze some \$40 million in Panamanian government assets in U.S. banks and the U.S. operations of the government-owned airline, Air Panama. Delvalle also asked the United States to withhold canal revenues due to Panama. The administration eventually agreed to withhold the March payment of \$6.5 million, but continued to ponder the costs of an all-out economic war against Noriega.

The United States was looking for other possibilities as well. In congressional hearings on March 10, State Department officials expressed the hope that FUF members would rebel against their leader. Such a coup was attempted on March 16 by Panamanian police chief Colonel Leonidas Macias, but was easily quashed by loyalist troops. Noriega arrested Macias and removed 12 of 54 majors in the FUF, snoring up the loyalty of the 15,000-member FUF. But the attempt spurred the worst anti-Noriega riots Panama had seen yet, prompting Noriega to call out combat troops and break a general strike. The opposition made a major effort, believing the end was in sight. But it was disappointed again, as it had been in the summer of 1987 when its protests had failed to dislodge the dictator.

In a snrewa move, Noriega welcomed two State Department officials to Panama in mid-March for negotiations. Deputy Assistant Secretary of State William Walker and State's legal adviser Michael Kozak said that the administration would not seek his extradition if he went into exile, but refused to drop the indictments. Spain had offered asylum to the Panamanian leader. Efforts to negotiate a deal along these lines continued in April, but Noriega again stood

(C) 1987 Foreign Affairs

firm in rejecting any plan that would require him to leave the country.

IV

To escalate pressure on Noriega, the Reagan Administration decided to impose selective economic sanctions on his regime. But implementation was slow and uneven, and the sanctions themselves were far from comprehensive. On March 31, 1988, the administration announced that it would put all monies it owned Panama into an escrow account in the United States, to be controlled by President Delvalle, and urged U.S. companies and individuals to follow suit. On April 8 President Reagan invoked the International Emergency Economic Powers Act, making the earlier measure mandatory.

Money withheld from the regime included canal toll revenues and payments for services of canal operations (about \$ 80 million annually), as well as housing costs, taxes and social security payments (the last later reversed) of canal employees. The administration also suspended Panama's preferential trade status, covering about 30 percent of its exports to the United States. Congress had eliminated Panama's sugar quota in December 1987. But the sanctions were weakened after 300 U.S. firms doing business in Panama protested them. By the end of April the U.S. Treasury Department began making exceptions enabling the firms to continue operations and avoid punitive action by the government in Panama.

The administration had limited the sanctions in order to minimize the harm to Panamanian citizens and the economy; only transactions with the Panamanian government were prohibited. But the denial of some \$ 100-200 million to the Noriega regime was not fatal; the United States was an important but not the only source of revenue. After the sanctions were imposed Lloya reportedly gave \$ 24 million in cash to the regime. The Panamanian government closed banks in the country to halt capital flight. It managed to continue meeting the government payroll, albeit with delays, by issuing scrip that could be used at supermarkets and other stores in exchange for goods. (The government employs 25 percent of the working population, a source of political support but a drag on the slowing economy.)

Thus, the sanctions hurt but did not halt Panama's economy. Had the United States taken more drastic economic measures, such as a total trade embargo, the impact would have been enormous, given the large U.S. stake in the Panamanian economy -- including the use of the U.S. dollar as the Panamanian currency. But such economic warfare probably would have ruined one of the region's healthier economies. Panama's per capita GNP, \$ 2,100 in 1987, is one of the highest in Latin America with the United States, gambling that the Panamanians will eventually blame the United States for their economic pain.

Furthermore, the United States was on shaky ground in withholding canal revenues and other fees owed to Panama; it was violating the canal treaties. Although the foreign media and the international community did not focus on this fact, Noriega made full use of it inside Panama, charging that the only reason for the U.S. campaign against him was its desire to stop the transfer of the canal to Panamanian control. He sought to make a nationalist cause out of the crisis by wrapping himself in the canal issue, but this tactic had little success, at least initially.

When the RUSH Administration came into office, it too tried various tactics designed to force Noriega out, but they proved as inadequate as the previous administration's. The RUSH Administration did not seem particularly eager to take on the problem, but the Panamanian situation was not a high priority for the RUSH Administration. In the past, the RUSH Administration has been reluctant to take any action against Noriega, and the RUSH Administration has been reluctant to take any action against Noriega.

The Panamanian opposition, irritated at having been excluded from the state department's negotiations with Noriega, tapped into another period of anti-Noriega sentiment in August 1984. The RUSH Administration was not particularly interested in the Panamanian opposition, and the RUSH Administration was not particularly interested in the Panamanian opposition. The RUSH Administration was not particularly interested in the Panamanian opposition, and the RUSH Administration was not particularly interested in the Panamanian opposition.

When the negotiations fell apart, the United States turned to its only option: a military action. In July 1984, President Reagan signed an intelligence finding authorizing the CIA to work with the Panamanian opposition to overthrow Noriega. The Panamanian opposition was not particularly interested in the Panamanian opposition, and the Panamanian opposition was not particularly interested in the Panamanian opposition.

The United States had played its trump card, and still Noriega refused to leave. Noriega had mistreated the Panamanian opposition, and the Panamanian opposition was not particularly interested in the Panamanian opposition. The Panamanian opposition was not particularly interested in the Panamanian opposition, and the Panamanian opposition was not particularly interested in the Panamanian opposition.

American rhetoric only raised expectations that the economic sanctions imposed in 1984 would have immediate political effect -- Noriega's collapse. A U.S. official said publicly in March that Noriega would be gone "in a matter of days." In May Noriega was still firmly in the saddle, so the United States entered a new phase of negotiations. Kozak, now deputy assistant secretary of state, went to Panama and offered a new incentive -- the administration would drop the indictments of Noriega in return for his departure from Panama. But Noriega rejected the offer on May 7, 1984.

(C) 1989 Foreign Affairs

On the eve of the election U.S. News and World Report revealed that President Bush had signed an intelligence finding in February authorizing \$ 10 million in covert aid to the opposition for printing, transportation and communications. Noriega pointed to aid as U.S. intervention in Panama's internal affairs, and later seized on it as a reason to annul the elections.

The fraud that had been prepared for May 7 was not enough to ensure victory for the Noriega candidate. According to the "quick count" organized by the Catholic Church and conducted by lay workers, the opposition was winning by a three-to-one margin. No official vote count was released although the pro-Noriega coalition of eight parties, Colina or National Liberation Coalition, claimed that it was winning Colina's presidential candidate was Carlos Duque, a businessman and Noriega associate, and his running mates were Ramon Sierro, brother-in-law to Noriega, and Aquilino Boyd. The opposition coalition, ADUL (Alliance of Democratic Civilian Opposition), ran Guillermo Endara, a little-known lawyer from Arnulfo Arias's party, Christian Democrat Ricardo Arias Calderon and the Mollirena party's Guillermo Ford.

The Noriega regime made no move to recognize the opposition victory, even though international observers including former President Carter reported the apparent victory as well as the government's attempts to defraud the opposition. Announcements of the vote results were suspended, and the opposition took to the streets, calling on the government to concede defeat. On May 10 the opposition leaders and their supporters were brutally attacked by "Dignity Battalions," paramilitary groups that included members of the police. Hundreds of opposition supporters were arrested. Later that day the Panamanian electoral tribunal nullified the elections, saying they were invalidated by foreign interference.

The next day, President Bush announced measures to show U.S. displeasure at the annulment of the elections, the strongest of which was sending 1,700 more U.S. soldiers to Panama to reinforce the 10,000 troops stationed there. He also ordered the evacuation of U.S. citizens to the U.S. bases or the United States, and said the United States would rigorously enforce its rights under the canal treaties to move troops freely from one base to another. The U.S. ambassador was recalled and economic sanctions were continued, though not expanded. That all these steps were more symbolic than effective was underscored when it was reported that Lloya promised Panama \$ 50 million more in cash and oil credits of \$ 100 million.

The announced rationale for sending more troops was to protect American lives. But a subsequent U.S. statement that the administration was not ruling out any options suggested that the United States might be willing to consider the use of force. The credibility of this threat was weakened, however, as U.S. officials also continued to send out signals that they were opposed to direct military action. The administration had apparently decided to look to the UN for a solution, with President Bush calling on the Panamanian military to "defend democracy."

At the same time, President Bush indicated his desire to exhaust diplomatic remedies and marshal regional support for a policy of pressuring Noriega. In his May 11 announcement the president emphasized that "the United States strongly supports, and will cooperate with, initiatives taken by governments in this hemisphere to address this crisis through regional diplomacy and action in the organization of American States."

(C) 1987 Foreign Affairs

A regional diplomatic effort was tried during the summer of 1987. On May 17 the Organization of American States approved a resolution condemning the election abuses in Panama. It named a mediating commission to promote "formulas toward a national agreement that would ensure a transfer of power by democratic means and within the shortest amount of time, fully respecting the Panamanian people's sovereign will." The Bush Administration had sought a stronger resolution calling for Noriega's ouster, but it nevertheless backed the OAS mediation.

Yet the OAS brought no more inducements to the table than the United States had in its 1988 negotiations with Noriega. Even though Noriega now faced united regional opposition to his rule, he seemed unfazed by such pressure. Being ostracized was far less onerous than other possible fates awaiting him should he leave Panama.

The OAS mission focused on exploring the possibility of new elections rather than persuading Noriega to recognize the opposition's May 7 victory. On July 20 the OAS proposed a specific formula for a provisional government to take over on September 1 when the current presidential term ended, and for that government to hold new elections as soon as possible.

The Panamanian opposition criticized the resolution as allowing Noriega to stall longer. "The Panamanian people have already decided on their destiny," said Endara. The Noriega camp put forward a proposal similar to the OAS position for a provisional junta government with opposition representation. The opposition refused the offer because it doubted that allowing Noriega to stay in power with a provisional junta would lead to elections any freer than the May fiasco.

This latest round of talks illustrated once again the dilemma of negotiations: Noriega would not voluntarily accept any arrangement that ended his power, much less forced him out of the country. The stakes for him were so high that only the most dire threats stood a chance of changing his mind. Yet the OAS was not even prepared to vote for comprehensive economic sanctions, let alone approve the use of force against him.

VI

After the OAS effort collapsed the U.S. administration turned up the pressure another notch, explicitly drawing the canal into the crisis for the first time. Francisco Rodriguez was sworn in as Panama's new president on September 1, 1987. Selected by the Noriega-controlled Council of State, he had been comptroller general for the past seven years. Refusing to recognize him, the Bush Administration expanded the economic sanctions somewhat.

More significant, the United States said it would not accept any candidate proposed by the Noriega government to serve as administrator of the canal. In June the Senate had passed a nonbinding resolution (63-31) that it would not vote for a Noriega nominee even if the administration approved one. Thus, the first major step in turning over the canal operations to the Panamanians is unlikely to take place on schedule. One possibility being considered by the Bush Administration is to appoint a deputy administrator, who is to be an American according to the treaty, and leave the administrator's post vacant.

(C) 1987 Foreign Affairs

ns According to the canal treaties, Panama is to propose a Panamanian in 1987 to take over as administrator on January 1, 1990. The U.S. administration is required to approve the nominee, and the Senate to confirm him.

Other actions earlier in 1987 had suggested that the canal might become a means of pressuring Noriega. In April the American chairman of the Canal Commission Board of Directors resigned from the board, saying the canal was in danger of being closed down as a result of arbitrary and illegal actions by the Panamanian government. In May the Canal Commission's secretary, also a U.S. member of the board, testified to the House of Representatives that the year 2000 if Noriega "continues to harass employees" and thus diminish the safety and efficiency of the canal's operation. A Panamanian member of the commission had also resigned in May, protesting what he called the Panamanian government's violations of civil rights.

Introducing the canal into the confrontation is a tactic that could backfire. Although the United States has good reason to fear the eventuality of a Noriega-controlled canal, its immediate interest is that the canal continue to function normally. In recognition of this fact, the U.S. canal administrator assured the Canal Commission in June that although employees were facing difficulties due to the country's political instability, they were performing their jobs well.

The United States has insisted that it has no intention of abrogating the treaties, although some congressmen have threatened to introduce legislation doing so. But U.S. insistence that it will abide by the treaties could be increasingly undermined by its actions, such as refusing to appoint a Panamanian as canal administrator. Such actions could force a difficult choice for the Panamanians: whether they dislike Noriega more than they yearn for sovereignty over the canal.

The canal is certainly vulnerable, and the Noriega government is capable of threatening it, although its own interests would be hurt as well. Furthermore, many Panamanians believe that a Noriega-run canal would be another source of corruption and illicit activities. Therefore, dangers to the canal exist. The question is: Just how important is the canal to the United States?

The waterway has diminished in importance since World War II, and even since the Vietnam war, when most of the forces bound for Southeast Asia transited the canal. Although U.S. aircraft carriers are too wide, smaller naval vessels still use it. Commercial trade is perhaps more significant. In 1987, 70 percent of the commerce via the canal was with the United States, most of it from Asia, amounting to ten percent of U.S. seaborne trade. About 40 percent of the seaborne trade of Latin countries on the Pacific coast goes through the canal.

The canal is more important to Panama, by any measure, than it is to the United States. In 1987, 140 million tons of cargo passed through. Total revenues from the canal amount to about ten percent of Panama's GDP, and it employs some 7,000 Panamanians. Yet the possibility remains that Noriega can contrive some threat to the canal that will work to his benefit. In any case, economic cost/benefit calculations have mattered less to him, as the sanctions have shown, than political survival. While the U.S. stake in the canal is important but not vital, the region would be seriously affected by its malfunctioning. As provided in the treaties, the United States is the

(C) 1987 Foreign Affairs

ultimate guarantor of the canal's safety, and this is a responsibility that Americans want to shoulder. For political and regional security reasons, therefore, rather than economic factors, the U.S. interest in the canal will grow rather than diminish as 1999 approaches.

Another U.S. tactic that carried significant risks but low odds of effectiveness was increased maneuvers, exercises and movements by the U.S. troops stationed in Panama. The justification was that the United States has the right to do so under the canal treaties, and the immediate reason was to counter harassment by the PVF that had been going on for some time. In September the administration announced that these rights would be vigorously asserted, signaling the likely escalation of this game of chicken with Noriega. But such low-level confrontations only provide ammunition for Noriega's charge of U.S. aggression, even though he knows they pose little or no threat to him.

In May, Deputy Assistant Secretary for Defense Richard Brown reported to Congress and there had been 1,200 violations of the canal treaties by Panama in the previous 15 months, including harassment of U.S. military personnel and dependents. The most serious confrontation occurred in August, when two U.S. soldiers were detained by Panamanian police. The United States retaliated in kind and denied Panamanians access to Fort Amador.

vii

After the debacle of the May election, the United States encouraged direct action against Noriega. President Bush said: "We share [the Panamanian people's] hope that the Panamanian defense forces will stand with them and fulfill their constitutional obligation to defend democracy." In another statement, the president sought to reassure the military that the U.S. objection was to Noriega, not the institution, saying: "A professional Panamanian defense force can have an important role to play in Panama's democratic future."

Yet the likelihood that the PVF alone could remove Noriega was not great. He had easily snuffed the March 1988 attempt against him, and has a "maria" of some two dozen PVF officers to do his bidding in return for a share in the perks and power. They form an extensive intelligence and security network for the general. Even if some abandon him, the loyalty of the remaining group would have to be neutralized for a coup to succeed. Furthermore, there is no guarantee that those who take his place would not continue the ways he taught them. Many Panamanians fear that this scenario of "another Noriega" is likely, given the institutionalized corruption of the PVF, and indeed its pervasiveness in Panamanian society.

Nevertheless, on the morning of October 3, 1989, Major Moises Giroldi, chief of security at the PVF headquarters in Panama City, led an uprising there aimed at forcing Noriega into retirement. Even though Noriega was reportedly a captive within his headquarters, he organized a successful counterattack to put down the rebellion later the same day. At first the U.S. government said it was not involved, but later acknowledged a limited role.

Two days before the coup Giroldi had met with CIA officials to ask U.S. forces to block two roads by which Noriega could bring in reinforcements. This was done, but no further U.S. action was taken to support the coup once it began to fail. The administration has insisted that no request for further U.S. aid came from the Giroldi rebels, denying a report that rebel officers had asked

some in the rush administration still hope that a coup may succeed without u.s. backing. This is possible, and the record is not encouraging. After the u.s. backed coup attempt, the u.s. government was suspended. The harsh crackdown against the u.s. government was not intended to be a warning to the u.s. government. The u.s. government was not intended to be a warning to the u.s. government. The u.s. government was not intended to be a warning to the u.s. government.

The Panama crisis has reached this stage because the United States has continued to demand that the Panamanian government stay in power. A number of options have been tried, but they have failed. The Panamanian government has refused to accept the u.s. demand. The Panamanian government has refused to accept the u.s. demand. The Panamanian government has refused to accept the u.s. demand.

1111

The failure of the October coup, the latest setback in the two-year campaign against Noriega, was the last straw to many in the United States. Frustration was vented that u.s. policy seemed to be making no very significant contribution to the success of the u.s. government. The u.s. government was not intended to be a warning to the u.s. government. The u.s. government was not intended to be a warning to the u.s. government.

Recent reports, the u.s. national security adviser, later confirmed a report that President Bush had authorized the u.s. Southern Command to plan a plan to use covert forces to apprehend the general, but by that time the coup had already failed. Many in Congress argued that the administration had lost a good opportunity to act upon safety. U.S. officials said its information had been too sketchy to act upon safely. U.S. officials said its information had been too sketchy to act upon safely. U.S. officials said its information had been too sketchy to act upon safely.

According to one report, the redets asked general Mark Fishner to come and get Noriega, but to promise not to extradite Noriega to the United States for trial. The request and the condition were relayed to Washington, but no answer arrived before the coup was put down. Frederick Kamp, "How the Experience of American Officials Helped Wom Coup," in the Wall Street Journal, Oct. 6, 1984, pp. 1, 4.

The second-ranking u.s. military official in Panama to send a helicopter to take Noriega into custody. It was reported that the redets had earlier told the United States that they did not want u.s. involvement to "taint" their "self-strengthening" action, but they may have changed their minds once Noriega's withdrawal-ratification turned up at the scene.

(C) 1987 Foreign Affairs

The problem with returning to negotiations is that it is not clear what incentive the United States -- or Latin American leaders, for that matter -- could offer to persuade Noriega to leave Panama. Indeed, the repeated U.S. public demands that he leave seem to have made it impossible for him to do so without appearing to be caving in to U.S. interventionist pressure. Elections or any other scenario that leaves Noriega in the country, on the other hand, runs the risk that he will continue to wield de facto power. It might only serve to give the United States, and possibly a worn-out opposition, the means for a face-saving retreat.

Continuing to pursue these same options, especially if U.S. rhetoric encourages high expectations of a near-term solution, could result in further demonstrations of U.S. impotence. This perception of U.S. weakness may well become as great a problem as the original problem of Noriega's rule. Full-scale sanctions or threats to abrogate the treaties are far more likely to turn Panamanians against the United States than to induce Noriega's departure. Thus, U.S. options appear to have narrowed to a difficult choice: to take more drastic steps to force the general's removal or, if these steps are politically unfeasible, to coexist with him.

Coexistence would certainly cause severe embarrassment for the United States, but it might be less debilitating than repeated failures in Panama. Coexistence with Noriega will not work over the long term, however, if it means turning over the canal to him. Indeed, the canal is likely to become an immediate issue as the January 1990 deadline for installing a Panamanian administrator arrives.

If the United States continues to seek Noriega's ouster, pressure will grow for U.S. military action, whether covert or overt, unilateral or in conjunction with the FUR or other Latin Americans.

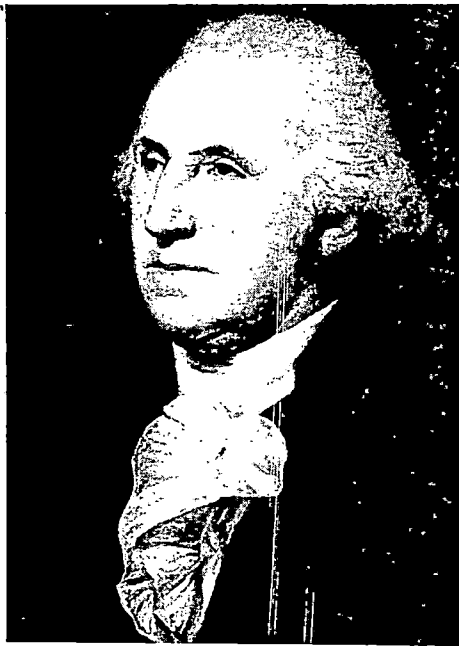
Overt military action would have a high political cost. The increased support in Congress for direct action against Noriega after the October coup attempt was surprising, but is unlikely to translate into support for direct, drastic action by U.S. troops unless Noriega attacks Americans or the canal. The U.S. military also continues to be leery of this option. The former chairman of the U.S. Joint Chiefs of Staff, Admiral William J. Crowe, Jr., told the Senate Armed Services Committee in the spring that using force can be "a messy, messy business," in contrast to the U.S. public's inclination to support only military operations that succeed with a minimum of casualties. In October Defense Secretary Richard Cheney warned that if the United States used military force in Panama, it would make U.S. cooperation with other Latin American countries more difficult.

The political obstacles to military action may well be insurmountable, but it is probably the only method certain to work. U.S. forces would have little difficulty prevailing over the Panamanian military, even if it would be "messy." Noriega has been fortifying the FUR and the Vignity Battalions with arms from abroad, but the FUR remains more a police force than an army. Only two battalions are battle-ready and few others are even equipped for combat; there is also a crack special operations unit, the Israeli-trained "machos del monte." The political costs of military action would be negligible if Latin Americans were directly or even solely involved, but no Latin government is likely to risk being caught breaking the regional taboo against intervention.

(C) 1987 Foreign Affairs

This leaves the option of a U.S.-supported coup. There are also serious political obstacles to this policy, although Congress may be persuaded to give wider latitude for covert action in Panama after the failure in October. To maximize the chances for a successful coup, the U.S. role would have to be substantial and, in the end, might involve direct military action. Given Noriega's capacity for discovering and foiling plots, the United States would need to plan for the contingency. To take this path, the administration needs the support of Congress.

These are stark choices indeed. Although President Bush may gain more support from Congress to act, his options have narrowed. The basic problem is that there is a substantial gap between the ends the United States has defined in Panama and the means it has so far been willing to employ. A successful policy requires adjusting one or the other.



By Charles Wilson Peale. Courtesy of the New-York Historical Society, New York City

George Washington

GEORGE WASHINGTON

BORN Feb. 22, 1732	TERM OF OFFICE Apr. 30, 1789–Mar. 3, 1797
BIRTHPLACE Pope's Creek, Westmoreland County, Va.	TERM SERVED 7 years, 308 days
COLLEGE ATTENDED None	ADMINISTRATION 1st, 2nd
RELIGIOUS DENOMINATION Episcopalian	CONGRESSES 1st, 2nd, 3rd, 4th
ANCESTRY English	AGE AT INAUGURATION 57 years, 67 days
OCCUPATION Surveyor, planter	LIVED AFTER TERM 2 years, 285 days
DATE AND PLACE OF MARRIAGE Jan. 6, 1759, New Kent County, Va.	OCCUPATION AFTER TERM Planter and General of the Army
AGE AT MARRIAGE 26 years, 318 days	DATE OF DEATH Dec. 14, 1799
YEARS MARRIED 40 years, 342 days	AGE AT DEATH 67 years, 295 days
POLITICAL PARTY Federalist	PLACE OF DEATH Mount Vernon, Va.
STATE REPRESENTED Virginia	BURIAL PLACE Family vault, Mount Vernon, Va.

PARENTS

FATHER Augustine Washington	FIRST WIFE OF FATHER Jane Butler Washington
BORN 1694, Westmoreland, Va.	BORN c. 1700
MARRIED (1) Jane Butler, Apr. 20, 1715	MARRIED Apr. 20, 1715
MARRIED (2) Mary Ball, Mar. 6, 1730	DIED Nov. 24, 1728, Stafford County, Va.
OCCUPATION Farmer, planter	MOTHER Mary Ball Washington
DIED Apr. 12, 1743, King George County, Va.	BORN 1708, Lancaster County, Va.
AGE AT DEATH About 49 years	MARRIED Mar. 6, 1730

For additional data see the end of this section and also specific subject headings in the index

On April 14, 1789, Charles Thomson, secretary of the Continental Congress, notified George Washington of his election, and on April 16, 1789, Washington left his home at Mount Vernon, Va., for the capital.

FULL ELECTORAL VOTE NOT CAST IN 1789

On February 4, 1789, the first presidential electors—a total of 69 electors—met in their respective states to cast their ballots. The electors of five states—Connecticut, Delaware, Georgia, New Jersey, and South Carolina—had been chosen by the state legislatures. Three states—Maryland, Pennsylvania, and Virginia—held popular elections. Massachusetts had a system combining popular election and appointment by the legislature. New Hampshire held a popular election, but none of the electors received a majority, and the electors finally chosen were those named by the state Senate.

Had all of the electors qualified, a total of 91 votes, instead of 69, would have been cast. New York had not yet chosen its 8 electors even though the seat of the new government was in New York. Consequently, New York's vote was not cast. The weather delayed the votes of 4 electors, 2 from Maryland and 2 from Virginia. Since North Carolina and Rhode Island had not yet ratified the Constitution, they did not cast their 7 and 3 votes respectively. Thus, 22 of the 91 possible votes were not cast.

ADAMS ELECTED VICE PRESIDENT

Each elector cast 1 of his 2-votes for Washington, who thus received 69 of the 138 votes. The other 69 went to 11 others; John Adams of Massachusetts, the candidate with the greatest number became Vice President. The other candidates included John Jay of New York, Robert Hanson Harrison of Maryland, John Rutledge of South Carolina, John Hancock of Massachusetts, George Clinton of New York, Samuel Huntington of Connecticut, John Milton of Georgia, James Armstrong of Pennsylvania, Edward Telfair of Georgia, and Benjamin Lincoln of Massachusetts.

Adams received 34 votes as follows: Conn. 5 (of the 7 votes); Mass. 10; N.H. 5; N.J. 1 (of the 6 votes); Pa. 8 (of the 10 votes); Va. 5 (of the 10 votes).

The other candidates received the following votes: Jay—Del. 3; N.J. 5 (of the 6 votes); Va. 1 (of the 10 votes)

- Harrison—Md. 6
- Rutledge—S.C. 6 (of the 7 votes)
- Hancock—Pa. 2 (of the 10 votes); S.C. 1 of the 7 votes); Va. 1 (of the 10 votes)
- Clinton—Va. 3 (of the 10 votes)
- Huntington—Conn. 2 (of the 7 votes)
- Milton—Ga. 2 (of the 5 votes)
- Armstrong—Ga. 1 (of the 5 votes)
- Lincoln—Ga. 1 (of the 5 votes)
- Telfair—Ga. 1 (of the 5 votes)

THE ELECTION OF 1792

Before the conclusion of George Washington's four-year term, it was necessary to elect a President for the second administration. George Washington and John Adams, who were known as Federalists, were advocates of a strong central government. Those in accord with their principles wanted them reelected for a second term of four years.

Naturally, not all of the ideas and plans advocated by them were acceptable to everyone. Those who differed were known as Democratic Republicans or Republicans. As the Democratic Republicans were a minority group, they realized the futility of organizing to oppose Washington's reelection, and did not oppose him.

On November 6, 1792, George Washington received 132 of the 264 electoral votes cast, a unanimous election. The second highest vote, 77 votes, was for John Adams of Massachusetts, who was reelected Vice President. The balance of the 132 electoral votes was cast for George Clinton of New York (50 votes), Thomas Jefferson of Virginia (4 votes) and Aaron Burr of New York (1 vote).

FIRST TERM

CABINET

March 4, 1789–March 3, 1793

- STATE John Jay, N.Y., Secretary for Foreign Affairs under the Confederation, continued to act at the request of President Washington until Thomas Jefferson assumed office; Thomas Jefferson, Va., Sept. 26, 1789, entered upon duties, Mar. 22, 1790
- TREASURY Alexander Hamilton, N.Y., Sept. 11, 1789
- WAR Henry Knox, Mass., Sept. 12, 1789
- ATTORNEY GENERAL Edmund Randolph, Va., Sept. 26, 1789, entered upon duties Feb. 2, 1790
- POSTMASTER GENERAL Samuel Osgood, Mass., Sept. 26, 1789; Timothy Pickering, Pa., Aug. 12, 1791, entered upon duties Aug. 19, 1791

SECOND TERM

CABINET

March 4, 1793–March 3, 1797

- STATE Thomas Jefferson, Va., continued from preceding administration; Edmund Randolph, Va., Jan. 2, 1794; Timothy Pickering, Pa. (secretary of war), ad interim August 20, 1795; Timothy Pickering, Pa., Dec. 10, 1795
- TREASURY Alexander Hamilton, N.Y., continued from preceding administration; Oliver Wolcott, Jr., Conn. Feb. 2, 1795
- WAR Henry Knox, Mass., continued from preceding administration; Timothy Pickering, Pa., Jan. 2, 1795; Timothy Pickering, Pa. (secretary of state), ad interim Dec. 10, 1795 to Feb. 5, 1796; James McHenry, Md., Jan. 27, 1796, entered upon duties Feb. 6, 1796
- ATTORNEY GENERAL Edmund Randolph, Va., continued from preceding administration; William Bradford, Pa., Jan. 27, 1794, entered upon duties Jan. 29, 1794; Charles Lee, Va., Dec. 10, 1795
- POSTMASTER GENERAL Timothy Pickering, Pa., continued from preceding administration; Timothy Pickering, Pa., recommissioned June 1, 1794; Joseph Habersham, Ga., Feb. 25, 1795

DREN

WASHINGTON

Custis Washington

ounty, Va.
 TON 27 years, 199 days
 None
 andridge
 ndridge

802
 55 days
 erson, Va.
 non, Va.
 IDENT 246 days
 SIDENT 2 years, 159 days
 riage to Washington she was
 ke Custis, by whom she had
 m died in infancy.

of all the States shall be
 In every Case, after the
 it, the Person having the
 tes of the Electors shall be

ain two or more who have
 shall chuse from them by
 nt.

the Continental Congress that
 ment should convene on "the
 rch next" (March 4, 1789) at
 City. Only eight of the twenty-
 n of the sixty-five representa-

pre-
 hat date and it was not until
 orum was present. John Lang-
 Senate, received, opened, and
 e electors.

received one vote from each of
 rom the ten states and was the
 President. The votes were cast
 : Massachusetts 10, Pennsylvan-
 nnecticut 7, South Carolina 7,
 y 6, Georgia 5, New Hampshire

both houses was appointed to
 on of New Hampshire, Charles
 nd William Samuel Johnson of
 ing the Senate; and Elias Boudi-
 ichard Bland Lee of Virginia,
 of South Carolina, Egbert Ben-
 1 John Laurance of New York,
 e.

was appointed to notify George
 had been elected President and
 ppointed to notify John Adams
 ted Vice President.

FIRST TERM

FIRST CONGRESS

March 4, 1789–March 3, 1791

FIRST SESSION Mar. 4, 1789–Sept. 29, 1789 (210 days)
 SECOND SESSION Jan. 4, 1790–Aug. 12, 1790 (221 days)
 THIRD SESSION Dec. 6, 1790–Mar. 3, 1791 (88 days)
 VICE PRESIDENT John Adams, Mass.
 PRESIDENT PRO TEMPORE OF THE SENATE John Langdon, N.H., elected Apr. 6, 1789

SECRETARY OF THE SENATE Samuel Allyne Otis, Mass., elected Apr. 6, 1789
 SPEAKER OF THE HOUSE Frederick Augustus Conrad Muhlenberg, Pa., elected Apr. 1, 1789
 CLERK OF THE HOUSE John Beckley, Va., elected Apr. 1, 1789

SECOND CONGRESS

March 4, 1791–March 3, 1793

FIRST SESSION Oct. 24, 1791–May 8, 1792 (197 days)
 SECOND SESSION Nov. 5, 1792–Mar. 12, 1793 (119 days)
 SPECIAL SESSION OF THE SENATE Mar. 4, 1791 (1 day only)
 VICE PRESIDENT John Adams, Mass.
 PRESIDENTS PRO TEMPORE OF THE SENATE Richard Henry Lee, Va., elected Apr. 18, 1792; John Langdon, N.H., elected Nov. 5, 1792, and Mar. 1, 1793

SECRETARY OF THE SENATE Samuel Allyne Otis, Mass.
 SPEAKER OF THE HOUSE Jonathan Trumbull, Conn., elected Oct. 24, 1791
 CLERK OF THE HOUSE John Beckley, Va., reelected Oct. 24, 1791

SECOND TERM

THIRD CONGRESS

March 4, 1793–March 3, 1795

FIRST SESSION Dec. 2, 1793–June 9, 1794 (190 days)
 SECOND SESSION Nov. 3, 1794–Mar. 3, 1795 (121 days)
 SPECIAL SESSION OF THE SENATE Mar. 4, 1793 (1 day only)
 VICE PRESIDENT John Adams, Mass.
 PRESIDENTS PRO TEMPORE OF THE SENATE Ralph Izard, S.C., elected May 31, 1794; Henry Tazewell, Va., elected Feb. 20, 1795 (Samuel Livermore, N.H., was elected Feb. 20, 1795 but declined)

SECRETARY OF THE SENATE Samuel Allyne Otis, Mass.
 SPEAKER OF THE HOUSE Frederick Augustus Conrad Muhlenberg, Pa., elected Dec. 2, 1793
 CLERK OF THE HOUSE John Beckley, Va., reelected Dec. 2, 1793

FOURTH CONGRESS

March 4, 1795–March 3, 1797

FIRST SESSION Dec. 7, 1795–June 1, 1796 (177 days)
 SECOND SESSION Dec. 5, 1796–Mar. 3, 1797 (89 days)
 SPECIAL SESSION OF THE SENATE June 8, 1795–June 26, 1795 (19 days)
 VICE PRESIDENT John Adams, Mass.

PRESIDENTS PRO TEMPORE OF THE SENATE Henry Tazewell, Va., elected Dec. 7, 1795; Samuel Livermore, N.H., elected May 6, 1796; William Bingham, Pa., elected Feb. 16, 1797

SECRETARY OF THE SENATE Samuel Allyne Otis, Mass.
 SPEAKER OF THE HOUSE Jonathan Dayton, N.J., elected Dec. 7, 1795

CLERK OF THE HOUSE John Beckley, Va., reelected Dec. 7, 1795

APPOINTMENTS TO THE SUPREME COURT

Chief Justices

John Jay, N.Y., Sept. 26, 1789
 John Rutledge, S.C., July 1, 1795
 Oliver Ellsworth, Conn., Mar. 4, 1796
 John Rutledge, commissioned July 1, 1795 (in recess), presided at the August 1795 term. His nomination was rejected by the Senate on December 15, 1795.

Associate Justices

John Rutledge, S.C., Sept. 26, 1789
 William Cushing, Mass., Sept. 27, 1789
 Robert H. Harrison, Md., Sept. 28, 1789 (declined to serve)
 James Wilson, Pa., Sept. 29, 1789
 John Blair, Va., Sept. 30, 1789
 James Iredell, N.C., Feb. 10, 1790
 Thomas Johnson, Md., Aug. 5, 1791
 William Paterson, N.J., Mar. 4, 1793
 Samuel Chase, Md., Jan. 27, 1796
 William Cushing was commissioned as Chief Justice on January 27, 1796, but declined to serve, continuing as Associate Justice.

ADMINISTRATION—IMPORTANT DATES

Apr. 1, 1789, first quorum, House of Representatives
 Apr. 6, 1789, first quorum, U.S. Senate
 June 1, 1789, first congressional act approved "to regulate the time and manner of administering certain oaths"
 July 4, 1789, first tariff act, placing duties on imports to protect domestic industries
 July 20, 1789, first federal navigation act, imposing duty on the tonnage of vessels
 July 27, 1789, State Department created as Department of Foreign Affairs
 Aug. 4, 1789, first federal bond issue authorized to fund domestic and state debt
 Aug. 7, 1789, Department of War created
 Sept. 2, 1789, Treasury Department established
 Sept. 13, 1789, first loan to the U.S. Government negotiated by Alexander Hamilton with New York banks
 Sept. 22, 1789, Post Office Department created
 Sept. 24, 1789, Judiciary Act passed
 Sept. 24, 1789, Office of Attorney General established
 Sept. 25, 1789, first ten amendments to the Constitution enacted by Congress
 Sept. 29, 1789, first Congress adjourned after 210-day session
 Nov. 21, 1789, twelfth state ratified the Constitution
 Feb. 1, 1790, first session of U.S. Supreme Court
 Mar. 1, 1790, first U.S. census authorized
 Apr. 10, 1790, first patent law passed
 May 29, 1790, Rhode Island adopted Constitution (last of the original thirteen to sign)
 May 31, 1790, first copyright law signed

July 16, 1790, Congress passed act local of government in District of Columbia
 Aug. 9, 1790, *Columbia*, under Captain returned to Boston, completing first world under U.S. flag
 Jan. 10, 1791, Vermont ratified Constitution
 Feb. 25, 1791, Bank of the United States
 Mar. 3, 1791, District of Columbia established
 Mar. 3, 1791, first internal revenue act
 Mar. 4, 1791, Vermont admitted as the 14th state
 Mar. 4, 1791, Arthur St. Clair appointed in-chief of federal troops
 Apr. 7, 1791–June 12, 1791, George Washington's tour of the South
 Nov. 4, 1791, General St. Clair surprised by Indians at Wabash River
 Dec. 15, 1791, Bill of Rights, first ten amendments to the Constitution, ratified
 Mar. 1, 1792, presidential succession bill
 Mar. 1, 1792, Secretary of State Jefferson the adoption of the first ten amendments
 Apr. 2, 1792, U. S. Mint established; coin denominations authorized
 Apr. 5, 1792, Washington vetoed appointment of St. Clair
 June 1, 1792, Kentucky admitted as the 15th state
 Sept. 27, 1792, peace treaty signed with Illinois Indians
 Oct. 13, 1792, cornerstone of White House
 Mar. 4, 1793, second inauguration, held in Philadelphia, Pa.
 Apr. 22, 1793, neutrality proclamation issued by Washington
 Sept. 18, 1793, cornerstone of Capitol laid
 Mar. 14, 1794, Eli Whitney patented cotton gin
 July–Nov. 1794, Whisky Rebellion in western Pennsylvania
 Aug. 20, 1794, General Wayne defeated British at Fallen Timbers, Ohio
 Nov. 19, 1794, Jay's Treaty with Great Britain to settle terms of peace, amity, commerce, boundaries, and extradition
 Feb. 7, 1795, Eleventh Amendment to Constitution ratified
 Sept. 5, 1795, treaty of peace and amity signed with Tripoli
 May 19, 1796, first national game law applied
 May 31, 1796, treaty with Six Nations completed
 June 1, 1796, Tennessee admitted as the 16th state
 Sept. 17, 1796, George Washington issued Farewell Address
 Nov. 4, 1796, treaty of peace, friendship, and commerce with Tripoli signed

IMPORTANT DATES IN HIS LIFE

1749, licensed as surveyor by College of William and Mary
 July 20, 1749, official surveyor, Culpeper County
 Nov. 6, 1752, appointed adjutant of one of four militia districts, with rank of major
 Mar. 15, 1754, lieutenant-colonel of Virginia regiment
 June 5, 1754, colonel of Virginia regiment
 May 10, 1755, appointed aide-de-camp (a position without rank) by General Braddock in French and Indian War
 July 9, 1755, two horses were shot under him in battle; bullets pierced his coat in battle near Red Bank, Pa.; withdrew remnants of Braddock's army to Fort Mifflin

THE SENATE Henry Tazewell, 5; Samuel Livermore, N.H., William Bingham, Pa., elected

Samuel Allyne Otis, Mass. Nathan Dayton, N.J., elected

Beckley, Va., reelected Dec.

THE SUPREME COURT

1789
1, 1795
Mar. 4, 1796
ssioned July 1, 1795 (in re-
rest 1795 term. His nomina-
:nate on December 15, 1795.

. 26, 1789
Sept. 27, 1789
, Sept. 28, 1789 (declined to

29, 1789
1789
10, 1790
ug. 5, 1791
ar. 4, 1793
27, 1796
:ommissioned as Chief Jus-
out declined to serve, contin-

MPORTANT DATES

n, House of Representatives
n, U.S. Senate
sional act approved "to regu-
ner of administering certain

t, placing duties on imports
lustries
al navigation act, imposing
vessels
artment created as Depart-
s
il bond issue authorized to
e debt

t of War created
epartment established
he U.S. Government nego-
milton with New York banks
e Department created
Act passed

ttorney General established
mments to the Constitu-
ss
ress adjourned after 210-day

ite ratified the Constitution
of U.S. Supreme Court
ensus authorized
t law passed
d adopted Constitution (last
to sign)
ight law signed

July 16, 1790, Congress passed act locating future seat
of government in District of Columbia
Aug. 9, 1790, *Columbia*, under Captain Robert Gray,
returned to Boston, completing first trip around the
world under U.S. flag
Jan. 10, 1791, Vermont ratified Constitution
Feb. 25, 1791, Bank of the United States chartered
Mar. 3, 1791, District of Columbia established
Mar. 3, 1791, first internal revenue act
Mar. 4, 1791, Vermont admitted as the 14th state
Mar. 4, 1791, Arthur St. Clair appointed commander-
in-chief of federal troops
Apr. 7, 1791-June 12, 1791, George Washington made
tour of the South
Nov. 4, 1791, General St. Clair surprised and defeated
by Indians at Wabash River
Dec. 15, 1791, Bill of Rights, first ten amendments to
the Constitution, ratified
Mar. 1, 1792, presidential succession bill enacted
Mar. 1, 1792, Secretary of State Jefferson announced
the adoption of the first ten amendments
Apr. 2, 1792, U. S. Mint established; coinage of various
denominations authorized
Apr. 5, 1792, Washington vetoed apportionment bill
June 1, 1792, Kentucky admitted as the 15th state
Sept. 27, 1792, peace treaty signed with Wabash and
Illinois Indians
Oct. 13, 1792, cornerstone of White House laid
Mar. 4, 1793, second inauguration, held at Philadel-
phia, Pa.
Apr. 22, 1793, neutrality proclamation issued by
Washington
Sept. 18, 1793, cornerstone of Capitol laid
Mar. 14, 1794, Eli Whitney patented cotton gin
July-Nov. 1794, Whisky Rebellion in western Penn-
sylvania
Aug. 20, 1794, General Wayne defeated Miami Indians
at Fallen Timbers, Ohio
Nov. 19, 1794, Jay's Treaty with Great Britain signed
to settle terms of peace, amity, commerce, naviga-
tion, boundaries, and extradition
Feb. 7, 1795, Eleventh Amendment to Constitution
ratified
Sept. 5, 1795, treaty of peace and amity with Algiers
signed
May 19, 1796, first national game law approved
May 31, 1796, treaty with Six Nations concluded
June 1, 1796, Tennessee admitted as the 16th state
Sept. 17, 1796, George Washington issued his Farewell
Address
Nov. 4, 1796, treaty of peace, friendship, and naviga-
tion with Tripoli signed

IMPORTANT DATES IN HIS LIFE

1749, licensed as surveyor by College of William and
Mary
July 20, 1749, official surveyor, Culpeper County, Va.
Nov. 6, 1752, appointed adjutant of one of Virginia's
four militia districts, with rank of major
Mar. 15, 1754, lieutenant-colonel of Virginia regiment
June 5, 1754, colonel of Virginia regiment
May 10, 1755, appointed aide-de-camp (a volunteer
position without rank) by General Braddock in
French and Indian War
July 9, 1755, two horses were shot under him and four
bullets pierced his coat in battle near Fort Du-
quesne, Pa.; withdrew remnants of Braddock's de-

feated army at the Monongahela to Fort
Cumberland
Aug. 14, 1755, appointed by the legislature colonel of
the Virginia regiment and commander-in-chief of
the Virginia forces protecting the frontier against the
French and Indians
1755-1758, engaged in recruiting and organizing
troops for colonial defense
1758, commanded successful expedition to Fort Du-
quesne
July 24, 1758, elected to House of Burgesses from
Frederick County
Dec. 1758, resigned commission as colonel of the Vir-
ginia regiment and commander-in-chief of the Vir-
ginia forces
1758, resided at Mount Vernon, Va.
Oct. 1770, justice of the peace for Fairfax County
Aug. 1773, delegate to the Williamsburg Convention
Aug. 1774, member, First Virginia Provincial Con-
vention
Aug. 5, 1774, elected delegate to First Continental
Congress
Sept. 5, 1774, attended first session of Continental
Congress at Philadelphia, Pa.
Mar. 25, 1775, Second Virginia Provincial Congress
selected Washington to attend Second Continental
Congress
June 15, 1775, Congress elected Washington as Gener-
al and Commander-in-Chief of the Army of the
United Colonies
July 3, 1775, assumed command at Cambridge, Mass.
Mar. 17, 1776, Boston evacuated by the British
Aug. 27, 1776, Battle of Long Island
Oct. 28, 1776, Battle of White Plains
Dec. 25, 1776, recrossed Delaware River
Dec. 26, 1776, Battle of Trenton
Jan. 3, 1777, Battle of Princeton
Sept. 11, 1777, Battle of Brandywine
Oct. 4, 1777, Battle of Germantown
Dec. 19, 1777, winter headquarters established at Val-
ley Forge
Oct. 19, 1781, Cornwallis surrendered at Yorktown,
Va.
May 8, 1783, dinner with Lord Carleton after confer-
ence; Washington received seventeen-gun salute
June 19, 1783, elected President General of the Society
of the Cincinnati
Sept. 3, 1783, Treaty of Peace signed
Nov. 2, 1783, issued Farewell Orders to the armies
Nov. 25, 1783, reoccupied New York City after British
occupation
Dec. 4, 1783, bade farewell to his officers at Frances'
Tavern
Dec. 23, 1783, surrendered his commission as com-
mander-in-chief to Congress; returned to private life
May 25, 1787, delegate from Virginia to the Federal
Convention; elected president unanimously
Feb. 4, 1789, unanimously elected President of the
United States for 1789-1793 term
Apr. 30, 1789, inaugurated President at Federal Hall,
New York City
June 1, 1789, signed first act of Congress
Aug. 25, 1789, his mother, Mary Ball Washington, died
at Fredericksburg, Va.
Dec. 5, 1792, unanimously reelected President
Mar. 4, 1793, inaugurated at Philadelphia, Pa., as Pres-
ident of the United States for a second term
Sept. 18, 1793, laid cornerstone of the Capitol at Wash-
ington, D.C.

IMPORTANT DATES IN HIS LIFE—Continued

- Sept. 17, 1796, issued Farewell Address
 Mar. 3, 1797, expiration of his second term as President
 July 11, 1798, President John Adams appointed him Lieutenant-General and Commander-in-Chief of all the armies of the United States
 July 13, 1798, accepted appointment
 Dec. 14, 1799, died at Mount Vernon, Va.

GEORGE WASHINGTON

- was the only President who was inaugurated in two cities (New York City, April 30, 1789, and Philadelphia, Pa., March 4, 1793).
- was the only President who did not live in Washington, D.C.
- was the first and only President unanimously elected, having received 69 of the 69 electoral votes cast.
- was the first President to refuse a third term.
- was the first President born in Virginia.
- was the first President whose mother was alive when he was inaugurated.
- was the first President to marry a widow.
- was the first President whose mother was a second wife.
- was the first President to have half brothers and half sisters.

WASHINGTON'S VICE PRESIDENT

VICE PRESIDENT John Adams (1st V.P.)
DATE OF BIRTH Oct. 30, 1735
BIRTHPLACE Braintree (now Quincy), Mass.
POLITICAL PARTY Federalist
STATE REPRESENTED Massachusetts
TERM OF OFFICE Apr. 21, 1789—Mar. 3, 1797
AGE AT INAUGURATION 53 years, 173 days
OCCUPATION AFTER TERM President
DATE OF DEATH July 4, 1826
AGE AT DEATH 90 years, 247 days
PLACE OF DEATH Quincy, Mass.
BURIAL PLACE Quincy, Mass.

For further biographical information see John Adams, 2nd President.

ADDITIONAL DATA ON WASHINGTON**WASHINGTON WAS BORN ON FEBRUARY 11**

George Washington was born on February 11, 1731, and celebrated his first nineteen birthdays on February 11.

An act of the British Parliament in 1750 discarded the Julian calendar and adopted the Gregorian calendar in its stead for Great Britain and the colonies. In the Julian calendar, the first day of the year had been March 25, but in the year 1751 the year ended on December 31 and the days between January and March 24 were omitted from the calendar. This legal year contained only 282 days. The period from January 1 to March 24 was dated 1752.

Thus George Washington was nineteen years old on February 11, 1750, but his twentieth birthday was on February 11, 1752, not 1751.

Since the vernal equinox had been displaced by 11 days in the Julian calendar, it was ordered that the dif-

ference be removed by the omission of 11 days from September 1752. There were no days dated September 3 to 13 inclusive; the day after September 2 was September 14. This required the addition of 11 days to compensate, and in 1753 George Washington celebrated his birthday on February 22 instead of on February 11.

BAPTISM

George Washington was baptized April 5, 1732 (1731 Old Style). His godfathers were Beverley Whiting and Captain Christopher Brooks and his godmother was Mrs. Mildred Gregory.

WASHINGTON OPERATED A FERRY

George Washington loaned \$3,750 to Captain John Posey, who was unable to repay the amount and turned over his land, including a ferry and fishery, to Washington. Washington then ran the fishery, shipping fish in his own boats and selling them along the Atlantic seaboard.

The ferry, which he operated from 1769 to 1790, crossed the Potomac at a spot about a mile wide, landing at what is now Marshall Hall, Md. The schedule of rates as set up by the Virginia General Assembly was one shilling for an adult and a horse.

The rates were: for every coach, wagon, or chariot and driver, the same price as for six horses; for every four-wheeled chaise or phaeton and driver, the same price as for four horses; for every two-wheeled riding carriage, the same price as for two horses; for every hogshead of tobacco, the same price as for one horse; for every head of neat cattle, the same price as for one horse, and for every sheep, hog, goat or lamb, the same price as for one horse.

The ferry was abandoned in October 1790, a year and a half after Washington had become President. He submitted his reasons for discontinuing the service to the General Assembly which acceded to his request to be permitted to abandon the ferry service.

WASHINGTON ESCAPED KIDNAPPERS

Prior to George Washington's inauguration, while he was still commander-in-chief of the army, an attempt was made to kidnap or kill him. Involved in the conspiracy were the Tory governor of New York, William Tryon, the Tory mayor of New York City, David Matthews, and many others, including Thomas Hickey, one of Washington's bodyguards. Hickey was tried before a court-martial, which found him guilty. On June 28, 1776, Hickey was hanged on a field near the Bowery Lane in the presence of 20,000 persons.

The episode is recorded in General George Washington's orderly book on June 28, 1776, as follows: "The unhappy Fate of Thomas Hickey, executed this day for Mutiny, Sedition and Treachery; the General hopes will be a warning to every soldier, in the Army, to avoid those crimes and all others, so disgraceful to the character of a soldier and pernicious to his country, whose pay he receives and bread he eats."

WASHINGTON DISAPPROVED OF SWEARING

A General Order issued August 3, 1776, by General George Washington from his headquarters at New York stated:

The General is sorry to be informed of the foolish and wicked practice of swearing, a vice heretofore common in the American army, is growing. I hope the officers will, by example, endeavor to check it, and the men will reflect, that the hope of the blessing of Heaven is not to be insulted by our impiety and that it is a vice so mean and low, that every man of sense and honor tests and despises it.

HONORARY DEGREES FOR

The formal education of George Washington before he was seventeen years old consisted of much studying on his own. He lacked a college degree, five of which were conferred on him by colleges conferred honorary degrees. The first degree was the honor of Laws awarded by Harvard University in 1781. The University of Virginia conferred a similar award in 1783. Washington received a similar award from the University of Maryland, and Brown University conferred an honorary LL.D. degree in 1789.

WASHINGTON REJECTED

The suggestion made by Colonel Mifflin to General George Washington that he become king was rejected by the general. His answer, dated May 22, 1782, follows:

With a mixture of great surprise and concern I have read with attention the letter you have submitted to my perusal. I have no occurrence in the course of my life which has given me more painful sensations than the information of there being such ideas in the mind of the Army as you have expressed, with abhorrence, and reprehension. For the present, the communication of the matter, shall make a disservice to my bosom, unless some address could have given encouragement which to me seems big with mischief that can befall my Country. If I am not deceived in the knowledge you could not have found a person more disagreeable to me in justice to my own feelings I am sure I possess a more sincere wish for justice done to the Army than I do. My powers and influence, in a common way, they shall be employed to extend my abilities to effect it, should the occasion. Let me conjure you then, if you have regard for your Country, concern for posterity, or respect for me, to keep your thoughts from your Mind, and not to be seduced, as from yourself, or any one else, to do the like Nature.

by the omission of 11 days from
re were no days dated September
day after September 2 was Sep-
tered the addition of 11 days to
753 George Washington celebrat-
bruary 22 instead of on February

n was baptized April 5, 1732
godfathers were Beverley Whit-
topher Brooks and his godmoth-
Gregory.

ERATED A FERRY

loaned \$3,750 to Captain John
to repay the amount and turned
ng a ferry and fishery, to Wash-
en ran the fishery, shipping fish
selling them along the Atlantic

e operated from 1769 to 1790,
t a spot about a mile wide, land-
shall Hall, Md. The schedule of
Virginia General Assembly was
ltd and a horse.

every coach, wagon, or chariot
price as for six horses; for every
r phaeton and driver, the same
s; for every two-wheeled riding
ce as for two horses; for every
the same price as for one horse;
cattle, the same price as for one
eep, hog, goat or lamb, the same

done in October 1790, a year
gton had become President. He
for discontinuing the service to
which acceded to his request to
on the ferry service.

APED KIDNAPPERS

ashington's inauguration, while
er-in-chief of the army, an at-
nap or kill him. Involved in the
ry governor of New York, Wil-
naylor of New York City, David
thers, including Thomas Hick-
's bodyguards. Hickey was tried
, which found him guilty. On
was hanged on a field near the
esence of 20,000 persons.
rded in General George Wash-
on June 28, 1776, as follows:
Thomas Hickey, executed this
on and Treachery; the General
g to every soldier, in the Army,
and all others, so disgraceful to
r and pernicious to his country,
and bread he eats."

APPROVED OF

ied August 3, 1776, by General
om his headquarters at New

The General is sorry to be informed that the fool-
ish and wicked practice of profane cursing and
swearing, a vice heretofore little known in an
American army, is growing into fashion. He
hopes the officers will, by example as well as in-
fluence, endeavor to check it, and that both they
and the men will reflect, that we can have little
hope of the blessing of Heaven on our arms, if we
insult it by our impiety and folly. Added to this,
it is a vice so mean and low, without any tempta-
tion, that every man of sense and character de-
tests and despises it.

HONORARY DEGREES FOR WASHINGTON

The formal education of George Washington ceased
before he was seventeen years of age; however, he did
much studying on his own account. Although he
lacked a college degree, five of the country's foremost
colleges conferred honorary degrees upon him.

The first degree was the honorary degree of Doctor
of Laws awarded by Harvard in 1776. Yale followed
suit in 1781. The University of Pennsylvania made a
similar award in 1783. Washington College of Chester-
town, Md., and Brown University also conferred the
honorary LL.D. degree in 1789 and 1790 respectively.

WASHINGTON REJECTED MONARCHY

The suggestion made by Colonel Lewis Nicola in a
letter to General George Washington to the effect that
Washington become king brought a stinging rebuke
from the general. His answer from Newburgh, N.Y.,
dated May 22, 1782, follows:

With a mixture of great surprise and astonish-
ment I have read with attention the Sentiments
you have submitted to my perusal. Be assured Sir,
no occurrence in the course of of the War, has giv-
en me more painful sensations than your infor-
mation of there being such ideas existing in the
Army as you have expressed, and I must view
with abhorrence, and reprehend with severity.
For the present, the communication of them will
rest in my bosom, unless some further agitation
of the matter, shall make a disclosure necessary.
I am much at a loss to conceive what part of my
conduct could have given encouragement to an
address which to me seems big with the greatest
mischiefs that can befall my Country.

If I am not deceived in the knowledge of myself,
you could not have found a person to whom your
schemes are more disagreeable: at the same time
in justice to my own feelings I must add, that no
Man possesses a more sincere wish to see ample
justice done to the Army than I do, and as far as
my powers and influence, in a constitutional way
extend, they shall be employed to the utmost of
my abilities to effect it, should there be any occa-
sion. Let me conjure you then, if you have any re-
gard for your Country, concern for yourself or
posterity, or respect for me, to banish these
thoughts from your Mind, and never communi-
cate, as from yourself, or any one else, a sentiment
of the like Nature.

WASHINGTON RAISED MULES

Although the exportation of full-blooded jacks from
Spain was prohibited, Charles III of Spain sent George
Washington two jacks and two jennets with a Spanish
caretaker. They arrived at Boston on October 26, 1785.
Only one of the jacks survived the trip; it was named
Royal Gift by Washington and was used to breed
heavy mules for draft purposes.

A Maltese jack sent by Lafayette to George Wash-
ington was named the Knight of Malta. It was used to
breed lighter and nimbler mules for saddle and car-
riage use.

**JOHN LANGDON, PRESIDENT OF THE
SENATE PRO TEMPORE, NOTIFYING
GEORGE WASHINGTON OF HIS
ELECTION**

New York, 6 April, 1789

Sir,
I have the honor to transmit to your Excellency
the information of your unanimous election to
the office of President of the United States of
America. Suffer me, Sir, to indulge the hope, that
so auspicious a mark of public confidence will
meet your approbation, and be considered as a
pledge of the affection and support you are to ex-
pect from a free and enlightened people.

I am, Sir, with sentiments of respect, &c.

JOHN LANGDON

**GEORGE WASHINGTON'S LETTER TO JOHN
LANGDON, PRESIDENT OF THE SENATE
PRO TEMPORE, ACCEPTING THE
OFFICE OF PRESIDENT OF THE UNITED
STATES**

Mount Vernon, Va.
April 14, 1789

Sir,
I had the honor to receive your official communi-
cation by the hand of Mr. Secretary Thomson,
about one o'clock this day. Having concluded to
obey the important and flattering call of my coun-
try, and having been impressed with an idea of
the expediency of my being with Congress at as
early a period as possible, I propose to commence
my journey on Thursday morning which will be
the day after tomorrow. I have the honor to be
with sentiments of esteem, Sir,

Your most obedient servant,
G. WASHINGTON

**WASHINGTON BORROWED MONEY TO GO
TO HIS FIRST INAUGURATION**

Although George Washington was one of the
richest men of his time he was "land-poor" and was
obliged to borrow money to finance his trip to New
York. He received a loan of 600 pounds from Richard
Conway of Alexandria, Va., to whom he had written
the following letter on March 4, 1789 from his home
at Mount Vernon:

DEAR SIR,
Never till within these two years have I experi-
enced the want of money. Short crops, and other

WASHINGTON BORROWED MONEY TO GO TO HIS FIRST INAUGURATION—Continued

causes not entirely within my control, make me feel it now very sensibly. To collect money without the intervention of Suits (and these are tedious) seems impracticable—and Land, which I have offered for sale, will not command Cash at an undervalue, if at all. Under this statement, I am inclined to do what I never expected to be driven to, that is, to borrow money on Interest. Five hundred pounds would enable me to discharge what I owe in Alexandria, etc., and to leave the State (if it shall not be in my power to remain home in retirement) without doing this, would be exceedingly disagreeable to me. Having thus fully and candidly explained myself, permit me to ask if it is in your power to supply me with the above or smaller Sum. Any security you may best like I can give, and you may be assured, that it is no more my inclination than it can be yours, to let it remain long unpaid. . . .

WASHINGTON ARRIVED IN NEW YORK BY BOAT

Thirteen pilots, all dressed in white sailor costume, rowed the barge which conveyed George Washington from Elizabeth Town, N.J., to New York City for his inauguration. The barge had a forty-seven-foot keel and carried two flags astern. It came out of the Kill van Kull into New York Bay, passed the Battery, and proceeded up the Hudson River to Murray's wharf at the foot of Wall Street.

A brief parade was held through Queen Street to the Franklin House. The order of march was as follows: 1, a troop of horse; 2, artillery and those remaining of the Legion under arms; 3, off-duty military officers in uniform; 4, The President's Guard, composed of the Grenadiers of the First Regiment; 5, The President, the governor and their suites; 6, the principal officers of the state; 7, the mayor of New York and the Corporation of New York; 8, the clergy; 9, the citizens.

FIRST INAUGURATION

George Washington took the oath of office as President of the United States on Thursday, April 30, 1789, out-of-doors on the balcony of the Senate Chamber at Federal Hall, Wall and Nassau Streets, New York City. The oath was administered by Robert R. Livingston, Chancellor of New York State. The Bible on which Washington took his oath was borrowed from St. John's Lodge, Free and Accepted Masons. His hand rested on Psalm 127:1 when he took the oath. He then proceeded to the Senate Chamber to deliver his inaugural address. After the ceremony, he was escorted to the President's House by a troop of cavalry, assistants, a committee of Representatives, a committee of the Senate and the gentlemen to be admitted to the Senate. The evening celebration was opened and closed by thirteen skyrockets and thirteen cannon.

A weekly, the U.S. *Chronicle* of May 21, 1789, recorded:

The President of the United States on the day of his inauguration, appeared dressed in a complete suit of Homespun Cloaths; the cloth was of a fine

fabric, and as handsomely finished, as any European superfine cloth. A circumstance, which must be considered as not only highly flattering to our manufacturers in particular, but interesting to our countrymen in general.

His Excellency the Vice President appeared also in a suit of American manufacture and several members of both Houses are distinguished by the same token of attention to the manufacturing interests of their country.

After Chancellor Robert R. Livingston administered the oath of office to George Washington on April 30, 1789, he proclaimed, "Long live George Washington, the President of the United States."

FIRST INAUGURAL BALL

The first inaugural ball was held Thursday, May 7, 1789, in the Assembly Rooms on the east side of Broadway, a little above Wall Street, New York City. It was attended by President Washington, Vice President Adams, the French and Spanish ministers, Chancellor Livingston, Baron von Steuben, General Knox, John Jay, Alexander Hamilton and the majority of the House of Representatives and the Senate. Fans which were decorated with a medallion portrait of President George Washington in profile were presented as souvenirs to the ladies. Martha Washington did not attend as she did not arrive in the city until the end of May.

WASHINGTON'S FIRST TERM 57 DAYS SHORT

As George Washington did not take the oath of office until April 30, 1789, his first term was 57 days shorter than it would have been had the inauguration taken place on March 4 as originally intended.

THE FIRST PRESIDENTIAL MANSION

George Washington lived at No. 1 Cherry Street, New York City, from April 23, 1789, to February 23, 1790. This residence has been referred to as the first presidential mansion. Residences were not supplied for our earliest Presidents.

CONGRESS IN SESSION AT NEW YORK AND PHILADELPHIA

The only Congress to meet at New York City was the First Congress. It held two sessions, the first from March 4, 1789, to September 29, 1789 (210 days), the second from January 4, 1790, to August 12, 1790 (221 days). A quorum was not present, however, until April 6, 1789.

The first session of Congress to meet at Philadelphia, Pa., was the third session of the First Congress, which was held from December 6, 1790, to March 3, 1791 (88 days). The first session of the Sixth Congress from December 2, 1799, to May 14, 1800 (164 days) was the last Congress to meet at Philadelphia.

HIS HIGHNESS, GEORGE WASHINGTON?

The committee appointed by the United States Senate on Thursday, April 23, 1789, to decide on the proper form of address for the President of the United States, reported on Thursday, May 14, 1789 "that in the opinion of the committee it will be proper thus to

address the President: "His Highness the United States of America, Liberties."

SENATORS' TERMS DETERMINED BY DRAWING LOTS

In accordance with the constitution regarding senatorial terms (Article I, Section 3) the Senate decided on May 14, 1789, "that the classes shall vacate their seats in the following order: Class 1, in the first year; Class 2, in the second year; and Class 3, in the third year. The classes shall vacate their seats according to the order of numbers determined by drawing lots."

"And that when Senators shall be elected to States that have not yet appointed Senators, they shall be placed by lot in the foregoing manner as shall keep the classes as equal as possible."

The senators in Class 1, who were John Langdon of New Hampshire, Samuel Johnson of Connecticut, Robert Morris of Pennsylvania, John Henry of Maryland, James Osgood of North Carolina, and James Gunn of Georgia.

Those in Class 2, who drew lots were Paine Wingate of New Hampshire, William Paterson of Massachusetts, William Basset of Delaware, Richard Pierce of South Carolina, and Pierce Butler of Georgia.

Those in Class 3, who drew lots were Tristram Dalton of Massachusetts, Jonathan Elmer of Connecticut, Jonathan May of Pennsylvania, George Charles Carroll of Maryland, and Virginia.

New York, North Carolina, and Rhode Island were not included in the original selection of senators. They were still unrepresented at the time.

THE FIRST ACT OF CONGRESS

"An Act to Regulate the Time and Manner of Administering Certain Oaths"

SECTION 1. Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That the Oath of Office required by the sixth article of the Constitution of the United States, shall be administered in the form following, to wit, "I, A.B. do swear or affirm (as the case may be) to support the Constitution of the United States. The said oath or affirmation shall be administered within three days after the publication of this act, by any one member of the Senate, and by him to the Secretary; and by the Secretary to all members of the House of Representatives; and by the Secretary to all members of the House of Representatives who have not taken a similar oath, by virtue of a resolution of the said House. And in case of the absence of the Secretary from the service of either House, at the time prescribed for taking said oath or affirmation, the same shall be administered to such members as shall appear to take his seat."

dsomely finished, as any Euro-
th. A circumstance, which must
not only highly flattering to our
particular, but interesting to our
neral.

e Vice President appeared also
rican manufacture and several
Houses are distinguished by the
ention to the manufacturing in-
ntry.

r Robert R. Livingston adminis-
ice to George Washington on April
imed, "Long live George Washing-
of the United States."

AL BALL

al ball was held Thursday, May 7,
nbly Rooms on the east side of
bove Wall Street, New York City.
President Washington, Vice Presi-
ench and Spanish ministers, Chan-
laron von Steuben, General Knox,
r Hamilton and the majority of the
latives and the Senate. Fans which
a medallion portrait of President
in profile were presented as souve-
Martha Washington did not attend
e in the city until the end of May.

FIRST TERM 57 DAYS

ington did not take the oath of of-
1789, his first term was 57 days
ld have been had the inauguration
ch 4 as originally intended.

IDENTIAL MANSION

ton lived at No. 1 Cherry Street,
m April 23, 1789, to February 23,
e has been referred to as the first
m. Residences were not supplied
idents.

**SSION AT NEW YORK AND
HIA**

ss to meet at New York City was
It held two sessions, the first from
eptember 29, 1789 (210 days), the
y 4, 1790, to August 12, 1790 (221
is not present, however, until April

of Congress to meet at Philadel-
bird session of the First Congress,
m December 6, 1790, to March 3,
first session of the Sixth Congress
1799, to May 14, 1800 (164 days)
ss to meet at Philadelphia.

GEORGE WASHINGTON?

ppointed by the United States Sen-
rtil 23, 1789, to decide on the prop-
for the President of the United
Thursday, May 14, 1789 "that in
ommittee it will be proper thus to

Address the President: "His Highness, the President of
the United States of America, and Protector of their
Liberties."

**SENATORS' TERMS DETERMINED BY
DRAWING LOTS**

In accordance with the constitutional provision re-
garding senatorial terms (Article 1, section 3), the Sen-
ate decided on May 14, 1789, "that three papers of an
equal size, numbered 1, 2 and 3, be, by the Secretary,
rolled up and put into a box, and, drawn by Mr. Lang-
don, Mr. Wingate, Mr. Dalton, in behalf of the respec-
tive classes, in which each of them are placed; and that
the classes shall vacate their seats in the Senate, ac-
cording to the order of numbers drawn for them, begin-
ning with Number 1.

"And that when Senators shall take their seats from
States that have not yet appointed Senators, they shall
be placed by lot in the foregoing classes, but in such
manner as shall keep the classes as nearly equal as may
be in numbers."

The senators in Class 1, who drew six-year terms,
were John Langdon of New Hampshire, William Sam-
uel Johnson of Connecticut, Robert Morris of Pennsylv-
ania, John Henry of Maryland, Ralph Izard of South
Carolina, and James Gunn of Georgia.

Those in Class 2, who drew four-year terms, were
Paine Wingate of New Hampshire, Caleb Strong of
Massachusetts, William Paterson of New Jersey, Rich-
ard Bassett of Delaware, Richard Lee of Virginia,
Pierce Butler of South Carolina, and William Few of
Georgia.

Those in Class 3, who drew two-year terms, were
Tristram Dalton of Massachusetts, Oliver Ellsworth of
Connecticut, Jonathan Elmer of New Jersey, William
Maclay of Pennsylvania, George Read of Delaware,
Charles Carroll of Maryland, and William Grayson of
Virginia.

New York, North Carolina, and Rhode Island were
not included in the original selection as their senators
were still unrepresented at the time of the drawing.

THE FIRST ACT OF CONGRESS

"An Act to Regulate the Time and Manner of Adminis-
tering Certain Oaths"

SECTION 1. Be it enacted by the Senate and Rep-
resentatives of the United States of America in
Congress assembled, That the Oath or Affirma-
tion required by the sixth article of the Constitu-
tion of the United States, shall be administered in
the form following, to wit, "I, A.B., do solemnly
swear or affirm (as the case may be) that I will
support the Constitution of the United States!"
The said oath or affirmation shall be adminis-
tered within three days after the passing of this
act, by any one member of the Senate, to the Pres-
ident of the Senate, and by him to all the mem-
bers, and to the Secretary; and by the Speaker of
the House of Representatives to all members who
have not taken a similar oath, by virtue of a par-
ticular resolution of the said House, and to the
Clerk: And in case of the absence of any member
from the service of either House, at the same time
prescribed for taking said oath or affirmation, the
same shall be administered to such member when
he shall appear to take his seat.

SECTION 2. And be it further enacted, That at
the first session of Congress after every general
election of Representatives, the oath or affirma-
tion aforesaid, shall be administered by any one
member of the House of Representatives to the
Speaker; and by him to all the members present,
and to the Clerk, previous to entering on any oth-
er business; and to the members who shall after-
ward appear, previous to taking their seats. The
President of the Senate for the time being, shall
also administer the oath or affirmation to each
Senator who shall hereafter be elected, previous
to taking his seat; and in any future case of a Presi-
dent of the Senate, who shall not have taken said
oath or affirmation, the same shall be adminis-
tered to him by any one member of the Senate.

SECTION 3. And be it further enacted, That the
members of the several State legislatures, at the
next session of the said legislature respectively,
and all executive and judicial officers of the sever-
al States, who have been heretofore chosen or ap-
pointed, or who shall be chosen or appointed,
before the first day of August next, and who shall
then be in office, shall within one month thereaf-
ter, take the same oath or affirmation, except
where they shall have taken it before; which may
be administered by any person authorized by the
law of the State in which such office shall be hold-
en, to administer oaths. And the members of the
several State legislatures, and all executive and ju-
dicial officers of the several States, who shall be
chosen or appointed after the said first day of Au-
gust, shall, before they proceed to execute the du-
ties of their respective offices, take the foregoing
oath or affirmation which shall be administered
by the person or persons who by the law of the
State shall be authorized to administer the oath
of office; and the person or persons so adminis-
tering the oath hereby required to be taken, shall
cause a record or certificate thereof to be made in
the same manner as, by the law of the State, he
or they shall be directed to record or certify the
oath of office.

SECTION 4. And be it further enacted, That all
officers appointed, or hereafter to be appointed,
under the authority of the United States, shall be-
fore they act in their respective offices, take the
same oath or affirmation, which shall be adminis-
tered by the person or persons who shall be autho-
rized by law to administer to such officers their
respective oaths of office; and such officers shall
incur the same penalties in case of failure, as shall
be imposed by law in case of failure in taking their
respective oaths of office.

SECTION 5. And be it further enacted, That the
Secretary of the Senate, and the Clerk of the
House of Representatives for the time being,
shall, at the time of taking the oath or affirmation
aforesaid, each take an oath or affirmation in the
words following, to wit, "I, A.B., Secretary of the
Senate, or Clerk of the House of Representatives
(as the case may be) of the United States of Amer-
ica, do solemnly swear or affirm that I will truly
and faithfully discharge the duties of my office to
the best of my knowledge and abilities."

THE FIRST ACT OF CONGRESS—Continued

FREDERICK AUGUSTUS MUHLENBERG
Speaker of the House of
Representatives

JOHN ADAMS
Vice President of the United States and
President of the Senate

Approved June 1, 1789
GEORGE WASHINGTON
President of the United States
(1 Stat. L. 23)

THE FIRST PRESIDENTIAL APPOINTMENT

The first presidential appointment was made by George Washington in June of 1789. He nominated William Short to be *chargé d'affaires* for France.

THE FIRST REJECTION OF A PRESIDENTIAL APPOINTEE

The first presidential appointee rejected by the Senate was Benjamin Fishbourn of Georgia, who was nominated by George Washington for the position of naval officer of the port of Savannah, Ga. Fishbourn had served valiantly in the storming of Stony Point and had held numerous important positions in Georgia. He was rejected by a secret ballot of Congress because the two Georgia senators, William Few and James Gunn, had not been consulted. They preferred another for the job, and on August 6, 1789, Washington nominated Lachlan McIntosh.

TEN CONSTITUTIONAL AMENDMENTS ENACTED

The first ten amendments to the Constitution, known as the Bill of Rights, were passed by Congress on September 25, 1789. As Vermont had become a state before the ratification of the Constitution was completed, it was necessary to have eleven of the fourteen states ratify the amendments. On December 15, 1791, Virginia became the eleventh state to ratify the first ten amendments.

THE FIRST PRESIDENTIAL TOURS

President George Washington made the first presidential tour through the New England states from October 15 to November 13, 1789. He traveled in a hired coach accompanied by Major William Jackson, his aide-de-camp; Tobias Lear, his private secretary; six servants; nine horses; and a luggage wagon. He went as far north as Kittery, Maine (then part of Massachusetts). As Rhode Island and Vermont had not joined the new government at that time, he did not visit those states. Washington's first tour of the southern states was made from April 7 to June 12, 1791, during which time he left Mount Vernon, Virginia, on his 1,887-mile trip which took him north through Philadelphia, south through Virginia and the Carolinas into Georgia, and back to Mount Vernon.

THE FIRST PRESIDENTIAL PROCLAMATION

The first presidential proclamation was made by George Washington on January 24, 1791, from New York City, at that time the capital. He directed surveyors "to survey and limit a part of the territory of ten

miles square on both sides of the river Potomac, so as to comprehend Georgetown, in Maryland, and extend to the Eastern Branch.

THE FIRST PRESIDENTIAL THANKSGIVING PROCLAMATION

By the President of the United States of America.

Whereas it is the duty of all nations to acknowledge the providence of Almighty God, to obey his will, to be grateful for his benefits, and humbly to implore his protection and favor—and Whereas both Houses of Congress have by their joint committee requested me "to recommend to the People of the United States a day of public thanksgiving and prayer, to be observed by acknowledging with grateful hearts the many signal favors of Almighty God, especially by affording them an opportunity to establish a form of government for their safety and happiness";

Now, therefore, I do recommend and assign Thursday, the 26th day of November next, to be devoted by the People of these States to be the service of that great and glorious Being who is the beneficent Author of all the good that was, that is, or that will be—That we may then all unite in rendering unto him our sincere and humble thanks—for his kind care and protection of the People of this country previous to their becoming a Nation—for the signal and manifold mercies and the favorable interpositions of his providence, which we experienced in the course and conclusion of the late war—for the great degree of tranquillity, union and plenty, which we have since enjoyed—for the peaceful and rational manner in which we have been enabled to establish constitutions of government for our safety and happiness, and particularly the national One now lately instituted—for the civil and religious liberty with which we are blessed and the means we have of acquiring and diffusing useful knowledge; and in general for all the great and various favors which he hath been pleased to confer upon us.

And also that we may then unite in most humbly offering our prayers and supplications to the great Lord and Ruler of Nations, and beseech him to pardon our national and other transgressions—to enable us all, whether in public or private stations, to perform our several and relative duties properly and punctually—to render our national Government a blessing to all the People by constantly being a Government of wise, just, and constitutional laws, discreetly and faithfully executed and obeyed—to protect and guide all Sovereigns and Nations (especially such as have shown kindness to us) and to bless them with good Government, peace, and concord—to promote the knowledge and practice of true religion and virtue, and the increase of science among them and us—and generally to grant unto all mankind such a degree of temporal prosperity as he alone knows to be best.

Given under my hand at the City of New York the third day of October in the year of our Lord 1789.

GEORGE WASHINGTON

SECOND INAUGURATION

The Government having moved to Philadelphia, George Washington took the oath of office for his second term on September 14, 1793, in the Senate Chamber, Philadelphia, Pa. Washington was the first president inaugurated at Philadelphia and the first inaugurated on March 4th. The oath was administered by Cushing of Massachusetts, Assessor of the Supreme Court.

THE FIRST PRESIDENTIAL VETO

During his two terms of office Washington vetoed only two bills. His first veto, on April 5, 1792, was explained to the members of the House of Representatives as follows:

I have maturely considered the two Bills entitled "An Act to amend the Representation of the People according to the first enumeration" and "An Act to amend the Representation of the People according to the first enumeration" and in my opinion they are not proper to be passed. I have therefore thought it my duty to withhold my assent to them.

First. The Constitution requires that Representatives shall be apportioned among the several States according to the number of free Persons, and there is no one principle which, applied to the respective States, will yield the number of Representatives proposed by the Bill.

Second. The Constitution requires that the number of Representatives shall not exceed one for every 30,000, which is not observed in the Bill in several contexts and by fair and obvious construction should be applied to the separate members of the States; and the bill would give one Representative for more than 1 for 30,000 in some of the States more than 1 for 30,000.

His only other veto, dated February 5, 1796, was to reduce the cavalry from 10,000 to 4,000 men.

WASHINGTON'S CONSULTATION WITH HIS CABINET

Washington, like the President of the United States, made frequent requests to his cabinet members for their opinions on the conduct of the government. One of his letters, from Philadelphia, dated February 1793, sent to his cabinet members, was as follows:

Sir,
The posture of affairs in Europe between France and Great Britain presents the United States in a delicate situation. It is necessary to give much consideration of the measures to be taken, and to observe in the execution of those powers. With a view to the execution of those powers, and enclosed sundry questions preparatory to a meeting at my residence where I shall expect to see you to receive the result of your remarks. I am, Sir, your obedient servant.
QUEST 1. Shall a proclamation be issued for preventing interference of the United States between France and Great Britain, &c.? Shall it contain a declaration of neutrality or not? What shall it contain?

sides of the river Potomac, so as to get down, in Maryland, and extend to the north.

DECLARATION OF INDEPENDENCE

of the United States of America

... duty of all nations to acknowledge the goodness of Almighty God, to obey his will, to be grateful for his benefits, and humbly to implore his protection and favor—and Whereas the Representatives of the United States in Congress assembled have by their joint declaration taken the most solemn and binding oath to support the Constitution of the United States a day of public prayer, to be observed by all the members of the said Congress and the people of the United States with grateful hearts the many signal instances of the goodness of God, especially by affording us an opportunity to establish a form of government for our safety and happiness;

I do recommend and assign the first day of November next, to be observed by all the members of the said Congress and the people of these States to be the day of our national and glorious Being who is the author of all the good that was, that is, and that shall be done in us, at we may then all unite in rendering to him our sincere and humble thanks—for his goodness and protection of the People of the United States; for his manifold mercies and blessings to them; and for his frequent and kind remembrance of them in his providence, which has been the cause and conclusion of the great degree of tranquillity, safety, and happiness which we have since enjoyed—and for his wise and rational manner in which we have established constitutions of our safety and happiness, and for the preservation of our national One now lately instituted—and for his liberal and free indulgence of our religious liberty with which we have been blessed; and for the means we have of acquiring wisdom and knowledge; and in general for all the various favors which he hath conferred upon us.

And we may then unite in most humble supplications to the Father of Nations, and beseech him to pardon our national and other transgressions, and to direct and govern us in all our doings, whether in public or private, that we may ever be able to render to him our punctual obedience—to render our hearts and voices a blessing to all the People of the United States; and to bless them with the light of His wisdom, and the laws, discreetly and faithfully executed—to protect and guide all our actions (especially such as have respect to us) and to bless them with the light of His wisdom, and the laws, discreetly and faithfully executed—to promote and practice of true religion, and the increase of science among the people, and generally to grant unto all of us an increase of temporal prosperity as long as shall be best.

Witness my hand at the City of New York, the 26th day of September in the year of our Lord

GEORGE WASHINGTON

SECOND INAUGURATION

The Government having moved from New York City to Philadelphia, George Washington took the oath of office for his second term on Monday, March 4, 1793, in the Senate Chamber, Federal Hall, Philadelphia, Pa. Washington was the first President to be inaugurated at Philadelphia and the first inaugurated on March 4th. The oath was administered by William Cushing of Massachusetts, Associate Justice of the Supreme Court.

THE FIRST PRESIDENTIAL VETO

During his two terms of office, George Washington vetoed only two bills. His action on the first veto, dated April 5, 1792, was explained in the following letter to the members of the House of Representatives:

I have maturely considered the act passed by the two Houses entitled "An act for an apportionment of Representatives among the several States according to the first enumeration," and I return it to your House, wherein it originated, with the following objections:

First. The Constitution has prescribed that Representatives shall be apportioned among the several States according to their respective numbers, and there is no one proportion or divisor which, applied to the respective numbers of the States, will yield the number and allotment of representatives proposed by the bill.

Second. The Constitution has also provided that the number of representatives shall not exceed 1 for every 30,000, which restriction is by the context and by fair and obvious construction to be applied to the separate and respective members of the States; and the bill has allotted to eight of the States more than 1 for every 30,000.

His only other veto, dated February 28, 1797, rejected a bill to reduce the cavalry force of the army.

WASHINGTON'S CONSULTATION OF THE CABINET

Washington, like the Presidents who succeeded him, made frequent requests to the members of his cabinet for their opinions on the conduct of government affairs. One of his letters, from Philadelphia on April 18, 1793, sent to his cabinet members, is reproduced herewith:

SIR,

The posture of affairs in Europe, particularly between France and Great Britain, places the United States in a delicate situation, and requires much consideration of the measures which will be proper for them to observe in the war between those powers. With a view to forming a general plan of conduct for the executive, I have stated and enclosed sundry questions to be considered preparatory to a meeting at my house to-morrow, where I shall expect to see you at nine o'clock, and to receive the result of your reflections thereon.

QUEST 1. Shall a proclamation issue for the purpose of preventing interferences of the citizens of the United States between France and Great Britain, &c.? Shall it contain a declaration of neutrality or not? What shall it contain?

2. Shall a minister from the republic of France be received?

3. If received, shall it be absolutely or with qualifications, and if with qualifications, of what kind?

4. Are the United States obliged by good faith to consider the treaties heretofore made with France as applying to the present situation of the parties? May they either renounce them or hold them suspended until the government of France shall be established?

5. If they have the right, is it expedient to do either? and which?

6. If they have an option, would it be a breach of neutrality to consider the treaties in operation?

7. If the treaties are to be considered as now in operation, is the guaranty in the treaty of alliance applicable to a defensive war only, or to a war, either offensive or defensive?

8. Does the war in which France is engaged appear to be offensive or defensive on her part? or of a mixed or equivocal character?

9. If of a mixed or equivocal character, does the guaranty in any event apply to such a war?

10. What is the effect of a guaranty, such as that to be found in the treaty of alliance between the United States and France?

11. Does any article in either of the treaties prevent ships of war, other than privateers, of the powers opposed to France, from coming into the ports of the United States to act as convoys to their own merchantmen? Or does it lay any other restraints upon them more than would apply to the ships of war of France?

12. Should the future regent of France send a minister to the United States, ought he to be received?

13. Is it necessary or advisable to call together the two houses of Congress with a view to the present posture of European affairs? If it is, what should be the particular objects of such call?

THE FIRST PRESIDENTIAL COMMISSION

The first presidential commission was appointed by Washington to deal with the rebellious elements in Washington and Allegheny counties, Pennsylvania. In his proclamation to Congress on August 7, 1794, he said: "I do hereby command all persons, being insurgents as aforesaid, on or before the first day of September next to disperse and retire peacefully to their respective abodes." In his sixth annual report, on November 19, 1794, he declared: "The report of the commissioners marks their firmness and abilities, and must unite all virtuous men, by shewing that the means of conciliation have been exhausted."

THE FIRST PRESIDENTIAL AMNESTY

The first presidential amnesty, or pardon to insurrectionists, was extended by George Washington on July 10, 1795. He granted "a full, free, and entire pardon" to most of the people who had participated in the Whisky Rebellion, conditional upon their signing an oath of allegiance to the United States.

WASHINGTON DECLINED A THIRD TERM

Washington's second term of office expired on March 3, 1797. On September 17, 1796, he issued his

WASHINGTON DECLINED A THIRD TERM—Continued

"Farewell Address," which was not delivered orally but released to the press. It was addressed to "Friends and Fellow Citizens" and began

The period for a new election of a citizen to administer the Executive Government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed to decline being considered among the number of those out of whom a choice is to be made. . . .

WASHINGTON APPOINTED LIEUTENANT-GENERAL

On July 11, 1798, Secretary of War James McHenry delivered a letter from President John Adams to George Washington appointing Washington, with the advice and consent of the Senate, "Lieutenant-General and Commander-in-Chief of all the armies raised or to be raised for the service of the United States."

Washington's reply, dated July 13, 1798, from Mount Vernon, Va., was read in the Senate on July 18. He accepted

with the reserve only that I shall not be called into the field until the Army is in a situation to require my presence, or it becomes indispensable by the urgency of circumstances. I take the liberty also to mention, that I must decline having my acceptance considered as drawing after it any immediate charge upon the public, or that I can receive any emoluments annexed to the appointment, before entering into a situation to incur expense.

WASHINGTON LEFT HUGE ESTATE

George Washington was one of our richest Presidents. His estate was valued at more than a half million dollars.

In his last will and testament, dated July 9, 1799, he listed his assets. His land holdings, exceeding 33,000 acres, consisted of 23,341 acres in Virginia, 5,000 acres in Kentucky, 3,051 acres in the Northwest Territory, 1,119 acres in Maryland, 1,000 acres in New York, 234 acres in Pennsylvania, and other property in Virginia and Washington, D.C., valued at \$489,135. He also listed his stocks as worth \$25,212. He valued his livestock, which consisted of 640 sheep, 329 cows, 42 mules, 20 working horses, pigs, etc., at \$15,653. The value of these three items—acreage, stocks, and livestock—was estimated at \$530,000.

WASHINGTON OWNED LAND IN WASHINGTON, D.C.

On October 3, 1798, George Washington acquired two lots in the federal city (now Washington, D.C.). He described his purchase in his last will and testament as follows:

The two lots near the Capitol in Square 634, cost me \$963 only, but in this price I was favoured on condition that I should build two brick houses, three stors high each;—without this reduction, the selling price of these lots would have cost me about \$1,350. These lots with the buildings thereon when completed will stand me in \$15,000 at least.

WASHINGTON'S SWORDS

In his will George Washington bequeathed five swords, one to each of his five nephews, with the admonition that none of these weapons should be unsheathed by the future owners for the purpose of shedding blood, "except it be for self-defence or in defence of their country and its rights and in the latter case to keep them unsheathed and prefer falling with them in their hands to the relinquishment thereof."

FIRST IN WAR, FIRST IN PEACE, FIRST IN THE HEARTS OF HIS COUNTRYMEN

This famous phrase was part of the "Funeral Oration Upon George Washington" delivered December 26, 1799, before the houses of Congress by General Henry Lee.

General Lee was familiarly known as "Light Horse Harry" and during the Revolutionary War commanded Lee's Legion, three troops of horses, which harassed and annoyed the British lines. He was the father of General Robert E. Lee, the Confederate general.

FIRST TOWN NAMED FOR WASHINGTON

The first town named for George Washington was Forks of Tar River, N.C., which changed its name to Washington in 1775. The town was originally formed November 20, 1771, by James Bonner, who owned all the land on which it was situated.

Washington, Ga., incorporated Jan. 23, 1780, was the first town incorporated with the name of Washington.

FIRST STAMP DEPICTING A PRESIDENT

The first president depicted on a United States postage stamp was George Washington, whose likeness appeared on the ten-cent black 1847, to take effect July 1, 1847. The stamps were produced by Rawdon, Wright, Hatch & Edson. The issue was declared invalid as of July 1, 1851. (Some of the local postmasters' provisional stamps, however, bore a likeness of Washington.)

MOUNT VERNON NEUTRAL TERRITORY

In the Civil War, George Washington's home at Mount Vernon (named for Admiral Vernon, under whom George's brother Lawrence served in the attack on Cartagena) was treated as neutral territory by arrangement between both sides. No armed soldiers ever invaded the home.

THE FIRST LADY

The first lady of the land was Martha Washington, known as Lady Washington. She never occupied the Executive Mansion at Washington, D.C., as it had not been completed during George Washington's adminis-

tration. The seat of the first inauguration was moved to Philadelphia, furnish the President's I nishing was borne by Ge ington's social affairs we

FURTHER READING

Flexner, James T. *George Washington*. George Washi
1972.

tration. The seat of the Government at the time of his first inauguration was at New York City; later it was moved to Philadelphia, Pa. The Government did not furnish the President's House and the expense of furnishing was borne by George Washington. Mrs. Washington's social affairs were very formal and reserved.

FURTHER READING

Flexner, James T. *George Washington*. 1965.
 ———. *George Washington and the New Nation*. 1972.

———. *George Washington: Anguish and Farewell*. 1972.
 Freeman, Douglas S. *Washington*. 7 vols. 1948-54.
 McDonald, Forrest. *The Presidency of George Washington*. Rev. ed. 1988.
 Wills, Garry. *Cincinnatus: George Washington and the Enlightenment*. 1984.
 Wright, Edmond. *Washington and the American Revolution*. 1957.

ON

its near the Capitol in Square 634, cost only, but in this price I was favoured on that I should build two brick houses, \$5 high each;—without this reduction, the price of these lots would have cost me \$50. These lots with the buildings there-completed will stand me in \$15,000 at

SON'S SWORDS

George Washington bequeathed five to each of his five nephews, with the addition none of these weapons should be in the future owners for the purpose of war, "except it be for self-defence or in defence of the country and its rights and in the latter case they shall be kept in their scabbards and never unsheathed and prefer falling with their hands to the relinquishment thereof."

AR, FIRST IN PEACE, FIRST IN PARTS OF HIS COUNTRYMEN

This phrase was part of the "Funeral Oration for George Washington" delivered December 31, 1799, before the houses of Congress by General

Washington was familiarly known as "Light Horse" during the Revolutionary War commanding the Legion, three troops of horses, which harried the British lines. He was the father of Robert E. Lee, the Confederate general.

TOWN NAMED FOR WASHINGTON

A town named for George Washington was in Waverly, N.C., which changed its name to Washington in 1775. The town was originally formed in 1771, by James Bonner, who owned all the land on which it was situated. Washington, Ga., incorporated Jan. 23, 1780, was later incorporated with the name of Washington.

POSTAGE STAMPS DEPICTING A PRESIDENT

A postage stamp depicting a United States postmaster George Washington, whose likeness appeared on a 1-cent black stamp 1847, to take effect July 1, 1847. The stamps were produced by Rawdon Edson. The issue was declared invalid in 1851. (Some of the local postmasters' stamps, however, bore a likeness of Washington.)

ON NEUTRAL TERRITORY

At the time of the War, George Washington's home at Mount Vernon was named for Admiral Vernon, under whose command he served in the attack on the French fleet. It is treated as neutral territory by both sides. No armed soldiers ever entered.

BY

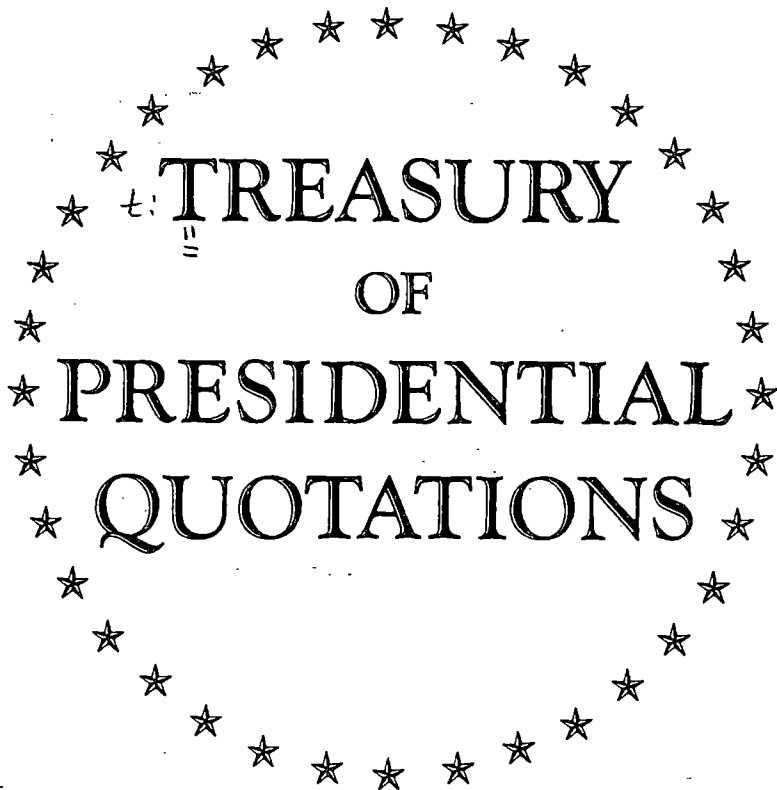
The name of the land was Martha Washington. She never occupied the name at Washington, D.C., as it had not yet been named for George Washington's adminis-

Ref
E176

.1

.H3

WHRC



TREASURY
OF
PRESIDENTIAL
QUOTATIONS

Compiled and edited by
CAROLINE THOMAS HARNSBERGER

FOLLETT PUBLISHING COMPANY
CHICAGO

1964

Good Sense 1. The good sense of the people is the strongest army our government can ever have . . . it will not fail them.

THOMAS JEFFERSON

To William Carmichael, Dec. 26, 1786; *Writings*, VI, 31

See also People 7, 14

Good Will 1. Our policy is not only peace with all, but good will toward all the powers of the earth. While we are just to all, we require that all shall be just to us.

JAMES K. POLK

First Annual Message to Congress, Dec. 2, 1845; *Messages and Papers*, p. 2252

2. Good will precedes good trade.

WILLIAM MCKINLEY

In Philadelphia, Pa., June 2, 1897; *Speeches and Addresses*,

See also Justice 10

Government 1. Influence is no Government.

GEORGE WASHINGTON

To Henry Lee, Oct. 31, 1786; *Writings (Fitzpatrick)*, XXIX, 34

2. When a people shall have become incapable of governing themselves, and fit for a master, it is of little consequence from what quarter he comes.

GEORGE WASHINGTON

To the Marquis de Lafayette, Apr. 28, 1788; *Ibid.*, p. 479

3. The aggregate happiness of society, which is best promoted by the practice of a virtuous policy, is, or ought to be, the end of all government.

GEORGE WASHINGTON

To Count de Moustier, Nov. 1, 1790; *Ibid.*, XXXI, 142

4. The Unity of Government which constitutes you one people, is also now dear to you. It is justly so; for it is a main Pillar in the edifice of your real independence, the support of your tranquillity at home; your peace abroad; of your safety, of your prosperity; in every shape of that very Liberty which you so highly prize.

GEORGE WASHINGTON

Farewell Address, Sept. 19, 1796; *Ibid.*, XXXV, 218

5. The very idea of the power and the right of the people to establish Government, presupposes the duty of every individual to obey the established Government.

GEORGE WASHINGTON

Farewell Address, Sept. 19, 1796; *Ibid.*, p. 224

6. Toward the preservation of your government and the permanency of your present happy state, it is requisite not only that you

stea
aut
upc

7.
ern
cor
the
of

8.
shc
to c
avc
cro

9.
gov
pea
the
lib
the
of
lim

10.
me
in

11.
her
It i
the
an
stit

12.
dal
mi

steadily discountenance irregular opposition to its acknowledged authority but also that you resist with care the spirit of innovation upon its principles, however specious the pretext.

GEORGE WASHINGTON

Farewell Address, Sept. 19, 1796; *Ibid.*, p. 225

7. [Liberty] is indeed little less than a name, where the Government is too feeble to withstand the enterprises of faction, to confine each member of society within the limits prescribed by the law, and to maintain all in the secure and tranquil enjoyment of the rights of persons and property.

GEORGE WASHINGTON

Farewell Address, Sept. 19, 1796; *Ibid.*, p. 226

8. It is important . . . that the habits of thinking in a free Country should inspire caution, in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another.

GEORGE WASHINGTON

Farewell Address, Sept. 19, 1796; *Ibid.*, p. 228

9. The most sensible and jealous people are so little attentive to government that there are no instances of resistance until repeated, multiplied oppressions have placed it beyond a doubt that their rulers had formed settled plans to deprive them of their liberties; not to oppress an individual or a few, but to break down the fences of a free constitution, and deprive the people at large of all share in the government, and all the checks by which it is limited.

JOHN ADAMS

"Novanglus," in *Boston Gazette*, Jan. 23, 1774; *Works*, IV, 17

10. As the happiness of the people is the sole end of government, so the consent of the people is the only foundation of it, in reason, morality, and the natural fitness of things.

JOHN ADAMS

Proclamation, Massachusetts Bay Council, 1774; *Ibid.*, I, 193

11. A legislative, an executive, and a judicial power comprehend the whole of what is meant and understood by government. It is by balancing each of these powers against the other two, that the efforts in human nature towards tyranny can alone be checked and restrained, and any degree of freedom preserved in the constitution.

JOHN ADAMS

To Richard Henry Lee, Nov. 15, 1775; *Ibid.*, IV, 186

12. Fear is the foundation of most governments. . . . The foundation of every government is some principle or passion in the minds of the people. . . . Honor is a principle which ought to be

strongest army our government.

THOMAS JEFFERSON

Sept. 26, 1786; *Writings*, VI, 31

But, but good will toward all men, and justice to all, we require that

JAMES K. POLK

Dec. 2, 1845; *Messages and Papers*, p. 2252

WILLIAM MCKINLEY

Speeches and Addresses,

GEORGE WASHINGTON

Writings (Fitzpatrick), XXIX, 34

incapable of governing with little consequence from

GEORGE WASHINGTON

Sept. 28, 1788; *Ibid.*, p. 479

which is best promoted and ought to be, the end of

GEORGE WASHINGTON

Sept. 1790; *Ibid.*, XXXI, 142

constitutes you one people, it is a main Pillar in the support of your tranquillity, of your prosperity; you so highly prize.

GEORGE WASHINGTON

Sept. 1796; *Ibid.*, XXXV, 218

the right of the people to the security of every individual

GEORGE WASHINGTON

Sept. 19, 1796; *Ibid.*, p. 224

Government and the permanent basis not only that you

EPH
.1
32a
WH

Presidential Saints and Sinners

Thomas A. Bailey



THE FREE PRESS
A Division of Macmillan Publishing Co., Inc.
NEW YORK

Collier Macmillan Publishers
LONDON

CHAPTER 1

George Washington 1789–1797

I hope I shall always possess firmness and virtue enough to maintain (what I consider the most enviable of all titles) the character of an honest man.

George Washington,
August 28, 1788

George Washington towered like a giant among the founding fathers. In commanding the American army before and during the War of Independence, he risked his reputation, his fortune, and his life. As the leading rebel, the incarnation of the patriot cause, he almost literally thrust his head into the hangman's noose. Without his inspirational influence and steadfastness, the cause that he led could hardly have triumphed.

Washington returned to the quiet of his beloved Mount Vernon after the war, but was deeply disturbed by a rash of localized outbursts that the weak national government, then under the Articles of Confederation, was powerless to control. Most alarming of all was an uprising of impoverished farmers in Massachusetts, many of them war veterans, headed by Captain Daniel Shays. This rebellion was finally quelled by the state authorities

GEORGE WASHINGTON
BICENTENNIAL EDITION

THE WRITINGS OF
GEORGE WASHINGTON



elegant taste with which it was adorned for the present occasion, and the innocent appearance of the *white-robed Choir* who met him with the gratulatory song,⁴⁷ have made such impressions on his remembrance, as, he assures them, will never be effaced.⁴⁸

*THE FIRST INAUGURAL ADDRESS

[April 30, 1789.]

Fellow Citizens of the Senate and the House of Representatives.

Among the vicissitudes incident to life, no event could have filled me with greater anxieties than that of which the notifica-

⁴⁷ Washington has entered on pp. 17-18 of this volume of the "Letter Book" the words of the song which was sung by the "*white-robed Choir*," and also a copy of his acknowledgment to the ladies, which is the only entry in the volume in his writing.

⁴⁸ From the original in the Trenton Public Library. For a photostat of this, and Jane Ewing's description, I am indebted to Dr. Carlos E. Godfrey, director of New Jersey Public Record Office.

"The Triumphal Arch supported by thirteen Pillars adorned with wreaths of flowers the form was thus [a rough diagram of arch and pillars, entwined with flowers. The inscription on the arch reads: 'The Protector of the Mothers will also protect their Daughters.' Below the center of the arch was hung a small square on which was the date December 26, 1776] the writing large letters painted yellow on white; the pillars on one side 6 the other 7 observe all the Scollops is wreaths of laurel and pillars flowers. the Ladies was rang'd in a line from the arch along the Bridge and thirteen Girls dress't in white with Baskets of flowers they sung the inclos'd song and when they come these words Build and strew thy way with flowers they skaterd them round that is the flowers out of their Baskets round his horses feet. he sat on his horse while they sung and then made them a low Bow say'd the Ladies had done them a very great honour requested them to except his most grateful thanks, the most respectable Carecters met him at the ferry, the Infantry and Dragoons they made a grand apearance he stayd all night at Vandigrifts Mr. Ewing and a few others spent the Evening with him and next morning at Sunrise accompanied him 8 miles out of town."—*Jane Ewing to James Hunter, jr.*, at Philadelphia, Apr. 23, 1789. The original is in the Public Record Office at Trenton, N. J.

Marshall's account gives the inscription as: "The Defender of the Mothers will be the Protector of the Daughters," and says the dates of the two memorable events were on a dome or cupola of flowers and evergreens above the arch. Sparks, quoting from Marshall, v. 12, p. 149-50, gives the verses sung by the young ladies. Joseph Vandegrift's tavern was on North Warren Street. Jane Ewing was the wife of Mas-kell Ewing, and daughter of James Hunter, of Philadelphia.

Washington reached Princeton April 21, where he received and answered an address from the president and faculty of the College of New Jersey and the inhabitants. He reached New Brunswick April 22, and lodged at Woodbridge; and arrived at Bridgetown April 23. A specially built barge, rowed by 13 pilots, with Capt. Thomas Randall acting as coxswain, conveyed him across New York bay to the city, which he

tion was transmitted by your order, and received on the fourteenth day of the present month. On the one hand, I was summoned by my Country, whose voice I can never hear but with veneration and love, from a retreat which I had chosen with the fondest predilection, and, in my flattering hopes, with an immutable decision, as the asylum of my declining years: a retreat which was rendered every day more necessary as well as more dear to me, by the addition of habit to inclination, and of frequent interruptions in my health to the gradual waste committed on it by time. On the other hand, the magnitude and difficulty of the trust to which the voice of my Country called me, being sufficient to awaken in the wisest and most experienced of her citizens, a distrustful scrutiny into his qualifications, could not but overwhelm with dispondence, one, who, inheriting inferior endowments from nature and unpractised in the duties of civil administration, ought to be peculiarly conscious of his own deficiencies. In this conflict of emotions, all I dare aver, is, that it has been my faithful study to collect my duty from a just appreciation of every circumstance, by which it might be affected. All I dare hope, is, that, if in executing this task I have been too much swayed by a grateful remembrance of former instances, or by an affectionate sensibility to this transcendent proof, of the confidence of my fellow-citizens; and have thence too little consulted my incapacity as well as disinclination for the weighty and untried cares before me; my *error* will be palliated by the motives which misled me, and its consequences be judged by my Country, with some share of the partiality in which they originated.

Such being the impressions under which I have, in obedience to the public summons, repaired to the present station; it would

reached about 2 o'clock p. m. This barge was afterwards presented to the President. (The letter from a number of gentlemen of New York City to Captain Randall, Apr. 20, 1789, is in the *Washington Papers*.)

be peculiarly improper to prevent supplications to the Universe, who presides in providential aids can supplication may consecrate People of the United States themselves for these essential government employed in its the functions allotted to the Great Author of myself that it expresses nor those of my fellow-People can be bound to hand, which conducts the of the United States. Even to the character of an indistinguished by some the important revolutionary their United Governmentary consent of so many the event has resulted, which most Government return of pious gratitude the future blessings which reflections, arising out of selves too strongly on me with me I trust in the presence of which, the process can more auspiciously

By the article established made the duty of the consideration, such measure

and received on the four-
 On the one hand, I was
 oice I can never hear but
 it which I had chosen with
 flattering hopes, with an
 my declining years: a re-
 more necessary as well as
 abit to inclination, and of
 o the gradual waste com-
 and, the magnitude and
 ce of my Country called
 wisest and most experi-
 rutiny into his qualifica-
 dispondence, one, who,
 nature and unpractised
 ight to be peculiarly con-
 onflict of emotions, all I
 hful study to collect my
 circumstance, by which
 is, that, if in executing
 d by a grateful remem-
 affectionate sensibility to
 ce of my fellow-citizens;
 ay incapacity as well as
 ied cares before me; my
 hich misled me, and its
 ; with some share of the

ich I have, in obedience
 present station; it would

ards presented to the President.
 k City to Captain-Randall, Apr.

be peculiarly improper to omit in this first official Act, my fer-
 vent supplications to that Almighty Being who rules over the
 Universe, who presides in the Councils of Nations, and whose
 providential aids can supply every human defect, that his bene-
 diction may consecrate to the liberties and happiness of the
 People of the United States, a Government instituted by them-
 selves for these essential purposes: and may enable every instru-
 ment employed in its administration to execute with success,
 the functions allotted to his charge. In tendering this homage
 to the Great Author of every public and private good, I assure
 myself that it expresses your sentiments not less than my own;
 nor those of my fellow-citizens at large, less than either. No
 People can be bound to acknowledge and adore the invisible
 hand, which conducts the Affairs of men more than the People
 of the United States. Every step, by which they have advanced
 to the character of an independent nation, seems to have been
 distinguished by some token of providential agency. And in
 the important revolution just accomplished in the system of
 their United Government, the tranquil deliberations and vol-
 untary consent of so many distinct communities, from which
 the event has resulted, cannot be compared with the means by
 which most Governments have been established, without some
 return of pious gratitude along with an humble anticipation of
 the future blessings which the past seem to presage. These re-
 flections, arising out of the present crisis, have forced them-
 selves too strongly on my mind to be suppressed. You will join
 with me I trust in thinking, that there are none under the influ-
 ence of which, the proceedings of a new and free Government
 can more auspiciously commence.

By the article establishing the Executive Department, it is
 made the duty of the President "to recommend to your con-
 sideration, such measures as he shall judge necessary and

expedient." The circumstances under which I now meet you, will acquit me from entering into that subject, farther than to refer to the Great Constitutional Charter under which you are assembled; and which, in defining your powers, designates the objects to which your attention is to be given. It will be more consistent with those circumstances, and far more congenial with the feelings which actuate me, to substitute, in place of a recommendation of particular measures, the tribute that is due to the talents, the rectitude, and the patriotism which adorn the characters selected to devise and adopt them. In these honorable qualifications, I behold the surest pledges, that as on one side, no local prejudices, or attachments; no separate views, nor party animosities, will misdirect the comprehensive and equal eye which ought to watch over this great assemblage of communities and interests: so, on another, that the foundations of our National policy will be laid in the pure and immutable principles of private morality; and the pre-eminence of a free Government, be exemplified by all the attributes which can win the affections of its Citizens, and command the respect of the world.

I dwell on this prospect with every satisfaction which an ardent love for my Country can inspire: since there is no truth more thoroughly established, than that there exists in the œconomy and course of nature, an indissoluble union between virtue and happiness, between duty and advantage, between the genuine maxims of an honest and magnanimous policy, and the solid rewards of public prosperity and felicity: Since we ought to be no less persuaded that the propitious smiles of Heaven, can never be expected on a nation that disregards the eternal rules of order and right, which Heaven itself has ordained: And since the preservation of the sacred fire of liberty, and the destiny of the Republican model of Government, are justly

considered as *deeply*, perment entrusted to the hands

Besides the ordinary of remain with your judgment the occasional power delegation is rendered experience of objections which or by the degree of inquiry Instead of undertaking subject, in which I could official opportunities, I sh confidence in your discernment For I assure myself that w tion which might endanger tive Government, or whi of experience; a reverence men, and a regard for the fluence your deliberations can be more impregnably advantageously promoted

To the preceding observations be most properly addressed It concerns myself, and When I was first honoured Country, then on the eve of the light in which I could should renounce every preclusion I have in no instance the impressions which applicable to myself, any share may be indispensably in the Executive Department

which I now meet you, subject, farther than to er under which you are r powers, designates the e given. It will be more nd far more congenial substitute, in place of a s, the tribute that is due patriotism which adorn pt them. In these hon- pleges, that as on one no seperate views, nor prehensive and equal t assemblage of com- at the foundations of pure and immutable re-eminence of a free attributes which can amand the respect of

satisfaction which an ar- nce there is no truth re exists in the œcon- nion between virtue ge, between the gen- ous policy, and the ity: Since we ought s smiles of Heaven, regards the eternal tself has ordained: e of liberty, and the rnement, are justly

considered as *deeply*, perhaps as *finally* staked, on the experi- ment entrusted to the hands of the American people.

Besides the ordinary objects submitted to your care, it will remain with your judgment to decide, how far an exercise of the occasional power delegated by the Fifth article of the Con- stitution is rendered expedient at the present juncture by the nature of objections which have been urged against the System, or by the degree of inquietude which has given birth to them. Instead of undertaking particular recommendations on this subject, in which I could be guided by no lights derived from official opportunities, I shall again give way to my entire con- fidence in your discernment and pursuit of the public good: For I assure myself that whilst you carefully avoid every altera- tion which might endanger the benefits of an United and effec- tive Government, or which ought to await the future lessons of experience; a reverence for the characteristic rights of free- men, and a regard for the public harmony, will sufficiently in- fluence your deliberations on the question how far the former can be more impregnably fortified, or the latter be safely and advantageously promoted.

To the preceding observations I have one to add, which will be most properly addressed to the House of Representatives. It concerns myself, and will therefore be as brief as possible. When I was first honoured with a call into the Service of my Country, then on the eve of an arduous struggle for its liberties, the light in which I contemplated my duty required that I should renounce every pecuniary compensation. From this res- olution I have in no instance departed. And being still under the impressions which produced it, I must decline as inappli- cable to myself, any share in the personal emoluments, which may be indispensably included in a permanent provision for the Executive Department; and must accordingly pray that

the pecuniary estimates for the Station in which I am placed, may, during my continuance in it, be limited to such actual expenditures as the public good may be thought to require.⁴⁹

Having thus imparted to you my sentiments, as they have been awakened by the occasion which brings us together, I shall take my present leave; but not without resorting once more to the benign parent of the human race, in humble supplication that since he has been pleased to favour the American people, with opportunities for deliberating in perfect tranquillity, and dispositions for deciding with unparelled unanimity on a form of Government, for the security of their Union, and the advancement of their happiness; so his divine blessing may be equally *conspicuous* in the enlarged views, the temperate consultations, and the wise measures on which the success of this Government must depend.⁵⁰

* [PROPOSED ADDRESS TO CONGRESS]⁵¹

[April ?, 1789.]

. . . myself with the idea it was all that would ever be expected at my hand. But in this I was disappointed. The Legis-

⁴⁹This request was, after consideration, seen to establish an awkward precedent, and Congress fixed the compensation of the President at \$25,000 a year. Washington drew only \$196,121 from the Treasury during his two terms, but the \$3,879, which is the difference between \$200,000 and his warrants, is almost exactly the salary for the 56 or 57 days which his first administration lacked of being 4 full years. The curious may be further satisfied by the following figures taken from the Government's statement of warrants drawn for the use of the President: From Sept. 26, 1789, to Dec. 27, 1791, \$72,150; from Jan. 3, 1792, to Dec. 19, 1792, \$22,500; Jan. 4 to Dec. 27, 1793, \$27,500; Mar. 17 to Dec. 11, 1794, \$24,000; Jan. 1 to Dec. 22, 1795, \$19,500; Jan. 5 to Dec. 21, 1796, \$23,596; Jan. 13 to Mar. 7, 1797, \$6,875. In all, \$196,121.

⁵⁰From the original in the files of the United States Senate, in the National Archives, Washington, D. C. (See Washington's letter to James Madison, May 5, 1789, *post.*)

⁵¹This document now exists in fragmentary form only. The first pages are missing. Apparently intended as Washington's inaugural address, or as his first annual message to Congress, it was discarded and not used. Jared Sparks, finding that the document had no official existence, did as he had done in other instances (specifically the Washington "Diaries"), split up the document and presented pages and cuttings of pages to

lature of Virginia in o
in the clearest terms to
me a Delegate to the fe
barrassment or hesitatio

[5] . . . At the begi
ain, when we thought c
is was known to those
dition of the combatan
dispute, that the expenc
as Colonists must be enc
and severe. It was know
a manner, inexhaustibl
that her troops had ha
globe. Not then organ
upon the earth, we had
War, was wanting. Th
of necessity: the treasur
a secret resource of a na
the unconquerable res
rectitude of our cause, a
be forsaken by Heaven.
selves to the battle; bu
subsisting them; as well
tility were only to be fou
Paper bills of credit we

his friends. The complete manus
having numbered each page him
considered of importance at the
pages bear Sparks's initialed statu
the margin of page 33 Sparks's I
composition. J. S." Comment is
document can ever be recovered.
sequence and the unnumbered
ton's numbering is inserted at the
of record. Photostats of all the kn
are in the "Washington Photosta

Z151 STORY OF LEVEL 2 PRINTED IN FULL FORMAT.

COPYRIGHT (C) 1990 REUTERS

APRIL 6, 1990, FRIDAY, AM CYCLE

LENGTH: 353 WORDS

HEADLINE: PANAMANIAN VICE PRESIDENT RETURNS FROM TRIP OPTIMISTIC ON AID

BYLINE: BY DAVID HARRIS

DATELINE: PANAMA CITY, PANAMA

KEYWORD: PANAMA -TRUD

BODY:

VICE President Guillermo Ford returned Friday from a trip to Washington and Montreal voicing optimism that Congress would approve \$420 million in U.S. aid to Panama but warning that international lending agencies must be flexible if his country is to pay its foreign debt.

"Personally, I am optimistic and I don't see any reason that the aid package of \$420 million will not arrive," Ford said on arrival from Washington after the nine-day trip.

He said he hoped he it would receive prompt attention when Congress returns from its Easter recess April 18.

Ford left a week ago Wednesday to lobby in Washington for the aid package, part of the Bush administration's \$800 million "Fund for Democracy" for Panama and Nicaragua from which the House has topped \$80 million off Panama's share.

Ford, who holds the new government's planning portfolio, also attended a meeting of the Inter-American Development Bank in Montreal earlier this week to discuss Panama's \$5.2 billion foreign debt.

Ford said he and Panama's creditors had worked out a plan he will present to the cabinet in which Panama would begin this month to resume regular interest payments on its debt, payments it has not made in several years. Arrears currently total more than \$620 million.

But he said Panama could only begin to make substantial payments on both debt and arrears if lending agencies and others provide emergency money to help rebuild the country's struggling economy.

"Panama cannot pay a substantial payment as well as charges in exchange for not receiving anything," he said. "What's important is to establish a repayment toward our responsibilities in exchange for ... opening credit to Panama.

Both Panamanian officials and diplomats say a key task of the new government as it seeks to establish political stability after the December U.S. invasion is to revive the economy, which is suffering from years of corruption and mismanagement under the regime of deposed Gen. Manuel Noriega.

Unemployment is currently about 30 percent and foreign aid, both from the United States and elsewhere, is seen as vital to the effort.

4-24-90

THE WHITE HOUSE
WASHINGTON

Don Johnson
NSC X 3860

① Acknowledgements

" President Endaro, distinguished
members of your delegation --- "

② Add'l insert

" I am very happy^{today} to announce the
nomination of gilberto guardia to be
Administrator of the Panama Canal. "

(4 other members of the Commission
TBD)

2/11 STORY OF LEVEL 2 PRINTED IN FULL FORMAT.

Copyright (c) 1990 REUTERS

APRIL 5, 1990, THURSDAY, AM CYCLE

LENGTH: 282 WORDS

HEADLINE: ENDARA SAYS HE HOPES U.S. AID APPROVED BY END OF APRIL

DATELINE: PANAMA CITY, PANAMA

KEYWORD: PANAMA -ENDARA

BODY:

President Guillermo Endara, who fasted for nearly two weeks in March to draw attention to Panama's economic plight, said Thursday he hoped U.S. aid for his country would be approved by Congress by the time he visits Washington at the end of April.

"I hope that the trip that I make...will be fundamentally to give thanks to the government and people of the United States," Endara told reporters. "I hope that by this date it will have been approved."

Although the House overwhelmingly approved \$420 million in aid for Panama Tuesday, Congress is preparing for an Easter recess and will not be back in session until April 18.

The Senate Appropriations Committee is not expected to consider the measure, which also includes \$300 million for Nicaragua, until it returns from the holiday.

The aid is part of a \$2.4 billion appropriations bill and numerous differences are expected to emerge between House and Senate versions before it can go to President Bush for signature.

Endara went without food for 13 days last month to show solidarity with his country's poor, saying his government did not have the economic resources to help them.

Three and a half months after the December invasion that ousted Gen. Manuel Antonio Noriega and brought the Endara government to power, Panama's economy is suffering 30 percent unemployment and seeking to recover from years of mismanagement and corruption.

Bush, who unveiled his "Fund for Democracy" aid package as Endara ended the fast, has been pressuring Congress to approve the aid quickly and originally sought to have it approved by April 5.

Endara has accepted an offer from Bush to visit Washington for three days beginning April 27.

ZBIM STORY OF LEVEL 2 PRINTED IN FULL FORMAT.

Proprietary to the United Press International 1990

April 5, 1990, Thursday, 60 cycle

SECTION: WASHINGTON NEWS

LENGTH: 531 WORDS

HEADLINE: Senate passes aid authorization for Panama, Nicaragua

BYLINE: BY STEVE GERBIELE

DATELINE: WASHINGTON

KEYWORD: AID

BODY:

The Senate voted Thursday to authorize \$700 million in economic aid for Panama and Nicaragua but put off action on providing the money President Bush requested for the two Central American nations.

The Senate bill, approved by voice vote, authorized \$400 million for Panama, \$300 million less than asked by the administration, and the full \$300 million for Nicaragua.

But the Senate failed to meet Bush's request for the actual money by Thursday. Senate Democratic leader George Mitchell of Maine said he did not want to act on an appropriation bill -- allocating money from the treasury -- until the administration submits a long-range foreign aid plan.

The administration's request also is threatened by demands among some of the Democrats who consider the amounts for Panama and Nicaragua excessive. Further, Sen. Patrick Leahy, D-Vt., chairman of the foreign aid appropriation subcommittee, wants some of the money shifted to Eastern Europe.

The House approved the money bill earlier this week, providing \$420 million for Panama and \$300 million for Nicaragua as part of an omnibus \$2.4 billion emergency supplemental appropriation bill. Attempts to reduce or eliminate money were rejected by the House.

Sen. Claiborne Pell, D-R.I., chairman of the Foreign Relations Committee, said, "Freedom for Panama and Nicaragua comes with a price, part of which we have to pay. We are in a great part responsible for the destruction of their economies."

Sen. John McCain, R-Ariz., said, "The urgency of the situation in Panama and Nicaragua cannot be understated," adding that the United States must prove to the two nations "our commitment both in war and in peace" and let them know "we will not neglect" their economic problems.

The Senate also included two other major items, both requested by the administration, authorizing \$100 million to help refugees, mostly from the Soviet Union and Eastern bloc countries, and \$30 million for sub-Saharan countries in Africa.

Proprietary to the United Press International, April 5, 1970

The bill also provides \$400 million in loan guarantees to erect housing for refugees in Israel with no proviso that the housing cannot be built in the Israeli-occupied West Bank.

The Senate earmarked for Panama \$170 million for the private sector to restore business and recoup inventories looted in the December U.S. invasion, up to \$125 million to revitalize public investment, up to \$150 million to help Panama pay back debts to international lending institutions, and up to \$45 million for strengthening the government structure such as administration, justice and police.

For Nicaragua, the Senate earmarked up to \$128 million to restore the economy, up to \$50 million to pay past debts to international financial institutions, up to \$75 million to assist in long-term growth and development, up to \$47 million to demobilize the Contra rebels and help integrate them and refugees back into the country's normal life.

The bill does not require demobilization of armed Sandinistas not loyal to the new U.S.-backed Chamorro government who might seek revenge against Contra rebels, but allows the Contras to keep their weapons for defense against possible reprisals.

NSC DON JOHNSON

DEPARTURE STATEMENT

It has been a particular pleasure for me to welcome President Endara to Washington. For nearly two years, the people of the United States watched the people of Panama, led by a democratic coalition headed by President Endara and his Vice Presidents Ricardo Arias Calderon and Guillermo Ford, struggle against a brutal and repressive regime. I am proud of the role the United States played in standing with the Panamanian people in their struggle.

Now it is time to secure the blessings of freedom and democracy through the Panama's economic recovery. How that might best be done, and how the United States can best assist in this effort, has been the principal focus of President Endara's visit and our discussions. I want to take this opportunity to reiterate the U.S. commitment to assisting the people of Panama build a prosperous and stable democracy. (If appropriate: Once again I urge the Congress to pass our most urgently needed aid package.)

I would also like on this occasion to underscore the commitment of the United States to the Panama Canal Treaties, not only as a framework for transferring responsibility for the operation and management of the Panama Canal to a sovereign Panama, but as the basis for a cooperative working relationship with the Government of Panama which will last beyond the year 2000. Our interest in what happens on the Isthmus of Panama will not end in 1999. We look forward to a continuing partnership with Panama which will contribute to the common interest of the entire hemisphere in peace, prosperity and freedom.

Clad here

Brave, conc. risk

Par - allis respect
in Cape

[E] 40yr legis

Bill Price NSC?

Wm. Barr

507 27 26 81

27 17 77 Embassy

x 2306

22278

Min. 0 22243

guy became a pol. later. Ken ^{Ricardo} ~~Price~~

A month ago, was inv. of Calderon (Sub. minister)

to meeting w/ gov's (opposition, Pol system)

Talked about press freedom.

Twinkle - by way, present to you.

Settle late than never.

stb
front page

* revoked This ownership laws

Threatened closure
of elec. web
for any slight
against stb



United States Department of State

Washington, D.C. 20520

4/30
Dependent Student
Panama

DATE 4-18-90

FACSIMILE TRANSMITTAL SHEET

PLEASE DELIVER TO:

NAME OF PERSON: Carolyn Cawley
OFFICE: Speech Writers
ROOM NO: _____
TELEPHONE NO: 456-7750

NUMBER OF PAGES ATTACHED: 10
FAX 456-6218

FROM:

NAME OF PERSON: J. Valls-Noyes
OFFICE: ARA/PAN
TELEPHONE NO: 647-4986

Hope this helps!

**Guillermo ENDARA Galimany
President of Panama**

*Debra
Baker
395-7350*

President Endara is a long-time leader of the Authentic Panamanian Party (PPA). During the May 7 elections, the regime-controlled electoral tribunal recognized a splinter faction of the party, and denied him the use of the party's name and funds. Because of this maneuver, Endara ran under the banner of the Authentic Liberal Party.

After the elections, Endara was beaten by Noriega's thugs, and was briefly detained. This tactic of intimidation did not stop Endara from beginning a hunger strike later in the year, to pressure his fellow citizens to refuse payments to the regime.

The campaign resulted in the arrest of several of Endara's followers, and Endara took refuge in the Papal Nunciature.

Endara was born on May 12, 1936. He graduated from the University of Panama in 1962. He studied at Columbia University in 1968. In October of that year, he served as Director of the President's planning office during Arias' short-term administration. Endara was one of Arias' closest advisors until the four-time President's death in 1988. He has held numerous party positions since the late 1960's, including those of subsecretary general and spokesman for Arias, and he is now considered Arias' political heir. In conjunction with the arrests in September 1988 of antiregime plotters, the Panamanian Defense Forces accused Endara of involvement in guerrilla activities against Noriega, however, he was not formally charged or arrested at that time.

Endara speaks good English. He has had close ties with our Embassy through the years. A widower (his wife died in 1989), Endara has two children.

December 29, 1989

TREATY RESPONSIBILITY TO TURN OVER THE CANAL

Q. What will happen in 1999?

A. UNDER THE PANAMA CANAL TREATIES, THE U.S. IS SCHEDULED TO TURN OVER RESPONSIBILITY FOR OPERATING AND DEFENDING THE CANAL TO PANAMA ON DECEMBER 31, 1999. WE PLAN TO MEET THAT COMMITMENT. THERE IS A LEGITIMATE, DEMOCRATICALLY ELECTED GOVERNMENT IN PANAMA WE CAN WORK WITH DURING THE SECOND TREATY DECADE TO PREPARE FOR A SMOOTH AND ORDERLY TRANSITION AT THE END OF THE CENTURY. WE LOOK FORWARD TO BUILDING A COOPERATIVE WORKING RELATIONSHIP WITH PANAMA WHICH WILL CONTINUE INTO THE NEXT CENTURY.

Draft:ARA/PAN:JPryor
Clf:L/ARA:CBrown

ASSURING CIVILIAN CONTROL

Q. How is civilian control of the Public Force going to be assured?

A: THE NEW SECURITY ORGANIZATION WILL BE PRIMARILY RESPONSIBLE FOR POLICE FUNCTIONS AND FULLY ACCOUNTABLE TO CIVILIAN AUTHORITY UNDER THE MINISTER OF GOVERNMENT AND JUSTICE, OR OTHER ELEMENTS OF THE GOP SUCH AS THE ATTORNEY GENERAL, AS IN THE CASE OF THE TECHNICAL JUDICIAL POLICE. APPROPRIATE CHANGES TO PANAMANIAN LAW WILL BE MADE BY THE LEGISLATURE.

Drft:ARA/PAN:RDotson
Cir: None needed

MISSION OF THE PUBLIC FORCE

Q. What view has the U.S. expressed to Panama about the size, organization and mission of the Public Forces?

A: THE PANAMANIAN GOVERNMENT HAS MADE THE DECISION TO DEMILITARIZE THE SECURITY FORCES AND ESTABLISH IN THEIR PLACE A CIVILIAN POLICE FORCE. THE U.S. GOVERNMENT FULLY SUPPORTS THE GOP'S DECISION IN THIS REGARD AND IS DEVELOPING AN APPROPRIATE PROGRAM OF ASSISTANCE TO ESTABLISH A TRULY PROFESSIONAL LAW ENFORCEMENT INSTITUTION. WE HAVE SUPPORTED ACTIONS THAT WOULD HELP TO AVOID RE-CREATION OF THE PANAMA DEFENSE FORCES UNDER ANOTHER NAME. BUILDING ON WHAT THE U.S. MILITARY HAS ALREADY ACCOMPLISHED UNDER ITS OPERATIONAL MISSION TO RESTORE PUBLIC ORDER IN PANAMA, WE ARE PROVIDING CIVILIAN LAW ENFORCEMENT INSTRUCTION IN ALL AREAS OF BASIC POLICE SKILLS UNDER THE ICITAP PROGRAM.

Drft:ARA/PAN:RDotson
Clr: None needed

ALLEGATIONS OF ELITISM IN ENDARA GOVERNMENT

Q. I understand that the new government of Panama is made up almost exclusively of privileged, foreign-educated, white males. This does not accurately reflect the racial and social mix of Panama. What is the Endara government doing to ensure that all racial, ethnic and social groups are represented in the government?

A. BEFORE COMMENTING ON WHAT THE GOP IS DOING TO ENSURE A BROAD BASE OF REPRESENTATION, I WOULD LIKE TO ADDRESS YOUR MISTAKEN PERCEPTION THAT THE ENDARA GOVERNMENT IS COMPRISED EXCLUSIVELY OF WHITE, PRIVILEGED MALES.

THERE ARE AT LEAST THREE NON-WHITE CABINET MINISTERS. THE MINISTER OF EDUCATION IS A BLACK WOMAN NAMED ADA DE GORDON. HER DEPUTY IS A BLACK MAN, LAURENTINO GUDINO. THE MINISTER OF LABOR, JORGE RUBEN ROSAS, IS OF MIXED SPANISH AND INDIAN BLOOD. EZEQUIEL RODRIGUEZ, MINISTER FOR AGRICULTURAL DEVELOPMENT IS ALSO A MESTIZO.

THERE ARE NUMEROUS SENIOR-LEVEL POSITIONS HELD BY PEOPLE FROM RACIAL MINORITY GROUPS. THE HEAD OF IMMIGRATION, JOSE DE LOS SANTOS, IS OF PARTIAL CHINESE EXTRACTION. THE ENDARA GOVERNMENT HAS NAMED LUIS ANDERSON, A BLACK, TO BE ONE OF ITS FOUR REPRESENTATIVES ON THE CANAL COMMISSION.

- MORE -

- 2 -

PRESIDENT ENDARA AND HIS VICE PRESIDENTS HAVE ASSURED THE U.S. CONGRESS AND THE ADMINISTRATION THAT EQUALITY IN GOVERNMENT AND OPPORTUNITY WILL BE A FUNDAMENTAL ELEMENT OF THEIR GOVERNMENT PROGRAM. PRESIDENT ENDARA HAS TOLD US ON SEVERAL OCCASIONS OF HIS ONGOING EFFORTS TO ENSURE THAT THE NEW DEMOCRATIC GOVERNMENT OF PANAMA BE REPRESENTATIVE OF THE POPULATION AS A WHOLE. UNEMPLOYMENT AND HOUSING -- ISSUES WHICH CONCERN MOSTLY THE POOR -- ARE AMONG THE HIGHEST PRIORITIES FOR HIS ADMINISTRATION.

Drft: ARA/PAN:JVallsNoyes
Clr: ARA/PAN:DWyrough OK
ARA:MGKozak OK

PUBLIC OPINION OF ENDARA GOVERNMENT

Q. What do public opinion polls reveal about the popularity of the Endara Administration?

A. THE ENDARA POLITICAL COALITION CONTINUES TO BE VERY POPULAR. A POLL IN LATE JANUARY SHOWED THAT SOME 95% OF THE PANAMANIANS BELIEVED THAT THE ENDARA GOVERNMENT HAD THE RIGHT TO TAKE CONTROL. IN CONTRAST, PRO-NORIEGA PARTIES LOST POPULAR SUPPORT AND ARE FINDING IT DIFFICULT TO REORGANIZE.

POPULAR EXPECTATIONS OF THE GOVERNMENT, HOWEVER, ARE VERY HIGH. PRESIDENT ENDARA'S RECENTLY-CONCLUDED HUNGER STRIKE IN SYMPATHY WITH THE UNEMPLOYED SHOWS THAT THE ENDARA GOVERNMENT RECOGNIZES THE NEED TO MEET POPULAR EXPECTATIONS.

Drft: ARA/PAN: JPryor
Clr: ARA/PAN: JFerrer OK

STATUS OF PANAMANIAN LEGISLATURE

Q. What is the status of the Panamanian Congress?

A. FOLLOWING THE FEBRUARY 27 ELECTORAL TRIBUNAL CERTIFICATION OF THE MAY 1988 ELECTIONS, IN WHICH 58 OF THE 67 MEMBERS OF THE LEGISLATIVE ASSEMBLY WERE FILLED, THE LEGISLATIVE ASSEMBLY CONVENED ON MARCH 1 FOR ITS FIRST SESSION. SEVEN MEMBERS OF THE ASSEMBLY REPRESENT THE PRO-NORIEGA PRD PARTY.

SPECIAL ELECTIONS FOR THE REMAINING NINE LEGISLATORS WILL BE SCHEDULED LATER THIS YEAR. CARLOS DUQUE, THE PRESIDENT OF THE PRD, STATED ON MARCH 14 THAT HIS PARTY WILL PARTICIPATE IN THOSE ELECTIONS.

Draft: ARA/PAN:PSarros
Clr: JFerrer OK

INTERNATIONAL RECOGNITION

Q. What is the status of international recognition of the Endara Government?

A. AS OF MARCH 15, 45 STATES HAD EXPLICITLY RECOGNIZED THE ENDARA GOVERNMENT AND SIX WERE AWAITING AN OFFICIAL ACT TO CONFIRM RECOGNITION.

WITH THE MARCH 1 INSTALLATION OF THE NATIONAL ASSEMBLY IN PANAMA AND THE ANNOUNCEMENT BY ENDARA THAT SEVERAL CONSTITUTIONAL AMENDMENTS WOULD BE PLACED BEFORE A NATIONAL PLEBISCITE, ECUADOR AND SEVERAL GROUP OF SEVEN COUNTRIES, I.E., VENEZUELA, COLOMBIA, PERU, BRAZIL, URUGUAY AND ARGENTINA, DECIDED TO RECOGNIZE THE ENDARA GOVERNMENT AND TO SEND AMBASSADORS TO PANAMA. BOLIVIA, CHILE, AND MEXICO HAVE NOT YET DECIDED WHEN TO RESUME RELATIONS AT THE AMBASSADORIAL LEVEL.

Drft: ARA/PAN:FSarros
Clr:ARA/PAN:JFerrer OK

CURRENT ECONOMIC SITUATION

Q. What is the current economic situation?

A. PANAMA FACES TREMENDOUS PROBLEMS LEFT BEHIND BY THE NORIEGA REGIME. THE ECONOMY DECLINED SHARPLY IN 1988 AND FELL AGAIN IN 1989. THE INFRASTRUCTURE HAS DETERIORATED MARKEDLY AND INVESTMENT LEVELS ARE LOW. ALTHOUGH CONFIDENCE IS RETURNING, THE DISTORTIONS AND DISLOCATIONS OF THE ECONOMY CANNOT BE RESOLVED OVER-NIGHT. THESE DISTORTIONS ARE NOTABLE IN THE PUBLIC SECTOR. THE GOVERNMENT INSTITUTIONS ARE STILL HIGHLY IMPAIRED FOLLOWING THE CHANGE IN REGIMES AND THE BUDGET CANNOT POSSIBLY MEET EVEN THE LEGITIMATE SHORT TERM DEMANDS. GIVEN THE SENSE OF LIBERATION, MOREOVER, PUBLIC EXPECTATIONS HAVE RISEN SHARPLY.

PERHAPS MOST IMMEDIATE ARE THE SHORT TERM DEMANDS FOR HELP WHICH, WHILE EXTREMELY DIFFICULT TO SATISFY, CREATE TREMENDOUS PRESSURES ON THE GOVERNMENT. PEOPLE NEED AND WANT JOBS, THOSE WHO LOST THEIR HOMES REQUIRE HOUSING, AND THOSE WHO HAVE NO RESOURCES ARE HUNGRY. THE GOVERNMENT'S INABILITY TO RESPOND TO THESE NEEDS COULD DESTABILIZE THE SITUATION.

Draft ARA/PAN: JFerrer
Clr: EB/OMA:DNorland