

SECRET//COMINT//M4

(U) Cryptologic Almanac 50th Anniversary Series

(U) SIGINT in the Panama Canal Treaty Negotiations: Deception or Believable Intelligence?

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~~(U)~~ The role of SIGINT in military operations is well documented in history. The role of SIGINT in diplomatic negotiations is equally significant, but less well known. The Panama Canal Treaty negotiations illustrate how

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SC 403
86-36

(U) On 27 September 1977, twenty days after the Panama Canal Treaty was signed by the U.S. and Panama, CBS television broke an exclusive story which the press quickly pursued. The Associated Press carried the following: "There have been allegations that a U.S. Army sergeant sold or gave Gen. Omar Torrijos, the leader of Panama, transcripts of Torrijos' private conversations which had been intercepted by U.S. agents and that this information was used to blackmail the U.S. into concessions on the treaties." Was there any truth to this allegation?

(U) The Hay-Bunau-Varilla Treaty of 1903, one of the most one-sided treaties in history, gave the U. S. the right to construct a canal in Panama and granted it complete sovereignty over the canal and adjacent land. The Canal created a shorter route from the Atlantic Ocean to the Pacific Ocean, thereby bolstering the economy and military power of the U.S. The U.S. exercised unilateral control of the operation, administration, and defense of the canal. The Panamanians were incensed by U.S. infringements of their sovereignty rights, but were unable to budge the U.S. into changing its position.

(U) In the spring of 1964, President Lyndon Johnson agreed to renegotiate the Panama Canal Treaty. There had been violent anti-American riots in Panama City in January 1964. During these riots, more than twenty Panamanians were killed, four U.S. servicemen also lost their lives, and there was much destruction of U.S. property.

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~~(U)~~ [redacted] The negotiations between Panama and the U.S. over the Canal were extremely complex. The treaty had to include such issues as its duration, defense of the canal, the use of lands and waters, status of Americans in the zone, rights of the two parties, and compensation to Panama. The negotiations took place over fourteen years and spanned the administrations of four American presidents: Johnson, Nixon, Ford, and Carter. U.S. policymakers were never certain whether the Panamanians would agree on a treaty because the Canal issue was a great scapegoat to divert public

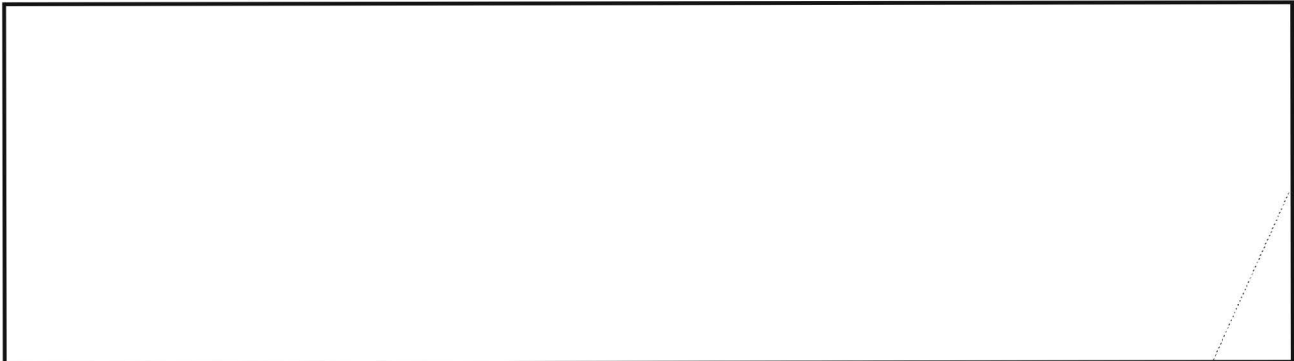
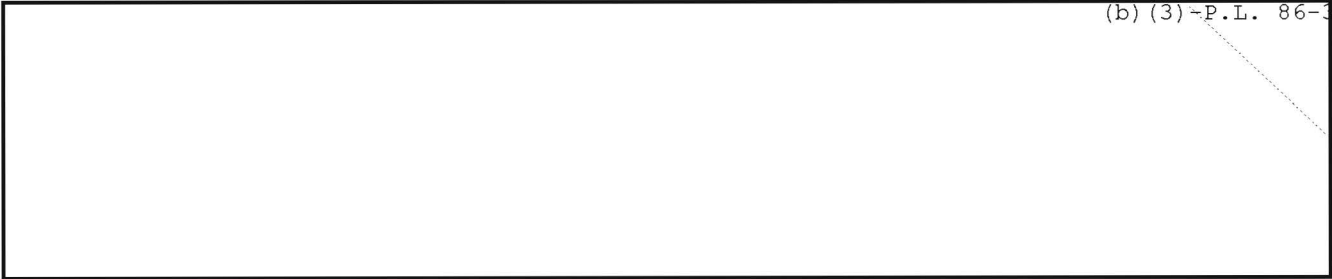
attention from domestic economic problems. In 1967 the Panamanians actually rejected a set of treaties negotiated by their own negotiators. [redacted]

[redacted]

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~~(U//FOUO)~~ (U) The treaty was implemented, and the Canal reverted to Panama on 31 December 1999. These negotiations demonstrate [redacted] They are also a reminder that the behavior of human beings is difficult to predict or understand.

(U) For more details on this subject, read *SIGINT in the Panama Canal Treaty Negotiations*, available from the Center for Cryptologic History.

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