



## Restraint or Retreat? The Debate over the Panama Canal Treaties and U.S. Nationalism after Vietnam\*

On March 7, 1978, Ada Smith, a fifty-six-year-old woman from Memphis, Tennessee, sat down at her typewriter and wrote a letter to her state's Republican Senator and Minority Leader Howard Baker. Until recently, she explained, she had always been proud of her country and what she called "its superiority in the world." But now her pride had turned to fear: "After coming through that great fiasco Vietnam, which cost us billions in dollars and much more in American blood, we are now faced with another act of stupidity, which, in the years to come, could be even more costly. Why should we Americans give up our sons, husbands, and brothers, to fight for land that does not even belong to us, and then sit quietly by, and let you, whom we chose to represent us, give away something as important as the Panama Canal?"<sup>1</sup>

Smith was not alone. She was one of thousands of Tennesseans who contacted Senator Baker in the spring of 1978, urging him to vote against the ratification of the Panama Canal treaties. Signed by President Jimmy Carter and Panamanian leader Omar Torrijos the previous September, the Panama Canal and Neutrality treaties provided for two things: first, the gradual assumption by Panama of the management, operation, and control of the Canal; and second, the waterway's permanent neutrality. Eventually ratified by the Senate, the treaties replaced the 1903 Hay-Bunau-Varilla treaty, which had given the United States exclusive jurisdiction over the entire (as yet to be constructed) canal and the ten-mile wide zone that surrounded it.

In the months between the signing of the treaties in September 1977 and the Senate ratification vote in April 1978, Carter White House officials and

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1. Letter from Ada Smith to Howard Baker, March 7, 1978, box 66, folder 7, Howard Baker Papers, University of Tennessee Special Collections, Knoxville, Tennessee (hereafter HB Papers).

members of the negotiation team fought hard to persuade undecided senators to vote for them. They gave more than eight hundred speeches and interviews, published hundreds of pages of literature, and sent out numerous mailings to constituents to make their case.<sup>2</sup> On one level, these efforts proved successful. The Carter administration won support for the new treaties from a range of elite military, economic, and religious institutions, including the Joint Chiefs of Staff, the National Association of Manufacturers, the Business Roundtable, the Council of the Americas, the Commission on U.S.-Latin American Relations, the Roman Catholic Church, and the National Council of Churches.

But what Carter had not anticipated was an impassioned, highly coordinated grassroots movement to stop the ratification of the treaties, one that emanated from the southern states of Mississippi, Louisiana, Tennessee, Arizona, Florida, and Texas. This campaign was spearheaded by New Right organizations like the American Conservative Union, the Liberty Lobby, and the Conservative Caucus, by prominent conservative leaders like Phyllis Schlafly, Richard Viguerie, and California Governor Ronald Reagan, and within the Senate by Republicans Paul Laxalt, Jesse Helms, Jake Garn, Strom Thurmond, and Orrin Hatch, all of whom came from the south and southwest. Over seven months, these groups and individuals engaged in a range of political activities with the aim of not only derailing the ratification process, but also inciting public rage, disgust, and indignation about the treaties. They held political rallies, launched billboard campaigns, bought radio time to air their opposition, coordinated telephone solicitations, and organized a “fact finding mission” to Panama. Young Americans for Freedom distributed a “Panama Canal Activists Kit,” the Conservative Caucus sponsored a “Keep Our Canal” day in forty-eight states, and the American Conservative Union produced a documentary film entitled “There is No Panama Canal . . . There is an American Canal at Panama.” Meanwhile, anti-treaty lawmakers in both the Senate and the House of Representatives formed what they called a “Panama Canal Truth Squad,” which toured four U.S. cities over five days in order to alert the public to the dangers posed by the treaties. Most impressive of all, a sophisticated direct mail campaign flooded undecided senators’ offices with between five and ten million pieces of mail urging them to vote against ratification.<sup>3</sup>

Scholars have long recognized that the antitreaty campaign constituted an important moment in the evolution of the New Right. Most recently, journalist Adam Clymer has argued that while there were many reasons that the

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2. The number eight hundred comes from Walter La Feber, *The Panama Canal: The Crisis in Historical Perspective* (New York, 1989), 167.

3. The campaign is discussed in Alan Crawford, *Thunder on the Right: The New Right and the Politics of Resentment* (New York, 1980); Sara Diamond, *Roads to Dominion: Right Wing Movements and Political Power in the United States* (New York, 1995); La Feber, *The Panama Canal*; Thomas J. McIntyre, *The Fear Brokers: Peddling the Hate Politics of the New Right* (Boston, 1979); George Moffett, *The Limits of Victory: The Ratification of the Panama Canal Treaties* (Ithaca, NY, 1985).

conservative movement came to power after 1968, it was the debate over the canal that provided what he calls “the occasion” for its success.<sup>4</sup> This scholarship has focused largely on the theme of tactics, paying close attention to the ways that New Right activists used the canal issue to forge new alliances, expand their ranks, and hone certain techniques (like direct mail) that would serve them well in subsequent decades. This emphasis on tactics emerges in part out of the paradoxical place of the treaty fight in the collective memory of the New Right itself: although movement activists failed to halt ratification, they nonetheless saw the fight as an unambiguous victory that allowed them to make tactical inroads that augmented their political power in the years ahead.

This article builds on this prior scholarship but moves beyond it by making the case that the treaty fight represented more than simply a watershed moment in the history of the New Right. By taking a close look at the specific arguments advanced by both supporters and opponents, I argue here that the treaty fight crystallized a debate in the mid to late 1970s about the future of U.S. foreign policy after Vietnam. This was a debate that encompassed foreign policy makers and members of Congress but also ordinary people like Ada Smith, who had no direct tie to the Panama Canal, but who suddenly became convinced in the late 1970s that they could not live without it.<sup>5</sup>

On one side of the debate were supporters who believed that the treaties signaled the development of a post-Cold War, post-Vietnam framework for U.S. foreign policy. They saw in the treaties an opportunity to do something they believed was badly needed in the wake of a widely condemned war: the reinsertion of moral considerations into the realm of policymaking. On the other side were opponents who were convinced that the “giveaway” of the canal was symptomatic of a larger pattern of American retreat and weakness after Vietnam—what activist Schlafly described at the time as a “pattern of surrender.”<sup>6</sup> The treaty fight can thus be seen as a contest between two divergent articulations of post-Vietnam U.S. nationalism: one nationalism that linked moderation, restraint, and moral revitalization to the restoration of U.S. power; and a competing nationalism that was fueled by the theme of American retreat, animated by the fear that the United States had emerged from the Vietnam War deeply wounded, and premised on the belief that the Soviet threat was growing rather than diminishing in importance.

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4. Adam Clymer, *Drawing the Line at the Big Ditch: The Panama Canal Treaties and the Rise of the Right* (Lawrence, KS, 2008), ix.

5. I borrow this expression from Senator George McGovern who observed during the debate “People who never thought about the canal are discovering how they cannot live without it.” *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, and Events*, Ninety-Sixth Congress, First Session (Washington, DC: 1979), 165.

6. Schlafly used this expression to describe the treaties during a debate with William Buckley that aired on *Firing Line*, September 6, 1977.

This article shows that at the heart of this contest was a struggle over a theme that had moved to the center of foreign policy by the late 1970s: the meaning of good “management.” As scholars like Thomas McCormick and Jerry Sanders have shown, the US foreign policy establishment of the 1970s was divided between two groups: Cold War militarists who believed that the maintenance of U.S. superiority vis-à-vis the Soviet Union remained the top priority; and a group of centrists or “managerialists” (many of whom became members of the Carter administration) who came away from the Vietnam experience convinced that they needed to reject the Manichean logic of the Cold War. These centrists believed that in the future, the primary aim of U.S. foreign policy should not be superiority over the Soviet Union, but rather the maintenance of a stable, moderate world order in which the United States could best protect and secure its own interests. This was a multipolar, interdependent world order that, they believed, could be neither dominated nor controlled, but would instead need to be “managed.”

The theme of management entered the treaty debate at two levels. First, as we shall see, the debate over the canal resonated with debates about the management of vital resources. Influenced by events like the Organization of the Petroleum Exporting Countries (OPEC) oil embargo of 1973–1974, members of the Carter administration believed that the management of resources, such as oil, food, and water, were becoming more important in policymaking. In contrast to natural resources like oil and water, the canal was manmade. But the desire to cede control of the canal to Panamanians proceeded from a distinctly managerial logic: in the future, the argument went, U.S. rights to the canal would not be secured through overt military domination, but rather through careful negotiation with the Panamanians themselves. The antitreaty campaign, meanwhile, attacked this concept of management by equating it with appeasement and capitulation to weaker nations.

Management was linked to a second question that loomed over the debate: how could the national economic interest best be “managed” in the context of globalization? Supporters believed that relinquishing control of the canal would help to create new investment opportunities for the United States in Latin America. Opponents rejected this view, arguing that the treaties advanced the interests of an elite few at the expense of the national economy. The treaty fight thus represented a struggle between those who saw globalization as a potential boon for the United States and those who saw it as a threat to American power. As George Moffett has pointed out, the treaty fight was not waged primarily between Democrats and Republicans, but rather between two groups of Republicans: on the one hand, those who supported the new treaties because they believed that in order to preserve free trade and open markets in Latin America, the United States needed to refurbish its global role; and on the other, those who rejected them on the grounds that, in order to demonstrate its continued strength as a superpower, the United States needed to preserve its historic rights

in the Canal Zone.<sup>7</sup> The fight thus crystallized an enduring struggle among policymakers over two competing visions of American power after Vietnam: one was a “rational” imperial vision that sought to solidify the position of the United States in a globalizing economy by putting forth a restrained conception of hegemonic rule; and the other was a “sentimental” or “territorial” imperialism that called for a return to the muscular, overtly aggressive diplomacy that supposedly had accompanied the rise of the United States as a world power at the turn of the twentieth century.<sup>8</sup>

MATURITY, RESOURCE MANAGEMENT, AND GLOBAL FINANCE:  
THE PLACE OF THE PANAMA CANAL TREATIES IN CARTER’S  
FOREIGN POLICY VISION

Although the call for a revised treaty agreement with Panama had been a decade in the making, the Carter administration seized on the canal issue as one cornerstone of a distinctly post-Vietnam foreign policy. The strategic and moral failures of U.S. policy in Southeast Asia had convinced the incoming administration that it needed to interrogate many of the core assumptions that had guided foreign policy since World War II, including the Cold War paradigm of containment. Carter’s foreign policy team sought to move away from a bipolar conception of the world and embrace a multipolar worldview that emphasized global interdependence and economic relations over the dictates of Cold War militarism. They believed that this conceptual shift would help them to accomplish two goals they saw as necessary for the restoration of U.S. world leadership: the reinsertion of moral considerations into the policy-making realm (represented most clearly in Carter’s prioritization of human rights) and the articulation of a sharpened conception of the U.S. national interest.<sup>9</sup> They were

7. Moffett, *The Limits of Victory*, 167.

8. Richard Falk makes the distinction between rational and sentimental imperialism in “Panama Treaty Trap,” *Foreign Policy* no. 30 (Spring 1978), 68–82.

9. There is a wide body of scholarship on the history of Carter’s foreign policy, much of which explores the shift from the administration’s early foreign policy goals (along the lines discussed above) in 1977–1978 to a return to Cold War militarism in 1979–1980. Scholars are divided, however, in their explanations for the shift. Some have argued that Carter’s early foreign policy worldview was inherently flawed and incoherent, while others have focused on the power struggles within his administration between the State and Defense Departments. Still others have explained the shift as a response to the mobilization of the New Right and Cold War militarists within the foreign policy establishment. Finally, some scholars have focused on external international pressures, noting the 1979 Soviet invasion of Afghanistan as a particularly significant turning point. See Thomas McCormick, *America’s Half-Century: United States Foreign Policy in the Cold War and After*, 2nd ed. (Baltimore, 1995), 191–215; Richard A. Melanson, *Reconstructing Consensus: American Foreign Policy Since the Vietnam War* (New York, 1991); Michael Sherry, *In the Shadow of War: The United States Since the 1930s* (New Haven, CT, 1995), 337–90; Donald Spencer, *The Carter Implosion: Jimmy Carter and the Amateur Style of Diplomacy* (New York, 1988); Robert A. Strong, *Working in the World: Jimmy Carter and the Making of American Foreign Policy* (Baton Rouge, LA, 2000); Richard Thornton, *The Carter Years: Toward a New Global Order* (New York, 1991). On the specific place of the canal issue in Carter’s foreign policy, see T. Christopher Jespersen, “Contending with Congress: The

convinced that a new agreement with Panama would advance both goals simultaneously.

On the morality side, the treaties would enable the United States to rectify a past wrongdoing and show that a superpower could play fair with a militarily weaker nation. In the process, the treaties would put some teeth into Carter's human rights rhetoric and stave off charges of hypocrisy, particularly important in light of Carter's criticisms of Latin American dictatorships.<sup>10</sup> It would also allow the United States to do something vis-à-vis Panama that, tragically, it had been unable to do vis-à-vis Vietnam: respect a smaller country's sovereignty rights. One could argue that on a psychological level, the treaties represented a form of displaced atonement. The treaties seemed to hold out the promise that after the Vietnam debacle, the United States would once again begin behaving like a hegemon in the classical Gramscian sense—it would wield authority through consent and influence rather than coercion and force.<sup>11</sup> As protreaty Idaho Senator Frank Church explained it on the Senate floor, "If we are going to exercise real influence in the world, it is going to be based upon our moral position [ . . . ] it is going to be based upon our moral power even more than upon military power."<sup>12</sup>

This reprioritization of moral power over military power was associated with a new maturity in the foreign policy realm. In the words of negotiator Ellsworth Bunker, the treaties represented the beginning of a "new, more modern relationship" with Panama.<sup>13</sup> That the United States had the resources to retain exclusive control over the canal was not in doubt. But as President Carter explained it in a February 1978 televised address, the treaties would "demonstrate that as a large and powerful country we were able to deal fairly and honorably with a proud but smaller sovereign nation."<sup>14</sup> The ability of a great nation to hold its power in reserve was the hallmark of maturity, and the word came up repeatedly during the debate. A fair resolution of the Panama Canal issue, National Security Adviser Zbigniew Brzezinski predicted, would signal to the nations of Latin America that the Carter administration wanted "to build

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Carter Administration and American Foreign Policy toward Panama and South Korea," in *Architects of the American Century: Individuals and Institutions in Twentieth Century U.S. Foreign Policymaking*, ed. David F. Schmitz and T. Christopher Jespersen (Chicago, 2000), 161–86. The most illuminating sources on Carter's foreign policy that I have consulted in the course of my research are the memoirs written by Zbigniew Brzezinski, Cyrus Vance, and Carter himself, all cited below.

10. On human rights specifically, see David F. Schmitz and Vanessa Walker, "Jimmy Carter and the Foreign Policy of Human Rights: The Development of a Post-Cold War Foreign Policy," *Diplomatic History* 28, no. 1 (January 2004), 113–44.

11. Jimmy Carter, *Keeping Faith: Memoirs of a President* (Fayetteville, AR, 1995), 156–89.

12. *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, and Events*, 114.

13. Quoted in Moffett, *The Limits of Victory*, 45.

14. Transcript of Jimmy Carter speech delivered on February 1, 1978, reprinted in *The New York Times*, February 2, 1978, A14.

more mature relationships based on mutual respect.”<sup>15</sup> By returning the Canal to Panama, predicted South Carolina Senator Ernest Hollings, Americans would demonstrate that they “can act as a mature people.”<sup>16</sup> The editorial page of the *Washington Post* described the treaties as a sign of the “maturing of America,” and a *New York Times* editorial in August 1977 predicted that approval of the treaties “would say that the United States, if not all its political leaders, has grown up in its world view and in the uses of its power.”<sup>17</sup> By ratifying the treaties, predicted retired army officer Arthur Collins, the United States would project to the rest of the world “an image of a prudent, confident, and mature United States,” noting wryly that “We could stand a little of that image.”<sup>18</sup>

Forging a more mature relationship with Panama entailed a confrontation with the canal’s long-standing symbolic role in the American political imagination. Since its completion in 1914, many Americans had seen the canal as a testament to the global ascent of the United States in the first decades of the twentieth century. The canal marked the rise of the United States as a military power able to traverse two oceans with one navy. This goal became pressing after the Spanish-American War of 1898, when the U.S.S. *Oregon* spent sixty-eight days sailing from the west coast of the United States to Cuba via the tip of South America (arriving almost too late for battle). The canal was also economically vital, since it opened up trade routes to both the southern hemisphere and the Pacific. The canal’s elaborate locks system was seen as a miracle of modern engineering, demonstrating the ability of American engineers to radically transform the material environment. Finally, the canal was widely viewed as a humanitarian triumph that had led to the eradication of malaria and yellow fever, diseases that had derailed earlier efforts to construct a canal.<sup>19</sup> Particularly for the generation that had come of age before World War II, the canal embodied the vitality of a young, robust nation as it took its place on the world stage.<sup>20</sup>

From the Panamanian point of view, however, the history of the canal looked very different. Panamanians had long understood that U.S. rights to the canal

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15. Zbigniew Brzezinski, *Power and Principle: Memoirs of a National Security Adviser, 1979–1981* (New York, 1983), 134–35.

16. *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, and Events*, 35.

17. “The Maturing of America,” *Washington Post*, October 9, 1977, page number unavailable, reprinted in *Hearings before the Committee on Foreign Relations, U.S. Senate, 95th Congress, 1st Session, Part 3*, 64–65; “The Real Canal Giveaway,” *The New York Times*, August 30, 1977, 24.

18. *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, and Events*, 64–65. On the theme of maturity in U.S. foreign policy in the 1970s, see Natasha Zaretsky, *No Direction Home: The American Family and the Fear of National Decline, 1968–1980* (Chapel Hill, NC, 2007), 71–75.

19. John Lindsay-Poland has challenged this argument about disease eradication, showing that the building of the canal devastated the environment and unleashed rather than prevented disease in the region. See John Lindsay-Poland, *Emperors in the Jungle: The Hidden History of the U.S. in Panama* (Durham, NC, 2003).

20. For one of the most well-known and popular accounts of the building of the Panama Canal, see David McCullough, *Path Between the Seas: The Creation of the Panama Canal, 1870–1914* (New York, 1977). Again see Poland, *Emperors in the Jungle*.



had been secured through aggression. The dubious political circumstances surrounding the 1903 Hay-Bunau-Varilla treaty (which referred to signatories Secretary of State John Hay and French engineer Phillipe Bunau-Varilla) had led Panamanians to bitterly describe it as “the treaty that no Panamanian signed.”<sup>21</sup> Even Hay had reported to President Teddy Roosevelt that the treaty was “vastly advantageous to the United States and, we must confess . . . not so advantageous to Panama.”<sup>22</sup>

In the decades that followed, the injustice embedded in the original treaty was built into Panama’s spatial, political, and social landscape. By the late 1970s, the Canal Zone was home to approximately 40,000 U.S. citizens who operated the canal, served in the military, attended English-speaking schools, and spent their leisure time in the many commissaries, golf courses, shops, and movie theaters that made the zone so lavish in contrast to Colón and Panama City. The zone had an American police force, post offices, and courts, and was under the provenance of U.S. law; its residents were known to boast “they had never set foot on Panamanian soil.” It was also the home of both the Southern Command, the command post for all U.S. military operations in Latin America and the School of the Americas, the counterinsurgency training program founded by John F. Kennedy. As one protreaty publication described it, the zone was “really a little USA that claimed more scout troops and PTAs than any parallel stretch at home.”<sup>23</sup> The presence of an affluent and sequestered American suburb on their soil had long been a source of frustration for Panamanians, and anti-American violence went back as early as 1912 and intensified in the years after World War II.

From the start, then, Americans and Panamanians had held two opposing historical interpretations of the canal. But by the late 1970s, treaty advocates within the United States were demanding that Americans do something quite radical, namely, reconsider the history of the canal from the Panamanian point of view. This attempt at historical empathy was also associated with the transition to maturity, and specifically with the ability of the United States to confront the forces of anti-imperialism and decolonization that had swept the globe over the last three decades. In an era of decolonization, treaty supporters argued, the United States needed to acknowledge that the 1903 treaty was a “colonial vestige,” an anachronism that had “no place in the modern world.”<sup>24</sup> As Senator Church explained it, holding a strip of land against the will of the inhabitants “may have been customary in Teddy Roosevelt’s time, but the old empires are

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21. This was the name of a documentary about the canal produced in Panama in the 1970s. See LaFeber, *Panama Canal*, 31.

22. Quoted in Moffett, *Limits to Victory*, 23.

23. Donald Hertzberg on behalf of the Committee of Americans for the Canal Treaties (COACT), “The Panama Plebiscite,” page 2, box 14, folder 5, HB Papers.

24. These descriptions of the 1903 treaty were used frequently by treaty supporters throughout the Senate debate. See *Hearings before the Senate Committee on Foreign Relations*, U.S. Senate, September 26–30 and October 19, 1977.



gone.”<sup>25</sup> Similarly, a 1975 *New York Times* editorial described the Canal Zone as “the most conspicuous relic of colonialism to be found anywhere on earth.”<sup>26</sup> Americans who wanted to understand the Panamanian experience of the canal were encouraged by one publication to imagine a comparable zone in the United States running “1100 miles from Duluth to Galveston and [slicing] a band 64 miles wide through seven states.”<sup>27</sup> Such a zone was unacceptable in a decolonized world. Senator Church conjectured that “Not a country anywhere in the world would uphold the proposition that we were entitled to keep this zone against the will of the people of the country. For this is the very definition of colonialism; it is a part of the past which is dead.”<sup>28</sup> “Did the United States want to be perceived as the world’s last colonial power?” asked one article in *Foreign Policy*.<sup>29</sup> The answer from supporters was no. In Church’s words, a revised treaty would illustrate that the nation was prepared to “comport with the new age in which we live, this new era.”<sup>30</sup>

The treaties thus embodied several aspects of Carter’s vision of a morally reinvented, post-Vietnam foreign policy. Policymakers needed to develop nonmilitary solutions to diplomatic problems, with the aim of avoiding the outbreak of violence; pursue relations with weaker nations based on mutual consent rather than on coercion and force; cultivate empathy for peoples whose lives had been directly affected by U.S. foreign policy; and adapt to the realities of a decolonized world. Maturity in the foreign policy realm mirrored individual maturity in some respects. It meant less reliance on force, a rejection of the notion that might always made right, a capacity to hold one’s power in reserve, an acknowledgment that there were multiple historical interpretations of the past, and finally, an ability to see the world clearly in the present rather than holding on to an outmoded view. In the wake of the Vietnam War, supporters saw in maturity the rehabilitation of American power. The treaties, they believed, would show the world that the United States had absorbed the lessons of its failed intervention. Most importantly, the treaties would demonstrate that the moral authority of the United States—so compromised by the war in Southeast Asia—was being restored. As Carter explained, the treaties marked the “beginning of a new era in our relations not only with Panama but with the rest of the world.”<sup>31</sup>

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25. *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, and Events*, 136.

26. “Breakthrough in Panama,” *New York Times*, September 9, 1975, 38.

27. Donald Hertzberg on behalf of the Committee of Americans for the Canal Treaties (COACT), “The Panama Plebiscite,” page 2, box 14, folder 5, HB Papers.

28. *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, and Events*, 136.

29. Thomas M. Franck and Edward Weisband, “Panama Paralysis,” *Foreign Policy* no. 2, (Winter 1975–1976): 168–87.

30. *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, and Events*, 114.

31. Quoted in La Feber, *The Panama Canal*, 182. On managerialism in U.S. foreign policy in the 1970s, see Jerry Sanders, *Peddlers of Crisis: The Committee on the Present Danger and the Politics of Containment* (Boston, 1983).

At the same time that supporters contended that the treaties were essential to the moral reinvigoration of U.S. foreign policy after Vietnam, they also claimed that relinquishing control over the canal would advance the long-term interests of the United States. As Brzezinski later recalled, the treaties represented “the ideal fusion of morality and politics.” Carter believed that returning the canal was the right thing to do on both moral *and* strategic grounds. By overseeing the ratification of the treaties, he could respond to the “passionate desires of a small nation” while simultaneously advancing “the long range national interest.”<sup>32</sup> In other words, Carter could act morally without incurring any cost. In fact, giving up the canal constituted a strategic gain in his view. This was because he believed that, while the isthmus remained a valuable military site, the waterway itself had become a “declining asset.”<sup>33</sup> A feat of modern engineering in the early twentieth century, the canal was obsolescent by the 1970s; its once innovative locks system was antiquated, and supertankers were no longer able to pass through it. In an era of aircraft carriers and nuclear submarines, its military value had declined. This claim that the canal was an antique became a central tenet of the protreaty position and exposed an underlying irony of the debate: the canal could be returned precisely because it had outlived its usefulness to the United States. Because the canal’s strategic value had diminished, supporters maintained, the United States no longer needed to control it. Rather, it needed something else: guaranteed access to the waterway.

This theme of access brought the paradigm of “resource management” to the fore. Indeed, access was at the center of the question of resource management in the 1970s: how could the nation best secure access to vital resources such as oil, water, and food? This question had been sparked by the OPEC oil embargo four years earlier. In October 1973, OPEC imposed an oil embargo against the United States (along with Japan and the Netherlands) in retaliation for support of Israel during the October War. The crisis lasted for six months and contributed to oil shortages and spiraling gas prices throughout the United States, Japan, and Europe. During the embargo, news stories commented on OPEC’s newfound power to brandish the “oil weapon,” and consumers expressed anger that the cartel had assumed control over a commodity so crucial to the nation’s economic health.

For the moderate policymakers who would soon join the Carter administration, the oil embargo illuminated several aspects of what they saw as a nascent world order: the unprecedented centrality of vital resources, the emergence of new kinds of political players, the increased assertiveness of third world actors, and the growing geographical significance of the North-South axis (as opposed to the East-West axis that had defined the Cold War) and the “developing

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32. Brzezinski, *Power and Principle*, 137.

33. George Kennan, *The Cloud of Danger: Current Realities of American Foreign Policy* (New York, 1977), 55.

world.”<sup>34</sup> Most importantly, the embargo fueled their post-Vietnam conviction that military strength was no longer the sole barometer of global power. As Richard Holbrooke, Carter’s assistant secretary of state for East Asian and Pacific Affairs explained in a 1976 article in *Foreign Policy*, measuring national power by military capacity was “outmoded.” There were other forms of power that were becoming more significant: “economic power, resource and energy power, food power.”<sup>35</sup> In this light, the best way to ensure U.S. access to resources was not through coercion or force, but rather through the sober assessment of needs, coupled with a willingness to negotiate with those actors in possession of the desired resource.

Treaty supporters brought these insights to bear on the canal issue. In the case of Panama, the resource in question was not the canal itself, but rather unfettered access to it. In an argument that appeared counterintuitive, treaty supporters contended that in a postcolonial world, the best way for the United States to secure that access was by “outsourcing” the waterway—that is, returning control of the canal to the Panamanians themselves. Of course, there was a significant difference between the canal and a resource like oil: while the canal was a manmade construct, oil was an ostensibly “natural resource.” But both Panama’s Canal and OPEC’s oil shared an important feature in the minds of U.S. policymakers: regardless of their physical locations outside the United States, it was American ingenuity and expertise that had presumably endowed both with value. This belief was premised on the idea that the presence of a narrow isthmus in Panama and of abundant oil in the Middle East had been sheer luck—accidents of geography. But it was U.S. engineers and scientists who in the early twentieth century had built the canal and transformed Middle Eastern oil into an invaluable capitalist commodity. The paradigm of resource management may have called for more consensual relations with third world actors, but underlying it was a strong sense of U.S. entitlement to the desired resource. After all, it had been American expertise that had made the resource desirable in the first place, or so went the argument.<sup>36</sup>

The theme of resource management placed the problem of terrorism at the center of the canal debate.<sup>37</sup> It was terrorism more than conventional warfare that threatened access to resources, a point made repeatedly by treaty supporters who maintained that the canal was not only obsolescent but also indefensible—what today might be called a “soft target.” They contended that if the United States insisted on retaining control over the canal, the waterway would be at risk

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34. See Zaretsky, *No Direction Home*, 174.

35. Richard Holbrooke, “A Sense of Drift, a Time for Calm,” *Foreign Policy*, no. 3 (Summer 1976): 107–08.

36. On the themes of entitlement and resource management, see Melani McAlister, *Epic Encounters: Culture, Media, and U.S. Interests in the Middle East, 1925–2000* (Berkeley, CA, 2001), 125–54.

37. On the growing centrality of terrorism in U.S. foreign policy and media culture in the 1970s, again see McAlister, *Epic Encounters*, 155–235.

from sabotage or terrorist attack from local anti-American forces, and defending the canal would thus require larger troop levels at a time of military retrenchment. As Cyrus Vance later wrote, “the most serious threat to the canal was not foreign aggression . . . but sabotage and terrorist actions. Eliminating the Canal Zone as the focus of Panamanian nationalism would reduce the risks to the continued operation of the Canal and ease the task of defending it.”<sup>38</sup> Protreaty politicians who had traveled to Panama and seen the canal pointed out how easily its operation could be derailed by a guerrilla force.<sup>39</sup> One article imagined that a simple breach of a dam could drain Gatun Lake (the lake bordering the canal and a major source of its water supply), disabling the canal for up to two years.<sup>40</sup> Carter’s Secretary of Defense Harold Brown wrote that if it held on to the canal, the United States would create an “American garrison amid hostile surroundings.”<sup>41</sup> The presence of such a garrison, he warned, could set the stage for an endless cycle of confrontation between U.S. military forces and Panamanian nationalists. Avoiding terrorism, sabotage, and guerrilla violence required that the United States “manage” rather than “control” the canal, a crucial distinction in the eyes of treaty supporters.

The theme of “management” entered the canal debate at a second level: how could the nation best manage its economic interests in Latin America at a time when those interests were undergoing dramatic revision? Carter had been schooled in foreign policy through his involvement in the Trilateral Commission, a policy group founded in 1973 by politicians, business leaders, and academics from Western Europe, Japan, and the United States who believed that the worldwide economic upheavals of the late 1960s and early 1970s—inflation, trade imbalance, monetary disorder, oil shocks—revealed the need for greater coordination among advanced capitalist states. Arguing that the global capitalist economy was becoming increasingly interdependent, Trilateralists rejected economic policies based on narrow national interests and pushed instead for policies that would encourage the free movement of capital, goods, and technology across national borders.<sup>42</sup> The world market could not be dominated, they maintained, but would instead need to be “managed.” This turn toward global financial management revised the U.S. national interest in Panama, as policy-makers became convinced that new international financial institutions, and in particular banks, were becoming more economically significant in the Canal Zone.

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38. Vance, *Hard Choices*, 148.

39. “Priority for Panama,” *The New York Times*, December 10, 1976, 26.

40. Robert S. Cox, “Choices for Partnership or Bloodshed in Panama,” in Center for Inter-American Relations, *The Americas in a Changing World: A Report of the Commission on US-Latin American Relations* (New York, 1975), 132–55.

41. Carter, *Keeping Faith*, 159.

42. Joseph G. Peschek, *Policy Planning Organizations: Elite Agendas and America’s Rightward Turn* (Philadelphia, 1987), 84.

Indeed, in the early 1970s, two transformations took place in international banking that had a profound effect on the Panamanian economy. First, the period between 1970 and 1973 witnessed what one scholar has called a “mini-boom in commercial banking to the Third World,” as many commercial banks began offering low-interest, long-term loans to third world governments. Second, offshore banking centers for the Eurodollar market (made up of dollars deposited in accounts outside of the United States) grew dramatically. Both transformations were evident in Panama, which in the 1970s simultaneously became indebted to U.S. banks and sought to reinvent itself as a regional banking center. By 1976, Panama owed \$356 million to U.S. banks. At the same time, beginning in 1970, Omar Torrijos created a series of extraordinarily liberal banking laws that transformed Panama into what historian Walter LaFeber later called the “Switzerland of Latin America.” The number of foreign banks in Panama rose from five in 1968 to seventy-four in 1977, and by that time the eight largest U.S. banks had operations there. A number of factors made Panama ideal for offshore services: its location, easy transportation, communications, a local currency fixed to the dollar, and relative domestic political stability. But the key was the environment created by Torrijos: “no central bank regulations, no control of the movement of capital, no bookkeeping requirements, no access to records for foreign authority, no reserve or liquidity requirement, and best of all, no taxes.”<sup>43</sup> This was part of a larger banking revolution in the 1970s in which Eurodollars began moving to offshore locations in places like the Cayman Islands, Nassau, and Panama.

The canal had been a powerful symbol of the American past, but treaty negotiators were looking to the future, and that future was in transnational banking and finance. Thus, for its supporters, the treaties signaled the creation of new investment opportunities in the global South. As a 1975 article in *The Banker* observed, “Most foreign businessmen in Panama conclude that the Canal is a non-issue for the following reason: Panama’s future is as a service centre of the western hemisphere.”<sup>44</sup> Panama’s reinvention as a site of foreign investment and banking would be harder to achieve in what one observer described as “Belfast-style surroundings”<sup>45</sup> in which American troops squared off against Panamanian nationalists. At the turn of the century, Theodore Roosevelt had used Panama to showcase the ascendancy of the United States, and in the late 1970s, Carter used it to showcase his commitment to a “moderate world order” criss-crossed by economic institutions unconstrained by national boundaries. This order was incommensurate with the presence of a garrison in the Canal Zone. If the taking of the canal symbolized an earlier manifestation of American power, then giving it up symbolized its reinvention in an era of economic globalization.

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43. See Moffett, *Limits to Victory*, 150–1.

44. Robin Pringle, “Banking in the Land of Balboa,” *The Banker*, October 1975, 1201.

45. Roger Fontaine, “Scare Talk and the Canal,” *Wall Street Journal*, August 22, 1977, page numbers unavailable, box 14, folder 6, HB Papers.

Throughout 1977 and 1978, advocates fought for the new treaties on both moral and practical grounds, crafting an argument that combined a rejection of imperialism with a sharpened conception of the U.S. national interest. The call for a new maturity in U.S. foreign policy was at once moral and tactical, reflecting a genuine attempt to grapple with the most painful lessons of the Vietnam War *and* a calculated attempt to restore power in the wake of military defeat. The treaties reflected three elements of Carter's foreign policy vision: less reliance on military force and a renewed commitment to forging relations of consent, greater attention to vital resources and the nonconventional forces that threatened U.S. access to them, and policies that would promote the spread of global financial institutions across national borders. What unified all three elements was a model of sound management that would signal a new "maturity" in foreign policy: the United States would need to replace the overt domination associated with empire with a more ostensibly benign managerial role in its dealings with weaker states; vital resources would need to be carefully managed rather than recklessly seized or squandered; and the United States would need to work with other advanced capitalist states to manage rather than control an interdependent global economy. For Carter and his foreign policy team, the new treaties represented a perfect opportunity to act on these new priorities in a tangible way that would resolve a long-standing conflict with one nation and pave the way for better relations with others. But what Carter had not anticipated was a powerful movement to stop the ratification of the treaties, led by men and women who had a very different understanding of their meaning.

#### PARALYSIS, SURRENDER, AND BLACKMAIL: THE CASE AGAINST THE PANAMA CANAL TREATIES

The campaign against the treaties, like the one for them, gained momentum in a post-Vietnam context. The campaign actually began with the formation of the American Emergency Committee on the Panama Canal in 1966, when the United States and Panama first entered treaty negotiations. But it escalated in the mid-1970s for two reasons. First, the United States and Panama were making tangible progress toward a new agreement: in 1974, Secretary of State Henry Kissinger and Panamanian Foreign Minister Juan Tack met and developed a preliminary plan. Second, conservatives were realizing that they had found an issue that struck a deep chord with voters. In 1976, for example, aspiring Republican presidential nominee Reagan discovered that voicing his opposition to the treaties elicited an impassioned response from audiences on the campaign trail.

Where supporters saw maturity in the treaties, opponents perceived the paralysis, confusion, and weakness that in their view had gripped policymakers in the wake of the Vietnam War. For them, the signing of the treaties was a cause for mourning. On the day of the signing, New Hampshire Governor Meldrum

Thompson ordered that the flags in his state be flown at half-staff.<sup>46</sup> But this sense of mourning did not mean that opponents were resigned to ratification. In the fall of 1977, twenty national conservative groups formed two umbrella organizations to coordinate antitreaty efforts: the Committee to Save the Panama Canal and the Emergency Coalition to Save the Canal.<sup>47</sup> The aim was to convince undecided senators—both conservative Democrats, many from the south and midwest, and moderate Republicans like Baker—to vote against ratification. In January 1978, Nevada Senator Paul Laxalt explained in the conservative weekly *Human Events*: “Any treaty, amended or not, which turns over operational control of a hemispheric ‘chokepoint’ like the Panama Canal must be rejected. . . . We hope to arouse the public to tell the Senate clearly and convincingly that it will not stand still for ratification of any document which gives up control of the canal.”<sup>48</sup>

In their efforts to arouse the public, opponents attacked the two linked concepts that had shaped the protreaty position: maturity and resource management. In the case of the first, opponents argued that the treaties were not symptomatic of maturity at all, but were instead part of a larger pattern of defeatism that had plagued recent foreign policy—what Illinois Representative Philip Crane, a prominent antitreaty organizer and the head of the American Conservative Union (a leading organization in the fight), described as “the cowardly retreat of a tired, toothless paper tiger.”<sup>49</sup> This perception of national retreat compelled many Americans with no direct ties to the canal to fight passionately for the U.S. right to retain it. As Illinois Senator Charles Percy reflected during the Senate hearings, “so many times back in my home state people say that this is just another example of our retreating from a position of world power.”<sup>50</sup> Senator George McGovern noted that the letters flooding his office implied that “somehow our manhood, our patriotism as a nation, was under attack in these treaties.”<sup>51</sup> Supporters had couched their arguments in the psychological language of maturity, and opponents also drew on the language of psychology, this time to portray the Carter administration as guilt-ridden, masochistic, feminized, and weak. Carter had “an odd psychological compulsion to confess to sins even where none exists,” wrote one.<sup>52</sup> Critics contrasted Carter to

46. Moffett, *Limits of Victory*, 78.

47. For a list of the organizations involved, see Michael J. Hogan, *The Panama Canal in American Politics: Domestic Advocacy and the Evolution of Policy* (Carbondale, IL, 1986), 119.

48. “Truth Squad Battles Carter on Canal Treaties,” *Human Events*, January 21, 1978, 1, 6.

49. Philip M. Crane, *Surrender in Panama: The Case Against the Treaty* (New York, 1978), 112–13.

50. *Hearings before the Senate Committee on Foreign Relations*, U.S. Senate, Part 4, Congressional and Public Witnesses, 42.

51. *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, and Events*, 163.

52. Crane, *Surrender in Panama*, 112–13; Donald Dozer, Prepared Statement, *Hearings before the Senate Committee on Foreign Relations*, U.S. Senate, Part 3, 134; Donald Dozer, “State Department Prepared to Give Away Panama Canal,” *Human Events*, August 13, 1977, 14–15.



Theodore Roosevelt, the president who in their view embodied the traits now missing in U.S. foreign policy: fortitude, bravery, and manliness. Crane quoted from Roosevelt's *The Strenuous Life*: "If we shrink from the hard contests . . . then bolder and stronger peoples will pass us by, and will win for themselves the domination of the world."<sup>53</sup> The March 1978 issue of the American Conservative Union's *Battleline* featured a cover photo of a laughing Roosevelt with the caption "Surrender the Panama Canal? Certainly You Jest, Mr. President."<sup>54</sup> While supporters saw greater restraint as the key to the restoration of national power, opponents saw a nation in the grips of a crisis of masculine authority.<sup>55</sup>

Treaty supporters had linked maturity to the country's ability to honor the sovereignty claims of a smaller nation. But opponents saw this as capitulation, what one veterans group described as "a slow motion act of strategic self-mutilation."<sup>56</sup> For opponents, the nation's survival hung in the balance. As a reader of *The National Review* wrote, "If we can't stand up to a bunch of cutthroats, a 'nation' of 1 mil. 400,000 with zero military strength, we should disband, terminate our country."<sup>57</sup> The United States was "being bluffed and bullied out of the Panama Canal," conservative commentator Patrick Buchanan added in August 1977, "by a Marxist thug who runs a national guard of a few thousand troops." "What Teddy Roosevelt acquired," he concluded, "the American government cannot even hold."<sup>58</sup> Iowa's attorney general warned that if the United States surrendered the canal to "this tiny country," "our manifest lack of purpose and courage will be obvious to the whole world and we will suffer

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53. Crane, *Surrender in Panama*, 17.

54. Cover photo, American Conservative Union, *Battleline* 12, no. 3 (March 1978).

55. Several cultural and gender historians have looked at the ways that national foreign policy crises have been ideologically and culturally constructed as crises of masculine authority and self-possession. See, for example, Gail Bederman, *Manliness and Civilization: A Cultural History of Gender and Race in the United States, 1880-1917* (Chicago, 1995); Amy Greenberg, *Manifest Manhood and the Antebellum American Empire* (Cambridge, 2005); Kristin Hoganson, *Fighting for American Manhood: How Gender Politics Provoked the Spanish-American and Philippine-American Wars* (New Haven, CT, 1998); Zaretsky, *No Direction Home*. Meanwhile, diplomatic and foreign policy historians have increasingly turned to gender as a relevant category of analysis. See, for example, Frank Costigliola, "Unceasing Pressure for Penetration: Gender, Pathology, and Emotion in George Kennan's Formation of the Cold War," *Journal of American History* (March 1997): 1309-39; Costigliola, "The Nuclear Family: Tropes of Gender and Pathology in the Western Alliance," *Diplomatic History* 21 (Spring 1997): 163-83; Michelle Mart, "Tough Guys and American Cold War Policy: Images of Israel, 1948-1960," *Diplomatic History* 20 (Summer 1996): 357-80; Emily Rosenberg, "Foreign Affairs After World War II: Connecting Sexual and International Politics," *Diplomatic History* 21 (Spring 1997): 59-70; Andrew Rotter, "Gender Relations, Foreign Relations: The U.S. and South Asia, 1947-1964," *Journal of American History* (September 1994): 518-42.

56. *Senate Debate on the Panama Canal Treaties: A Compendium of Major Statements, Documents, and Events*, 504.

57. Letter from anonymous *New Republic* reader, November 11, 1977, box 119, folder 3, William Rusher Papers, National Archives, College Park, Maryland.

58. Pat Buchanan, "US: International Shrinking Violet," *Human Events*, August 22, 1977,

great humiliation and shame. . . . It will be the first U.S. territory ever abjectly surrendered in our 200 year history.”<sup>59</sup> Over and over again, opponents linked “the surrender” of the canal to a string of recent American defeats, spanning from Korea to Vietnam to Cambodia to Laos to Taiwan. What had happened, a Houston resident asked Senate Majority Leader Robert Byrd, to American “strength, the veracity, the tenacity to fight”?<sup>60</sup>

These defeats had come about, opponents believed, because international opinion had exerted too much influence in policy-making. The proposed treaties revealed that the United States was, in the words of Governor Thompson, retreating in the “face of the hysterical howling of world opinion.”<sup>61</sup> This attack on an inherently feminized “world opinion” had not come from nowhere. By the late 1970s, Torrijos had in fact transformed the treaties into an international issue. In March 1973, the UN Security Council met in Panama City at his invitation, and over the following years, he gained the support of the United Nations, the Organization of American States, and the Conference of Non-Aligned Nations. Torrijos understood that the Vietnam War had compromised the stature of the United States, and he recognized that this created an opening for Panama to enlist international support and regain control of the canal. As he explained in 1973, “I want the moral background of the world and especially, I want the people of the United States to know how we feel about the canal. The Americans are a very decent people and when they realize what is happening here, they will feel a sense of shame, just as they did during the Vietnam War.”<sup>62</sup>

Opponents dismissed international opinion as not only irrelevant, but dangerous. One Tennessean reminded Baker that the concern with world opinion did not reflect the American mindset: “I and hordes of other tax payers don’t give a damn about what the world thinks of us as a people or a nation. World opinion doesn’t pay our bills.”<sup>63</sup> Critics accused any senators who voted in favor of the treaties of betraying the nation in favor of what Schlafly derisively called a “global view of the world.”<sup>64</sup> “Those who cast votes for ratification,” one woman warned Baker, “will prove to me that their loyalty is to the communist-controlled UN, not the US citizens and our Constitution.”<sup>65</sup> Suspicion of international organizations had been a staple of postwar conservatism, and it

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59. “Appeasement in Panama,” Richard Turner, Attorney General of Iowa, November 6, 1977, box 65, folder 33, HB Papers.

60. Letter to Robert Byrd from Arthur Fennekohl, January 17, 1978, box 65, folder 30, HB Papers.

61. Quoted in Moffett, *Limits to Victory*, 173. See also “The Conservative Caucus Member’s Report” 1, no. 3 (September 1977), from [Panama Canal Treaty] Anti-Mailings, 8/5/77–12/20/77 (CF, O/A 84), folder 143142, Jimmy Carter Library, Atlanta, Georgia.

62. William Jorden, *Panama Odyssey* (Austin, TX, 1984), 190.

63. Letter to Howard Baker from William Shirley, February 9, 1978, box 66, folder 3, HB Papers.

64. “New Canal Treaty May Be Blocked,” *Human Events*, March 19, 1977, 11.

65. Letter to Howard Baker from JA Matejka, January 14, 1978, box 65, folder 30, HB Papers.

emerged as a weapon to derail ratification. One flyer published in Tennessee issued a “warning to the public” in reference to Baker: “be on the lookout for Bakeritus . . . a form of Canal fever closely related to congenital internationalism. Symptoms are: running at the mouth, swelling of the head, loss of reason, cold feet, weakening of the spine, blurred vision, pain in the neck, delusions of grandeur, loss of intestinal fortitude, and infrequent lucid intervals. Any person infected with this disease should be retired from public office no later than November.”<sup>66</sup>

Critics associated what they called the “giveaway” of the canal with national decline on the world stage, but they also associated it with domestic social welfare programs. The giveaway, they maintained, had much in common with welfare: both represented a squandering of resources and a deviation from the will of the majority. As one constituent explained it to Baker in March 1978, “Naturally today give away is much more important. Give away in welfare [stet], give away in every way as long as it refers to minorities and it ignores the majority.”<sup>67</sup> Another called the treaties the culmination of fifty years of “Social Security, Food Stamps, Welfare, OSHA, ERA, Medicare, and government controls.”<sup>68</sup> By condemning the treaties as a “giveaway,” these critics implied that the diplomatic relationship between the United States and Panama was analogous to the domestic relationship between the state and the welfare recipient. The analogy simultaneously constructed the U.S. state as a white benefactor and Panama as an implicitly nonwhite, feminized, needy dependent. What linked both cases was that the “giveaway” was misguided and symptomatic of waning national power.

Critics maintained that the “giveaway” was also misguided because it was motivated by misplaced guilt over the original treaty. Americans had not violated Panamanian sovereignty in 1903, they insisted, but had rescued Panama from the fate of its neighbors. Antitreaty arguments made plain the implicit presumptions about U.S. expertise embedded in the managerialist position. Author Philip Crane contended that the building of the canal had transformed “an impoverished tropical backwater into a thriving commercial center.”<sup>69</sup> Without the ingenuity of American engineers and doctors, opponents surmised, Panama would have remained a “disease-ridden tropical forest,” a “tropical graveyard,” a “diseased wasteland,” and a “pestilential swamp.”<sup>70</sup> Instead, as one Pennsylvania voter wrote to Baker, the United States had transformed the region: “we

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66. Flyer published by Tennessee United Party, East Ridge Tennessee, Frank W Massey, Chairman, box 65, folder 32, HB Papers.

67. Letter to Howard Baker from N. Darascu, March 21, 1978, box 66, folder 5, HB Papers.

68. Letter to Howard Baker from Mrs. Connie Bligh, February 22, 1978, box 66, folder 3, HB Papers.

69. Crane, *Surrender in Panama*, 6.

70. See, for example, Crane, *Surrender in Panama*; Phyllis Schlafly, debate on *Firing Line*, September 6, 1977; Hanson Baldwin, “The Panama Canal: Sovereignty and Security,” from American Enterprise Institute for Public Policy Research, *A New Treaty for Panama?*, 22; The

cleaned out the mosquitoes and disease—built hospitals and schools in Panama and gave them all kinds of aid and employment. They were and are better off for us being there.”<sup>71</sup> The Panamanians were the beneficiaries of American largesse, not the victims of imperial exploitation. As Schlafly argued in November 1977, “No one in the history of the world ever got so much for such a worthless piece of real estate as Panama got out of the deal. All we received was a little piece of land 10 miles wide and 50 miles long. It was pest-ridden, mosquito-infested, and uninhabitable. But look at what Panama got out of the deal.”<sup>72</sup>

In making these claims, opponents were constructing Panama as a site of tropical primitivism, a move that placed their arguments within the very colonialist tradition they disavowed. And in describing what would become the Canal Zone as a “worthless piece of real estate,” activists like Schlafly were denying the real estate’s value to the United States in its turn-of-the-century quest for naval, geopolitical, and economic power. But her comments were also shot through with visceral rage at the notion that the United States had any imperial past at all, incredulity at the idea that Hay and Roosevelt had actually done something wrong back in 1903, and contempt for the charge that the nation had anything to atone for. The Carter administration “painted America as the villain,” Crane wrote, but we have “nothing to be ashamed of in Panama.”<sup>73</sup> According to an American Enterprise Institute essay, Panama was a “potentially prosperous little nation today almost entirely because of Uncle Sam’s munificence.”<sup>74</sup> Reagan urged constituents in a December 1977 fundraising letter, to “counter the slick propaganda campaign by Mr. Carter and the liberal Democrats who say our ownership of the canal is ‘imperialistic.’”<sup>75</sup> By rejecting the idea of empire and rehabilitating the nostalgic view that the canal was exclusively a site of American ingenuity—what one letter writer described to Baker as “our gift to the world”—treaty opponents were challenging Panama’s claim to sovereignty over it.<sup>76</sup> But they were also defending their own idealized attachment to the canal and refuting the claim that in light of the Vietnam War, Americans needed to confront the more exploitative dimensions of the past. Two supporters made this observation at the time, noting that “Behind all the specific arguments put forward against a new Panama treaty, the single most powerful argument is mostly unstated—it is the widespread feeling in the U.S. that

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Heritage Foundation, “The Canal Zone: Panama and the United States,” in *Background* (page numbers unavailable), box 119, folder 3, William Rusher Papers, National Archives.

71. Letter to Howard Baker from Daniel K. Morrow, n.d., box 65, folder 33, HB Papers.

72. *Phyllis Schlafly Report*, November, 1977, 2.

73. Crane, *Surrender in Panama*, 2, 114.

74. Baldwin, “The Panama Canal: Sovereignty and Security,” 22.

75. Letter from Ronald Reagan to supporters, December 7, 1977, box 14, folder 3, HB Papers.

76. Letter to Howard Baker from Estelle Carpenter, January 30, 1978, box 66, folder 1, HB Papers.

Americans ought not to have to worry about what people think in a country like Panama.”<sup>77</sup>

Critics also rejected the idea that a turn to resource management signaled a new maturity in foreign policy. As we have already seen, supporters contended that in light of the threats posed by terrorism and sabotage, the cost of maintaining control over the waterway was too high. But opponents argued that this logic was proof that the United States was submitting to “the extortionist threats of terrorism.”<sup>78</sup> As Representative George Hansen asked in a letter to his constituents, “Since when has the USA groveled at the feet of any small-time dictator who threatens us in this manner—who makes demands, who is trying to blackmail us?”<sup>79</sup> “Have we become so spineless, so cowardly,” asked Governor Thompson in a September 1977 speech, “that we jump when any tiny foreign power, bent upon blackmail, snaps its corrupt fingers?”<sup>80</sup> Sixty years ago, Buchanan conjectured in *Human Events*, the United States would not have responded “to hints of riots and sabotage” with negotiations. Instead, Torrijos “would have been fortunate to make it to the foothills or the jungle before his successor was sworn in—with a U.S. Marine holding the Bible.” The America of Captain Alfred Thayer Mahan, Admiral Dewey, and Roosevelt was gone now, Buchanan lamented, “replaced by the America of Jimmy Carter, Walter Mondale, and Andrew Young.” The United States had degenerated into what he called an “international shrinking violet.”<sup>81</sup>

When they advanced these charges, opponents referenced the same foreign policy crisis that had shaped the managerialist worldview: the OPEC oil embargo. But while supporters believed that the oil crisis had pointed to a need for accommodation with third world actors, opponents perceived a parallel between OPEC’s power over the oil supply and Panama’s demand for control over the canal. The proposed treaties, warned California Congressman Larry McDonald, would give Panama “an OPEC style transportation cartel.”<sup>82</sup> If the

77. Abraham Lowenthal and Milton Charleton, “The United States and Panama: Confrontation or Cooperation?” *American Enterprise Institute Defense Review*, August 1977, 11.

78. Crane, *Surrender in Panama*, 112; Letter from George Hansen to constituents, Social Documents Collection, University of Iowa, Iowa City, Iowa; Statement by Robert Bartell, Public Relations Director, Liberty Lobby, *Hearings before the Senate Committee on Foreign Relations*, U.S. Senate, Part III, 200; statement by John Schlafly, Emergency Task Force on the Panama Canal, *Hearings before the Senate Committee on Foreign Relations*, U.S. Senate, Part III, 465.

79. Letter from George Hansen to constituents, Social Documents Collection, University of Iowa.

80. Governor Meldrum Thomson, “Keep Our Canal,” speech delivered at the 59th American Legion Convention, reprinted in *The Conservative Caucus Member’s Report*, 1, no. 3 (September 1977), from [Panama Canal Treaty] Anti-Mailings, 8/5/77–12/20/77 (CF, O/A 84), folder 143142, Jimmy Carter Library.

81. Pat Buchanan, “US: International Shrinking Violet,” *Human Events*, August 27, 1977, 3.

82. Statement of Representative Larry McDonald, *Hearings before the Senate Committee on Foreign Relations*, U.S. Senate, 95th Congress, 1st Session, Part 2, 358. As one letter writer warned Howard Baker, “We are furnishing Cadillac cars for the OPEC gang and now the canal

Panamanians assumed control over the canal, critics predicted, they would increase the toll costs, just as OPEC had increased the cost of oil. It was clear, Paul Laxalt asserted, that the Panamanians viewed the waterway as “their own OPEC in miniature, their monopoly over travel from one ocean to the other.”<sup>83</sup> Despite the differences between them, treaty opponents conflated the oil embargo and the canal crisis. In both, they saw third world actors wielding power over the United States in ways that struck them as a form of blackmail.

In the process of rejecting the paradigm of resource management, opponents reasserted the primacy of the Cold War. They insisted that the U.S.-Soviet rivalry was intensifying rather than receding in the Caribbean, and they accused the Carter administration of refusing to recognize that Torrijos was a pro-Marxist dictator with ties to both Cuba and the Soviet Union. The treaties would strengthen Soviet influence, they warned, effectively transforming the Caribbean and the Gulf of Mexico into “Red Lakes.”<sup>84</sup> “Where would Washington draw the line if not at its own back door?” asked treaty critic Hanson Baldwin.<sup>85</sup> Treaty supporters retorted that Torrijos was a nationalist, not a Communist and that after the Vietnam War, policymakers should know better than to confuse the two. But as one antitreaty representative from Idaho explained in a letter to his constituents, “Torrijos was in sympathy with the Soviet Union’s goal of forced communization of the entire hemisphere.”<sup>86</sup>

In making these claims, treaty opponents were participating in a long anti-Communist tradition. But these claims took on three specific meanings in the context of the campaign. First, the insistence that the canal fight was being orchestrated by the Soviet Union effaced Panamanian nationalist aspirations. Second, it helped opponents to construct the canal “giveaway” as a mortal threat to the nation, as one that “would contribute to the encirclement of the US by hostile naval forces, and threaten our ability to survive.”<sup>87</sup> Finally, anti-Communism was a specific response to the Carter administration’s support of détente (which called for a de-escalation of tensions between the United States and the Soviet Union) and its contention that antagonisms between the two superpowers were diminishing in a world that was becoming more multipolar and interdependent. When treaty opponents interpreted the treaties through an anticommunist lens, they were advancing a frightening picture that animated the wider conservative attack against détente: that of an encroaching Soviet Union and a dangerously naïve national leader who failed to see the threat in

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gang looms over the horizon.” See Letter to HB from James Tucker, January 17, 1978, box 65, folder 30, HB Papers.

83. *Hearings before the Senate Committee on Foreign Relations*, U.S. Senate, Part 2, 202.

84. Quoted in Crane, *Surrender in Panama*, 51.

85. Baldwin, “The Panama Canal: Sovereignty and Security,” 16–17.

86. Letter from Idaho representative George Hansen to constituents, n.d., Social Documents Collection, University of Iowa.

87. From [Panama Canal Treaty] Anti-Mailings, 8/5/77–12/20/77 (CF, O/A 84), folder 143142, Jimmy Carter Library.

front of him. They were reasserting the primacy of the Cold War paradigm at the precise moment that Carter was attempting to move beyond it.

The final dimension of Carter's vision of the treaties—global finance—also animated the antitreaty campaign. Editorials in *Human Events* and the *Phyllis Schlafly Report* insisted that the treaties had been orchestrated by U.S. commercial banks that had made loans to the Panamanian government and wanted a return on their investments. If the United States gave control of the canal back to Panama, according to this theory, the Torrijos regime would receive a greater share of canal revenue, the ailing Panamanian economy would be revived, and U.S. banks would see their loans repaid. Schlafly took the lead with this argument, repeatedly raising the same question: *Cui Bono?*<sup>88</sup> Her answer was East Coast establishment bankers who put profit above patriotism and prioritized their financial interests over those of the nation. In an argument that contradicted the association of Torrijos with communism, Crane contended that it was not “Moscow or Havana that is keeping the bankrupt Panamanian government afloat, it’s the New York banking community . . . the Torrijos revolution in Panama is being underwritten by American capitalists.”<sup>89</sup> “Is it beyond reason,” asked Senator Helms, “that the members of the banking fraternity involved in Panama are looking to the proposed surrender of US sovereignty and territory in the Canal Zone as a way of propping up the Torrijos regime and providing increased revenue to his government? Is it not fair to ask whether the short range interests of those financial institutions might not be subordinated to the long term interests of the United States?”<sup>90</sup> Tennessee voters elaborated on the theory in their letters. Torrijos was “an unreliable terrorist unregenerate whose interest is to pay off his indebtedness to New York bankers,” speculated one writer to Baker. “Let the New York bankers retrieve their loans some other way,” demanded another.<sup>91</sup> As three activists explained to the party leadership, the treaties were “nothing more than a sop to big banks who have subsidized the Panamanian government.”<sup>92</sup>

Like the attacks on communism and internationalism, attacks on “the Eastern establishment” and “international bankers” were not new. Vilification of bankers had shaped American populism in the late nineteenth century as well as the worldview of conservative leaders like Schlafly. But the suspicion of bankers took on added meaning at a time when the Carter administration was placing

88. See *Firing Line* debate between William Buckley and Phyllis Schlafly, September 6, 1977.

89. Crane, *Surrender in Panama*, 66.

90. Jesse Helms, *Congressional Record*, quoted in advertisement that appeared in *The Wall Street Journal*, November 20, 1973, page numbers unavailable. Photocopy located in box 119, folder 3, William Rusher Papers, National Archives.

91. Letter to Howard Baker from Ruth Patrick, January 27, 1976, box 65, folder 31, HB Papers; Letter to Howard Baker from Nancy Kerr, February 1, 1978, box 65, folder 31, HB Papers.

92. Letter from John P. East, Richard Shelby, and Dennis Dunn to Republican leaders, n.d., box 66, folder 8, HB Papers.



what it called “global economic interdependence” at the center of policymaking. As one angry Pennsylvanian saw it, “the trilateral group,” David Rockefeller, and the “big bankers” were “promoting this giveaway to save their skins and get us just one more step toward a one world government where a few chosen people will control the whole world.”<sup>93</sup> Paul Laxalt echoed this theory, describing a “strange coalition” made up of Carter, liberals, and international bankers who were giving away the canal “for reasons known only to them.”<sup>94</sup>

This theory of a bankers’ conspiracy was significant, more for what it revealed about the conservative movement than for what it revealed about international banking. While multinational banks certainly endorsed the treaties, they played a relatively minor lobbying role throughout the debate.<sup>95</sup> But the theory exposed fissures among conservatives. Some angry voters drew on it to distinguish themselves from moderate Republicans. When Baker declared his intention to vote for the treaties, for example, voters charged him with allying himself with bankers at the expense of his constituency. “Perhaps New York bankers will happily finance your campaign,” wrote one angry woman, “once you help them to recover their shaky loans to Panama.”<sup>96</sup> Meanwhile, some traditional conservatives rejected the theory altogether. In a televised debate with Schlafly that aired in September 1977, William Buckley, one of the most outspoken supporters of the treaties, ridiculed the notion of a “bankers’ conspiracy.” The relatively modest loan sums made the scenario implausible, he

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93. Letter to Howard Baker from Daniel Morrow, n.d., box 65, folder 33, HB Papers.

94. “The Panama Canal: An American Triumph—or an American Defeat?” an open letter from Paul Laxalt, advertisement in the San Diego Union, October 21, 1977, from [Panama Canal Treaty] Anti-Mailings, 8/5/77–12/20/77 (CF, O/A 84), folder 143142, Jimmy Carter Library. For the significance of conspiracy theory on the political right, see Richard Hofstadter, *The Paranoid Style in American Politics and Other Essays* (New York, 1965).

95. Here, I am persuaded by George Moffett’s argument in *Limits of Victory*, 145–47. While Moffett argues that an “abundance of circumstantial evidence lent plausibility to the notion of active corporate involvement in the ratification campaign,” he ultimately concludes “U.S. businesses never did play a major role, either in the formulation or in the ratification of the new Panama policy. Throughout the ratification debate the companies remained politically passive, even in the face of serious prospects that the Senate might reject the treaties.” He does simultaneously point out that what he calls the “moral support” of the business community indirectly helped the administration, particularly in that it legitimized “the case for ratification among an important group of moderate Republicans.” My own research supports the idea that the Carter administration saw multinationals as playing a particularly important role in this regard. For example, one internal administration memorandum on treaty-related activities reads: “The multinational corporations will be very important in the ratification campaign. They are very likely to be our closest allies in the business community.” Memo from Joe Aragon to Hamilton Jordan, August 23, 1977, From Panama Canal Treaty Strategy, 6/17/77–5/24/78 [CF, O/A, 193], folder 721001, Jimmy Carter Library.

96. Letter from Mary Connor to Howard Baker, January 27, 1978, box 65, folder 30, HB Papers. There were figures in the United States, warned another letter writer, who were connected to “indiscreet banks” and were forfeiting “strategic, defensive property to save their traitorous hides.” “Shall it be the banks and a greatly weakened United States,” asked the anonymous writer, “or the United States, first, and some poorly managed banks second?” Anonymous note, box 65, folder 30, HB Papers.

insisted.<sup>97</sup> Readers of *The National Review*, the magazine founded by Buckley in 1955, responded with dismay. “Conservatives and libertarians worry about the mountainous debt in our banking system,” explained an Ohio doctor, “and we can’t help but feel that much of our foreign policy today is being influenced by the banking interests.” “Since Panama’s debts are part of this bad debt structure,” he continued, “you must realize that many people suspect another political rip off here at the taxpayers’ expense. The danger to Bill Buckley and indirectly to the *National Review* is that you lose credibility by siding with the Wall Street interests.” Another letter writer was convinced after watching Buckley’s 1978 televised debate with Reagan that he was “working for the purposes of the Council on Foreign Relations as well as the Rockefeller group of banks and financial institutions, which have loaned Panama so much money.”<sup>98</sup> The only way that this *National Review* reader could make sense of Buckley’s support of the treaties was by seeing him as a collaborator with Wall Street.

This divide among conservatives over the bankers’ conspiracy theory reflected an ideological impasse within the Republican party.<sup>99</sup> Some Republican moderates agreed with Carter that the creation of new economic investments in the global south required a revised conception of U.S. hegemony, and they were loath to attack bankers and financiers. These moderates included treaty supporters like Baker, James Pearson (Kansas), Clifford Case (New Jersey), Percy (Illinois), and Edward Brooke (Massachusetts). The activists who spearheaded the antitreaty campaign, on the other hand, remained wedded to a model of U.S. power that relied on direct control over physical territory and were suspicious of what they called “moneyed interests.” As Clymer has shown, these activists would go on to transform the Republican party and move it rightward in the years ahead, as antitreaty conservatives defeated moderate Republicans in several primary races in 1978 and 1980.<sup>100</sup>

Throughout 1977 and early 1978, activists fought hard to stop ratification of the Panama Canal treaties. In their speeches, opinion pieces, and letters, conservative men and women from throughout the country contended that the

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97. Buckley expressed his support of the treaties in the *National Review*, as well as in two televised debates with Phyllis Schlafly and Ronald Reagan. See LaFeber, *Panama Canal*, 172. The other prominent conservative who supported the treaties was John Wayne.

98. Letter to William Rusher from Philip W. Smith, Marion, Ohio, December 27, 1977, box 119, folder 3, William Rusher Papers, National Archives; letter from Alfred Graven to William Rusher, January 26, 1978, box 119, folder 3, William Rusher Papers, National Archives.

99. This tension between the Republican party and antitreaty conservatives was reflected in a December 1977 dispute between antitreaty activists and the Republican National Committee (RNC). Activists asked the RNC for \$50,000 in party funds to support organizing efforts. GOP chairman Bill Brock rejected the request on the grounds that the RNC could not commit funds to specific issues but rather needed to focus on aiding Republican candidates running for office. Treaty opponents such as Ronald Reagan and Paul Laxalt were angered by the decision. See “Brock Refusal to Fund Anti-Treaty Bid Angers Conservatives,” *Washington Post*, December 20, 1977, A2.

100. Clymer, *Drawing the Line at the Big Ditch*, 210.

treaties were part of a larger “pattern of surrender” that had dominated U.S. foreign policy since the end of the Vietnam War. In their efforts to derail ratification, opponents attacked the three interrelated concepts that shaped Carter’s ratification campaign: maturity, resource management, and global finance. Where supporters saw a new “maturity” in post-Vietnam foreign policy, opponents saw a descent into masochism and a retreat from masculine authority. While supporters called for “resource management” in a multipolar world, opponents argued that the United States had fallen prey to extortion. And while supporters contended that the future of the national interest in Panama would be tied to international finance, opponents accused them of protecting bankers at the expense of the nation. Both the reach and the passion of the opposition campaign reveal the extent to which New Right activists were angered and troubled by the Carter administration’s vision of a post-Cold War, multipolar, resource-centered world. The canal became a locus for their anger.

#### PYRRHIC VICTORY: THE RATIFICATION OF THE TREATIES

The two treaties were ratified in the Senate by narrow margins in March and April 1978.<sup>101</sup> Historians have contended that ratification constituted a Pyrrhic victory for the Carter administration. Carter had hoped that the ratification of the treaties would shore up his political capital, but the opposite occurred: because of the tenacity of the opposition, the treaty fight proved to be long, brutal, and costly. The political capital expended during the fight set the stage for future defeats rather than triumphs for Carter. But the victory proved Pyrrhic in other ways. Although the antitreaty campaign failed to halt ratification, it represented a victory for New Right groups, who were able to forge alliances, expand membership, and hone tactics. Activists recognized that because it tapped into deep concerns about the world position of the United States after Vietnam, the canal issue could have a catalyzing effect on the conservative movement and augment its influence within the Republican party. As American Conservative Union leader Gary Jarmin explained, “It’s not just the issue itself we’re fighting for. This is an excellent opportunity for conservatives to seize control of the Republican Party.”<sup>102</sup> Looking back, movement leaders saw the treaty fight as a moment when the New Right came of age. Richard Viguerie recalled that the campaign gained the movement converts around the country, added over 400,000 names to conservative mailing lists, and encouraged new leaders to run for office. “The New Right came out of the Panama Canal fight with no casualties, not even a scar,” Viguerie later

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101. The Senate votes on both the Neutrality Treaty and the Panama Canal Treaty passed by the same margins. Sixty-eight senators (fifty-two Democrats and sixteen Republicans) voted in favor of the treaties, and thirty-two senators (ten Democrats and twenty-two Republicans) voted against them. For a complete breakdown of the Senate vote, see Moffett, *The Limits of Victory*, 215–16.

102. Quoted in Carter, *Keeping Faith*, 165.

remembered, “We developed a great deal of confidence in ourselves, and our opponents became weaker.”<sup>103</sup> Activists like Viguerie believed that although they had lost the battle, the stage had been set for them to win the war.

This belief stemmed in part from a strategy consciously cultivated after the campaign that could be called a “politics of revenge.” Antitreaty activists had fought against the treaties, but no less important, they fought to remove moderate politicians who supported them from office. The Panama Canal giveaway, leaders believed, created a map that conservatives could take with them into the voting booth. As Viguerie explained, conservatives “can go the polls, looking for a person’s name on the ballot who favored these treaties, and vote against him.”<sup>104</sup> This strategy resonated powerfully with voters. As one woman wrote to Baker, “I think it is only fair of me to tell you now that there are groups of us across this entire country who do not plan to let this matter die, instead we plan to obtain the record of every Senator’s vote on this and we will not only withhold contributions but will actively work through correspondence on our own with those in other states to defeat any one who votes for it and that includes Gerald Ford and Jimmy Carter if and when either of them runs for office again as this cuts across all party lines.”<sup>105</sup> This meant that the treaty fight endured after ratification. On the day after the first ratification vote, Utah Senator Jake Garn appeared at the Conservative Political Action Conference in Washington, DC, and declared that senators who had not opposed the treaties should be threatened with “political extinction.”<sup>106</sup> The tactic worked. In 1978, seven protreaty senators went down in defeat, and two years later, eleven protreaty senators, along with President Carter, were voted out of office. Meanwhile, by the time he ran for president in 1980, Reagan was no longer talking about the Panama Canal on the campaign trail as he had in 1976. But by that time he no longer had to. Reagan drew on the rhetoric of a “pattern of surrender”—honed throughout the treaty fight—to indict the Carter administration for everything from the Iranian hostage crisis to the Soviet invasion of Afghanistan, from the economic recession to the energy crisis. It was this indictment that, coupled with his optimism about the nation’s future, sealed his victory.

There was one final way that the ratification of the treaties constituted a Pyrrhic victory. As the treaty debate wore on, the opportunity to critically reexamine the history of U.S. foreign policy was lost. This was because the antitreaty campaign revised the terms of the debate in ways that affirmed rather than undermined the right of the United States to use unilateral force. This revision hinged on the question initially raised by protreaty supporters: the question of access. Access required that the neutrality of the waterway be

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103. Craig Allen Smith, “Leadership, Orientation, and Rhetorical Vision: Jimmy Carter, The ‘New Right,’ and the Panama Canal,” *Presidential Studies Quarterly*, 16, no. 2 (1986): 317–28. Quote appears on page 318.

104. Carter, *Keeping Faith*, 164–65.

105. Letter to Howard Baker from Dorothy Durst, n.d., box 66, folder 1, HB Papers.

106. Jorden, *Panama Odyssey*, 559.

preserved once Panama assumed control over it. In mid-October, Carter and Torrijos signed a statement of understanding indicating that, while the United States did not have the right to intervene in the internal affairs of Panama, it would always have the right to defend the canal against any threat to its neutrality. This right was elaborated in a provision introduced by Senate Minority Leader Baker and Majority Leader Byrd that was incorporated into the neutrality treaty in January 1978. The provision granted the United States a permanent right to intervene in Panama if the canal's neutrality were at stake. In March 1978, on the eve of the Senate's vote for the Neutrality Treaty, Democratic Senator Dennis DeConcini (Arizona) made the requirement still more explicit: he introduced a condition that stipulated that should the canal be closed for any reason after the year 2000 (when Panama would resume control over it), the United States could take unilateral action "including the use of military force in Panama to reopen the Canal." The DeConcini condition passed the Senate by a vote of seventy-five to twenty-three.<sup>107</sup>

Ultimately, it was these repeated assurances of access—through military means, if necessary—that compelled undecided senators like Baker to support the treaties.<sup>108</sup> As Baker later recalled, "the unchallengeable legal right to defend the canal and keep it open even after the year 2000 and after our troops were withdrawn had to be clearly and expressly stated in the words of the treaty."<sup>109</sup> This was the *sine qua non* of the U.S. position vis-à-vis Panama, explained Vance: "a permanent unilateral American right to maintain the neutrality of the waterway, with military force if necessary, after the treaty expired."<sup>110</sup>

Thus, between September 1977 and April 1978, earlier discussions of historical injustice gave way to the near unrelenting reiteration of American intervention rights. The effort to assuage public concerns about the treaty led to what international law professor Richard Falk called "excessive clarification of American rights to intervene in Panama."<sup>111</sup> As Baker explained it, "By ratification of these treaties we have provided a legal framework wherein we can use the Canal in cooperation with Panama if possible, but defend and use the Canal despite Panama if necessary."<sup>112</sup> This maneuver was not lost on Panamanian leaders at the time. Torrijos himself observed that the neutrality treaty effectively placed Panama "under the umbrella of the Pentagon," and exiled Panamanian Miguel Antonio Bernal indicted the treaty as "the most aberrant, disgraceful, and unacceptable type of perpetuity, as a stigma that this generation and the future

107. La Feber, *The Panama Canal*, 178–79.

108. Memo to Howard Baker from William Rogers and Paul Besozzi, December 5, 1977, box 14, folder 2, HB Papers.

109. "Senator Baker and the Panama Canal," n.d., box 14, folder 3, HB Papers.

110. Cyrus Vance, *Hard Choices*, 144.

111. Statement of Richard A. Falk, *Hearings before the Committee on Foreign Relations*, U.S. Senate, 95th Congress, 1st Session, January 19, 1978, 59–74. The quote itself appears on page 59.

112. "Senator Baker and the Panama Canal," n.d., Box 14, folder 3, HB Papers.

ones will be forced to bear, for it legalizes the American presence on our soil."<sup>113</sup> Over the six-month debate, the insistent emphasis on U.S. unilateralism meant that earlier critiques of U.S. imperialism gradually fell from view and were instead replaced with the reassurance—reiterated over and over again—that a more restrained foreign policy would not, when push came to shove, preclude the unrestrained exercise of U.S. military might.

Scholars have recognized that the fight to defeat the Panama Canal treaties was a turning point in the history of the New Right. But by analyzing the arguments of both supporters and opponents, this article has shown that the fight crystallized a wider struggle between two divergent articulations of American power after Vietnam. For supporters, the treaties were about more than simply improving relations with Panama; they embodied a new self-understanding among policymakers who were convinced that a model of sound management held the key to the restoration of U.S. hegemony in a multipolar world. Antitreaty activists responded by formulating their own worldview, one that resonated with many Americans in the wake of military defeat. According to this worldview, the United States was engaged in a dangerous pattern of surrender. By taking aim at the treaties, activists were able to do several things at once: dismiss the call for resource management, reassert the primacy of the Cold War, and prioritize territorial nationalism over the globalization of American capital. No less than direct mail campaigns and expanding membership roles, it was the cultivation of this worldview—at once frightening, compelling, and galvanizing—that amounted to a victory for the New Right, even in the midst of ostensible defeat.

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113. Torrijos quote comes from page 62 of the Statement of Richard A. Falk, *Hearings before the Committee on Foreign Relations*, U.S. Senate, 95th Congress, 1st Session, January 19, 1978, 59–74; Bernal is quoted in Richard Falk, "Panama Treaty Trap," *Foreign Policy* no. 30 (Spring 1978): 72.

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