

**The US Invasion of Panama, 1989:**

**US Interests in Panama, Noriega, and Operation Just Cause**

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**HILA118: Subverting Sovereignty: US Aggression in Latin America, 1898–Present**

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Of all the Latin American informants the United States has procured, none were more cunning and influential to manipulate US intelligence agencies and presidents alike as Manuel Noriega. The once symbiotic relationship between these two characters would be quickly tangled in corruption and extortion. Through Operation Just Cause, the neo-imperialistic United States sought to end the dictatorship of its once covert ally Manuel Noriega to support the democratically elected politician, Guillermo Endara. In this paper, I will argue that although this invasion was a rare case in which the United States is not itself subverting democracy and freedom in Latin-America and instead choosing to fight against military dictatorships, this outcome did not come without the suppression and exploitation of the citizens of Panama at the hands of the US. Political and economic motives also influenced the United States to act on behalf of its territorial holdings; it was not simply an invasion to restore the autonomy and democracy of Panama.

This paper will introduce a brief history of US activity in Panama in the early 20th century, followed by a brief timeline of Manuel Noriega's life and his first encounters with US intelligence agencies. Next, we discuss the dynamic changes in the relationship between Noriega and the US government during his rise to the rank of general of the National Guard, the constant controversies the US swept under the rug so as to not expose themselves of their clandestine activities, and the suppression of the 1989 Panama elections which ultimately led to the invasion. Finally, we discuss the aftermath of Operation Just Cause, the popular opinion of the Panamanian people returning to a democratic lifestyle in a post-Cold War era, and connect this incident with previous accounts of US invasion or interference in Latin American countries<sup>1</sup>.

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<sup>1</sup> This paper heavily cites the work of Frederick Kempe and Peter Eisner. Footnotes relating to readings discussed in class will be highlighted in blue. Although analyses appear in each section, the main analytical section will be in the section titled "Aftermath."

## US Looks to Panama: A Brief History

US interest in Panama dates back to the 1850s with the construction of the Panama Railroad. Fifty years later, the US would look again to Panama to acquire land rights to resume construction of a canal, after French investors defaulted on the project. A canal that went across Nicaragua was planned due to the closer proximity to the US, but the idea fell out of favor due to complications in the proposed route.<sup>2</sup> At this time, Panama was still a province of Colombia, but brewing independence movements and the US interest in building a canal led to Panama's separation of Colombia in 1903. One year later, the construction of the canal was underway, and on August 15, 1914, the canal was completed.

Fast forward to the 1960s, we see that the United States has maintained firm control over the Panama Canal zone not just to protect the canal for global mercantile operations, but to protect their own economic interests as well.<sup>3</sup> The Panamanians, however, felt that they have been swindled. The canal brought about mass fortunes and economic growth to the canal zone, while the rest of the populace remained, on average, in extremely poor conditions.<sup>4</sup> Talks between the US and Panama often occurred to renegotiate the deal, but to no avail. The 1964 massacre of Panamanian student protesters in the canal zone further strengthened anti-colonial sentiment.

The growing public opinion on anti-imperialism in Panama that was influenced by continuous US oppression near the canal zone broke most diplomatic relations with the US. It was not until 1973 that renegotiations for the canal occurred. On September 7, 1977, President

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<sup>2</sup> Schoultz, Lars. *Beneath the United States: a history of US policy toward Latin America*. Harvard University Press, 1998. ch.8 p.135

<sup>3</sup> Ronald Reagan, *The Fear of Communism in Central America* (May 1984)

<sup>4</sup> Priestley, George. *Military government and popular participation in Panama: The Torrijos regime, 1968-1975*. Routledge, 2019. ch.1 p.10

Jimmy Carter and popular military dictator Omar Torrijos would sign a treaty that would relinquish the Panama Canal after 1999, removing US control of the zone for nearly a century.<sup>5</sup>

### **Manuel Noriega's Relations with the US**

In 1962, Noriega met Omar Torrijos, a National Guard officer on CIA payroll. Their task was to monitor and provide information on communist influence in Panamanian plantation workers. The owners of the plantation, the United Fruit Company, much like in Guatemala, had the wealth to influence national and foreign political powers for their personal benefit.

Thanks to the success of Manuel Noriega's intelligence gathering, the US offered him continued education at military training academies. He studied counterintelligence and psychological warfare courses at the School of the Americas, a school which also served many other Latin American military personnel who would become successful in their country's military ranks, and often were the perpetrators of numerous human rights violations.<sup>6</sup> Noriega was now officially on the CIA payroll.<sup>7</sup>

It was in 1970 when things started to take a negative path, and the relationship between US intelligence and the Torrijos regime started to grow cloudy. Richard Nixon, recently elected and still on his first term, ran on the political campaign promise to fight the War on Drugs and to fend off communism. Torrijos was advancing the government toward a more left-leaning stance, naming known communists into his cabinet, and providing a direct link with Cuba. Simultaneously, the growing opium trade from Turkey saw Noriega organizing the drug trade

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<sup>5</sup> Priestley, George. *Military government and popular participation in Panama: The Torrijos regime, 1968-1975*. Routledge, 2019. ch.7 p.120

<sup>6</sup> Lesley Gill, *The School of the Americas*, Chapter 3, "Foot Soldiers of the US Empire"

<sup>7</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "A Spy is Born" (1990). ch.4

that the United State's drug world demanded. Panama fit the bill as an enemy to the Nixon Administration.<sup>8</sup>

As for why the United States did not apprehend the known criminals in the Panamanian government, there were two primary reasons. The first was that the US feared that any action taken against Torrijos' government would result in the abrupt termination of canal renegotiation talks and the nationalization of the Panama Canal zone by force. The second reason was due to the current domestic scandals in the Nixon administration, such as corruption in the DEA and the Watergate scandal.<sup>9</sup>

Additionally, the CIA was aware that Noriega was working with Cuban intelligence groups. The Carter administration dealt with the PR disaster that was brewing from a decade of the Torrijos regime. But due to the nature of having an alleged drug trafficker on CIA payroll, Noriega's copious evidence of US officer corruption (also known as the Singing Sergeants Affair), and the wiretapping of Torrijos' home and offices, the charges were underplayed.<sup>10</sup>

Continuing on the subject of playing both sides, Manuel Noriega was suspected of aiding Nicaraguan resistance movement FSLN, the Sandinista guerillas attempting to overthrow the military dictatorship of Anastasio Somoza, through arms smuggling. The United States was against the Sandinistas and chose to indict Noriega on the charges of weapons smuggling, but the plan was quickly snuffed out. Noriega in turn provided to the US critical intelligence about the Sandinistas numbers, equipment, travel logs, and a few Panamanians who were supplying the weapons. Torrijos would also come to find out that Panamanian weapons shipments were being sent to El Salvador's FMLN guerillas despite his own promises to Jimmy Carter that aid would

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<sup>8</sup> Noriega, Manuel Antonio, and Peter Eisner. *America's Prisoner: The Memoirs of Manuel Noriega*. Random House (NY), 1997. ch.4

<sup>9</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "The Not-So-Loyal Servant" (1990). ch.5

<sup>10</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "The Noriega Underworld" (1990). ch.6

temporarily cease. Reports linked Noriega to the transactions. He was an asset too entrenched in US clandestine affairs to remove without exposing the illicit activities of both the US and Panamanian intelligence agencies.<sup>11</sup>

After the death of Torrijos in 1981, Ruben Dario Paredes would assume the role of military leader, with Noriega as his second-in-command. In 1983 Paredes would soon realize that Noriega would be too much to control. After preemptively naming him General of the National Guard, Noriega gained popular support of the military. On August 12, Paredes stepped down in order to run for president, in which he assumed Noriega would endorse him. As president, Paredes would have weakened the power of the National Guard and transferred military power over to the presidency and to the people. Paredes, unfortunately, did not receive the endorsement from Noriega, and his popularity soon withered away. On that same day, Noriega would assume the title of ruler of Panama.<sup>12</sup>

### **Prelude to Invasion.**

Torrijos' Goals for Panama were to nationalize the canal zone, Paredes' goals were to transfer power to the presidency to promote democracy, while Noriega's motives were purely for personal gain. He continued to play the part of double agent, providing support for the Nicaraguan Sandinistas to appease Cuba while also abetting the Israeli-US funded Contras through landing strips and weapons shipments. He gained a valuable connection to Colombian drug networks while also being a DEA informant. Although the US did not dare expose Noriega's dealings, another Panamanian, Hugo Spadafora, would.

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<sup>11</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "The Carter Coverup" (1990). ch.7

<sup>12</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "The Arrogance of Power" (1990). ch.8

Spadafora was the most outspoken anti-Noriega activist. He would be the first person to publicly allege that Noriega engaged in drug trafficking. On September 1985, Spadafora would be detained by PDF soldiers and murdered. Noriega would deny any involvement in the murder. This would mark the beginning of US doubts against Noriega's net usefulness.<sup>13</sup>

In 1984, Noriega and colonel Roberto Diaz Herrera would oversee the election fraud that brought Nicolas Barletta into the presidency. Barletta's biggest blunder would be to create an independent commission to look into Spadafora's murder. Had the commission been successful, it would have proven Noriega's connection to Spadafora's death. Noriega and Diaz Herrera forced Barletta to resign in 1985. Although the US saw this as an aggressive act against democracy, the US decided to not press further as the election was a fraud in the first place, as well as Noriega's continued intelligence reports on Nicaragua for the Reagan Administration.<sup>14</sup>

But now the pressure was rising for the US to act against Noriega. Journalist reports alleged that Noriega and the Panamanian government were involved in money laundering schemes, illicit rug trafficking, and arms shipping to Nicaraguan guerillas.<sup>15</sup> News of the Iran-Contra affair also prevented the Reagan Administration from shying away from the controversies in Panama, as Noriega's closest US allies were either resigning, passed away, or waning their influence for him.<sup>16</sup>

The final nails in the coffin of the US-Noriega relationships were in 1989. Elections were underway, and Noriega's endorsed candidate Carlos Duque would be his predicted winner. Despite the copious amount of election rigging and voter fraud Noriega could purchase, his

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<sup>13</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "The Spadafora Killing" (1990). ch.9

<sup>14</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "The Barletta Ouster" (1990). ch.10

<sup>15</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "Noriega and the Contras" (1990). ch.11

<sup>16</sup> Naomi Klein, Shock Doctrine, Ch 2-5 "The Other Doctor Shock", p.136

candidate fell short of the vote, and lost by a wide margin against Guillermo Endara, candidate of the Panameñista Party and widely influenced by Arnulfo Arias, previous president of Panama.

Noriega would nullify the results of the election and a scuffle against the projected winners and Noriega's Dignity Battalion would result in further violence. This violent altercation was televised internationally, and the entire world knew of the brutality of the Panamanian General.<sup>17</sup>

Major Moises Giroldi, with the help of his wife Adela and her connections to the CIA, had planned a coup against Noriega with the assistance of the US military. On October 3, the coup attempt would be underway. The attempt failed after the capture of Noriega, but with the lack of assistance from the US and no way of extraditing him, the coup perpetrators surrendered to Noriega's loyalist troops as they reclaimed power. On the same day, the President Bush denied any involvement in the coup, but after it was revealed that US aid was offered, they quickly started to cover up their tracks. Noriega would later reclaim all military power for himself, declaring himself the "Maximum Leader of the National Liberation."<sup>18</sup>

### **Operation Just Cause**

Panamanian Intelligence had notified Noriega that a planned coup attempt would be initiated on December 16, 1989, the anniversary of Omar Torrijos' return to Panama known as Loyalty Day. Noriega and the general assembly would declare on the 15<sup>th</sup> a state of war between them and the United States.

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<sup>17</sup> Noriega, Manuel Antonio, and Peter Eisner. *America's Prisoner: The Memoirs of Manuel Noriega*. Random House (NY), 1997. ch.10

<sup>18</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "Unfinished Business" (1990). ch.21



On that same night, a vehicle occupied by four US military personnel was stopped at a PDF checkpoint. As soon as the vehicle drove away, soldiers of the PDF began to open fire on the vehicle, striking two of them and mortally wounding one lieutenant Robert Paz, killing him on their way to a hospital. This would be the breaking point for the US Government and President Bush. The next day Bush would commence Operation Just Cause, with a planned military invasion on the 20<sup>th</sup>.

The assault on Panama would start with the occupation of key transportation zones. Airports were captured, aircraft and gunboats were destroyed, all in an attempt to constrict Noriega and the PDF's movements. President-elect Guillermo Endara was sworn in on the night before the invasion.<sup>19</sup> On December 24, Noriega managed to evade the military forces hunting him down and found refuge in the Vatican embassy in Panama. For the next 11 days, The US engaged in psychological warfare tactics. Helicopters roared around the embassy and loud rock music played throughout the day. Protesters against the Vatican and anti-Noriega chants reverberated the walls of the embassy. Convinced by the nuncio's suggestions, on January 3, 1990, Manuel Noriega surrendered to the US military and was flown to Miami.<sup>20</sup>

## **Aftermath**

The US invasion of Panama succeeded in its primary mission: to oust General Manuel Noriega and to reinstate the results of the 1989 election. This US victory ultimately came at the expense of the Panamanians. Previous attempts at ousting Noriega, had the US better supported the causes, could have saved them hundreds of millions in damages and reduced the overall casualties of the Noriega regime. Although 25 US citizens were killed in the invasion, over one

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<sup>19</sup> Dinges, John. *Our Man in Panama: The Shrewd Rise and Brutal Fall of Manuel Noriega*. Open Road Media, 2023. p.180

<sup>20</sup> Kempe, Frederick. "Divorcing the dictator: America's bungled affair with Noriega." "Noriega and the Nuncio" (1990). ch.22

thousand Panamanians were killed, and over 20,000 people had lost their jobs, their homes, and way of life. Over \$1.5 billion in damages to homes, businesses, and civic structures, much of which would go unrepaired. A US Aid bill was signed by Bush that same year, but most of the money would go to US-controlled banks to pay off debts. Most Panamanians impacted by the devastation and destruction war brings with it would not see any form of US aid.<sup>21</sup>

Initial responses to the invasion were favorable by some Panamanians, who were convinced by the US that the invasion and Noriega's removal would bring about economic reforms and eventual growth. The end-result of the invasion would prove to Panama that US neo-imperialism does not discriminate against enemy and civilian casualties.

Operation Just Cause was not as quick of an invasion as Noriega would make it. The plan called for an invasion of Panama, not forced occupation of the land, as they were there to reinstate democracy, not suppress it with a military regime. Yet the US military presence in Panama would continue to terrorize noncombatants and families until the final withdrawal.<sup>22</sup>

This operation marks one of the many and often ill-reputed invasions perpetrated by the US in connection with the CIA. What is unique about this invasion is one of its features is often regarded in stark contrast to the United States' previous invasions. Below we discuss three separate but similar plans of that feature: the removal of a stable political power in favor of a military dictatorship that favored US policy.

The first invasion to discuss was the overthrow of democratically elected president of Guatemala Jacobo Arbenz in 1954. The actions were dual-purposed. First was the removal of

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<sup>21</sup> Independent Commission of Inquiry on the US Invasion of Panama. The US invasion of Panama: the truth behind Operation 'Just Cause'. South End Press, 1991. p.60

<sup>22</sup> Independent Commission of Inquiry on the US Invasion of Panama. The US invasion of Panama: the truth behind Operation 'Just Cause'. South End Press, 1991. p.65-69

communist influence in Latin American governments. It was highly speculated but not confirmed yet that Arbenz had communist influence in his political cabinet. Arevalo was a self-proclaimed “anti-communist,” opting for the more popular title of “social capitalist.” However, the rumors were legitimized when Arbenz legalized the *Partido Guatemalteco Del Trabajo*, and he was then branded as a communist.<sup>23</sup>

The second, and one that leans towards the true nature of the invasion, was a plea from Guatemala’s largest foreign landholder, the United Fruit Company. Arbenz’s national policies sought to redistribute unused and idle land from the largest landholders to Guatemala’s peasant farmers to provide them basic resources to help self-sustainability; United Fruit would be one of the companies to sustain the biggest losses, but they would not leave empty-handed. The government of Guatemala was willing to compensate UFCO for the value of land expropriated from them, at a price determined on the value of the land in UFCO’s filed taxes. It would come as a surprise to United Fruit that their compensation would be so low, as they had previously lied in their tax forms to undervalue their land holdings to pay less taxes. And so, they lobbied in congress, influenced President Eisenhower through John Foster Dulles, UFCOS previous lawyer and representative, to greenlight the overthrow of Guatemala, to be led by Military opposition leader Carlos Castillo Armas.<sup>24</sup>

A nearly identical approach was implemented by the US government in Cuba in the early 1960’s, with strikingly differing results. As with Guatemala, the invasion was multifaceted: The removal of communist presence in Cuba against a leader who was not explicitly communist (Castro initially identified as “anti-imperialist and social nationalist”), as well as the pleas of

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<sup>23</sup> Piero Gleijeses, “The Agrarian Reform of Jacobo Arbenz,” *Journal of Latin American Studies*, Vol. 21, No. 3 (Oct 1989), pp. 453-480.

<sup>24</sup> Cindy Forester, “The Macondo of Guatemala”: Banana Workers and National Revolutions in Tiquisate, 1944-1954” in *Banana Wars: Power, Production, and History in the Americas*, edited by Steve Striffler and Mark Moberg (Durham: Duke University Press, 2003), 191-228

American sugar and oil conglomerates who had their land holdings expropriated, rejected the expropriation, and as consequence, the forfeiture of their compensation.<sup>25</sup> The plan was to remove Castro from power and instate a Cuban military power that could be more favorable to US influence. This time the outcome was more favorable for the Cubans, as the failed Bay of Pigs invasion legitimized the inability of the United States to maintain their neo-imperialistic influence over Latin America.<sup>26</sup>

A third example is seen in Chile in 1973, with the forceful removal of democratically elected President Salvador Allende. This time the results shifted closer to what was seen in Guatemala. The United States government sought the removal of all forms of communism, and Allende was not afraid to represent the identity of a democratic socialist, or in more popular terms, as a Marxist. Relations between the US and Allende quickly withered away after Project FUBELT, his presidential victory in 1970, and the nationalization of many Chilean industries, including American owned copper companies Kennecott and Anaconda. For the next three years the growing frustration of the United States views on an increasingly nationalistic Chile resulted in the covert invasion and military coup on September 11, led by Augusto Pinochet, and sponsored by the CIA.<sup>27</sup>

Each of these interventions exemplify the cruelty and unrestrained animosity the United States expressed in its fight against communism. Either through overt or covert operations, US diplomacy has repeatedly shown that progress can only be achieved by force. Whether their motives to further capitalistic ideals are honorable or ignoble, the results remain the same: all Latin Americans are treated as expendable; there is no greater loss than the loss of capitalism.

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<sup>25</sup> Ada Ferrer, *Cuba: An American Revolution*, Chapters 25, 26, pp. 315-350

<sup>26</sup> Ada Ferrer, *Cuba: An American Revolution*, Chapters 27, 28, pp. 351-382

<sup>27</sup> Peter Kornbluh, *The Pinochet File*, Ch 2, "Destabilizing Democracy: The United States and the Allende Government."

## Conclusion

In retrospect, there are a few blatant differences between these three attempts at military overthrows and the invasion of Panama in 1989. The first is the motivation and the justification for US invasion. While the primary motivation for US intervention has been to thwart communism, the invasion of Panama's purpose was to depose the regime of Manuel Noriega, not on the basis of removing an immoral dictator for the well-being of Panama, but on the basis of his ties with drug trafficking. The War on Drugs was a policy that influenced both Reagan and Bush's campaign policies, and Noriega was standing in the way of a US success.

A moral high ground to combat drug abuse justified US intervention of Latin American countries to stave off incoming narcotics into American hands. But the United States had its hands full, still having nightmares from the Red Scare, the Sandinistas, and the Iran-Contra scandal, and now had to juggle between fighting Communists or drug traffickers. It would be incorrect to state that the US had pure and noble intentions throughout its War on Drugs. The US funding of counterinsurgency groups through the government's connections with Noriega to combat the Sandinistas was largely reported to be funded by drug money. Noriega himself has been tied to Contra drug links, profiting from participating on both sides of the fiasco.

While the US government, arguably, may not have been complicit in Noriega's personal clandestine activities, they were well aware of the situation he was creating. But Noriega knew too much about the United State's covert operations, and so as not to expose the wrongdoings of both parties, decided to sweep the accusations under the rug. The United States had created their own personal monster, and in the end, it was the United States' who would have to own up to their mistakes and put a stop to him.

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