CONCLUSION
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Standing at the dawn of the new millennium, it is indeed fascinating to flash back at the overwhelming events and the turbulent course of history that shaped the political contours of the isthmus of Panama in the previous century. Beginning from the days of Balboa, the unique geographic location of Panama, heavily influenced the colonial empire builders to develop a global political and economic perspective centering the geo-strategic strength of the isthmus. The Spaniards used the rough roads of the isthmian highway to transport the unaccountable riches of the New World to Spain and Europe. British naval presence along the Central American sea corridor, impressively declared an unspoken colonial contest in the region to win over the strategic sea gateway. France and the French Canal Company's vision in Panama, opened a new vista for the maritime traders and strategists of the world.

Evidently, standing at the crossroads of the world, the isthmus of Panama has all along been a corridor of passage and therefore, the theatre for external forces and
factors. In the 20th century, the United States replaced all other foreign ambitions in the region and redefined the scope and ambit of the region's political and economic orientation. Unfortunately however, the most spectacular part of the United States entry into the isthmian politics was, unlike the other foreign powers, the overriding presence of the United States not only took hostage of the country but distorted the political landscape of the isthmus to an extent beyond recognition.

Omar Torrijos, in the course of the canal negotiation in the 1970s, provided a precise and very appropriate insight into this distortion saying that by making Panama independent, the United States acted like a midwife but unfortunately kept the 'baby' as a payment for her services. To a large extent, this explains the entire gamut of US-Panama relationship.

Truly, Panama is called the 'cross roads of the world' not merely because the two Americas come together here and the Pacific meets the Atlantic; it is here virtually the nations of the world meet together – a mid point that at once unites
and divides. More than the engineering marvels, the building of the Panama canal, in the context of providing a shorter transit way, is a notable contribution to humankind. Panama however, paid a heavy price for this canal venture -- the canal effectively divided Panama into two halves and the United States as a price for her leadership in building the canal, carved out her own area of near sovereign jurisdiction within the nation state of Panama and successfully dominated the political and economic course of the isthmian country for the entire span of the 20th century.

**Intervention and Accommodation**

The United States' interventionist policy approaches towards Latin America and Caribbean is now an overly analysed subject. Ever since the Morroe Doctrine laid the foundation for the United States 'Manifest Destiny', the southern neighbours were systematically forced to a state of dependency. In the 20th century, the single most incident that characterised the under currents of the United States policy postures towards Latin America was the legacy of
interventionism. The whole of the region became the casualty of the United States' series of interventions and time and again, the United States invented new excuses to pursue her interventionist policy.

Panama, as far as the United States interventionism was concerned, did not present a different picture at all. Small or big and overt or covert, the United States as of now has conducted as many as nineteen interventions against Panama -- the maximum interventions against any single country of the region. Along with a near colonial control over the strategic canal zone, the United States periodic interventions, arbitrary interference and high handedness caused extensive damage to the political institutions of Panama and even left the sovereign character of the country in doldrums.

Panama, however had some distinction in this regard than the fellow Latin American countries. Given the strategic importance of the canal zone, from the very early days of the American ascendancy in the region, the isthmus had remained in the priority area of the United States policy.
makers. Be it a bulwark of military security or an all out effort to build the inter-American collective mechanism or the highly published 'Alliance for Progress', Panama always remained in the forefront of the United States policy making.

'Accommodation' was another facet of American policy postures towards Panama. While the military interventionism largely defined the nature of American policy towards Panama, the United States, on many occasions accommodated the Panamanian demands and aspirations and made periodic policy changes to contain the Panamanian growing resentment. Notable in this context was the 1936 treaty, the 1955 treaty, the American decision to display the Panamanian flag in places of importance in the canal zone and finally, inspite of a heavy domestic opposition, the United States agreement for the 1977 treaty which virtually reversed the American decades old dominance in the canal zone and accommodated the Panamanian political and economic demands. In an effort to open a new dialogue with Latin America and to renew the confidence of the region on the United States leadership, Panamanian vital demands were accommodated at the cost of losing the strategic US
positions that ultimately paved the way for surrendering the entire canal zone to the Panamanians.

**Rhetoric Versus Reality**

The military security perspective associated with the canal zone and the economic implications of the waterway in a fast changing world, became the causality of the United States' projected policy postures and the policy realities at the ground level. In the post second world war period, beginning with the growing Panamanian nationalism, when the canal zone and the United States ever increasing dominance in the area became more and more focussed, the United States adopted a dual policy approach. At the rhetoric level, the United States projected one stand whereas, at the ground level, pursued the policy in conformity with ground realities. It is important to observe in this context that, the United States began to downplay the security and economic implications of the canal on the one hand and on the other, continued to pursue a policy of holding on to the canal zone by means of bargaining, appeasement, pressure
or campaign to disorient the people of Panama from the canal issue.

As far as the strategic dimension of the canal zone was concerned, after the first test of the nuclear bombs against the Japanese city of Hiroshima, the myth of building safe security cordons lost credibility. As far as the canal zone was concerned, its vulnerability to nuclear attacks became a major concern for the United States in the very early days of the post second world war period when the balance of power equation took a serious dimension. It is in this context, the United States, in the post war period, wanted more and more military bases around the canal zone and also a stepped up security network around the isthmus to protect it from a possible missile guided nuclear attack. In this strategic sense, there was massive opposition from Pentagon as well as from many US military strategists including, former Chiefs of Staff against the Carter administration's move towards a treaty negotiation where the canal was to be finally surrendered to Panama.
It is evident however, that, contrary to the ground realities of the strategic dimension of the canal zone, at the rhetoric level, the United States continued to highlight the receding relevance of the water way. In the post second world war period, the United States highlighted the nuclear vulnerability of the canal zone to down play the zone’s strategic relevance and subsequently continued to project that the canal is no more important for the United States.

In the economic front, similarly, when the United States was using it so extensively and had virtually developed a degree of dependency on the canal zone for over 20% of the country’s sea borne exports and 8% of the imports, it still projected the water way as a zone of receding economic value but was not prepared to give up control over the zone. Rather, the United States participated and provided leadership to upgrade the water way and develop it as an important maritime transit way of the 21st century. Similarly, while dealing with the political process of Panama or more particularly, while responding to the political developments in Panama, the United States conveniently maintained duality in policy approach and in most such
cases, while protecting the US interests in Panama, projected a policy position that was so different.

The United States opposed the political anomalies of Panama in principle and wherever required, highlighted the country's inability to develop a responsive and dependable political process in the country. Quite contrary to this rhetoric, the United States participated to a large extent in destabilising the political process of Panama even violating the legal obligations enshrined in the 1977 treaty. Secondly, since the Panamanian nationalists targeted the United States control of the canal zone, the United States naturally did not appreciate the nationalists coming to power in Panama. Arnulfo Arias therefore was an obvious target of the US in Panama. However, the United States instead of addressing the nationalists, always found the way to dub them as communists and Cuban or Soviet stooge and discounted their political relevance. The same Arias who was unacceptable to the United States, in 1968 became acceptable, thanks to the behind the scene political compromises.
The same approach is also applicable in the case of Gen. Torrijos and Noriega. While Torrijo's refusal to antagonise the United States made him acceptable in the beginning years of his leadership, his decision to lead the nationalists demand made him a target of destabilisation. It was however, the General's balancing act between the nationalists aspirations and the United States interests in Panama that provided him the opportunity to continue in power.

The United States policy rhetoric became glaringly contradictory even during the Noriega days. Noriega was apparently in the CIA payroll and was happily promoted and tolerated as long as he had not become a liability. Also, the United States while accusing Noriega of corruption, drug involvement etc., very effectively used him against the Sandinista government and the Cuban government, knowing pretty well that he was a double dealer. However, subsequently Noriega was dubbed as a dictator, drug dealer and hijacker of the political process of Panama and was deposed.
A Paradigm of Monopoly

As has been explained earlier, it is evident that, behind the duality of rhetoric versus reality, there always remained the guiding factor of unilateral control over the canal zone of Panama. The United States understandably wanted monopolistic position over the water way so that, it can suitably be tailored to supplement the United States global security requirements as well as serve as the fulcrum of the United States strategic build up in the middle of the Americas.

It is essential in this respect to take cognizance of the two pronged security dimensions that underpinned the strategic imperatives of the waterway. One that defined the role of the water way in the conventional warfare, where the canal provided the United States a significant strategic advantage by allowing the US navy to ferry the troops between the Atlantic and Pacific oceans to respond to military exigencies across the world. Very interestingly, starting from the Guantanano naval base in the Caribbean waters down to Panama canal and again, the Hawaii base in
the Pacific, the United States possessed a chain of bases in the two oceans and built a strong naval security network. The United States very effectively built a paradigm of two-ocean strategy that, apart from providing maritime security, influenced the global strategic prospect of the United States. No wonder then, that, given the geo-politically strategic location of the Panama canal, it virtually functioned as the mid point of the United States' two ocean naval arrangements and accorded the United States a distinct strategic advantage. Along with the global security arrangement, the 'Southcom' in Panama functioned as a perfect United States naval out post right at the centre of the Americas to monitor to a large extent, the strategic and political thinking of the Latin American region. In addition, the canal also facilitated the movement of goods and services at a lesser cost and reduced the maritime distance, which, from the economic point of view helped the United States a great deal.

Away from the era of conventional war fare, after the second world war, when the entire gamut of threat perceptions and threat assessment underwent a
metamorphic change; and the climate of strategic consideration, more and more shifted to the dimensions of nuclear capability, the United States' canal vision also underwent change. This perspective took into consideration the fast changing global security scenario and in the light of the contemporary strategic environment, redefined the role of the isthmian waterway both from the military point of view and from the perspective of the canal's ability to influence the economic landscape of the world.

Beyond the framework of the Monroe Doctrine, during this period, the United States understood the role of the waterway as an inter-oceanic choke point, that apart from the strategic advantage, provided the leverage of access to the global raw materials and the markets of the world by saving the United States to transfer majority of her air-craft carriers between the two oceans. It also accorded the ability to accommodate the ever expanding global maritime trade, without having to sustain the additional costs of time, distance and personnel by traversing around South America.
Viewed from the angle of maritime trade and the degree and extent of the United States dependence on the maritime corridor of Panama, it is evident that the United States not only developed a strategic dependence on Panama canal, but a degree of economic dependence also grew on the water way. In this context, it is very important to mention that, the Panama canal, in the post second world war period, assumed greater policy significance where the United States combined both the strategic and the economic imperatives of the canal zone. The United States therefore, in the post war period, took a cumulative view of the canal zone and while fighting the strategic dimensions of the cold war; the zone also began to be perceived as a maritime zone of immense economic value.

Evidently therefore, the United States not only wanted a state of monopoly control over the canal zone but wanted the continuance of it for an indefinite period.
The Dependency Image

The United States' presence in the isthmus, in many ways began to unfold in the role model of the prime actor in the region. Panama was not only relegated to a subsidiary role, but the United States assumed the role of a 'patron' over Panama. The US in a number of occasions demonstrated that patron role even to influence the Panamanian foreign relations. During Suez crisis, not only did the United States discourage Panamanian leadership to emulate the crisis, she even openly declared that the Americans will represent Panama in the Suez Canal User Countries Convention. As far as the domestic issues were concerned, from the very beginning of the United States entry into the isthmus, Panamanians were projected to be a dependent lot which continues till today.

In the early days, there were occasions where the striking police force in Panama have been told to call off strike lest, the United States troops will deal with them sternly and the trick had worked. The United States, during those days, even went to the extent of disarming the
Panamanian police force on the pretext that it is not necessary for the Panamanian police to be armed with rifles. The United States' 'patron' role which was instituted by President Theodore Roosevelt, was perfected by the successive US governments and Panama was rendered a dependent country. It is important in this context to note the growing Panamanian dependency on the United States for the political as well as economic policies. The oligarchy, though led the country for a good span of time, was highly dependent on the United States for their continuance. Even, the Panamanian leaders who championed the causes of the nationalists, eventually dealt with the United States in private. Leaders like Arias also realised that, without accommodating the United States' interests, he can not effectively consolidate power in Panama. General Torrijos also was no exception to this dependency factor and at the crucial moments of canal negotiation in early 1977, he virtually derailed the momentum of negotiation by suddenly replacing the Panamanian chief canal negotiator with a person favourable to the United States. The then foreign minister of Panama, Aquilino Boyd who was known for his radical approach was replaced by Nicolas Gonzalez who
earlier had served the US City Bank and was acceptable to the US to head the Panamanian canal negotiation.

During the Noriega regime, the dependency factor also became equally prominent. Noriega depended heavily on the United States to consolidate his position and as a price, willingly placed himself with the United States to work against the communist regimes of the region. Again, when Noriega fell out of the good books of the United States, the entire political opposition in Panama heavily depended on the United States to remove Noriega from power. The Reagan administration as well as the Bush administration, however, time and again discounted the potentials of internal political opposition to Noriega. Starting from the 1984 electoral fraud and the Noriega regime's suppression of political opponents through pressure tactics and violence, the United States, in all such cases remained non-committal. Even when internal military coup was mounted against Noriega to the extent of nearly capturing him, the United States remained non-committal.
The United States ultimately chose to intervene years later when the political leaders in Panama like Ricardo Arias Calderon, Guillermo Endara, Arnulfo Arias and many others along with their political and military mentors openly asked for the United States to intervene and set right the political crisis in Panama. As though obligingly, the United States finally intervened in Panama to demonstrate to the world that they came to rescue the people of Panama from the terrors of the Noriega regime.

**The Cold War Dynamics & Panama**

It is indeed fascinating to examine the role of Panama and the canal zone in the context of the United States overall anti-communist initiatives. It is important to note that, coinciding with the gradual surfacing of the cold war compulsions, the political process and the state of affairs in Panama, both politically as well as economically were put to a terrible test of instability. The military prompted political instability, was further compounded by post war economic difficulties and the United States' receding investments in
Panama. In another sphere, this was the time when perhaps the 'Panamenismo' was shaping up as a strong political force to make the ground further suitable for the communist ideologues to emerge. This was also the time when the United States forcibly occupied many areas in Panama to build military bases and refused to vacate them inspite of prior commitment. Perhaps, the United States' imperial order in Panama was at a heightened state of provocation and was a very effective rallying slogan which culminated with the flag riot of 1964.

Inspite of this plethora of favourable conditions, Panama, perhaps produced the least of the communist ideologues in the region and the United States had difficulty in blaming the political trouble in Panama, on the communists. Arnulfo Arias said to have had communist contacts in Europe but he was actually a radical nationalist. Remon found nationalist slogan more suitable for political mobilization in Panama. The OAS also testified time and again that the communists in Panama were not at all behind any trouble as alleged by the United States.
The virtual absence of communists however, did not deter Panama to be the explicit theatre of the United States’ communist offensives in the region. It was the vast canal enterprise and its security was a projected concern for the United States; and the expanded strategic net work around ‘Southcom’ was the resultant security preparedness. However, it was this strategic net work in Panama that stood guard to the United States myriad communist offensives in the region. Added to this, the School of Americas very effectively supported the United States cold war mission by providing field training and political indoctrination to the young military officers of Latin America and Caribbean.

The government of Panama, at various stages, also collaborated with the United States to wage war against the communist governments in the region. During the Reagan administration, Noriega willingly worked against the Sandinista government of Nicaragua and also worked against Cuba. Despite his doubtful credentials, the US administration happily utilised Noriega, knowing very well that he also was selling classified information to Cuban government. During Torrijos days also, Noriega was working
as a US agent and it was because of this service, the US intelligence circle was reportedly happier to see the death of Gen. Omar Torrijos. In 1986, the US Assistant Secretary of State for Latin American affairs, Elliot Abrams described Panama under Noriega as the typical cold war dependent ally and reportedly observed that “We have never lacked a sympathetic hearing for our views from Panama’s government.... There has been no dispute concerning US military bases in Panama. In a region where we have too many problems, the virtual absence of difficulties about our most significant military bases is notable and beneficial to us”. Other US officials like Oliver North, John Negroponte, George Bush and the US intelligence officials found Noriega as a strong cold war ally in the region.

**Democracy : Options Versus Reality**

Excepting for brief and intermittent period, the isthmian country largely witnessed an absence of democratic order in the country till the United States imposed one in December 1989. At various stages of policy approach, the
United States highlighted the Panamanian inability to develop a process of popular democracy and basing on this premise, also doubted the country's ability to manage the waterway once the United States withdraws from the zone.

Needless to say however, is that, there has been a wide mismatch between the United States' slogan for the region and the actual policy postures that influenced the ground reality. Depending on the convenience, the United States chose to support efforts towards democratisation process and wherever, it was in the interest of the US, it allowed the events to unfold even if its was anti democratic in nature. It may be highlighted that the United States restored democracy in Panama after a gap of nearly two decades by installing Guillermo Endara as the post-invasion period President of Panama.

The midnight barrack democracy however was not to be mistaken as a US policy approach in the direction of the country's slogan for democracy. Had that been the US intention, the United States would not have promoted Noriega to be a de facto ruler of the country nor would they
have neglected the oppositions call for a solution to the Noriega regime. Since Noriega gradually became a political liability, the US administration came to the overall consensus that Noriega is to be deposed. That is where the United States invented democracy for Panama which incidentally laid the foundation for the beginning of a democratic era.

The Millennial Shock

All is well that ends well. Unfortunately however, every thing did not end well in Panama for the United States. Earlier in 1936 and 1955, the United States had accommodated Panamanian demands by agreeing vide the respective treaties, certain of the Panamanian demands. Again in 1977, the United States was partly forced and partly accommodative in agreeing to the Carter-Torrijos treaty. The Carter-Torrijos treaty was the turning point in the history of US-Panama relations. It stipulated the deadline for the US withdrawal from the canal zone and at the same time, provided the scope for the United States’ involvement in the
canal zone in perpetuity and also kept the scope open for further negotiation in that direction so that the United States' can possibly continue in the canal zone beyond 2000 A.D. The United States participated in the canal development projects in the post 1977 treaty period, militarily intervened to depose Noriega, installed Guillermo Endara, sanctioned economic aid packages to rebuild the Panamanian economy and so on and so forth. However, all these were directed to create necessary conditions for the United States to continue in the canal zone even after the millennium. It is further interesting to note that the United States was not wanting the continuance of the total control but was desirous of retaining a single defense base i.e. the Howard Air Force base along with a limited troop strength to supervise and monitor the anti-narcotic initiative of the region and to meet other exigencies.

The United States having emerged as a profitable market for the Andean region drugs, the policy makers in the US have attached considerable importance to the drug menace. Apart from this, the cross border dimension of the drug trafficking, the international magnitude of the money
laundering enterprise and the drug money sponsored criminal and terrorist activities have stressed the importance of having a regional approach to deal with the problem. The United States has taken the leadership in this regional anti-narcotics initiative and suffice to say, the US 'Southcom' being located at a strategic point, was overseeing the United States' operational requirements in this direction.

Again, it is also a known fact that, Panama has traditionally provided safe transit to the drug peddling operations. Also, the wide and liberal international banking network that grew during General Torrijos' regime, was utilised to park the money laundered through the narcotic trade.

At a point of time, when the prospect of withdrawing entirely from the canal zone was looming large for the United States, it was quite logical for the US administration to use the pretext of regional anti-narcotic initiative to highlight the importance of the United States' continued presence in the canal zone. Nearly a century old United States' policy approaches towards Panama serving as lessons from history
for the Panamanians and the desire to distance Panama from the United States’ tactical moves, the CMA proposal was rejected and the prospect of continuing the US base in Panama along with a multinational troop beyond the year 2000 AD had to be abandoned.

It was a millennial shock indeed that the United States, inspite of best of her initiatives, could not build up her case adequately to convince the Panamanians to agree for a centre like Anti-Narcotic Monitoring Centre to function from the Howard Air Force base. Inspite of projecting the CMA as a regional multilateral initiative, the United States could not convince the people in Panama - thanks to the United States track record of using the regional multilateral forums for the promotion of the United States’ goals, this proposal was rejected.

Panama: The year 2000 & Beyond

Having entered the new millennium, apparently two distinct scenarios are building up around the isthmus of
Panama. First, the United States withdrew all her military as well as civilian installations from the Panama canal zone and virtually ended the century old hegimonistic presence in Panama. The United States' historic Panama canal legacy initiated in the days of Theodore Roosevelt officially ended on 31 December 1999. Now in the new millennium, the republic of Panama stands all alone as the sole owner of the vast Panama canal enterprise. It is not only the end of a bizarre period of history for Panama but also the beginning of a new era of opportunity and better hopes for the future.

Undoubtedly, Panama is stepping into the crossroads of opportunities. However, the isthmian door is not closed to the United States. The United States' most salient concerns in the canal zone remain unchanged and do not appear to be changing in the near future. Given the United States economic dependence on the canal, the prominent concern for the United States would be the continuance of the efficient and uninterrupted operation of the canal. Secondly, the United States would also be interested in the political stability of Panama so that the canals operational environment remains free of political
possibilities. Thirdly, the canal being a strategic location itself, the United States would continue to evoke strategic concern and periodically evaluate and monitor the strategic build up around the zone.

It is essential in this context to note that the United States, even after completely withdrawing from the canal zone would continue to take active interest in the zone’s affairs. May be, the United States would like to influence the affairs in Panama without being a front runner. It is again notable in this regard that, the ‘Permanent Regime of Neutrality’ of the canal zone vide the United States unilateral right to maintain this regime of neutrality provides the United States the kind of legal footage to find a big brother’s role. Therefore, as far as the US-Panama bilateral relations are concerned, the United States, even after the year 2000 AD, would play a vital role and if necessary, would extend this role to intervene in Panama to set right the things.

Apart from the factor of the United States, the isthmus of Panama is gearing up to another complex scenario where, other than the United States, the water way
is becoming a complex theatre for number of other countries – a perfect platform for multilateral initiative. The 1990s indeed has been a miraculous decade for Panama. The experiment with democracy consolidated providing Panama with the first real opportunity to evolve a state craft which is supportive to the millennial transition that the country needed to go through. This also provided the right environment for the investment driven isthmian economy to pursue a sustainable approach to the whole issue. The vast economic opportunities that emerged as a result of the United States withdrawal from the canal zone, accompanied by the Panamanian desire to sell these economic opportunities in the global market, virtually laid the foundation in Panama for the emergence of multiple actors who would influence the isthmian politics through their economic presence.

It is in this perspective, Panama is indeed being drawn into a complex pattern of international system of cooperation and conflict which is adding a different dynamics to the canal politics. Unlike the single power domination that characterised the canal politics in the present century,
Panama, very seemingly is opening up to a competitive environment of foreign direct investments in the country. The emerging competition from the Pacific rim countries has already built a scenario that is so different from the United States' manifest destiny and now, it appears that the United States' monopoly in the isthmus is entering into a model of economic competition.

Japan has already emerged as a major player in the form of the second most user of the canal. Japan also is a member of the canal Tripartite Commission along with the United States and Panama and also is a major partner in the canal modernisation programme. From the days of Torrijos, Japan is considerably active in the canal region. Japan, further consolidated this during the Noriega days by extensively being involved in canal modernisation work as well as in the banking sector. Now, the Japanese multinational construction and shipping companies do offer a difficult time to the United States' interests in the area and there is a seeming discontent that lie just beneath the surface level.
Taiwan is not only another giant competitor in the canal region but is also using the Taiwanese economic power to influence the political cadre in Panama as well as in Central America. As discussed earlier, Taiwan funded the Universal Congress of Panama canal in 1997 to demonstrate the Taiwan -- Panama growing economic and political participation. It may further be noted that, inspite of the Chinese protest over the growing Taiwanese influence in the canal zone which sent alarming signals to the participants of Canal Congress and virtually marred the occasion, Panama seems to be in a path of greater cooperation with Taiwan. Lucrative maritime contracts like creation of export platform, building container terminal in Colon, export processing zone (EPZs) etc. are to a large extent going to herald the Taiwanese influence in the canal zone as well as in Panama.

China, by far is the third largest user of the waterway and given the trend of China’s growing strength in the zone, the scenario throws economic as well as political possibilities for the future. The Hong Kong conglomerate, Hutchison Whampoa which has been awarded almost monopoly contracts like building port facilities in both the
entrances of the waterway under a 25-50 years contract, virtually accords China a commanding position in the canal affairs.

So much so, it has sent alarm in the United States Republican circle that the growing Chinese influence in the strategic water way may throw security challenges for the United States in future. Republican Senate majority leader, Trent Lott, Mississippi, in a letter written on 1st August 1999 to the US Defense Secretary, William Cohen expressed the anxiety that, since China will be controlling the port facilities in the Pacific as well as Atlantic entrances, the United States virtually lose the strategic choke point to China and the US naval ships will be at the mercy of the Chinese controlled pilots and could even be denied passage through the water way.

President Bill Clinton's administration is squarely criticised for its failure in pushing the CMA proposal. It was alleged that the Chinese stole the US nuclear secrets and in 1996 also funded the Presidential
election campaign of Bill Clinton only to win away the United States global strategic interests.

Trent Lott's apprehensions are certainly exaggerated but not entirely misplaced. Undoubtedly, the isthmian politics has grown beyond the exclusive control of the United States and extra-regional actors are pumping in lot of investments and are building their own sphere of economic presence which is essentially cutting into the United States influence. Panama, in that sense, has emerged as an international market and the market forces appear to determine the shape and size of the future co-operation and conflict in the region.

However, it is essential to remember that the United States vide, the Carter-Torrijos treaty of 1977 holds the perpetual right to maintain the permanent regime of neutrality of the water way -- the patron of the canal's security and the guarantor of the canals neutrality. The United States also continues to demonstrate the ability to guarantee this security regime. Therefore, though the extent of the United States power over the canal zone has
considerably reduced, it is quite unlikely that the United states would be replaced by any other power or group of powers in the isthmus in the near future. Rather, the United States would continue to influence the political environment in Panama to ensure the political conducive towards greater economic activities.