

PANAMA, WORLD WAR 2, PAN AM AND OTHER AIRLINES

During World War 2, Pan American Airways made a major contribution to the US and Allied war effort in a variety of ways. This included managing the Airport Development Program (see below), on behalf of the US Government, to develop airports at strategic points throughout Central and South America. In the same way as the US Army taking Coca Cola everywhere with it contributed to that drink's postwar success, the backing of the US Government, covertly at first, would confirm the airline as the leading international air transport operator in Latin America in the postwar period.

Pan American, and its Panagra subsidiary, was important to Panama, and *vice versa*. The Canal Zone was Pan American's first foreign destination after Cuba, and was the northern limit of the extensive South American network operated by Panagra. The two airlines, and others, initially used France Field at the Atlantic end of the Canal, and then Albrook Field at the other end, both being military air bases in the Canal Zone, or Colón or Balboa for flying-boat services.

In the immediate pre-war period, the US Government policy on aviation and related military aspects in Latin America involved three major objectives¹ –

- elimination of commercial airlines owned, controlled, or manned by Axis nationals, and their replacement by US or locally controlled companies²;
- development of airfields and airway facilities of a nature that would permit the projection of US military airpower into strategic areas; and

¹ *US Army in World War II, The Western Hemisphere: The Framework of Hemisphere Defense* by Stetson Conn and Byron Fairchild (Center of Military History, US Army), 1989: <https://history.army.mil/books/wwii/framework/index.htm>

² Although this effort initially focused on airlines in Brazil, it gradually expanded until it had essentially purged Axis aviation from Latin America as a whole: <https://www.jstor.org/stable/10.7249/j.ctt24hrv8.15>

- other preparations that would permit air operations³ to begin at once in the event of an actual or imminently threatened hostile air attack, particularly in respect of the Canal Zone.⁴

The main tool for the achievement of these objectives would be Pan American Airways⁵ (including its Panagra subsidiary – see below), which had achieved a dominant role in Latin American aviation by 1938, until then largely without any official backing from the US Government – except that provided by means of substantial mail subsidies.

The US Government would oppose the establishment of any new services by US airline operations south of Mexico City that would compete with Pan American, and until the European-controlled airlines in South America were eliminated, it would not take action to lessen the strength and effectiveness of the Pan American system (despite it eventually becoming an effective monopoly), due to it being a tool of US official policy.⁶

For example, in 1939, there was a plan for the creation of a holding company in the US, having subsidiaries in Latin American countries, which would finance the purchase of foreign-controlled local airlines. While this plan did not progress, it remains as an illustration of the moves contemplated or later undertaken.⁷

PAN AMERICAN AIRWAYS

The Pan American Airways Corporation, originally known as Aviation Corporation of the Americas, had been formed in 1927 for the primary purpose of raising the necessary capital

³ It was not the airlines' aircraft that were seen as the real threat, instead it was felt that it was "obvious that the ground facilities, the radio and photographic equipment, and the personnel of those lines would have been of utmost value to an invading army...offered a means whereby Axis agents could enter South America, lightweight strategic raw materials could be smuggled out, and, most importantly, observation of American and British merchant shipping and land or maritime military movements could occur undetected":

<https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

⁴ <https://history.army.mil/books/wwii/framework/ch10.htm>

⁵ See: *Flying the Andes: The Story of Pan American Grace Airways and Commercial Aviation in South America 1926-67*, William A Krusen, Stephen Morrill, Harold R. Harris (University of Tampa Press), 1997.

⁶ The commercial benefits to the airline are obvious – in 1945, it controlled 50% of all US air traffic in South America and 98% in the Caribbean: <https://history.army.mil/books/wwii/framework/ch10.htm>

⁷ Ibid.

to create an airline able to bid for various foreign airmail contracts to Latin America from the US Postmaster General under the Foreign Air Mail Act 1928. At the time, when passengers and cargo levels were nothing like that of even the 1950s, subsidising routes by means of mail contracts were highly important.

The routes it wanted included Foreign Air Mail Route (FAM) No.5 for service between Miami and the Canal Zone. Pan American considered that if it received such a contract then it could then ask for extension services beyond the Canal Zone, to and along the western coast of South America.

The airline's first route was from Miami to Cuba and then, on 6 February 1929, it undertook its first flight carrying international airmail between Central America and the US. It was the legendary Charles Lindbergh who piloted the Sikorsky S.38 amphibian and inaugurated the Pan American Airways Miami-Panama route.⁸

The next year, it began to provide passenger service between Panama, the US, and various points in Mexico, Central America, and the east coast of South America. The connected Pan America-Grace Airways Inc (Panagra) - see below - also began service to a number of cities along South America's west coast.

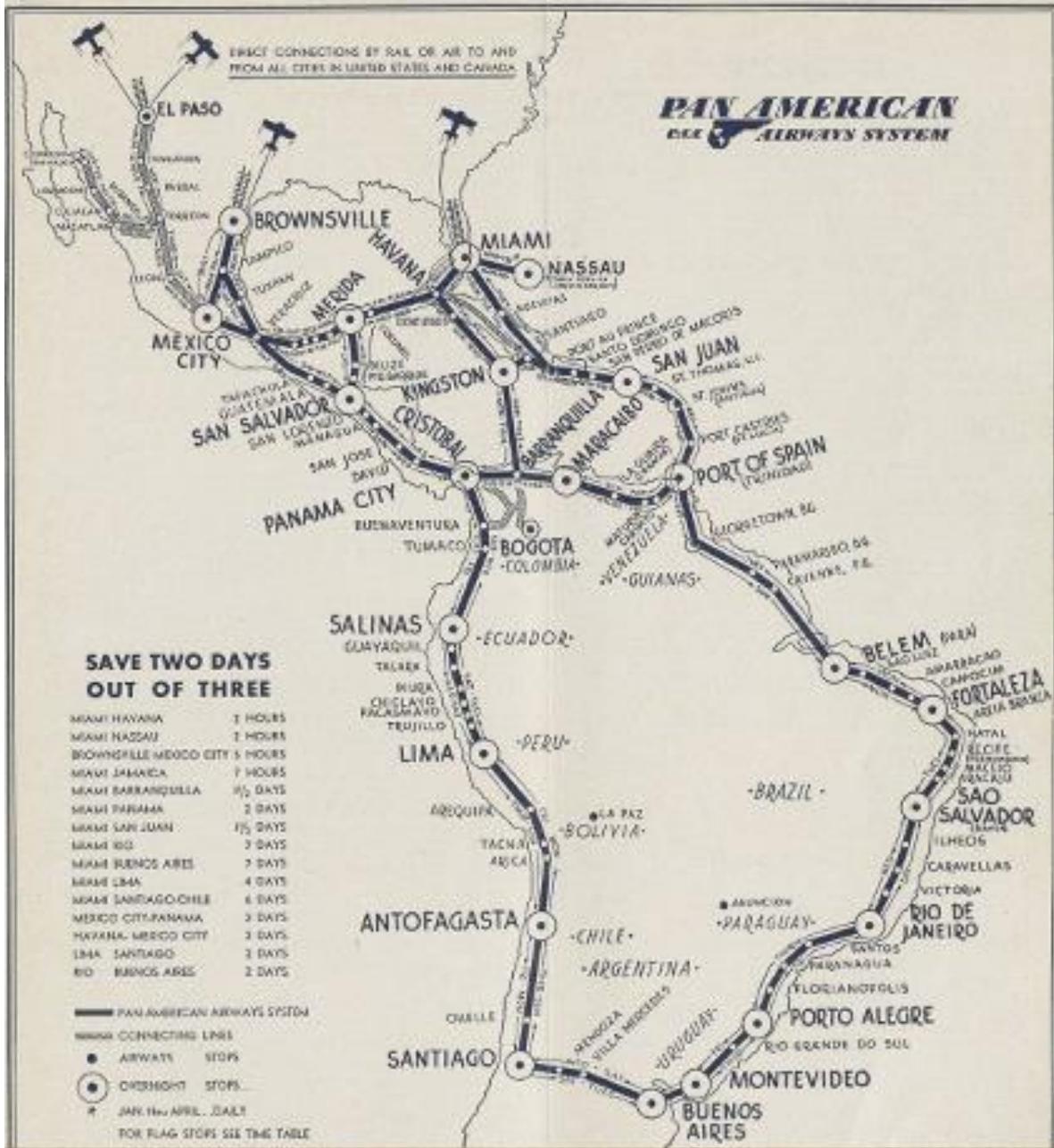
By 1940, slightly more than half of Pan American's route mileage was accounted for by its Latin American operations, and during the 1930s the company had gradually absorbed or invested in a number of smaller companies in Latin America, and by Spring 1940, it operated to and from over 250 airfields in Latin America and the Caribbean.

In the decade before the war Pan American Airways was operating flying-boat "clippers" throughout Latin America. Then, in September 1939, it announced plans to extend landplane services in Latin America, using the Douglas DC.3 and the Boeing SA.307 Stratoliner monoplanes. In 1940, the first such service began, from Miami to the Canal Zone, using the Stratoliner.⁹

⁸ https://hermes.aero/wp-content/uploads/2018/10/100-YoCA_E-BOOK.pdf

⁹ <https://www.afhra.af.mil/Portals/16/documents/Studies/51-100/AFD-090601-032.pdf>

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1933 route map¹⁰

The Stratoliner was a four-engine airliner derived from the B-17 Flying Fortress bomber design, having a pressurised fuselage (the first airliner to have such a thing) and engines with supercharges, allowing it to fly high enough to avoid the worst of weather. Initially, it carried up to 33 passengers.

¹⁰https://digitalcollections.library.miami.edu/digital/collection/asm0341/id/20443/rec/39?fbclid=IwAR1Y4eXyAx6Rzvc5cjr3u0m_rhxPthQjSa2TRl6ThWcNgaduCxrGKYiUpQ

In 1939, a passenger traveling from the US to Buenos Aires could board a Pan American Sikorsky S.42 flying-boat at Miami and fly to Colón in the Canal Zone, stay in a hotel there overnight and then board a Panagra DC.2 or DC.3 landplane airliner and fly to Buenos Aires with three overnight stops *en route*. This route was a full day faster than the Pan American clipper service which operated along the coast of Brazil. The one-way fare from Miami to Buenos Aires was \$550.¹¹

However, in South America, Pan American's position was challenged, particularly by airlines seen to be subsidised by the German and Italian governments¹². While this competition was ostensibly commercial, it was in fact, to some extent, a proxy struggle between the US and the Axis states¹³. With US Government encouragement and backing, these competing airlines would be eliminated. Some examples of this are provided below.

During the war, Pan American built some 50 airports in 15 different countries (including those as part of the Airport Development Program - see below), often in remote areas, and it became the largest air transport contractor to the US Army and Navy, flying some 90 million miles (145 million km) for the US Government and making more than 18,000 ocean crossings. It also provided an aircraft ferrying operation in the first years of the war, delivering 542 bombers and transports, before this role was taken over by the US Army Air Force (USAAF)¹⁴ Air Transport Command. It also trained over 5,000 pilots and thousands of mechanics, with schools and procedures developed for the training of many more.

During the war, Pan American acted as if an arm of the US state, or of its armed forces. As well as undertaking many vital roles and hazardous missions – such as flying over the “Hump” from India to China and operating flying-boat services across the Atlantic – it was

¹¹ In 1947, a Panagra DC.6 airliner could reach Buenos Aires from Miami in 20 hours 25 minutes:

https://www.spantip.com/wiki/Pan_American-Grace_Airways

¹² For more information see <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

¹³ “The United States, through the use of Pan American Airways, would attempt to fortify the Western Hemisphere, block German expansion into South and Central America, and build a chain of Latin American air bases that would form the building blocks for an offensive and defensive strategy during World War 2”: *War Plan Juan: The Strategy of Juan Trippe and Pan Am in Latin America and Africa Before and During World War II* a thesis by Matthew F Brady (School of Advanced Air and Space Studies, Air University, Maxwell AFB, June 2012): <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

¹⁴ The US Army Air Corps (USAAC) was reorganised as the USAAF in 1941.

involved in other activities. For example, in a secret mission, the airline carried tons of Central African uranium ore to the US, and approximately 75% of the uranium in the atomic bomb project was brought in from Africa by means of such operations¹⁵.

Another aspect of Pan American's contribution to the war were in the work of three subsidiaries of which had been established by agreement with the British and US Governments in early Summer 1941 –

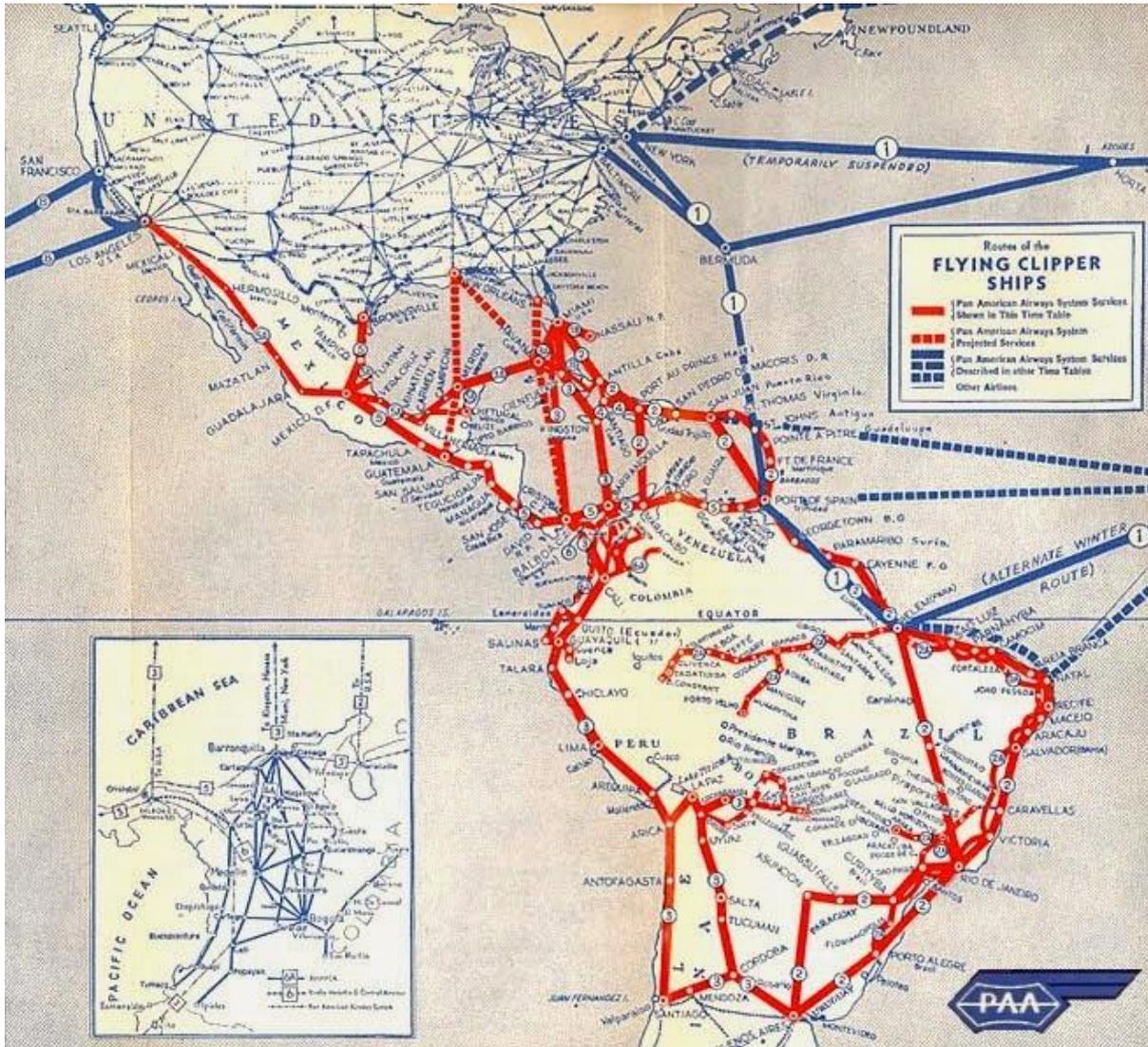
- Pan American Air Ferries, for the delivery of US-built aircraft from Miami to Khartoum in the Sudan;
- Pan American Airways Company, for the operation of a transport service from the US to Western Africa; and
- Pan American Airways-Africa Ltd, to provide a transport service across Africa.

The services of Pan American Air Ferries and Pan American Airways-Africa were extended by contract from Khartoum to Cairo and Tehran soon after the Pearl Harbor attack in December 1941. Other US airlines subsequently supplemented the services provided by Pan American.

However, after December 1942, all aircraft crossing Africa used bases and facilities completely under military control, and the Pan American Air Ferries contract was also cancelled, and the Lend-Lease aircraft ferrying activities ceased entirely at the end of October 1942.¹⁶

¹⁵ <https://simpleflying.com/pan-ams-role-in-world-war-ii/>
<https://www.mercurynews.com/2019/12/20/horgan-pan-am-had-a-secret-role-in-the-manhattan-project/>

¹⁶ Ibid.



In another example of the value of the airline to the forces, early flights along the South Atlantic air route used by the US Army Air Corps (USAAC) depended very largely for weather intelligence upon the meteorologists of *Panair do Brasil*, the airline's Brazilian subsidiary.

At least a dozen Pan American aircraft were lost during the war, over 200 employees were killed, and many were imprisoned in enemy prison camps.¹⁷

¹⁷ *VPNavy! USN, USMC, USMC and NATS Patrol Aircraft Lost or Damaged During World War II* by Douglas E Campbell (Synerga Research Group Inc) 2018.

45 Pan American employees were interned by the Japanese: <https://www.panam.org/war-years/609-clippers-at-war>

For destinations in the West Indies and Central and South America, after the Pearl Harbor attack, the amount of express air cargo carried by Pan American is said to have increased substantially, due to the reduction in sailings and heavy war risk insurance involved in shipping routes. Those despatching goods were also said to feel that they more certain of their merchandise would reach their destination if sent by air.

PANAGRA

Pan American Grace Airways Inc (Panagra) had been formed in 1929, originally to compete with a German-owned airline in Colombia called SCADTA (see below). The Panagra network stretched from Panama and the Canal Zone, the northern limit, to Santiago in Chile and Buenos Aires in Argentina. In the 1940s and 1950s, it was to have a virtual monopoly in parts of Colombia and elsewhere in South America.

Panagra had been formed by Pan American Airways and the WR Grace and Company shipping line of New York¹⁸ and would be used to further Pan American's expansion in South America.¹⁹ Pan American had first entered into an agreement with WR Grace and Company to operate airline operations into Peru²⁰, and the airline's first route was an internal one within Peru, using a small, four-passenger, single-engine Fairchild monoplane.

It is said that it was obvious that Juan Trippe, the founder of Pan American, and William R Grace had the power and the resolve to block each other's ventures in the area, and that Grace was influential enough in the region to frustrate any Pan American proposals to fly down the west side of South America. On the other hand, Trippe was able to use his lobbying powers in Washington to prevent Grace from forming an air carrier with privileges to fly routes north of Panama. Despite Trippe saying later that "he had misgivings all along

¹⁸ While the shipping line was its most obvious face, the company was a much-diversified one, and had its origins in Peru, shipping guano and acquiring other businesses and interests.

¹⁹ In 1967, the Texas-based airline, Braniff International, completed the merger with Panagra, which had been separated from Pan American, and Panagra ceased to exist. In the late 1950s, WR Grace, by then a diversified industrial conglomerate, is said to have lost interest in the airline:

<https://www.braniffinternational.com/pan-american-grace-airways-inc>

²⁰ Originally as the Peruvian Airways Corporation, there was also a company for Chile.

about the combination”²¹, the combination of their interests was an eminently sensible idea.

The Panagra company undertook a study into the possibility of operating air carrier and mail services between the Canal Zone and Valparaiso, Chile. The original intention of the agreement between the partners was that Pan American would have full responsibility for the operation of the air carrier services, while the shipping line’s established operations in cities along the proposed new route would act as agents for the new company.

In January 1929, the US Postmaster General requested applications for a contract for Foreign Air Mail (FAM) Route No.9, which would extend from the Canal Zone down the West Coast of South America to Santiago, Chile, with an option for the Postmaster General to licence extension services from Santiago across to Buenos Aires, and to Montevideo in Uruguay. In February, Pan American and WR Grace announced the formation of Panagra and bid for the new airmail contract. Having successfully obtained the contract (despite not being the lowest bid), operations began in July 1929. In October, Panagra inaugurated a successful commercial air route across the Andes, from Chile to Argentina, using a Ford Trimotor.

Panama was the northern border of the Panagra route system until Braniff International (see below) entered the Latin American market, and in the 1950s Panagra began flying to Miami and New York. Panagra eventually provided air transport for passengers, mail and cargo along 4,251 miles (6,841 km) of routes from Panama to and through Colombia, Ecuador, Peru, Bolivia, Chile and Argentina.²²

A non-compete clause in the agreement between Pan American, WR Grace, and Panagra made Panama the northern end of Panagra’s route system²³. Panagra was thus not allowed to extend its route system even one mile north of its original northern terminus in Panama

²¹ American Aviation Historical Society Journal, Spring 2009.

²² *Pan American Airways: La historia de la que fuera la aerolínea más grande del mundo* (2007): https://www.oocities.org/paa_clipppers/hpanagra.htm

²³ <https://www.robertnovell.com/panagra-the-airline-pan-am-created-to-dominate-latin-and-south-america-may-20-2016/>

thus prevented from competing with Pan American Airways throughout Central America and the Caribbean to gateway cities in the US (this position remaining the same until the 1950s).²⁴

In 1938, when the Civil Aeronautics Act came into force in the US, in part supplanting the role of the US Post Office Department and the Interstate Commerce Department in awarding and regulating airmail contracts, it was recommended that both Pan American and Panagra apply for an airline licence from the new Civil Aeronautics Authority under the Act.²⁵ The new authority was given the power to regulate airline fares and to determine the routes that air carriers would serve. Pan American contended that the airlines' services were complimentary, rather than competitive. For example, a large proportion of Pan American's traffic carried from the Canal Zone to the US was as a result of flow-through traffic from Panagra destinations along the West Coast of South America to the Canal Zone and the same Panagra applied in respect of Pan American's southbound operations to the Canal Zone.

It is said that Panagra was the first airline in South America to develop and apply airways weather forecasts²⁶. As we shall see, during the early part of the war, the USAAC would rely on weather reports from Panagra and Pan American when flying in Latin America.

In 1942, due to the need to airlift freight in support of the war effort, Panagra converted a couple of its DC.3 airliners into freighters, and started the first all-cargo route of any US airline when it inaugurated a route between the Canal Zone and Lima.²⁷

²⁴ American Aviation Historical Society Journal, Spring 2009.

²⁵ <https://scholar.smu.edu/cgi/viewcontent.cgi?article=4016&context=jalc>

²⁶ Ibid.

²⁷ Ibid.

The New York Times of January 1943, said the destination was Buenos Aires:

<https://www.nytimes.com/1943/01/03/archives/panagra-lines-opened-cargo-run-to-peru-and-daily-service-to-buenos.html>

Almost unbelievably, given the war and the standards of air safety in the 1940s and 1950s, between early 1943 and the merger with Braniff in 1967 there was only one Panagra aircraft lost in operations (in 1945, a DC.3 in Peru), and even then there with no fatalities.²⁸

During the war, Panagra operations were divided into sections or runs –

- The north run was between Lima, Peru and Balboa, Canal Zone, and was usually flown by very senior Captains;
- The south run covered Lima south to Santiago, Chile, and then across the Andes and the Pampas to Buenos Aires; and
- The Jungle run operated from Lima, which was the hub or headquarters of the airline, through Bolivia into Brazil.²⁹

The relationship between Pan American and the Grace shipping line was not always harmonious. In June 1942, Time reported that WR Grace had asked the US Civil Aeronautics Board to force Pan American to sell or place with a trustee enough of its stock in Panagra to give Grace clear-cut control. The main allegation levied against Pan American by its partner was that it was suppressing the growth of Panagra because it wants to keep it as an auxiliary, feeding into Pan American services passengers and freight from the eight South American countries it served. Grace, on the other hand, maintained that it wished to make Panagra a self-contained airline, with its own terminal facilities in the US, preferably at New Orleans.³⁰

By 1946, the time required for a flight between Panama and Buenos Aires had been shortened to less than 24 hours.

²⁸ <https://scholar.smu.edu/cgi/viewcontent.cgi?article=4016&context=jalc>

In January 1943, a Panagra DC.3 crashed near Conception Hill in Peru, *en route* from Arequipa to Lima, killing all but one of the 15 passengers aboard.

²⁹ <https://www.robertnovell.com/panagra-part-five-of-seven-april-12-2017/>

³⁰ <http://content.time.com/time/subscriber/article/0,33009,932094,00.html>

The New York Times in March 1957 was reporting on the “longstanding conflict over Panagra”, which it described as a “civil war”, with Pan American reported to have asked the CAB to allow it to give up half of Panagra in return for new routes in Latin America.

After being separated from Pan American, Panagra would eventually merge with Braniff International in 1967 to form what was then the largest US airline serving South America. Panagra had been the chief competitor for Braniff along the South American west coast from the time that the Texas airline began serving the region in June 1948.



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AIRLINE SERVICES IN PANAMA

In 1929, in an effort to foster regular commercial aviation service to and from the Canal Zone, a new position was created for an advisor to the Governor, with a USAAC Lieutenant the first to hold the position.

During the 1930s, Isthmian Airways used six Hamilton H.47 Metalplane floatplanes³¹ for an airline service linking the Atlantic to the Pacific between Cristóbal, Colón and Balboa, describing the 30-minute flight to be the "fastest transcontinental service in North America". The first flight (from Balboa to Colón) took place on 5 May 1929.

The airline had been founded by a Ralph Ernest Sexton, a civil engineer and self-taught pilot, from the US. It became a success, with estimates of passengers carried rising to a peak of up to 10,000 in 1933³². In 1936, Ripley's Believe it or Not claimed that one of the airline's pilots had made 5,504 non-stop coast-to-coast flights.

The fare for the "transcontinental" flight was \$10, or \$14 return (the fare dropped to \$3 in 1932-33 during the Great Depression). The company also provided tourist flights to Taboga Island and the Las Perlas islands.

The Canal Zone Government cancelled the airlines contract in 1936, operations ending on 1 July, and Sexton sued³³. It is said that it was Pan American that had applied pressure on the Government, and Pan American even claimed that the idea for the route had been that of its employee, Charles Lindbergh³⁴.

³¹ http://www.airhistory.org.uk/gy/reg_CZ-.html

It also had a single Beech 17 "Staggerwing" single-engine cabin biplane and (probably) a Travel Air E-4000.

³² Other sources claimed up to 50,000, but this seems unlikely.

³³ https://www.tvn-2.com/variedad/Aerolinea-Isthmian-Airways-Panama-ayer_0_5012498722.html

³⁴ <https://www.flyelevair.com/the-legacy-of-seaplanes-in-panama-isthmian-airways/>

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In December 1936, another airline, Panama Airways, launched its own trans-isthmian service. It used the larger, three-engine Ford Trimotor, and sometimes DC.2 (and DC.3 were available, it was said). It carried cruise liner passengers from coast to coast – on a 35-mile (56 km) route. Pan American carried out maintenance on the aircraft, and Panama Airways was one of the smallest element of the Pan American Airways System³⁵.

In 1939, some 65 cruise ships were scheduled to call at the Canal Zone, offering potential customers for the airline, with the cruise ship season from January to March. In 1938, the season had seen 43 cruise ships and 16,000 passengers transiting in and out of Cristobal – and 3,000 of these flew with Panama Airways.

Panama Airways flew from France Field, four miles (6.4 km) from the docks at Cristobal, to Albrook for the Balboa docks³⁶.

As we have seen, Pan American Airways commenced regular air mail service to and from the Canal Zone in February 1929. At the time, all landplane commercial airmail, passenger, and cargo services into the Canal Zone used France Field on the Caribbean end of the Zone which, as a result, served as Pan American's primary flying airport until 1936, when

³⁵ The shortest was apparently the 31-mile (49.9 km) route in California between Wilmington and Catalina Island.

³⁶ *Flying Magazine* (February 1939).

commercial airline services moved to the recently opened Albrook Field. Here a more serviceable runway was available³⁷. The Army had been unhappy with the presence at France Field of the Pan American Airways hub, which had been imposed on it by Washington.

At Albrook Field was the so-called Canal Zone Airport Building which, for all intents and purposes, was a Pan American Airways operation, although other airlines also used the facility – which is said to have annoyed the security conscious US Army.

At first, at Albrook Field, Pan American set up at the northern end of the primary runway adjoining Hangar 1, but this location soon resulted in congestion and interference with growing USAAC operations. As a result, the airline opted to build its own temporary facilities on the east side of the airfield. The temporary structures that it erected soon proved to be inadequate and approval was soon granted to use some discretionary funds (from the Airport Development Program – see below) to erect a modern, permanent terminal building.

Approval for this new terminal was contingent upon consent from Pan American to lease part of the finished structure to other airlines operating into the Canal Zone. At the time, these consisted of only two airlines: rival TACA (see above), operating through Central America, and UMCA (Uraba, Medellin and Central Airways Inc), which was in fact a wholly-owned Pan American subsidiary, and had been formed to penetrate the neighbouring Colombian market. In all its literature and in the actual route awards, Pan American listed the terminal on Albrook Field as Balboa, Canal Zone, rather than Albrook Field.

In early 1940, in a public relations exercise, Pan American it flew one of its brand-new, four-engine Boeing SA.307 Stratoliners, the “Clipper Flying Cloud” to Albrook - and offered excursions aboard the beautifully appointed aircraft to 30 officers and their wives from Albrook’s complement.³⁸

³⁷ <https://weaponsandwarfare.com/2019/11/18/panama-canal-zone-defences-ii/>

³⁸ Journal of the American Aviation Historical Society, Spring 2005 and Fall 2009.

In Panama, Pan American airline had offices in the Century Club Building, at Fifth Street in Panama City, as well as branches at Albrook Field, and in the Canal Zone, including in Cristóbal. Panagra, in addition to sharing Pan American's offices in Panama City and Albrook Field, also had an office at Balboa Terminal in the Canal Zone. Cristobal and Balboa were ports, as well as towns, and one should remember that Pan American and Panagra made use of seaplanes as well as landplanes.

As mentioned, Panama was the northern limit for Panagra services. Pan American's other subsidiary operating in the country, the Colombian-based Uraba Medellin & Central Airways, also operated south, providing services between Balboa and Medellin in Colombia

As for Pan American itself, it operated a daily route between Miami and Balboa via Kingston, Jamaica and another between Balboa and New Orleans, twice a week via Mexico. In addition, in the daily service between Brownsville, Texas and Port of Spain in Trinidad, a stopover was made in Balboa.³⁹

Having to use Albrook Field when flying to Panama City, even if on an internal flight, had been a bone of contention with the nationalist government of Arnulfo Arias Madrid, which came to power in 1940. The "emergency" following the outbreak of war in 1939, and the tightened security procedures that followed, only exacerbated the situation. Panamanians had to produce passports to Canal Zone immigration officials, face possible questioning by US Army or Navy intelligence officers, as well as customs and immigration, and face detailed searches of baggage, and even the passengers themselves. They also had to comply with Canal Zone quarantine rules. All this was contrary to their status as Panamanian citizens, and could even violate the Panamanian Constitution.⁴⁰

After repeated complaints and demands, the Canal Zone Governor would eventually allow a relaxation of the controls for Panamanians.

³⁹ http://clipper-connection.blogspot.com/2015/05/pan-american-en-america-latina_2.html

⁴⁰ If Panamanians arriving from David, for example, were interrogated, this was contrary to Article 40 of the Constitution, which allowed that any person could travel freely *within* the Republic.

In 1942, a dispute arose between the Panamanian Government and the US authorities over the airline developments at Albrook Field. The Panamanians objected to –

“the construction of a concrete building, the foundations of which already exist, intended as an airport for Pan American Airways, Inc., an enterprise of a private character which is devoted exclusively to commercial ends, and which has nothing to do, directly or indirectly, with the use, operation, or protection of the Panama Canal”.⁴¹

The Panamanian Government argued -

“that the only activities which can be carried on within the said Zone are those expressly authorised by existing treaties and which are directly and necessarily connected with the use, maintenance, sanitation, operation, or protection of the Panama Canal”.

For its part, the US pointed out that such activities had been carried out for 12 years without any complaint from Panama. It also said that the use of “airdromes” in the Canal Zone by commercial aviation companies did not represent an infraction of either the spirit or the terms of any treaty provisions in force between the US and Panama.

It also argued that Pan American, despite its status as a private company, and in the context of the state of affairs pertaining during wartime, was not dedicated exclusively to commercial matters, as its services and facilities were used by the US forces for the purposes of the war effort, and the *“defense and security of the hemisphere”*.

It was said that –

“the strategic geographical location of the Isthmus of Panama, the progress made in the methods of modern aerial warfare, and the recent expansion of the theater of war have made it increasingly necessary to increase the controls of the aviation system in order to govern the entry, interior navigation and departure from the Isthmus of military and civil aircraft”.

⁴¹ <https://history.state.gov/historicaldocuments/frus1942v06/d575>

The US further contended that the improvements being made at Albrook Field, including the construction of a concrete administration building, are essential in view of the condition of the facilities being replaced, and should in no way be considered as a change in the situation which has prevailed since the establishment of the existing services.⁴² President La Guardia was informed that the development was, in fact, a wartime emergency requirement, and that anyway the Republic was ill-suited for commercial aviation.⁴³

There were just two commercial airfields in the Republic during the war –

- at Paitilla Point, close to Panama City, which had been established in 1930, with a single runway, a hangar, small repair shop and small office building. The first inter-province airmail service began from here in 1931, only to end due to the Depression. By 1935 it was home to a flying school and a daily airline service to David via Aguadulce⁴⁴;
- David in Chiriqui Province in the south-west of the country. However, it had only an unimproved (not paved) runway and was used mainly by Pan American Airways.⁴⁵

In August 1942, as mentioned, Panagra started the first scheduled commercial all-express cargo service by an international carrier certified by the US Civil Aeronautics Boards (CAB). Services commenced on a route from Balboa, using flying-boats, to Lima in Peru and, in just 2½ months it had transported nearly 80,000 lb (36.3 tonnes) of cargo by means of this new service.⁴⁶

⁴² <https://history.state.gov/historicaldocuments/frus1942v06/d577>

⁴³ *US-Panamanian Relations Since 1941* by Lester D Langley (Journal of Interamerican Studies and World Affairs, Vol. 12, No. 3, July 1970), Cambridge University Press: https://www.jstor.org/stable/175020?read-now=1&seq=1#page_scan_tab_contents

⁴⁴ The service relocated to Albrook Field that same year because of inadequate facilities at Paitilla: <https://docplayer.net/53932747-Panama-s-worst-air-disaster.html>

⁴⁵ <https://www.afhra.af.mil/Portals/16/documents/Studies/51-100/AFD-090601-032.pdf>

⁴⁶ <https://www.panam.org/pan-am-stories/429-background-notes-on-pan-am-cargo>

In 1944, the new Canal Zone Air Terminal, adjoining Albrook Field, constructed by the US Corps of Engineers, and which had been completed in 1943⁴⁷, was turned over to Canal Zone Government for operations.⁴⁸

On 21 September 1950, commercial activities would be transferred from Albrook Air Force Base and its Canal Zone Air Terminal to the new National Airport at Tocumen, to the east and outside Panama City. This followed a bilateral agreement between the US and the Panamanian Government. The former terminal at Albrook saw subsequent use as a library and offices for the Canal authority.⁴⁹

Prior to the transfer of traffic to Tocumen in 1950, there were three US airlines offering daily services “to all major gateways in North, Central and South America” –

- Pan American Airways, to Brownsville (Texas), New Orleans, Miami, and Port of Spain (Trinidad);
- Panagra, to Santiago (Chile), Buenos Aires, Lima, and Corumba (Brazil);
- TACA, to San Jose (Costa Rica), with connecting flights to Mexico City and Havana; plus
- Pan American subsidiary Urabe, Medellin and Central Airways, to Medellin (Colombia).⁵⁰

TACA AND PANAMA

In Panama in Autumn 1940, an airline based in El Salvador called TACA⁵¹, founded and owned by a New Zealander, applied for permission to extend its services to the Canal Zone.

⁴⁷ *Annual Report of the Governor of the Panama Canal: Fiscal Year ended June 30 1946.*

⁴⁸ *Annual Report of the Governor of the Panama Canal for the Fiscal Year Ended June 30 1944* (US Government Printing Office, Washington, 1946).

⁴⁹ *Annual Report of the Governor of the Panama Canal: Fiscal Year ended June 30 1946.* Although Tocumen Airport become operational in June 1947, the transfer of international commercial flight operations did not take place until 21 September 1949. By this date, the US-Panama agreement and the construction of the facilities had been completed.

⁵⁰ *The Panama Canal and its Ports* (War Department, US Army Corps of Engineers, 1946)

<https://dloc.com/AA00022193/00001/images/4>

⁵¹ Founded in El Salvador in 1931. By 1934 it had expanded into Central America, operating in El Salvador, Guatemala, Nicaragua, Costa Rica and Panama and using a fleet of 14 aircraft:

<https://www.aviancacargo.com/eng/com/history.aspx>

The background to this was that an US airline, American Export Airlines (AEA), had agreed in October 1940 to purchase TACA, planning to use it to connect with its Continental US routes and to extend operations throughout the Caribbean. This, of course, was counter to the US policy of supporting Pan American, and the latter opposed the TACA-AEA application at the Civil Aeronautics Board (CAB) in the US.⁵²

However, the bid was supported by the Commanding General of the Panama Canal Department (as the US Army Corps in the Canal Zone was designated), the owner of TACA being regarded as strongly pro-US and with most of its employees being American. TACA also had control of a network of 115 landing fields throughout five Central American states, many of them equipped with radio facilities, and it was felt by the military that TACA could render invaluable assistance in a surveillance role, and in assisting Army air operations in the region.

The Commanding General, the State Department and War Department all supported the TACA application for access to the Canal Zone, as soon as it could be “Americanised” (that is to say, acquired by AEA). Pan American continued to oppose the application⁵³ but, in December 1941, CAB approved access to the Canal Zone by TACA, but rejected the planned takeover by AEA. TACA was to continue services to the Canal Zone, and cooperate with the US Army throughout the war.⁵⁴

*Transportes Aéreos Centroamericanos*⁵⁵ (TACA or *TACA de Honduras*) had grown out of charter operations begun in 1931 in Honduras⁵⁶ by a New Zealander, Lowell Yerex, to carry passengers and cargo, and it began operations with a sole single-engine Stinson monoplane.

⁵² <https://history.army.mil/books/wwii/framework/ch10.htm>

⁵³ And had already managed to supplant the airline in Guatemala:

<https://history.army.mil/books/wwii/framework/ch10.htm>

⁵⁴ <https://history.army.mil/books/wwii/framework/ch10.htm>

⁵⁵ “Central American Transport Company”.

⁵⁶ https://www.cia.gov/readingroom/docs/DOC_0000258833.pdf

Yerex had fought in the Honduran revolution and began by using his Stinson to transport important people around Honduras, but the demand was such that after 2 years, he had to expand his trips to El Salvador⁵⁷.

Operations were confined to Honduras until around 1934, when it began expanding in Central and South America, with subsidiary operations being established in several countries.

Until 1939, *TACA de Honduras* remained the principal company of the TACA group, when TACA Airways SA was formed in Panama as a non-operating holding company for the group – which was renamed Inter-American Airways SA in 1943. The group's operations reached its maximum extent in 1947.⁵⁸ Yerex left the company in 1945, selling the company to Waterman Airlines, a subsidiary of Waterman Steamship Corporation that was based in New Orleans. Also in 1945, the airline moved its headquarters to El Salvador.

With difficulties encountered or expected in maritime and land communications, the Panamanian Government decided to promote aviation, and therefore entered into a contract with TACA to undertake the carriage of passengers and mail, as an alternative to, and complement, Pan American.

From the 1950s to 1980, it was owned by Waterman and had its corporate headquarters in New Orleans due to the civil war that began raging in El Salvador. In 2009, it was announced that TACA Airlines would merge its assets in a strategic alliance with Colombian airline AVIANCA, and this merger was completed by 2013, with it continuing to operate as Avianca El Salvador.

⁵⁷ <https://historico.elsalvador.com/historico/607710/fotos-asi-era-en-sus-inicios-taca-la-historica-aerolinea-piloteada-por-roberto-kriete.html>

⁵⁸ Ibid.

ELIMINATION OF AXIS-OWNED AIRLINES

There had been considerable German (and, to a lesser extent, Italian) investment and involvement in aviation in South America during the 1930s.

The removal of German influence in aviation in Colombia and Ecuador was seen as a notable gain for the security of the Panama Canal, and therefore as an important part of removing all Axis influence in Latin American aviation. However, to achieve larger goal would require a much more systematic policy than that which had been followed by the US until the beginning of 1941.

It is said that it was probably at the instigation of President Roosevelt that Nelson Rockefeller, the Coordinator of Commercial and Cultural Relations Between the American Republics⁵⁹, proposed expansion of the authority of the Civil Aeronautics Board (CAB) so that it could, under the supervision of a new inter-departmental committee, undertake an effective “de-Germanisation” program. This was intended to replace all Axis-controlled airlines in South America with US or locally controlled companies. The War Department promptly endorsed Rockefeller’s proposal, and the Chief of Staff stated –

The matter is one of vital importance to national defense. We all agree that German-controlled airlines in South America provide Germany with the means for spreading Nazi propaganda, for communication with German agents and sympathizers in South America, and for familiarizing German military personnel with South American terrain. They also provide bases which would be of great strategic value to an invader. Consequently, these airlines constitute a definite threat to the security of the United States in the event of war with Germany.

While the proposal was still under consideration, the President directed the Postmaster General to consult with representatives of all interested government agencies in the

⁵⁹ Later the Office for Inter-American Affairs from 1945, this was established by Presidential Executive Order in August 1940 with the aim of improving inter-American cooperation:

https://pdf.usaid.gov/pdf_docs/Pcaab967.pdf

In its early days, a particular concern of the organisation was the elimination of the considerable German and Italian influence in South America.

formulation of a general policy toward commercial aviation. At a meeting on 19 February, it was decided that the Army and Navy should study the question and make recommendations. As a result, the Army's representative drafted a recommendation on a general policy and obtained Navy and State Department concurrence.

This policy statement, which the President approved in early March, became the basis for effective action in eliminating Axis influence from Latin American commercial aviation. The policy in respect to aviation in Latin America is detailed on page 1 above.⁶⁰

As mentioned, Pan American was involved in displacing German and Italian aviation involvement in South America, and this function also involved Panagra. In 1938, *Aerovias del Peru* was sold to Faucett Airlines, with Panagra holding a 20% share. By 1941, 20% of *Lloyd Aereo Boliviano* had been purchased by Panagra, the Peruvian branch of Deutsche Lufthansa was shut down.⁶¹ Meanwhile, in Brazil, *Syndicato Condor* became *Panair do Brasil*, another Pan American subsidiary.⁶²

SCADTA IN COLOMBIA

As early as 1931, Pan American had gained an interest in the German-controlled Colombian airline SCADTA, but had contrived to keep its interests from both the Colombian and US Governments until January 1939. It then publicly acknowledged its ownership and, from November, began purging German personnel.

By June 1940, Pan American had (with the collaboration of the US State Department and the authorities in Colombia⁶³) been able to remove most of the German influence and a new company called AVIANCA was set up, owned jointly by Pan American and the Colombian

⁶⁰ *United States Army in World War II: The Western Hemisphere - The Framework of Hemisphere Defense* by Stetson Conn and Byron Fairchild: <http://tothosewhoserved.org/usa/wh/usawh01/>

⁶¹ Pan American sold it in December 1947.

⁶² <http://www.geocities.ws/panagra/memoriesofpanagra.htm>

⁶³ On the night of 8 June 1940, the main airfields were taken over by Colombian troops assisted by the crews of Pan American. All German personnel were arrested: http://clipper-connection.blogspot.com/2015/05/pan-american-en-america-latina_2.html

government⁶⁴. The German pilots and other staff set up a new airline called ARCO, which was itself bought out by AVIANCA in 1941.

The War Department and State Department agreed to repay Pan American for its costs in “de-Germanising” the airlines in Colombia⁶⁵.

SEDTA IN ECUADOR

In Ecuador, a different method of replacing German influence was employed. A German-owned local airline there called SEDTA⁶⁶ owned only two obsolete aircraft, but nevertheless provided indispensable services to the struggling Ecuadorian economy.

After SEDTA announced plans for a service to the Galapagos Islands (which was a focus of US security concerns in connection with the Pacific approaches to the Canal), the US Government provided funds to Panagra to enable it to set up a rival airline, which began services in December 1940, with both equipment and services superior to those of SEDTA.

However, SEDTA managed to maintain a reduced service until its aircraft and property was requisitioned by the Ecuador government in September 1941⁶⁷. It is reported that the Ecuadorian government had been threatened with having their oil supply cut off by the US.

A 1941 PLAN FOR ARMY DETACHMENTS AT PAN AMERICAN AIRPORTS

Between 1937 and 1940, US Army Air Corps (USAAC)⁶⁸ flights over Central and South America had revealed the general unsuitability of airport facilities in Latin America, with airports having substandard runways, no weather reporting services, and virtually no

⁶⁴ On 14 June 1940, *Aerovías Nacionales de Colombia SA* (which became AVIANCA) was constituted; the company resulting from the integration of SCADTA and *Servicio Aéreo Colombiano – SACO*.

⁶⁵ <https://history.army.mil/books/wwii/framework/ch10.htm>

⁶⁶ Owned by Deutsche Lufthansa through an Ecuadorian company. It made a practice of flying Ecuadorian government officials at reduced rates, sometimes free of charge:

<https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

⁶⁷ Ibid.

⁶⁸ The USAAC would be reorganised as the US Army Air Force (USAAF) in 1941.

communication facilities other than those supplied by the commercial airlines. On the other hand, pilots were said to have identified airfields which were strategically located and adaptable for hemisphere defence.⁶⁹

On 30 May 1940, the commander of the USAAC 19th Wing in the Canal Zone recommended to the War Department developing airports in Latin America with the assistance of commercial companies, such as Pan American Airways and Panagra. However, on 30 July, the War Department responded that it and the Navy Department had initiated a program to have Latin American airport facilities at certain designated locations developed and improved by Pan American (see more on this Airport Development Program below).⁷⁰

Then, in March 1941, the USAAC commander in the Canal Zone informally suggested that it would be a good idea to station small Army detachments of servicing and communications specialists at each of the airfields being developed by Pan American Airways. His suggestion led to an official inquiry from the War Department to the Commanding General in the Canal Zone for recommendations. In response General Van Voorhis said that –

“United States military servicing, communications and weather detachments are considered essential at certain airdromes in Central and South America where United States troops, under present plans, will not be stationed”.

They were needed, he suggested, not only for these specific duties but also to guard aircraft in transit against sabotage and to help ensure the secrecy of air movements. He asked that 15-man detachments be placed at each of the Pan American airports in Mexico, Central America, the West Indian republics, and northern South America and that they be controlled from a small headquarters to be in the Canal Zone under the commander of the Caribbean Air Force⁷¹.

⁶⁹ <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

⁷⁰ Ibid.

⁷¹ As the war approached in 1940, a new organisation was created in the form of the Panama Canal Air Force, with its headquarters at Albrook Field, as a major command of the USAAC for units based and around the Canal Zone. In August 1941, with the creation of the USAAF, and under a further reorganisation, it was redesignated the Caribbean Air Force, as part of the overall Caribbean Defense Command, and then became the Sixth Air Force in September 1942, retaining that title until 1946. The Sixth Air Force (designated as a Major Overseas Command) served as a command with responsibility for all USAAF operations in the Caribbean and Central and South America.

During the Summer and Autumn of 1941, War and State Department officials discussed the possibility of stationing Army detachments at airports but did nothing. In October, the Caribbean Defense Command in Panama renewed its earlier recommendation. It asked particularly for detachments at airfields in the Central American and West Indian republics, and it wanted the detachments to be in uniform and armed.

However, the War Plans Division decided that the potential disadvantages of the scheme outweighed its prospective advantages - the detachments would be difficult to control, and their presence in uniform might prompt anti-American reaction. Since the USAAC did not officially endorse the proposal until a few days before the Pearl Harbor attack, nothing was done before the US entered the war. Hence, until then, the Army normally depended on Pan American Airways to provide weather, communications, and mechanical services, as well as fuel, at its airports.⁷²

THE AIRPORT DEVELOPMENT PROGRAM

During Autumn 1939, Army plans for development of an air route from the US and Puerto Rico were extended to reach as far south as Natal, Brazil⁷³, with the proposal that the USAAC establish airbases at 400-mile (644 km) intervals (and emergency landing fields every 100 miles or 161 km) along the route. It was then suggested that Pan American facilities be utilised. In late 1939, the Secretaries of the Army and the Navy, and the Chairman of the Civil Aeronautics Authority (CAA) approved a plan for the development of air facilities along the route. However, in November, the State Department said that it opposed a government agency being involved, proposing that a private company, such as Pan American, should be contracted instead.⁷⁴

In June 1940, the founder and head of Pan American, Juan Trippe, and other representatives from the airline attended a secret meeting in Washington and told of the airport development requirements, and the airline formally accepted the task. A contract was

⁷² *United States Army in World War II: The Western Hemisphere - The Framework of Hemisphere Defense* by Stetson Conn and Byron Fairchild: <http://tothosewhoserved.org/usa/wh/usawh01/>

⁷³ In November 1939, the USAAC flew a flight of bombers to Natal.

⁷⁴ <https://www.afhra.af.mil/Portals/16/documents/Studies/51-100/AFD-090601-032.pdf>

signed on 2 November 1940 for what was now called the Airport Development Program (ADP)⁷⁵.

As we have seen, Pan American and Panagra were already expanding and improving their operations in South America and by Summer 1940, already owned 216 airports and 55% of the routes in Latin America.⁷⁶ In other words, when the US Government requested Pan American undertake the construction of new airports and the expansion of existing ones, *“it was only asking the company to do what it had already been doing on a much smaller scale and in a less hurried manner”*.⁷⁷

In due course, in July 1940, President Roosevelt approved the War Department to contract Pan American to undertake the development program, approving the use of emergency defence funds to affray any costs⁷⁸.

Secrecy was essential as, at the time, neither the US nor any of the Latin American Republics that might be involved were formally belligerents. In addition, from the viewpoint of the airline, Pan American had established and maintained good relations with government officials in the various countries involved, which could be undermined by news of the program. Trippe was also concerned that if the clandestine arrangement were to be made public this would affect the image of the airline in Latin America. He was assured that the ADP would be classified.

A new dummy corporation was formed on 2 November 1940, the Pan American Airports Corporation, to protect the airline's existing financial framework. This new company then signed an agreement with the airline for the latter to actually undertake the necessary airport construction work. An initial contract between the airline and the War Department,

⁷⁵ The original contract ran to 30 June 1942, but was extended by agreements to 30 June 1944. By 20 June 1945, 12 supplementary agreements had modified and extended the original contract.

⁷⁶ *History: Latin American Division Air Routes* (PAA Archives).

⁷⁷ <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

⁷⁸ Initially \$12 million, with a further \$7 million in 1942. By late December 1943, the President had stipulated that the US Government would limit its exposure to no more than \$70,960,429.24 for overall costs of the ADP.

signed on 2 November, identified 25 airfields in 14 countries from Mexico, through Central America and the Caribbean to the eastern coast of South America.⁷⁹

If the longer-range Stratoliners were to be used,⁸⁰ this necessitated longer runways and better facilities, such improvements being in addition to any new airports required. It was logical for the airline to seek to use and improve existing airports, rather than seek to establish new ones.

Under the ADP contract, US military aircraft received the right to use ADP facilities for a 99-year period (to the extent that the airline was able to authorise such use, given that the airports were located on foreign territory).

In the agreements with the local authorities, for each airport Pan American stipulated that user rights for at least 20 years should be the norm, although terms of less than 20 years could be accepted, but one which expired before 30 June 1957 would be unacceptable.

Prior to the Pearl Harbor attack in December 1941, there were some difficulties with various governments over imports of US personnel and equipment, customs delays and obtaining the necessary local approvals. After Pearl Harbor, the attitude of several countries changed, and much of the previous red tape disappeared. The US Government had, of course, concealed its role in the ADP and did not deploy troops or preposition military equipment, at least before the attack on Pearl Harbor in December 1941.⁸¹

In April 1942, a supplementary agreement provided a process whereby any air carrier certified by the US, and not just Pan American, could be allowed to use the airports.

Once the US entered the war, it was necessary to expand the original ADP substantially to meet wartime requirements and commitments. In Spring 1942, the War Department noted that need for the development of airports that were strictly military in nature at locations

⁷⁹ Ibid.

⁸⁰ Called "Stratoclippers" by Pan American.

⁸¹ *US Global Defense Posture, 1783–2011* by Stacie L Pettyjohn (RAND Corporation, 2012): <https://www.jstor.org/stable/10.7249/j.ctt24hrv8.15>

where Pan American had no existing landing rights. This led to a new contract on 8 June, and approved on 15 August (with further supplements following) adding additional locations to the original program^{82, 83}.

General George Marshall, the US Army Chief of Staff, said of ADP that “the immediate conclusion of the PAA contract is now more essential to our national defense than any other matter”.⁸⁴

Before the war, many airfields in Central and South America had substandard runways and lacked weather and even basic communications. Of course, when Pan American had begun its expansion into South America, it had mainly concentrated on using flying-boats that did not require the runways and other land-based facilities.

Of particular importance to Panama and the Canal Zone were airports in Central America. An example of this aspect of the ADP may be gained from looking at Mexico⁸⁵.

On 1 December 1935, Pan American Airways had entered into an agreement with *Compania Mexicana de Aviacion SA* (CMA) which, since 1928, had been operating air services in Mexico. CMA agreed to make its facilities available to Pan American. The original ADP contract on 2 November 1940 covered three airport sites – Tampico, Tapachula and Vera Cruz. A further agreement of 2 December 1942 added Carmen, Chetumal and Merida, a June 1942 contract added Tehuantepec, and one of 16 November 1942 added Cozumel. The land involved in each case was either owned or leased by CMA.

In neighbouring Colombia, prior to the ADP, Pan American’s operations were undertaken by AVIANCA, which had been taken over by Pan American. However, on 2 November 1940, the ADP contract included development of a landing field at Barranquilla, on the Caribbean

⁸² At Tehuantepec and Cozumel, Mexico; San Jose and Puerto Barrios, Guatemala; and San Julian, Cuba.

⁸³ <https://www.afhra.af.mil/Portals/16/documents/Studies/51-100/AFD-090601-032.pdf>

⁸⁴ <https://apps.dtic.mil/dtic/tr/fulltext/u2/1019707.pdf>

⁸⁵ Mexico only declared war on Germany, Italy and Japan on 1 June 1942,

coast. Soledad Field was six miles (9.6 km) south of the city, and AVIANCA was to be responsible for the improvements. Soledad Field had also been owned by SCADTA.⁸⁶

A total of 48 land bases, seaplane bases and Navy LTA bases (“Lighter Than Air”, bases for Navy patrol airships, aka blimps) were constructed under the ADP. The bases built included a land base in Liberia, which was also part of the ADP. The total cost of the ADP was approximately \$89 million⁸⁷.



There were airports sufficiently ready by the end of 1941 to permit the rapid reinforcement of the Canal Zone in an emergency, and in 1942 to help cope with the problems caused by the U-boat threat in the Caribbean (1942 was the worst year for U-boat attacks in the Caribbean and Gulf of Mexico), providing a vital air link.⁸⁸

⁸⁶ <https://www.afhra.af.mil/Portals/16/documents/Studies/51-100/AFD-090601-032.pdf>

⁸⁷ Ibid.

⁸⁸ <https://history.army.mil/books/wwii/framework/ch10.htm>

By the end of the war, the ADP had produced what amounted to two air bridges comprising 48 landplane and seaplane bases stretching from the Continental US to the coast of Brazil, which included airfields in Cuba, Haiti, the Dominican Republic, Dutch Guiana, Brazil, Mexico, Guatemala, Nicaragua, Bolivia, Colombia, Venezuela, and Paraguay^{89, 90}

POSTWAR PLANS

In September 1943, the US Assistant Secretary of State had expressed his belief that aviation would have a greater influence on US foreign interests and US foreign policy than any other non-political consideration, arguing that aviation's effect on future US defence and commerce would be comparable to the effect that sea power had had in the past.

In fact, at a meeting in 1943, the Assistant Secretary of War had said that the USAAF felt strongly both from the point of view of military defence, as well as from the point of view of peacetime commercial operations, that treaties and agreements should provide that no foreign-owned or operated line other than a US line should be permitted to operate in the Caribbean and South America, in what would have amounted to an extension of the effective monopoly that had been provided to Pan American.⁹¹

In the 1940s, some people maintained that US commercial aviation was on the verge of the same sort of tremendous growth that the railroads had experienced in the 1840s. In 1945, new President Harry S Truman told the Secretary of Commerce Henry A Wallace that, along with reparations, the future of international aviation was "*the most important postwar international problem*". From the beginning of the postwar planning process, civil and

⁸⁹ *US Global Defense Posture, 1783–2011* by Stacie L Pettyjohn (RAND Corporation, 2012):
<https://www.jstor.org/stable/10.7249/j.ctt24hrv8.15>

⁹⁰ *Ibid.*

⁹¹ *Circling the Earth: United States Plans for a Postwar Overseas Military Base System, 1942–1948* by Elliott V Converse III (Air University Press, Maxwell AFB, Alabama. August 2008):
https://media.defense.gov/2017/Mar/31/2001725262/-1/-1/0/B_0097_CONVERSE_CIRCLING_EARTH.PDF

military planners hoped to integrate military and civil airfields into a vast network, assuring both physical and economic security for the US.⁹²

BRANIFF AIRWAYS

Braniff Airways Inc (Braniff International Airways from 1948) was an airline which operated between 1928 and 1982, and became a competitor with Pan American and Panagra on Latin American routes⁹³.

Originally based in Oklahoma City, where it had been founded by two brothers named Braniff in 1930, it moved its company operations and maintenance facilities to Love Field, Dallas in 1934. It had been close to insolvency when the US Post Office awarded it an airmail route between Dallas and Chicago in 1934 (at the time airmail routes were the lifeblood of many small airlines). In 1942, it also moved its administrative headquarters to Dallas, to become seen as the quintessential Texas airline⁹⁴.

In 1935, the company had bought another airline which gave it mail contracts connecting Dallas-Fort Worth and the Texas Panhandle with Mexico through connections in Brownsville, Texas, as the first airline to offer service between Chicago and the Mexican border.⁹⁵

At the start of the war, it surrendered over half its fleet to the USAAC⁹⁶ and, during the war, it also trained military pilots, radio operators, and mechanics. As well as seeing its air services used in support of the war effort, Braniff used its facilities at Dallas Love Field for

⁹² *Circling the Earth: United States Plans for a Postwar Overseas Military Base System, 1942–1948* by Elliott V Converse III (Air University Press, Maxwell AFB, Alabama) August 2008:

https://media.defense.gov/2017/Mar/31/2001725262/-1/-1/0/B_0097_CONVERSE_CIRCLING_EARTH.PDF

⁹³ And remembered by me as having all-orange colour schemes in the 1970s, including on the Boeing 747 Jumbo Jet, which was modelled by Airfix.

⁹⁴ <https://www.tshaonline.org/handbook/entries/braniff-airways>

⁹⁵ Ibid.

⁹⁶ So many aircraft were commandeered for military service that Braniff at one time only had 147 seats available for passenger service - about half the payload of a modern Boeing 777: *Journal of the American Aviation Historical Society*, Fall 2001.

the training of pilots and mechanics⁹⁷. It flew to the Canal Zone for the USAAC Air Transport Command and continued to expand.

It was given a contract to operate a military cargo flight between Brownsville, Texas, and Panama City/Balboa City, in the Canal Zone. The route was called the “*Banana Run*” because pilots made agreements with the banana producers in Panama to take their bananas to the US to sell. The official name for service was the Contract Air Cargo Division of the Air Service Command. These flights using DC.3 airliners were vital to the war effort as German U-boats were present in the Caribbean and the Gulf of Mexico and this was sometimes the only way to resupply the Caribbean and Central American bases. When the flights ceased on 8 January 1944, Braniff had flown 4,840,517 air miles (7,790,056 km), carried 6,494,181 lb (2,945,710 kg) of cargo, 16,890 passengers and made over 2,300 flights without loss of life or cargo.⁹⁸

The US Civil Aeronautics Board (CAB) had granted approval for Braniff to serve South America in 1942 out of Texas, connecting to Mexico, Cuba, Panama and South America, adding Miami as its “gateway” airport to South America in 1944. It also acquired other airlines, as well as owning and operating *Aerovias Braniff* in Mexico between 1943 and 1946.

Following the war, on 19 May 1946, the CAB awarded Braniff approval to operate routes to the Caribbean, Mexico and Central and South America, competing with Panagra. CAB awarded Braniff a 7719-mile (12,418 km) route from Dallas to Houston to Havana, Balboa, Guayaquil, Lima, La Paz, Asuncion, and finally Buenos Aires. It later added Miami as a “gateway” to Latin America⁹⁹.

⁹⁷ Journal of the American Aviation Historical Society, Fall 2001.

⁹⁸ Ibid.

⁹⁹ Flights to some of these destinations were delayed until 4 June 1948, following the building of an extensive infrastructure in some areas of the continent. Flights to Lima and La Paz did not commence until February 1949 and a month later the route system was extended to Rio de Janeiro. In March 1950 service from La Paz to Asuncion began and two months later Casa Rosada at Buenos Aires began receiving a Braniff flight that had originated in Houston via Panama City and Lima: Journal of the American Aviation Historical Society, Fall 2001.

Flights to South America via Cuba and Panama began on 4 June 1948 with a routing of Chicago – Kansas City – Dallas – Houston – Havana – Balboa – Guayaquil – Lima (the Lima leg of the service did not begin until 18 June). The route was then extended in February 1949 to La Paz¹⁰⁰ and in March 1949, to Rio de Janeiro.

On 1 February 1967, Braniff International completed a merger with Panagra, with the latter then ceasing to exist as of that date, Braniff having purchased the airline for \$30 million from its owners, WR Grace and Company and Pan American World Airways Inc.¹⁰¹



1945 Braniff Airways poster

¹⁰⁰ Braniff was also the first airline authorised by CAB to operate JATO (Jet Assisted Take-Off) aircraft (a four-engine DC.4). these was needed at at La Paz, given its altitude.

¹⁰¹ In the late 1950s, the shipping line had begun a transition and lose interest in the airline.

<https://www.braniffinternational.com/pan-american-grace-airways-inc>

COPA

On 21 June 1942, *Compañía Panameña de Aviación SA* (or COPA) was formed with a 40% shareholding by Pan American, the other 60% being owned by Panamanian investors. It would go on to become the country's leading, and national airline^{102, 103}

It would not begin operations until 1947, on internal routes previously served by Pan American under cabotage privileges¹⁰⁴.

Ray Todd
Panama City
Republic of Panama
15 March 2023

¹⁰² <https://www.aeronautica.gob.pa/recursos/index.php?c=historia>

¹⁰³ For a history of COPA, see: <https://www.panamaviejaescuela.com/historia-de-copa-airlines/>

¹⁰⁴ <https://www.govinfo.gov/content/pkg/GOVPUB-S-dae74a31ce03269f4dc99454c183598c/pdf/GOVPUB-S-dae74a31ce03269f4dc99454c183598c.pdf>