

PANAMA IN WORLD WAR 2: THE CANAL AUTHORITIES DURING THE WAR

By World War 2, it had become customary to refer to the collection of US-run authorities governing and administering the Canal and the Canal Zone as simply “The Panama Canal”. This was not decreed by any treaty or legislation, but rather came from general usage and the terminology employed in Executive Orders. Treaties and Acts of Congress referred to “operation and control of the Panama Canal” and to “the government of the Canal Zone” (so that the “Canal Zone Government” became another alternative, and had been such since 1912¹).

Article 5 of the Canal Zone Code 1934 restated the situation as follows –

“Government and operation of Canal and government of Canal Zone

The President is authorized to govern and operate the Panama Canal and govern the Canal Zone, or cause them to be governed and operated, through a Governor of the Panama Canal and such other persons as he may deem competent to discharge the various duties connected with the care, maintenance, sanitation, operation, government and protection of the Canal and Canal Zone”.

The Governor’s powers were extensive, only being superseded only in time of national emergency – as was the case in both 1917 and 1939, when the Canal was placed under the direction of the Commanding General of the Panama Canal Department (the US Army command there). By custom, the Governor was also a former officer of the US Army Corps of Engineers. The Governor was chief executive of the Canal Zone, supervised all departments and divisions and, to achieve consistency of policy and efficiency, he was also President of the Panama Railroad Company. One of the most important of the Governor’s roles was to conduct relations with the Panamanian Government. – which might be through the State Department, the War Department, or through the US Ambassador in Panama

¹ Such as in the 1934 *Canal Zone Code*, An Act of the US Congress to establish a code of laws for the Canal Zone: <https://www.govinfo.gov/app/details/GOVPUB-W79-c71e6edf8aa4a19cd93a379d8cf9d972> From 1950, it became the official name for the government functions, albeit that it remained an agency of the US Government.

(note that the US diplomatic representation was only upgraded to Ambassador status in 1939, when the 1936 Treaty was finally ratified by the US Congress – until then Panama had a *chargé d'affaires*).²

Under the Panama Canal Act 1912, it was the US President who was responsible for the operation, maintenance, and protection of the Canal, and for the Government of the Canal Zone, through a Governor confirmed by the US Senate. The President delegated many of his supervisory powers to the Secretary of the Army, so that the Canal Zone Government, under the direction of the Governor, was subject to the supervision of the Secretary of War.³

The administration of the Canal itself involved three main elements –

- *Operation and maintenance of the Canal* – which involved mainly the passage of shipping, maintenance of the waterway, and the operation and maintenance of the locks;⁴
- *Operation of the auxiliary enterprises necessary to provide for the needs of shipping, and the US forces* – these covered a wide range of services, including fuel oil and coaling plants, storehouses of foodstuffs, chandlery, and other essential supplies, as well as marine and railway repair shops, terminal facilities for cargo and ship passengers, the railway and the shipping line that linked New York and the Canal Zone⁵. There was also a network of commissaries, as well as the need for the construction, maintenance and rental of housing for employees;⁶ and
- *Government functions in the Canal Zone* – including police, customs⁷ and fire services, schools and playgrounds, clubs, libraries, immigration, vessel inspection, water supply sewers and sanitation (including, by agreement, health and sanitation

² <http://bdigital.binal.ac.pa/rdd/historicoview.php?ID=178321>

³ Ibid.

⁴ *The Panama Canal: Twenty-fifth Anniversary* (Panama Canal Press, Mount Hope, Canal Zone, 1939): <https://dloc.com/UF00083288/00001/images/0>

⁵ During World War 2, New Orleans became the main supply port.

⁶ *The Panama Canal: Twenty-fifth Anniversary* (Panama Canal Press, Mount Hope, Canal Zone, 1939): <https://dloc.com/UF00083288/00001/images/0>

⁷ From the entrance of the US into World War 2, the Bureau of Customs of the Canal Zone was charged with responsibility for the enforcement of the many additional restrictions placed upon travel and the movement of cargo, mail, and currency. It was also assigned the duties of enforcement in the Canal Zone of many restrictions which in the US are handled by the Department of the Treasury: *Annual Report of the Governor of the Panama Canal for the Fiscal Year Ended June 30 1944* (US Government Printing Office, Washington, 1946).

services in Panama City and Colón, which were outside the Canal Zone, as well as supplying the two cities' water supplies)⁸, maintenance of streets and highways, and other services normally undertaken by national, state, county and municipal authorities in the US^{9,10}

The Canal Government operated through six major departments –

- The Executive Department;
- Department of Operation and Maintenance – comprising the Marine, Mechanical, Dredging, Electrical, Municipal Engineering and Locks Divisions, as well as the Sections of the Office Engineer, Survey and Plans;
- The Accounting Department;
- The Health Department (which also includes supervision of immigration, and hence any quarantine issues);
- The Supply Department; and
- The Purchasing Department.

The Supply Department was responsible for the hotels owned by the Canal Zone Government, the printing plant at Mount Hope¹¹, a large dairy and the commissary network.

The Panama Railroad Company operated as a separate and distinct entity. However, it did supply services that were ancillary to the Canal operations, including the stevedore services at the docks – and continued to do so during World War 2. However, the Real Estate Section of the Government's Executive Department handled all real estate operations of the

⁸ The Canal authorities supplied water to the cities of Panama and Colón from the Canal Zone water system, and maintained the sewers and streets in the two cities under a contract between the Canal Government and the Republic of Panama in 1907. Canal authorities collected the water rentals from the residents of the two cities and used the funds to cover the cost of water and maintenance of sewers and streets, interest on the unamortised investment at 2% *per annum* and amortisation based on 50 years from 1907: *Annual Report of the Governor of the Panama Canal for the Fiscal Year Ended June 30 1944* (US Government Printing Office, Washington, 1946).

⁹ [The Panama Canal: Twenty-fifth Anniversary \(Panama Canal Press, Mount Hope, Canal Zone, 1939\): https://dloc.com/UF00083288/00001/images/0](https://dloc.com/UF00083288/00001/images/0)

¹⁰ Ibid.

¹¹ The Panama Canal Press printed such forms, stationery etc, as were required in connection with the operation of the Panama Canal and the Panama Railroad. This unit also performed some work for the US Army during 1944, including the printing of *Yank*, the Army weekly newspaper: *Annual Report of the Governor of the Panama Canal for the Fiscal Year Ended June 30 1944* (US Government Printing Office, Washington, 1946).

railway, as well as those of the Canal operations. The Government's Accounting Department also dealt with the accounts of the railway. In addition, the Chief Quartermaster of the Government's Supply Department handled orders, storage and distribution for the railway as well.¹²

There was, of course, close cooperation between the units of the Canal Zone Government and the US Army and Navy forces in the Zone.¹³

By 1950, commercial ships using the Panama Canal would have a carrying capacity of 600 tons a vessel more than those of 1930, and all classes of vessels had increased in size but tankers, largely the result of the war, measured almost 1,000 tons more than the average in 1929. Comparative figures on Canal traffic for the calendar years 1929, 1938 and 1949 show a steady increase in the size of ships. Gains were shown each decade in tankers, cargo ships, and cargo-passenger vessels, the three main classes which made up ocean-going commercial traffic through the Canal.

Cargo and cargo-passenger ships showed a large gain between 1929 and 1938 and a lesser gain in the next ten-year period. On the other hand, tankers only showed an increase of 227 tons in size between 1929 and 1938, but averaged 958 net tons (Panama Canal measurement¹⁴) more in 1949 than in 1929. Cargo and cargo-passenger vessels averaged 4,477 tons in 1929; 4,913 tons in 1938; and 5,019 tons in 1949, a 20-year increase of 542 tons, or 12%.

¹² [The Panama Canal: Twenty-fifth Anniversary \(Panama Canal Press, Mount Hope, Canal Zone, 1939\): https://dloc.com/UF00083288/00001/images/0](https://dloc.com/UF00083288/00001/images/0)

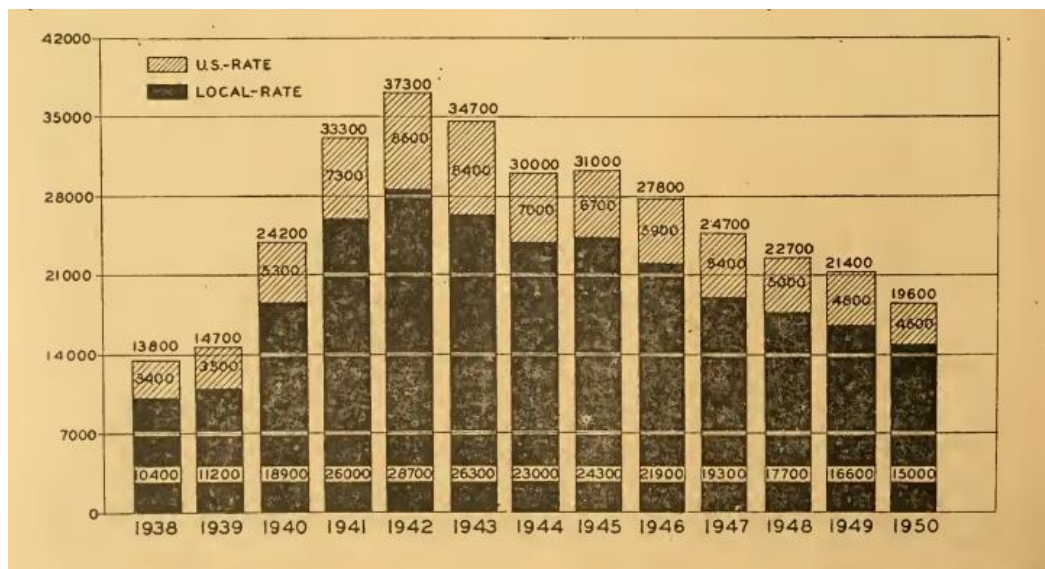
¹³ Ibid.

¹⁴ From the Canal's opening in 1914 until July 1982, the Canal used its own tonnage measurement system for assessing tolls due, and derived from national tonnage certificates. The only exceptions were unusual vessels and warships, which were assessed on their displacement. The Canal rules were adopted to provide uniform treatment of all ships using the Canal, as otherwise, tonnage determined under traditional national rules could produce different results for identical ships. In 1969, the International Maritime Organization (IMO) Convention on Tonnage Measurement of Ships was signed, with a 12-year lead-in for the adoption of the Universal Measurement System (UMS), with the Convention coming into legal force in 1980, and in 1983 the Canal adopted a new system based on UMS: <https://www.iaphworldports.org/n-iaph/wp-content/uploads/ph/1983-4.pdf>

During the war, commercial traffic fell to about 20% of the maximum pre-war figures, and for three years of the war the traffic and tolls were insufficient to cover operating expenses, despite traffic reaching an all-time high.¹⁵

Southbound traffic (i.e. heading east¹⁶) reached a peak in August 1945, as forces redeployed following the end of hostilities in Europe. On the busiest day, there were 98 vessels in Cristobal harbour, with five more outside the guardship awaiting entry. A total of 651 ships made southbound transits in August 1945.¹⁷

Before the war there had been considerable traffic through the Canal operating on feeder lines from Cristobal to Central and South American ports on the Pacific. This trade would practically disappear by 1950, with vessels in this category being slightly larger than before the war and operating over some of the main trade routes.¹⁸



Canal and Railroad workforce levels 1929-50¹⁹

¹⁵ *The Panama Canal in World War II* by James G Steese (The Military Engineer – Society of American Military Engineers, Vol. 40, No. 267, January 1948): <https://www.jstor.org/stable/44516081>

¹⁶ It is confusing that, due to the shape of country, the notionally east-west canal actually runs north-south.

¹⁷ *The Panama Canal in World War II* by James G Steese (The Military Engineer – Society of American Military Engineers, Vol. 40, No. 267, January 1948): <https://www.jstor.org/stable/44516081>

¹⁸ <https://www.govinfo.gov/content/pkg/GOVPUB-W79-5f2fcd7d412428b5e6908a1741f6ba81/pdf/GOVPUB-W79-5f2fcd7d412428b5e6908a1741f6ba81.pdf>

¹⁹ *Ibid.*

Up to 1945, all commercial ships afloat, except the RMS *Queen Elizabeth* and RMS *Queen Mary* could pass through the Canal, as could all but the newest and largest US battleships and aircraft carriers. During the war, the British ship, *SS Aquitania* was the largest commercial vessel to make a transit. She was 901 feet (274.6 metres) long and had a beam of 97 feet (29.6 metres).²⁰

THE DEPARTMENT OF OPERATION AND MAINTENANCE

Marine Division

The Marine Superintendent was responsible for the transit of ships through the Canal, with the Port Captains at either end, pilots²¹, assessing tolls (based on a ship's tonnage). There were also numerous harbour-related activities – ship inspections, boiler services, towage and salvage, accident investigation, as well as the installation and maintenance of navigational aids.

Balboa was the terminal for all Pacific Ocean tanker operations during the war, and for any required dry docking and repair. At its peak during the war there were some 300 tankers using the facilities at Balboa.

As on 30 June 1944, there were a total of 767 navigation aids in service in the Canal and its approaches, maintained by the Lighthouse sub-division – 110 being powered by acetylene gas, 343 electric and 314 unlighted. This included 2 lighthouses at Morro Puercos and Jicarita Island on the Pacific coast, maintained for the US Coast Guard. Each was visited once yearly by USS *Favorite*, to inspect and service equipment.²²

²⁰ *The Panama Canal in World War II* by James G Steese (The Military Engineer – Society of American Military Engineers, Vol. 40, No. 267, January 1948): <https://www.jstor.org/stable/44516081>

²¹ All vessels, of whatever size must carry a Canal pilot (the famous story is of the man who swam the length of the Canal, accompanied by a small boat containing a pilot, and a man with a rifle in case of crocodile attack).

²² *Annual Report of the Governor of the Panama Canal for the Fiscal Year Ended June 30 1944* (US Government Printing Office, Washington, 1946).

Locks Division

To prevent damage to the locks and some Navy vessels, during the war the roof overhangs of the control houses at all locks were reduced and all concrete lamp posts on approach and wing walls were replaced by steel ones. Floating tenders were employed to assist the largest ships entering and leaving the locks.²³

The vehicle bridge at the Miraflores Locks became operational in May 1942, to reduce pressure on the ferry service across the Canal²⁴. At the Gatun Locks, the roadway across the lower lock gates was widened during the war to allow the passage of military vehicles to access Army installations to the west of the Canal.

By the end of the war, over half of those employed on the locks had been hired during the war.²⁵

Mechanical Division

From 1941, there was a steady and increasing change in the nature of the work undertaken by this Division. By 1945, around 85% of its workload was taken up on repairs and services on all types of Army and Navy craft. The number of vessels it repaired grew from several hundred in 1941 to 4,377 in 1945 (declining once more, to 3,186 in 1946). A problem facing the Division during the war was the lack of adequate materials and tools, and the correct replacement parts. As speed was the most important factor in passing ships through the Canal, reliable and swift repairs were essential.

The Division operated four dry docks, which were in constant use. In June 1945, US Navy floating dry dock YFD-6 transited the Canal and was installed in Balboa to augment the No 1 Dry Dock there. The number of ships using the dry docks rose from 185 in 1941 to a peak of 546 in 1945.

²³ *The Panama Canal in World War II* by James G Steese (The Military Engineer – Society of American Military Engineers, Vol. 40, No. 267, January 1948): <https://www.jstor.org/stable/44516081>

²⁴ The Thatcher Ferry ran from close to Balboa, where the Bridge of the Americas now stands.

²⁵ *The Panama Canal in World War II* by James G Steese (The Military Engineer – Society of American Military Engineers, Vol. 40, No. 267, January 1948): <https://www.jstor.org/stable/44516081>

There were also two marine railways serving the harbours.

In 1944, the Division was established as the operating repair base for the 300 War Shipping Administration tankers of the Pacific Fleet. As mentioned, Balboa was the terminal for all wartime Pacific Ocean tanker operations, and for any required dry docking and repair. At its peak during the war there were some 300 tankers using the facilities at Balboa.²⁶

Municipal Engineering Division

Due to work on the Third Locks Project 1940-42²⁷, Special Improvement Projects (aka Special Item Projects), and various other war work for the Army and Navy, this Division grew from 1,500 employees in 1939 to a wartime peak of 7,600.

It was involved in construction of airports²⁸, docks, bridges, pipelines and tanks, sewers, drains, highways, and a variety of military installations. It took over construction of the highway to Rio Hato airbase from the American Bridge Company and the Public Roads Administration, this including building 14 steel and concrete bridges of varying dimensions. The Division also handled municipal utilities, water, sewers, and roads needed to meet the expanded requirements following the defences expansion programme from 1939.²⁹

Electrical Division

The vital, but little publicised, work of this Division included providing the electrical power for all the facilities – from lights to locks. It was also involved in ship repair work.

In 1945, servicing of the tankers at Balboa presented a problem, as the tankers and landside services used different types of electrical supplies.

²⁶ *The Panama Canal in World War II* by James G Steese (The Military Engineer, Vol.40 No 267, January 1948), Society of American Military Engineers: <https://www.jstor.org/stable/44516081>

²⁷ See <http://raytodd.blog/2022/09/26/the-wartime-panama-third-locks-project/>

²⁸ Airfields were built in record time. For example, in just 2½ months, in rough jungle country at Casa Larga, a complete airport was provided, with access roads, taxiways, bridges, barracks and other quarters, in addition to the necessary runway (including 4,000 feet – 1,219 metres - asphalt paved portion).

²⁹ For example, water filtration capacity expanded from 16 million gallons (60.6 million litres) to 26 million (98.4 million litres) daily on the Pacific side, and from nine million (34 million litres) to 14 million gallons (53 million litres) daily on the Atlantic side.

It also operated the local telephone system, which was vital and involved five automatic exchanges. The system was substantially expanded between 1940 and 1942.

Dredging Division

This Division saw a growth beginning with the defences expansion programme that began in 1939-40, and particularly the start of the abortive Third Locks Project in July 1940. Its workforce rose from 1,030 to a peak of 3,173 in April 1943.

The Division's dipper dredge *Gamboa* was used to excavate an underwater trench in Gatun Lake to lay the Trans-Isthmian oil pipeline.

In addition to the Third Locks Project, the Division was involved in meeting the demand for increased anchorage and aggregates for the various construction programmes. This included the production of gravel from the Chagres River for a stockpile at Gamboa, with 22.5 million cubic yards (17.2 cubic metres) of material removed by dredges before the Third Locks Project ended in 1942.

A project to widen the approach channel to Cristobal Harbour was still underway in 1946, to provide additional anchorage and manoeuvring area. Another project to provide additional anchorage in West Limon Bay was also still in progress in 1946.³⁰

PANAMA RAILROAD COMPANY SUPPLY DEPARTMENT

While the ships owned and operated by the Panama Railroad were transferred to the Army and Navy from early in the war, and would not resume any commercial services until 1948, the railway itself continued to function.³¹

³⁰ *The Panama Canal in World War II* by James G Steese (The Military Engineer, Vol.40 No 267, January 1948), Society of American Military Engineers: <https://www.jstor.org/stable/44516081>

³¹ For an overview, see <http://raytodd.blog/2022/09/02/the-panama-railroad-ships-and-the-other-ss-ancon/>

The following Table indicates the war expansion of the business of the railroad proper :

| | <i>F.Y. 1938</i> | <i>War Peak Year</i> | <i>Per cent of Increase</i> |
|--------------------------------|------------------|----------------------|-----------------------------|
| Revenue ton miles (freight) | 10,504,777 | 62,480,603 | 495.0 |
| Total passengers carried | 358,897 | 1,146,899 | 219.5 |
| Freight tons stevedored | 617,137 | 1,145,186 | 85.6 |
| Tons handled and transferred | 1,530,287 | 2,508,421 | 64.0 |
| Coal sales tons | 103,844 | 127,644 | 22.9 |

The Supply Department

This was headed by the Chief Quartermaster and was responsible for the acquisition, storage and distribution of materials and supplies for the Canal and the Panama Railroad; as well as the maintenance and construction of buildings, living quarters and the care of associated grounds, storehouses, fuel oil plants and even a printing plant. It was also responsible for the supply of motor transport to the various other departments and divisions, and the mess halls provided for contract labour.

Division of storehouses

The operations of this Division increased considerably in the defences expansion programme of just before and following the outbreak of war in 1941. While, in the five years from July 1935 to June 1940, the average value of materials procured, stored, or handled was just over \$7.6 million per year; between 1 July 1940 and 30 June 1945 it averaged just over \$22.5 million.³²

Its Oil Handling Plants also saw increased activity during the war. During the period July 1934-June 1940, the average amount of petroleum products handled was around 10 million barrels, in the five years to June 1945 it averaged over 22.9 million barrels, with a peak of over 35.1 million barrels in the year July 1944-June 1945. The principal movement was from Atlantic to Pacific, as well as to Central and South America. The Navy's trans-isthmian pipeline system also used the plants as transshipment points from around September 1943.

Building Division

Almost half the new building the Division provided was for housing of US and "alien" employees, with new towns at Diablo, Margarita and Cocoli; and the expansion of existing

³² *The Panama Canal in World War II* by James G Steese (The Military Engineer – Society of American Military Engineers, Vol. 40, No. 267, January 1948): <https://www.jstor.org/stable/44516081>

towns at Balboa, Pedro Miguel, Gamboa, Gatun and Old Cristobal. About 375 new houses were built, ranging from single-family homes to 12-family apartment blocks, with over 100 of the latter built in the first 18 months. Five large mess halls were also built for the imported workers to use.

Additional units were built for almost every department and division, with such things as retail commissaries, club houses, movie theatres, post offices, police and fire stations, gasoline stations, schools, dispensaries, gymnasiums, ball parks, tennis courts etc.

A large hospital was built at Margarita, Gorgas Hospital expanded and Colón Hospital renovated and enlarged.

New construction took place for the Mechanical Division and additions to the water filtration system. Additional power generation provided involved additional generating capacity, both diesel and hydro-electric.

It had quickly become clear that there would be difficulties in obtaining the quantities of supplies required and arrangements were made for the purchase of essential food supplies from the US (via the Quartermaster General) and from Argentina, via the British Food Mission. Every effort was also made to source goods from elsewhere in Latin America. Nevertheless, it is reported that trade in the Canal Zone (and presumably in the Republic as well) experienced most of the same shortages that were encountered in the US.³³

Motor Transportation Division

A Public Transportation System, with 175 privately-owned buses on contract to the Canal Commission, was organised in early 1943. This provided assigned transport routes for the general public. It was intended to meet increased demand, supplement transport provided by official vehicles and ferry labourers to and from construction sites. It also relieved some of the pressure resulting from wartime petrol and tyre rationing and the resultant reduction

³³ *The Panama Canal in World War II* by James G Steese (The Military Engineer – Society of American Military Engineers, Vol. 40, No. 267, January 1948): <https://www.jstor.org/stable/44516081>

in the use of privately-owned vehicles. 141 busses were operating in this service as of 30 June 1944.³⁴

Commissary Division

This Division saw greatly increased volumes during the war, in order to meet the requirements of the civilian personnel employed by the Army, Navy, the Canal and the Panama Railroad, as well as contractors.

As mentioned, it soon became apparent that the open market could not supply the volumes of stock required, and other, additional arrangements were therefore made to purchases essential food items.

HEALTH DEPARTMENT

During the war, expansion of this Department saw 630 additional beds and some 20 additional dispensaries. The Department also had to supply complete medical services for visiting or transiting vessels, both onshore and aboard, and serve as a supply source for merchant shipping passing through the Canal.³⁵

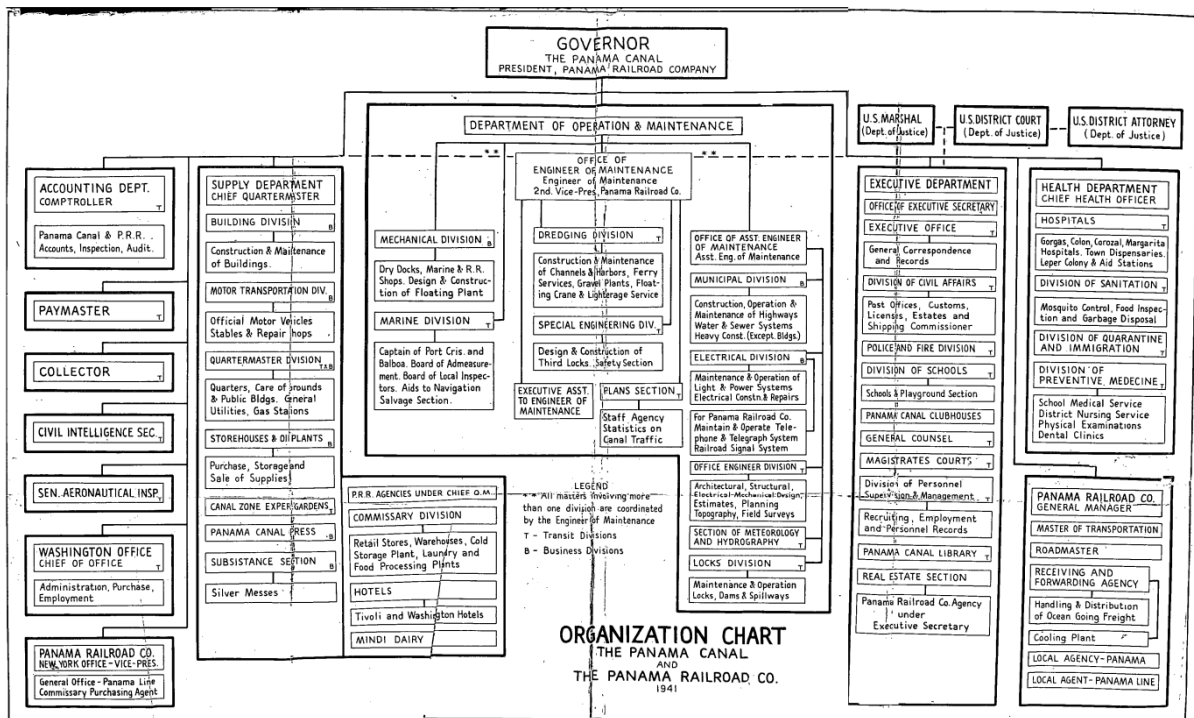
Its Quarantine and Immigration Officers also served as aides to civil and military intelligence.

The Board of Health Laboratories carried out water analysis, tested food and carried out special tests for various branches of the armed services.³⁶ The latter tests were also for the US armed services throughout the Caribbean and Central and South America.

³⁴ *Annual Report of the Governor of the Panama Canal for the Fiscal Year Ended June 30 1944* (US Government Printing Office, Washington, 1946).

³⁵ The Canal Zone authorities were also responsible for the Paco Seco leper hospital across the mouth of the Canal from Balboa.

³⁶ A veiled reference to tests that included those linked to the chemical warfare activities on the Island of San José? See <http://raytodd.blog/2022/10/02/panama-mustard-gas-and-chemical-defences/>



SENDING VESSELS THROUGH THE CANAL

Sending ships through the Canal was conducted on schedules. Vessels awaiting transit begin moving through the Canal from the terminal ports at 6 am and were despatched thereafter from each terminus at intervals of one hour.

The following is a summary of normal arrangements. From Cristobal Harbor, at the Atlantic end of the Canal, the first ship set out at 6 am, the last at about 3 pm. At the Pacific end, the first ship left the Balboa anchorage at 6 am, the last at 2:30 pm. However, variations to these schedules often occurred due to wartime emergencies.³⁷

Tankers and vessels carrying hazardous cargoes were dispatched at the discretion of the Port Captain and were not normally permitted to proceed unless they can clear the locks before dark. Numerous exceptions were made in order to avoid delaying war cargoes.

³⁷ Note that normal 24-hour operation of the Canal would not begin until the 1960s.

Special precautions and regulations for handling ships in the locks were continued throughout was.³⁸

SELECTIVE SERVICE REGISTRATION

The wartime draft, conscription for service in the US forces would affect the Canal operations.

The World War 1 military draft had been discontinued in 1920.³⁹ Then, on 16 September 1940, Congress (narrowly) passed the Selective Training and Service Act 1940, establishing the first peacetime conscription (or “draft”) in US history⁴⁰. It required all men between the ages of 18 to 64 to register with the Selective Service.

Following the Pearl Harbor attack on 7 December 1941, and the subsequent declarations of war by the US on Japan, Germany and Italy, the service period was subsequently extended in early 1942 to be the duration of the war, plus a six-month service in the Organized Reserves. This draft registration was not necessarily intended to be used for military service, but to provide a complete inventory of manpower resources in the US that could be used for national service.⁴¹ The Selective Service System created by the 1940 Act was eventually ended on 31 March 1947.⁴²

During the war, more than 10 million men were inducted into the US Army, the US Navy and US Marines through the draft. However, most men who served, as well as many women, had volunteered for the military.⁴³

³⁸ *Annual Report of the Governor of the Panama Canal for the Fiscal Year Ended June 30 1944* (US Government Printing Office, Washington, 1946).

³⁹ Congress passed the first military conscription Act in 1863 during the Civil War, allowing President Lincoln to draft men between the ages of 20-45. The second military draft law, the Selective Service Act, went into effect in 1917 and gave President Wilson the authority to conscript men for World War 1.

⁴⁰ <https://www.britannica.com/event/Selective-Service-Acts>

⁴¹ <https://www.archives.gov/files/research/military/ww2/draft-cards-fourth-registration.pdf>

⁴² <https://www.sss.gov/history-and-records/>

While, at the end of the war, the draft law was allowed to expire, it would be re-enacted less than two years later to maintain necessary military manpower levels as a result of the Cold War.

⁴³ <https://www.britannica.com/event/Selective-Service-Acts>

Following a proclamation by President Roosevelt on 26 October 1943, registration for selective service was extended, and was required of male citizens of the US outside the Continental US, Alaska, Hawaii, and Puerto Rico, who had not previously registered for selective service and who on 31 December 1943, or thereafter, had attained their 18th birthday but had not attained their 45th birthday. Registration of persons from 18 to 44 years of age was required to be accomplished during the period 16 November to 31 December 1943

In the Canal Zone, the Executive Secretary of the Panama Canal was designated Chief Registrar and was charged with the responsibility of carrying out selective-service registration in the Canal Zone.

Two main registration offices were established at Balboa and Cristobal. Registration facilities were also provided in certain industrial areas and for the civilian employees of the US Army, the US Navy, and Government contractors residing in isolated communities. A total of 2,993 persons were registered during the period, most of the registrations being accomplished during the first week. Facilities continued for the registration of Canal Zone residents as they attained their 18th birthday.⁴⁴

In 1944, commenting on a relatively high turnover of employees in the Canal Zone, the office of the Governor cited as a likely factor the application during 1944 of the selective service registration to male citizens residing in the Canal Zone. The Governor's annual report said that a total of 879 employees had terminated their services specifically to join the military forces in 1944. It also said that while many employees had no doubt resigned for this purpose in 1943, although the exact number was not known; but it was believed that the number was considerably lower than in 1944.⁴⁵

⁴⁴ *Annual Report of the Governor of the Panama Canal for the Fiscal Year Ended June 30 1944* (US Government Printing Office, Washington, 1946).

⁴⁵ *Ibid.*

Obviously, selective service registration did not, and could not, be extended to the Republic, and citizens of the Republic (including those in the Canal Zone) would not be liable for registration.

THE WARTIME GOVERNORS

As we have seen, in peacetime, the Governor of the Panama Canal was responsible for the operation and maintenance of the Canal itself, as well as the administration, sanitation, and government of the Canal Zone. He was also the President of the Panama Railroad, which ran along the eastern side of the waterway to connect the terminal ports of Cristobal and Balboa. The latter also operated the Panama Line, whose three ships (all new vessels, delivered just as war threatened) had been specifically designed for its needs.⁴⁶

The Governor, by custom a retired US Army Engineers officer, reported directly to the Secretary of War. As an emergency measure, on 5 September 1939, the Canal Zone was placed under the jurisdiction of the Commanding General, Panama Canal Department. However, the general's authority over operation of the Canal and governmental functions continued to be exercised through the Governor.⁴⁷

Glen E Edgerton was Governor for most of the war (1940-44). He had previously served as Panama Canal maintenance engineer 1936-40 – and his eventual successor as Governor had succeeded him in that post.

Edgerton had been preceded in 1936 to 1940 by Clarence S Ridley, who was notable for having supervised the construction of the Lincoln Memorial in Washington DC.

Following Edgerton in 1944, Major General John C Mehaffey, was Governor 1944-48. He had also previously served in the Canal Zone, during 1911-12. He was then assigned to the Canal Zone again in 1941 as maintenance engineer, succeeding Edgerton. Whilst Governor, Mehaffey conducted the Isthmian Canal Studies in 1947, producing what was called the Mahaffey Report. This proposed dispensing with the locks and constructing a sea-level canal at a cost of \$3.5 billion.

⁴⁶ <https://media.defense.gov/2013/Sep/16/2001329866/-1/-1/0/AFD-130916-006.pdf>

⁴⁷ Ibid.

THE COMMISSARIES

The commissaries in the Canal Zone differed from those elsewhere, such as in the Philippines, in that many were run by the Canal authorities, and they sold other goods (such as shoes, clothes and other supplies) in addition to food. The US military could also use these stores, and in addition each military community would have its own commissary, intended for the military personnel and US civilian employees of the military. The earliest commissaries in the Canal Zone had been located at Fort Bruja, Fort Amador and at France Field.

The Canal Zone stores were said to be superior to the military-run ones, being large and more modern in appearance – a sort of combination of a food market and a department store. Buyers often travelled to the US to acquire large assortments of food and other goods. Indeed, the commissary at Balboa would later be described in an Army guidebook as “one of the largest and most complete stores in the world”, while hardly mentioning the existence of military-run stores.

The Canal Zone designated its stores “Gold” or “Silver”, to fit in with the discriminatory payment system found in the Canal Zone; though larger stores had separate facilities under the same roof.⁴⁸

It appears that the admission of wives of serving military into Army-run commissaries, although a common practice, was something granted at the discretion of the local installation until 1943, when spouses were granted universal access – this including husbands of serving women.

⁴⁸ “Gold Roll” employees were the higher-paid, essentially all US, employees – the name originating from the fact that such employees were originally paid in gold coin. The “Silver Roll” payroll were for the lower-paid employees, including the Panamanians working in the severed part of their own land. Such employees had originally been paid in silver coin. The system was not formally ended until after the war. For more, see <http://raytodd.blog/2022/11/17/panama-war-discrimination-and-segregation/>
[Other facilities, such as railway waiting rooms, would be similarly segregated.](#)

The Commissary system effectively denied the Panamanian economy the increased demand generated by the Canal Zone's workforce. The approximate average annual wages per employee was \$500, and average annual Commissary sales per employee was \$400, meaning that the typical Canal Zone worker had little need to source any of his or her basic needs from Panamanian merchants.⁴⁹

The commissaries became a source of friction between the Canal Zone and Panama for several reasons. They dominated sales of supplies to passing ships, whereas Panamanian merchants could make no sales within Canal Zone waters. The commissary was off limits to Panamanians who were not resident in the Canal Zone or employed there, a restriction nominally for the benefit of Panamanian storekeepers, who feared the loss of trade.

Panama did have laws restricting imports from the Canal Zone, although these were indifferently enforced. Goods from the commissary would sometimes show up in Panamanian stores and in vendor displays, where *Comisariato* goods were deemed of high quality. Consequently, one saw Panamanian pressure for changes to the system, or access to the same markets for Panamanian traders, as part of negotiations, such as those that led to the 1936 Treaty.⁵⁰

THE CANAL ZONE POST OFFICE AND WARTIME CENSORSHIP

The Panama Canal Zone issued its own postage stamps from 1904 until 1978, but it was 1906 before Panama produced its own stamps, having used overprints of Colombian stamps from 1878 until independence in 1903 (though overprints continued to be used 1903-05). The Canal Zone Post Office issued its first postage stamps as Panamanian or, sometimes, US stamps overprinted with "Canal Zone". Although, the Canal Zone began producing its own stamps from 1928, the last of Panamanian overprints were issued in 1939.

⁴⁹ *What Roosevelt Took: The Economic Impact of the Panama Canal, 1903-37* by Noel Maurer & Carlos Yu: <https://www.hbs.edu/ris/Publication%20Files/06-041.pdf>

⁵⁰ https://military-history.fandom.com/wiki/Panama_Canal_Zone#cite_note-25

The postal service had been established in the Canal Zone in June 1904, under the supervision of the Treasurer of the Canal Zone, only a month after the US had acquired the French assets and the Canal Zone was created.

In the towns where there were railway stations, the station agents of the Panama Railroad functioned as postmasters. There were no mail deliveries in the Canal Zone, one collected your mail from the post office.

In 1938 the Canal Zone Post Office issued a series of stamps commemorating the 25th Silver Jubilee anniversary of the opening of the Canal, and the 10th anniversary of airmail service. In August 1939, it issued a further series of 16 stamps commemorating the 25th anniversary of the Canal's completion, depicting "before" and "after" views of various points along the Canal.

During World War 2, an influx of US military personnel led to an Army Post Office (APO) system being established⁵¹, often co-located in Canal Zone Post Offices. Mail was also delivered by the Navy and Sixth Air Force to outlying bases in the Galapagos Islands, Salinas in Ecuador. and Talera in Peru, via the Canal Zone.⁵²

Security in the Canal Zone had been tightened in the lead up to war, with photography eventually being banned in the Canal Zone and there was considerable concern about espionage in and affecting the Canal.⁵³ As in the other warring countries, censorship was introduced.

Strict censorship was imposed on US forces' mail. At first, servicemen could not even indicate their geographical location, and this caused anxiety at home, particularly after the

⁵¹ Military post offices operated or supported by the Army (or now the USAF) use the abbreviation APO (Army Post Office or Air Force Post Office), while Navy, Coast Guard, and Marine Corps use the city abbreviation FPO (Fleet Post Office).

⁵² <https://www.czbrats.com/Photos/PO/postoffices.htm>

For more on these advance bases, see <http://raytodd.blog/2022/10/16/panama-advance-bases-and-the-rock/>

⁵³ See <https://raytodd.blog/2022/09/11/panama-spies-and-fears/>

invasion of North Africa in 1942.⁵⁴ The restriction was later lifted, allowing men to use the term “in the Caribbean Defense”, and later still just “Panama”.⁵⁵

Civil censorship was initiated and administered in the Canal Zone by the Assistant Chief of Staff for Military Intelligence (G-2) of the Army’s Panama Canal Department until March 1942, when the administration was transferred to the Office of Censorship,⁵⁶ a separate civilian agency.

From October 1941, preparations had been in hand to introduce large-scale censorship. Despite planning and recruitment being slow, by December 1941, around 40 prospective civilian employees had been recruited and screened. These were principally dependents of Army or Navy servicemen and Panama Canal employees.⁵⁷

The Navy had responsibility for censorship of telecommunications in both Panama and the Canal Zone during the war, employing some 50 Panamanians in an examination station located next to the All-American Cable Office in Balboa, the “capital” of the Canal Zone. There was also supervision of telecommunications by forces’ personnel at cable offices in Panama City – Panama was the only country in the region that permitted such an arrangement.

On 12 December 1941, the War Department ordered that all mail would begin to be examined within 48 hours and under direction of the Intelligence Branch of the Panama Canal Department. In fact, such examination began within 12 hours using the civilian recruits and accommodation borrowed from the Canal authorities. However, when non-essential civilians were evacuated, most of the civilian recruits were lost. Henceforth, employment was offered to Canal Zone residents, and latterly to citizens of Panama and other Central American republics. Despite this, language problems continued, as more than

⁵⁴ Interestingly, troops in North Africa were able to give their almost exact location in their mail.

⁵⁵ *Security and Defense of the Panama Canal 1903-2000* by Charles Morris, Panama Canal Commission: <https://original-ufdc.uflib.ufl.edu/AA00047733/00001/6j>

⁵⁶ <http://www.canalzonestudygroup.com/Issue60.pdf>

⁵⁷ As we shall see, this arrangement would be affected by the evacuation of unnecessary US dependants in 1942.

80% of mail was in Spanish, much of it in dialects and using colloquial expressions making translations into standard English difficult.⁵⁸ Spanish and English classes for those involved in the censorship were introduced and helped.⁵⁹

The Canal Zone Censor Stations were originally meant to examine all mail sent to and from the Canal Zone and all mail passing through the Canal Zone (though note that the Navy also had its own Fleet Post Office, see below). However, this original objective was found to be impossible due to problems in finding suitable accommodation for the 800 personnel that would have been required.⁶⁰

From 8 December 1941, the Army's Censorship Office examined both civilian and military mail, but from March 1942, the job of examining civilian mail was transferred to the War Department and reassigned to a branch of the Office of Censorship,. The military office was then redesignated the Sector Censorship Detachment under the Intelligence Service of the Panama Canal Department.⁶¹

Until the start of February 1942, all mail between the US and Central and South America (including going to and from Panama and the Canal Zone) was examined in the US (but not mail from the UK). This resulted in the, the staffing requirement in the Canal Zone being halved to 400, by only having to examine local mail, and mail to and from Central and South American countries. The censor offices had sections for business mail, personal mail, Army Post Office mail and Panama mail.⁶²

The Censor Stations were in Balboa and Cristobal, with a further substation for Balboa. Virtually all Panama and Canal Zone surface mail went to and from Cristobal, which was also the International Post Exchange for rerouting of surface mail. Later, when it was found that

⁵⁸ My wife, a professional interpreter, who in the past has had to deal with people from all over Latin America can testify that standard Spanish is not always adequate to deal with all the possible variations, not to mention poor Spanish from those ill-educated for one reason or another.

⁵⁹ *Security and Defense of the Panama Canal 1903-2000* by Charles Morris, Panama Canal Commission: <https://original-ufdc.uflib.ufl.edu/AA00047733/00001/6j>

⁶⁰ <http://www.canalzonestudygroup.com/Issue60.pdf>

⁶¹ *Security and Defense of the Panama Canal 1903-2000* by Charles Morris, Panama Canal Commission: <https://original-ufdc.uflib.ufl.edu/AA00047733/00001/6j>

⁶² Until May 1943 censorship of Army mail was undertaken by Canal Zone Censor Stations.

some airmail was bypassing censorship,⁶³ a further substation of Balboa was set up in David in Chiriqui Province in the north of Panama. Almost all airmail for Panama and the Canal Zone passed through Albrook Field, the US Army Air Force airbase near Balboa and Panama City, and a scheduled stop for all airlines operating between North and South America, with Balboa having responsible for censorship (though some airmail was examined at Cristobal in 1943).⁶⁴

The Censor Stations were also responsible for censorship of film, travellers' papers, Merchant Marine and Armed Guard⁶⁵ mail, as well as diplomatic mail. It also checked the mail for use of secret inks or codes, and assisted the examining of Navy's Fleet Post Office (FPO) mail.⁶⁶

In September 1942, a Cesar Vallarino was arrested as he left the Canal Zone for Lima and found to have five letters concealed in his shoe. The letters referred to large transfer of US funds to Lima for the firm of Vallarino y Gallardo, of which he was an agent. He confessed to a wilful attempt to evade censorship laws. He was released and allowed to proceed to Lima after two days.⁶⁷

1943 saw a further increase in Spanish-speaking examiners in the Sector Censorship Detachment, due to the increase in the number of Puerto Rican troops deployed to Panama.

In 1944, the censorship of private photographs taken by military personnel was added to the workload of the Sector Censorship Detachment and, by May 1945, it was examining more than 20,000 negatives a month.⁶⁸

⁶³ Passing through Puerto Armuelles, with airmail passing through David.

⁶⁴ <http://www.canalzonestudygroup.com/Issue60.pdf>

⁶⁵ The Armed Guard were US Navy personnel carried aboard US merchant vessels to man defences. For more on the Naval Armed Guard Service see <https://www.history.navy.mil/research/library/online-reading-room/title-list-alphabetically/n/naval-armed-guard-service-in-world-war-ii.html>

⁶⁶ <http://www.canalzonestudygroup.com/Issue60.pdf>

⁶⁷ <https://ncisahistory.org/wp-content/uploads/2020/01/VALLARINO-Cesar-Arrest-of-while-enroute-Lima-Peru-from-the-Panama-Canal-Zone-8-December-1942.pdf>

⁶⁸ *Security and Defense of the Panama Canal 1903-2000* by Charles Morris, Panama Canal Commission: <https://original-ufdc.uflib.ufl.edu/AA00047733/00001/6j>

All censorship ended on 15 August 1945, it then being estimated that about 7.5 million pieces of mail were censored by the Canal Zone Censor Stations.⁶⁹

PRICE CONTROL IN THE CANAL ZONE

In the Canal Zone, the US Office of Price Administration (OPA) operated. This Office had been established in 1941 to control rents and prices during the wartime period. It had the power to place ceilings on all prices except agricultural commodities, and to ration scarce supplies of other items, including tyres, automobiles, shoes, nylon, sugar, gasoline, fuel oil, coffee, meats and processed foods. It would be eventually abolished in May 1947.

One of the nine “regions” of the OPA, with its offices in Washington DC, oversaw the territories of Alaska, Hawaii, the Panama Canal Zone, Puerto Rico, and the US Virgin Islands. Each of the regional offices also had accounting, enforcement, information, price, and rationing departments. These regional offices would receive reports from the district or state level, disseminate information from the federal offices, and help coordinate rationing practices throughout several states.⁷⁰

The increase in canteens, cabarets, nightclubs and other businesses in Panama during the war (many with a dubious reputation) provide profits for local businessmen (and the high command of the National Police, it appeared). While the commissaries (see above) took the bulk of Canal Zone employees’ household expenditure, servicemen and immigrants brought to Panama and the Canal Zone (as well as those from the interior who were drawn to Panama City and Colón) found plenty to take their money.

The Canal Zone authorities had always seen the neighbouring cities in the Republic as a “safety valve”, where things that would not be permitted in the Zone could exist – this including prostitution and brothels in the red light zones.

⁶⁹ <http://www.canalzonestudygroup.com/Issue60.pdf>

⁷⁰ <https://aquila.usm.edu/cgi/viewcontent.cgi?article=2612&context=dissertations>

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