

UNIVERSITY OF CALIFORNIA, SAN DIEGO

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

DEPARTMENT OF MATHEMATICS

LA JOLLA, CALIFORNIA 92093

May 2, 1988

Dr. Hassan Minor, Jr.  
The Partnership, Inc.  
315 Commonwealth Avenue  
Boston, MA 02115

Dear Hassan:

The enclosed proposal is a little sketchy, but I wanted to write something concise and readable. I hope you find it interesting enough to present to Dukakis' other advisors and, eventually, the governor. Please let me know of any feedback. Incidentally, Reagan made a lot of hay in 1980 blasting the Canal Treaty, this would be a way to pay them back in their own currency.

Regards,

A handwritten signature in black ink, appearing to read "Mike", is written over the typed name.

Michael H. Freedman  
Professor of Mathematics  
Dept. of Mathematics  
Univ. of California, San Diego  
La Jolla, CA 92093-0112  
(619) 455-7105 (home)  
534-2647 (office)

Enclosure

## A Proposal on Panama

The current presidential campaign challenges the Democratic party to show initiative and strength in foreign policy. Panama presents an opportunity for action that is at once forceful and liberating, that protects human and democratic values while advancing America's economic and strategic interests, a move consistent with Woodrow Wilson's fourteen points and Theodore Roosevelt's view of the isthmus. The Democratic party should invite a proposal from Panama requesting admission as a state into our union. On the Panamanian side there must be credible participation in this initiative from the earliest stages, culminating in a national plebiscite.

What does America gain by Panamanian statehood? Permanent access to the canal (and future canals) on equitable and democratic terms. We will have the resource without depriving the local population of it -- we let them join the team. Paraphrasing Mark Twain, Zbigniew Brzezinski recently wrote that "rumors of America's imminent ... decline are somewhat premature."<sup>1</sup> Certainly over the next thirty years and longer we will and should remain the pre-eminent Western power and the foremost naval power. British control of the straits of Gibraltar and the passage through Suez enabled an effective role for the Western Allies in the critical years of 1942 and 1943. While no similar emergency is now foreseen in Central America, the Panamanian isthmus is the analogous choke point of the Western hemisphere. American control seems only prudent.

On the local level, no other action has equal potential for promoting political stability and economic growth in Central America. Clean and decisive, Panamanian statehood would constitute an enduring assertion of American interest in Central America free from the current embarrassment of a super-power meddling in a tiny neighbor's affairs. Instead, we would become at once insiders within the Latin American sphere, positioning ourselves to deal adroitly with the problems of that region. And clean and decisive it would be for Panama itself, which otherwise can look to incomplete sovereignty as the United States inevitably strives to protect its legitimate interests. In a decade our stewardship of the canal will expire but our security interests will not. Panamanian sovereignty would be caught in a

---

<sup>1</sup> Brzezinski, Zbigniew, "America's New Geostrategy," Foreign Affairs, Spring 1988, Vol. 66, No. 4, p.680-699.

rather ugly vice defined on one side by U.S. promises and on the other by U.S. needs.

Central America is poor but not devoid of natural resources. It suffers from inadequate capital for investment and a low educational level. The security of investment which would accompany statehood might well be expected to produce a miraculous effect on the local economy and yield substantial collateral benefits to neighboring countries north and south. America's long-range interests are served by lifting populations of our hemisphere from poverty into modernity. Panama with its geographic centrality and historic ties to the U.S. is the ideal focus ~~of~~ for regional revitalization.

Besides the local economy, there is the question of the canal itself. An engineering masterpiece in its time, it is now too small for tankers and many naval and commercial ships. Substantial modernization would cost billions and a commodious sea-level canal -- if feasible -- many tens of billions. It is difficult to see how such sums could be raised except with the credit of the United States and the guarantee of American sovereignty.

Another asset of Panama, though relatively unheralded, is its remarkable rainforest. Coupled with the high technology of genetic engineering it is a resource of enormous potential value best preserved under American auspices. The genetic diversity found only in rain forests will have substantial applications to agriculture, chemical engineering and medicine.

On a more prosaic level, the initial benefit to the local economy would come from American capital investment, stimulated export trade, and increased tourism.

Culturally and socially Panamanian statehood would be an important step for our nation. Puerto Rican statehood might well follow. Then the U.S. would contain two Spanish-speaking states in addition to the present states with substantial Hispanic populations. This would remind us all of the lessons so fundamental to our early natural experience, that being a minority is a relative condition and that diversity is our strength.<sup>2</sup>

---

<sup>2</sup> Boorstein, Daniel J., Hidden History, Harper & Row, pub. 1987.



What are the costs and risks inherent in this proposal? Panama has a population of 2.3 million. In population and area Panama is one percent of the present United States (and bears a per capita indebtedness of approximately one half of America's).<sup>3</sup> There is no denying the short term cost of admitting two million poor people to the rights and privileges of citizenship. Every American expansion had its cost; the Louisiana Purchase of 1803 was opposed by many Federalists<sup>4</sup> on the grounds of enormous expense and capital diversion from the original thirteen states.

There is the risk that a plebiscite would fail to support statehood, but this is small. According to public opinion polls in Latin America, a majority of those questioned would emigrate to the United States if obstacles were removed.<sup>5</sup> The attraction of American wealth and freedom should ensure a favorable outcome to the plebiscite. The initial proposal should come from Panamanians so that statehood will be their goal welcomed by us but not forced on them. Public relations would be important here.

Not being in office, the Democratic candidate faces a delicate problem in receiving a Panamanian proposal. Ideally President deValle would open public discussion of statehood and Democrates, led by Governor Dukakis, would be prepared with a well-researched, positive response. Any discussion must, of course, be kept within the laws that restrict private negotiation with foreign nations. A legal opinion should be sought. Politically sound options may be even more restricted.

Possible reactions of the Soviet Union to Panamanian application for statehood must be considered, however, it is difficult to see an effective Soviet reply. Furthermore our special relationship to Panama provides a basis in international public opinion for assimilation.

---

<sup>3</sup> Encyclopedia Britannica Yearbook, 1987.

<sup>4</sup> Dumas, Marlone, Jefferson and His Time, Little Brown & Co., 1951.

<sup>5</sup> Private communication.

Much ground work will be required to develop the concept of Panamanian statehood to the point where it could be convincingly presented in a public forum. Foremost, advice is required from:

1. A respected analyst with extensive experience of Latin America to assess the strengths and weakness from a political perspective.
2. An economist, again with appropriate regional experience, to assess the local prospects of Americanization as well as the short term cost of Panamanian access to domestic welfare and relief programs.
3. A student of the macro-economics of the canal to compare costs of statehood with our loss in a worst-case scenario in which an independent Panama raised tolls.
4. An expert on naval affairs to evaluate the military importance of the present canal and possible future canals.
5. A civil engineer to make or locate a rough assessment of the cost of various canal modernization options.
6. A medical authority to determine if any significant public health issues exist.
7. A legal opinion on propriety of contacts with Panamanian officials concerning statehood.
8. A scientific advisor to evaluate Panama's resources, biological and otherwise, together with their potential importance to science and the American economy.

If this preliminary discussion attracts interest, I would be ready to assist in assembling such experts.

Professor Michael H. Freedman  
Member: National Academy of Sciences

Department of Mathematics  
Univ. of California, San Diego  
La Jolla, California 92093-0112  
(619) 455-7105 (home)  
534-2647 (office)