



United States Department of State

Washington, D. C. 20520

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BRIEFING MEMORANDUM
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Dept of State, RPS/IPS, Margaret P. Grafeld, Dir.
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 Date 8/3/00 Exemption

TO: P - Mr. Armacost
 FROM: ARA - Elliott Abrams
 SUBJECT: Panama Policy Review Group Meeting, July 22, 1987.

I. U.S. INTERESTS IN PANAMA

- o Our interests more vulnerable as result of fast moving events in Panama and prospect of Noriega's continued tenure as political boss.

II. OPPOSITION ACTIVITY

- o The July 10 demonstrations and human rights abuses by military strengthened opposition to Noriega by Panamanians from all social strata, but particularly of middle class.

-- Generated more calls for Noriega's departure.

-- Raised the possibility for increased violence.

-- Has further eroded PDF's image--before, only riot police (Dobermans) criticized by average Panamanian.

- o More protest activity likely.

-- Over the weekend, PDF clashed with students, later cowed proposed Civic Crusade car caravan with show of force.

-- Opposition has called for 48 hour general strike beginning July 27.

-- Despite bad publicity, harsh police tactics have had restraining effect, but this will probably be only temporary.

- o Government attempts to initiate dialogue have failed.

-- Since July 10 events, opposition stance has hardened: no dialogue while Noriega remains.

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-- Government political parties continue call for dialogue.

III. NORIEGA: STILL THE PROBLEM

- o Human rights violations by PDF, rising potential for violence, increasing calls for Noriega's departure and public opposition compels consideration of stronger policy response.
- o So far, little hard evidence that PDF unity behind Noriega has deteriorated significantly; some indications that PDF officers believe he may become a liability, at what point still unclear.

-- Still no serious PDF challenger in sight or PDF reformist group evident.

IV. What Is At Stake

- o An unsuccessful move against Noriega will invite response against our military bases, intel operations, or other of our vulnerable points in Panama.
- o However, congressional interest and consensus for strong action on Noriega is building rapidly.

-- Lack of swift response will put Administration on defensive with Congress and undercut hemispheric democracy policy.

-- Face prospect of an unstable Panama for as long as Noriega remains and a halt to democratization process.

V. POLICY OPTIONS

- o Status quo (Option I).
 - No longer a viable option.
- o Work with Noriega, if he promises to leave soon (Option II).
 - Gives Noriega chance to divide and neutralize opposition if he reneges on promised departure.
 - Undermines our regional strategy for democracy.
 - Department's initiative may be lost, Congress may take the lead on forcing tougher policy response.

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- o All out effort to dump Noriega. (Option III/IV)
 - With Delvalle taking the lead, we have a government to work with, if effort succeeds.
 - Without Delvalle, greater possibility for tumultuous aftermath if effort succeeds and Civic Crusade reformers withdraw leaving political vacuum.
 - Promotes action at moment when our ability to apply pressure appears greatest.
 - Both variations of this option carry high risk but we will have broad bipartisan congressional support, as well as support in press and Panama.
 - Timing is crucial; inaction could carry even higher costs.

VI. LIKELY AGENCY VIEWS

- o We favor Option III
 - We want DOD/CIA to take actions that visibly weaken Noreiga's position.
 - We want a cut-off of intelligence relationships with PDF and an end to Noreiga's subsidy.
- o DOD reps will likely favor Option II
 - For example, they will probably oppose suspension of military assistance.
 - CIA will argue that timing is premature for Option III/IV.

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ARA/CEN:RHMelton *M*
ARA :WGWalker