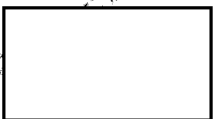


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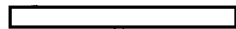
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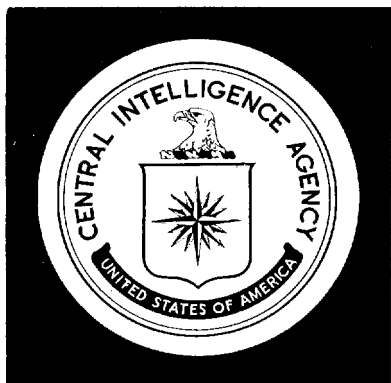


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Intelligence Memorandum

Panama and Cuba: Prospects for Closer Relations

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19 January 1972
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CENTRAL INTELLIGENCE AGENCY
19 January 1972

INTELLIGENCE MEMORANDUM

Panama and Cuba: Prospects for Closer Relations

Summary

Over the past couple of months, there have been signs of growing contact between the Cuban and Panamanian governments. The indicators do not at this stage suggest a major policy shift on either side, but--after years of isolation and hostility--they do reveal a cautious search for expanded ties.

Note: This memorandum was produced jointly by the Office of Current Intelligence and the Office of National Estimates and was coordinated with other components of the Agency.

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The Changing Panamanian Attitude Toward Cuba

1. On the Panamanian side, the new interest in Cuba is in line with Torrijos' "revolutionary" pretensions and increasingly nationalist thrust, particularly his determination to demonstrate Panama's independence from the US. The beginnings go back several years. In October 1969, while in the US, Torrijos stated publicly that he would be willing to establish a military base in Panama to help "liberate" Cuba. Radio Havana responded immediately with a contemptuous denunciation of the general.

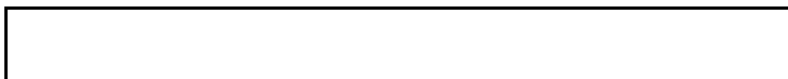
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2. Until recently, the Torrijos government's interest in Cuba had been limited mainly to sports and cultural contacts. Panamanian teams have been flown by the Panamanian Air Force to Cuba, and Cuban teams have been regularly welcomed in Panama. There have been no penalties for travel to Cuba by Panamanian citizens, and Panamanian leftists have made frequent trips to Cuba via Mexico. Last year contacts became more frequent and more significant. In September Torrijos approved the opening of a Cuban Prensa Latina office in Panama City, and in December, for the first time in several years, a Cuban student delegation was permitted to visit Panama. These various contacts have provided both governments with an informal communication channel.

3. Panama's growing interest in Cuba over the past year does not seem to be the result of a deliberate policy decision but is rather an evolutionary development influenced by two interrelated trends. There is, first, the growing reliance of the Torrijos government on radical leftists. Following his coup and the effective elimination of oligarchic rule in October 1968, Torrijos sought to put his personal stamp on Panamanian history by developing a new political system. Lacking an ideology or even a clear program, he adopted the

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rhetoric of reform and revolution and then tried to tailor government action to his rhetoric. He has attempted to win the support of students, peasants, workers, and technocrats and has been fostering agrarian reform, community development, cooperatives, and a strengthened labor movement. In the process he has developed a working arrangement with the small, Moscow-oriented Panamanian Communist Party which allows it a freedom of action denied to all other political parties. In turn, the Communist Party has provided support for Torrijos' policies, particularly for a hard-line negotiating position vis-a-vis the US. This arrangement has piqued Castro's interest in the Torrijos government, and at the same has lessened Torrijos' own suspicions about contacts with Communist states.

4. Secondly, the leftist bent of the Torrijos government reflects, and has encouraged, the development of Torrijos' nationalism along anti-US lines. US coolness to Torrijos immediately after his seizure of power and a number of coup plots, behind which he thought he saw the hand of the US Government, heightened Torrijos' sense of insecurity and set the stage for hostility toward the US. Torrijos seems to have concluded that the way to succeed with the US and at the same time improve his standing at home was to act tough and keep the US on the defensive. Dalliance with Cuba and the Communist bloc thus took on increasing appeal, both as a manifestation of his independence from the US and as an ace in the hole for possible use in pressuring the US in the treaty negotiations.

5. These trends have coincided with recent efforts by Torrijos to find international support for Panama's demands in the Canal Treaty negotiations. Last November, as the negotiations inched along, the Torrijos government sought backing for the Panamanian position from Costa Rica, El Salvador, Spain, and Mexico. The Costa Rican foreign minister, in a surprise speech before the assembled diplomatic corps, including the US ambassador, endorsed the Panamanian stand in ringing anti-imperialist tones, but other countries have remained generally cool to Torrijos' overtures.

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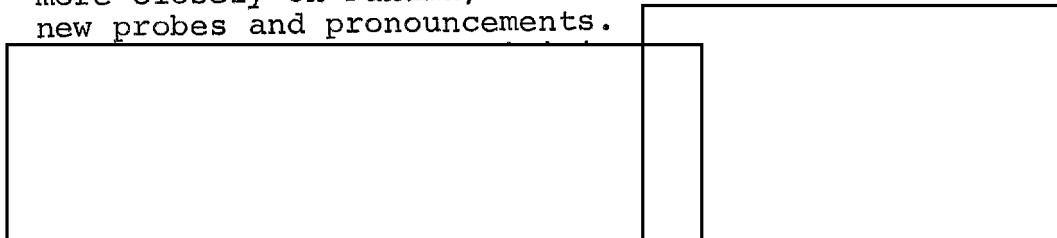
6. In a related action, the Torrijos government circulated among UN members a lengthy document setting forth Panamanian views on the treaty issues. If the negotiations do not produce a treaty satisfactory to Panama, Torrijos would use Panama's newly won Security Council seat to maximize international attention on the canal issue. Recent Cuban-Soviet pronouncements have given him reason to believe that, in such an event, Cuba and other Communist states would demonstrate solidarity with Panama against the US. Indeed, news services in Communist countries have already begun to play up the canal issue.

7. Thus, Torrijos has moved cautiously toward expanding Panamanian ties with Communist countries. Last October he established diplomatic relations with Romania. He has permitted Soviet cultural visits to Panama, and has approved the opening of a TASS office in Panama. In late November, Torrijos' foreign minister, Juan Tack, publicly hinted for the first time at the possibility of establishing diplomatic relations with Cuba.

Growing Cuban Interest in the Torrijos Regime

8. In light of these developments, the increased Cuban attention to the Torrijos government in recent months is hardly surprising. The new approach seems to have received its first official blessing in Castro's talks with Soviet Premier Kosygin last November. In the concluding communiqué the Soviets and Cubans singled out Panama (along with Chile and Peru) for special mention. The text expressed "sympathy with the strivings of the Panamanian people to exercise full sovereignty over the whole of their national territory."

9. As their official rhetoric began to focus more closely on Panama, the Cubans followed up with new probes and pronouncements.



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[REDACTED] These intimations were followed in early December by the first published report in Cuba of the possibility of a resumption of Cuban-Panamanian relations. At the end of December, the new interest in Panama was again officially underscored in the communiqué following Cuban President Dorticos' talks in Moscow. Finally, in early January, a Cuban spokesman for the first time singled out the Torrijos government--as well as the Panamanian people--as worthy of support "in the recovery of the nation's sovereignty over the Canal Zone."

10. The Cubans still seem uncertain, however, of Torrijos' real attitude toward the Castro government, and they appear somewhat disenchanted with Torrijos as a political leader. This uncertainty is reflected in reports that the Cubans were maintaining a dual policy toward the Torrijos government. On the one hand, they were interested in supporting and encouraging its anti-US posture. On the other hand, they remained wary of Torrijos personally [REDACTED]

[REDACTED]

Recent Panamanian-Cuban Contacts

11. The developing pattern of indirect contacts between Panama and Cuba was overlaid suddenly by direct official communication on a major issue in the wake of the Cuban seizure of two freighters under the Panamanian flag--the Layla Express on 5 December and the Johnny Express on 15 December. The Castro regime claimed [REDACTED] the two vessels, owned by a family of anti-Castro Cuban exiles in Miami, were "pirate ships" which had taken part in earlier raids against Cuba. The captain and a crewman of the Johnny Express were held by the Cubans on spy charges, but Castro invited Panama to send a mission to discuss release of the remaining 26 crewmen of the two freighters. Torrijos responded with alacrity, dispatching a three-man delegation, [REDACTED]

[REDACTED] The delegation found Castro in an agreeable negotiating mood, and arrangements for release of the crewmen were quickly settled.

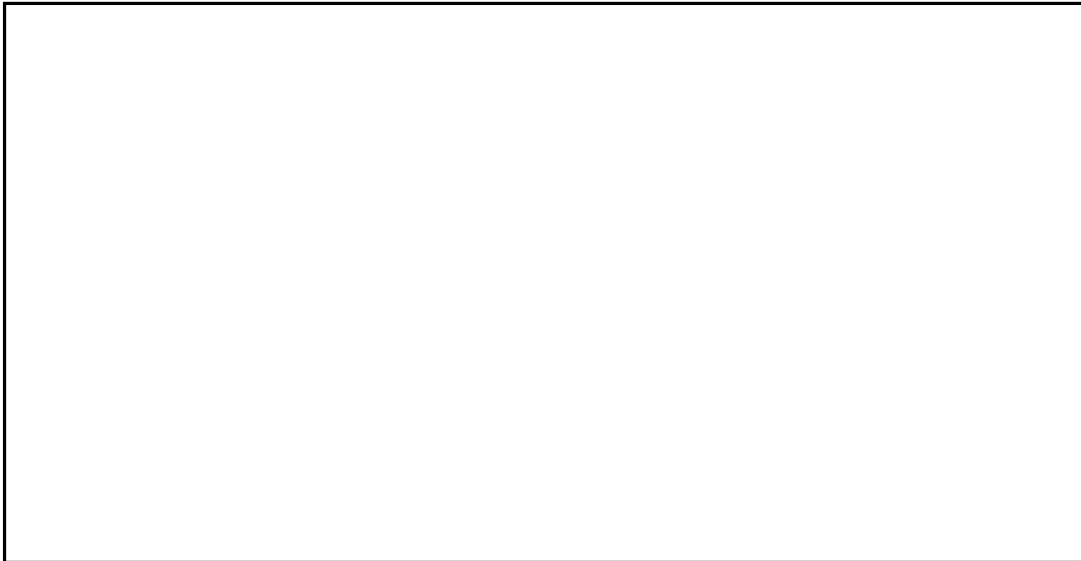
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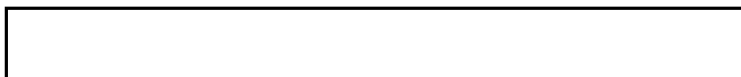
13. Torrijos has indicated he values Castro's growing attention to his government. The government-controlled Panamanian press has given prominent play to the high-level attention and cooperation which Castro extended to the Panamanian delegation. Torrijos probably sees the success of the mission as certification of his own "revolutionary" credentials, and is proud of his diplomatic accomplishment in a matter in which the US was seemingly powerless.

Implications

14. What does all this add up to? Probably not an immediate dramatic change in Panamanian-Cuban relations. The growing pattern of contacts does, however, reflect a recognition of common interests, though not necessarily common priorities or objectives.

15. Castro's new interest in the Torrijos regime is quite in line with the Cuban policy shift--evident since the emergence of Velasco's nationalist military regime in Peru--toward support for "revolutionary" governments which have come to power without guerrilla warfare. Castro is now seeking to build up government-to-government contacts with Latin American regimes which seem reasonably receptive to breaking with the US policy of isolating

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Cuba. He has clearly fixed upon this approach as a way of circumventing the OAS, which he continues to denounce, and as the most promising path to the re-establishment of Cuba in the Latin American community on terms favorable to his objectives. He appears to feel that, as Cuba resumes ties with Latin American countries, he will be able to exercise an increasingly influential role in nourishing anti-Yankee attitudes and in encouraging some governments toward more forceful revolutionary strategies than they might otherwise be inclined to adopt. These are not aims which Castro can expect to achieve in the short run, but he may see an important longer range opportunity in making common cause with the anti-US nationalistic tendencies which continue to gain strength in the area.

16. Castro probably has few illusions that Torrijos actually intends to move aggressively towards genuine revolution in Panama at this time. But he is evidently counting on increasing his influence on the Torrijos government as a means of keeping it on the revolutionary path. Castro probably hopes to capitalize on growing nationalism in Panama and on the likelihood of growing strain in its relations with the US. He apparently wants Torrijos to stop short of a full-scale confrontation with the US over the present round of negotiations for a Canal Treaty for fear that this could lead to Torrijos' downfall. But he probably hopes that Torrijos will assert himself more aggressively as a revolutionary nationalist after signing a new Canal Treaty. This, again from Castro's point of view, would lay the basis for a common front between Panama and Cuba, particularly on ways to reduce US influence in the Caribbean area.

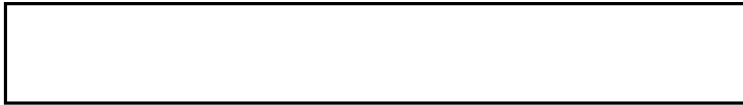
17. For his part, Torrijos is likely to remain cautious about making any dramatic overtures to Castro as long as treaty negotiations with the US continue. The caution is part of a careful balancing act which Torrijos is trying to perform. On the one side, just as he is willing to use Panamanian Communists to provide some of the organizational talent needed to launch new programs and

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maintain himself in power, he probably welcomes the new pro-Panama stance of the Cubans. And he is likely to want to keep open the possibility of a closer alignment to demonstrate his independence of the US. As a quid pro quo he will probably be willing to lend Panamanian backing to efforts by some Latin American countries to modify OAS sanctions against the Castro regime.

18. On the other side, he probably thinks he has a chance of getting an acceptable treaty package from the US, and he is not about to throw away this chance, either through precipitous violence against the Canal Zone or through open alliance with an avowed antagonist of the US. As long as this possibility is still open, Torrijos would have little reason to commit himself to a common strategy with the Castro regime.

19. If, however, the treaty talks are broken off or reach an impasse in a way which leads Torrijos to believe he has no chance for a negotiated "victory" on the Canal issue, he would probably opt for all-out confrontation with the US. In this case, he would probably feel he had nothing to lose by accepting international support from any and all quarters--including Cuba.

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