

SUBJECT: (Optional) Press Focus on Backlash Against US Sanctions				
FROM: Martin W. Roeber NIO for Latin America			EXTENSION	NO. NIC #03253-88
			DATE 3 November 1988	
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The Director of Central Intelligence

Washington, D.C. 20505

NIC #03253-88
3 November 1988

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence
FROM: Martin W. Roeber
National Intelligence Officer for Latin America
SUBJECT: PANAMA: Press Focus on Backlash Against US Sanctions

Opposition politicians from the Christian Democrats and the Panamenista Party--the two most important opposition parties--were quoted this week as characterizing the US sanctions as a "grave error" and warning of a growing "anti-US feeling" in the country, and calling for more "selective" methods.

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Even though the Christian Democrats and much of the opposition still officially support the sanctions, there will undoubtedly be much more of this sentiment voiced, especially after the US elections next week. There is a widespread hope among opposition circles that the Reagan administration will take forceful action to oust Noriega once the campaign is over. At the same time, opposition circles from President Delvalle on down are convinced that it will be necessary to prod the US--privately and publicly--in order to prompt new measures. In addition, since opposition politicians will also begin to try to position themselves in anticipation of the May 1989 scheduled elections, so criticism is likely to rise because of purely domestic considerations as well. Although the possibility of growing anti-US sentiment remains a concern, there is very little evidence of its spread to date and the opposition knows this full well.

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In the meantime, the sanctions continue to bite. Government arrearages are mounting and for the first time Noriega has cut back some of the personal privileges of senior officers.

Noriega will no longer allow officers to charge personal purchases in stores and restaurants to military accounts. If this is not a temporary or narrowly based measure--further requirements for clarification have been sent to the field--then it reflects possibly significant problems for Noriega. The military payroll is only 8% of the government's wage bill and the perquisites of mid- and senior-level officers have to be his top priority.

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Martin W. Roeber

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