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EO 12958 6.1(c)>25Yrs

OCI #1580/68

CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
13 October 1968

INTELLIGENCE MEMORANDUM

The Situation in Panama
(As of 10:00 AM EDT)

1. The curfew imposed by the National Guard proved effective last night and no violence has been reported.

2. Arnulfo Arias remains in the Canal Zone. He is reported to be optimistic that things would turn out all right for him in the end. Arias considers time to be in his favor and expects resistance to the military junta to start developing although he has not ordered his followers to take any violent action. No firm information is yet available, but there are indications that Arias' followers are planning to take some action against the National Guard within the next 24 hours.

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3. Leaders of the University Students Union met yesterday

[Redacted]

The students are waiting for leaders of Arias' Panamenista Party to decide on what action to take. The students are afraid that they might get caught in a confrontation with the Guard without support from other groups.

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4. Communist students published a manifesto yesterday fully opposing the military coup. They called on all civic organizations to make pronouncements against the military takeover. The students have stockpiled food at the university since they believe that the Guard is likely to take some action against them.

5. The country's new leaders continue trying to put together a government that retains some elements of constitutional continuity. Arnulfo Arias' first vice-president, Raul Arango, maintains, however, that he will not accept the presidency unless Arias voluntarily resigns. The second vice-president, Jose D. Bazan, has also been approached on his willingness to become president. Bazan, an effective politician with popular support in the city of Colon, has not rejected the overtures and is sounding out his political associates on the question.

6. Rumors of a general strike to be called on Monday have not been confirmed.