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CENTRAL INTELLIGENCE AGENCY  
Intelligence Information Cable

PRIORITY  
IN 13409

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STATE/INR ( ) NMCC/MC ( ) ( ) JCS ARMY NAVY AIR <sup>May 17</sup> 25 DER ~~DER~~ NIC NSA SDO ONE CRB  
EXO ( ) ( ) FBI DER FBIS DCS IRS AID USIA

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~~GROUP 1  
Excluded from automatic  
downgrading and  
declassification~~

THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.

~~SECRET~~

171918Z

CITE

DIST 17 MAY 1968

COUNTRY: PANAMA

DOI: 17 MAY 1968

EO 12958 3.4(b)(1)>25Yrs  
(C)

SUBJECT: SITREP AS OF 130 HOURS LOCAL TIME

EO 12958 3.4(b)(1)  
(C)

ACQ:

SOURCE:

1. AS OF 0930 HOURS ON 17 MAY THE NATIONAL GUARD (GN) STILL HAD NO CLUES AS TO THE KILLER OF A GN CORPORAL THE PREVIOUS NIGHT IN DOWNTOWN PANAMA CITY.

STATEMENTS CONCERNING THE IDENTITY OF THE KILLER APPEARING IN NEWS MEDIA CONTROLLED BY THE OPPOSING

EO 12958 3.4(b)(1)>25Yrs  
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POLITICAL FACTIONS ARE FALSE. COMMENT: BOTH THE PRO-ARIAS AND THE PRO-SAMUDIO MEDIA ARE CLAIMING THAT THE ASSAILANT IS KNOWN AND BELONGED TO A GOOD SQUAD OF THE OTHER SIDE.)

SOME SHOTS WERE ALSO FIRED IN THE VICINITY OF THE HOTEL PANAMA IN THE EARLY MORNING OF 17 MAY, BUT NO CASUALTIES WERE REPORTED TO THE GN.

EO 12958 3.4(b)(1)>25Yrs  
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APPROVED FOR RELEASE  
DATE: OCT 2002

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[REDACTED]

2. GENERAL VALLARINO CALLED A MEETING OF HIS OFFICERS ON 16 MAY AT THE COMMANDANCIA. ATTENDING WERE ALL THE OFFICERS STATIONED IN PANAMA CITY AND ENVIRONS. AT THE MEETING VALLARINO SAID THAT HE WANTED ALL OF HIS OFFICERS TO UNDERSTAND THAT HE WAS IN COMMAND OF THE GN AND THAT HIS COMMANDS WOULD BE OBEYED. HE WENT ON TO SAY THAT HENCEFORTH NO GN OFFICER WOULD MIX IN THE POLITICAL SITUATION. ANY OFFICER FOUND DOING SO WOULD BE DEALT WITH IMMEDIATELY AND HARSHLY. THE GN WOULD MAINTAIN ITS POSITION OF NEUTRALITY AND NO OFFICER WOULD ATTEMPT TO DEVIATE FROM THAT POSITION. VALLARINO ENDED THE MEETING BY SAYING THAT IF THERE WERE ANY OFFICERS IN DISAGREEMENT, THEY COULD LEAVE THE GN. NONE OF THE OFFICERS INDICATED ANY DISAGREEMENT WITH VALLARINO'S STATEMENTS.

EO 12958 3.4(b)(1)>25Yrs  
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[REDACTED]

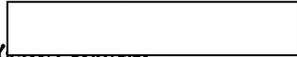
3. ON THE NIGHT OF 16 MAY VALLARINO REITERATED THE ABOVE INFORMATION AND EXPRESSED HIS INTENTION TO NOTIFY ON 17 MAY ALL OF HIS ZONE COMMANDERS THAT THEY WERE TO BE COMPLETELY IMPARTIAL. HE SAID HE WOULD NOT PERMIT THE GN TO BE USED FOR POLITICAL GAIN BY EITHER THE NU OR THE AP. HE SAID IF HE HAD TO DO IT OVER AGAIN, HE WOULD RAID THE AP HEADQUARTERS AS WELL AS THE NU. HE SAID HE DID NOT LIKE TO SEE THE SPLIT IN PANAMA POLITICS (MEANING THE

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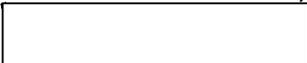
~~SECRET~~  
(Classification)



BREAKING AWAY OF THE DISSIDENT PARTIES IN THE FORMER GOVERNMENT COALITION) AND THAT, IN FACT, HE HAD MORE TRUE FRIENDS ON THE NU SIDE THAN ON THE AP SIDE. COMMENTING ON THE MURDER OF THE GN CORPORAL, HE SAID IT WOULD NOT SURPRISE HIM IF IT HAD BEEN COMMITTED BY PRO-GOVERNMENT PERSONS TRYING TO PUT THE BLAME ON THE NU AND THUS PROVOKING THE GN TO TAKE ACTION AGAINST THE NU.

EO 12958 3.4(b) (1)>25Yrs  
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4. ON THE MORNING OF 16 MAY THE ELETAS AND GENERAL VALLARINO MET WITH SOME REPUBLICAN PARTY LEADERS TO TRY TO WORK OUT A DEAL. THE ELETAS ACKNOWLEDGED THAT ARNULFO ARIAS HAD WON THE ELECTION BY A FAIRLY BIG MARGIN AND SAID THEY WERE WILLING TO ACKNOWLEDGE SAMUDIO'S DEFEAT OVER RADIO AND TV IF THEY WERE GUARANTEED IMMUNITY FOR THEMSELVES AND THEIR COMMERCIAL INTERESTS. THE GN WOULD GUARANTEE THE AGREEMENT. IT WOULD ALSO BE UNDERSTOOD THAT VALLARINO WOULD STEP DOWN WITH HIS SUCCESSOR BEING APPOINTED FROM WITHIN THE GUARD AND THAT THE RANK STRUCTURE WOULD NOT BE DISTURBED. THE MAIN ONES WHO WOULD LOSE OUT UNDER SUCH AN ARRANGEMENT WOULD BE SAMUDIO, JOAQUIN FRANCO, AND THEIR COLLABORATORS, SO QUITE NATURALLY THEY



EO 12958 3.4(b) (1)>25Yrs  
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WOULD PREFER A COUP D'ETAT IF NECESSARY. IT IS NOT KNOWN WHETHER ARNULFO ARIAS WILL ACCEPT SUCH AN ARRANGEMENT AND IT WILL BE UP TO THE REPUBLICANS AND OTHER DISSIDENT PARTY LEADERS TO TRY TO CONVINCE HIM.

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5. AT ABOUT 1800 HOURS ON 16 MAY MRS VALLARINO, ACTING WITH THE KNOWLEDGE OF THE GENERAL, DISCUSSED WITH INOCENCIO GALINDO, ANIBAL GALINDO, HARRY STRUNZ, AND PABLO THAYER (ALL RELATIVES OF THE VALLARINOS AND NU SUPPORTERS) THE GENERAL'S CONVICTION THAT ARNULFO ARIAS HAS WON THE ELECTION AND THE GENERAL'S FEARS REGARDING PROBABLE PERSECUTION OF THE GN AND FRIENDS SUCH AS THE ELETA BROTHERS BY ARIAS. SHE AGREED TO A PROPOSAL THAT JUAN DE ARCO GALINDO, NU LEADER WHO WAS NOT AT THE MEETING, APPROACH ARIAS ON 17 MAY TO DISCUSS THE SITUATION AND SECURE THE REQUIRED ASSURANCES.

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6. REPORTEDLY, EARLY ON THE MORNING OF 17 MAY VALLARINO AND HIS TWO DEPUTY COMMANDERS MET WITH ARNULFO ARIAS, AUGUSTO "SAMY" BOYD, JUAN DE ARCO GALINDO, AND RUBEN CARLES AT THE HOME OF STRUNZ. THE MEETING WAS CORDIAL, AND VALLARINO REPORTEDLY SAID HE WOULD RECOGNIZE ARIAS AS PRESIDENT-ELECT. IF THE RESULTS SHOWED ARIAS HAD WON THE GN WOULD ACCEPT THIS AS THE WILL OF THE PEOPLE. ARIAS SAID HE WOULD TAKE NO RETALIATORY ACTION AGAINST THE GN, SAID HE WANTED THE GN TO REMAIN NEUTRAL, AND THAT THE GN SHOULD ARREST ALL THOSE WHO COMMIT

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CRIMES, WHETHER THEY BE AP OR NL SUPPORTERS.

[Redacted]

7.

GENERAL VALLARINO IS

SLOWLY ISOLATING THE RAPIDLY PRO-SAMUDIO GROUP WITHIN THE

GN. (FIELD COMMENT: THIS OBSERVATION [Redacted] MAY NOT BE

EO 12958 3.4(b)(1)>25Yrs  
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ENTIRELY OBJECTIVE [Redacted]

IT IS GENERALLY

CONSISTENT, HOWEVER, WITH OTHER REPORTING TO THE EFFECT

THAT VALLARINO IS TRYING TO MOVE INTO A NEUTRAL POSITION WHILE

THE TORRIJOS CLIQUE IS TRYING TO FORCE THE GN TO STAND FIRM

BEHIND SAMUDIO.) [Redacted]

EO 12958 3.4(b)(1)>25Yrs  
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THE PRINCIPAL MEMBERS

OF THE PRO-SAMUDIO GROUP NOW ARE TORRIJOS, PUBLIC RELATIONS

OFFICER "BOBBY" HERNANDEZ, MAJOR FRED BOYD, AND MAJOR JUAN

BERNAL. MAJOR RAMIRO SILVERA, WHO HAS ACTED AS A GO-BETWEEN,

HAS SLIPPED TO THE EDGE OF THE GROUP. [Redacted]

EO 12958 3.4(b)(1)>25Yrs  
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(5)

[Redacted]

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[Redacted]

[Redacted]

3. ARNULFO ARIAS IS VERY CONFIDENT AND STATES THAT A SOLUTION TO THE PRESENT DIFFICULT POLITICAL SITUATION HAS BEEN FOUND. HE PREDICTED THAT THE GN WOULD ISSUE A COMMUNIQUE WITHIN 24 HOURS EXPRESSING ITS WILLINGNESS TO ACCEPT THE DECISION OF THE NATIONAL ELECTIONS BOARD AS TO THE FUTURE PRESIDENT OF PANAMA [Redacted]

[Redacted]

HE CONSIDERS VALLARINO TO BE IN CONTROL OF

THE NATIONAL GUARD CITING AS AN EXAMPLE A REPORT THAT LT. COL.

OMAR TORRIJOS HAD BEEN OFFERED THE POSITION OF COMMANDANT BUT HAD IMMEDIATELY REPORTED THE OFFER TO VALLARINO. [Redacted]

[Redacted]

9. [Redacted] DISSEM: STATE, ARMY, NAVY, AIR, PANGANAL, CINCSO, CINCLANT.

~~REPORT CLASS SECRET~~ [Redacted]

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