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Report on Panama General Poses Predicament for U.S.

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The Reagan administration has been assessing for several weeks a secret new intelligence study showing that Panamanian Gen. Manuel Antonio Noriega is involved in smuggling drugs and weapons, money laundering and contacts with Cuban intelligence personnel, according to informed sources.

The report, one source said, was compiled by the Central Intelligence Agency and presents the administration with a serious policy dilemma about how to handle a longtime diplomatic and intelligence ally at a vital strategic location in Central America.

Noriega, who heads Panama's defense forces and formerly ran its intelligence service, in effect runs the country. He has long been what one U.S. official called a key "provider and facilitator" for the CIA and U.S. military intelligence in Panama, the sources said.

The New York Times and NBC News detailed many of the allegations against Noriega yesterday, including one that he was involved in the decapitation slaying last fall of a political opponent who publicly accused him of drug trafficking.

The intelligence community is split about how to deal with the problem, the sources said.

Several officials said that, for years, Noriega provided such good information that officials felt it necessary to overlook allegations of misdeeds. Other officials, however, said the charges against him have been so well documented that they cannot be ignored.

Some of the allegations were disclosed last month by administration officials at a closed Senate Foreign Relations Committee hearing. An aide to Sen. Jesse Helms (R-N.C.), chairman of the subcommittee on Western Hemisphere affairs, said yesterday that the hearing was needed because U.S. relations with

Panama had "clearly deteriorated" in recent years.

"We lost a lot of intelligence assets with Marcos, too," the aide said, referring to the recent ouster of Philippine president Ferdinand Marcos. "But it is a question of how long do you abide a character like Noriega?"

A senior Reagan administration official said yesterday that "in the past, we've needed" Noriega but added that the detailed allegations published and broadcast yesterday may force a reevaluation.

The White House declined comment yesterday beyond saying that "it is basically a Panamanian affair."

At the State Department, spokesman Bernard Kalb said, "We find these allegations to be disturbing and that examination of these allegations would appear to be a matter for consideration by the government of Panama."

A spokesman for Noriega has denied the charges, and the Panamanian Embassy had no comment.

Besides being the location of the Panama Canal, which by treaty is to pass from U.S. control by the year 2000, Panama is the site of U.S. military and intelligence operations for Central America.

The headquarters of the military's Southern Command is there, as are bases for reconnaissance planes, and a National Security Agency listening post that gathers signals intelligence from several countries, according to officials.

"There are so many targets and opportunities . . . Soviets, Cubans, the Nicaraguans, Noriega himself," one well-placed source said, describing the area as "an intelligence feast."

According to a range of sources, Panama is so centrally and strategically located that other nations operate stepped-up intelligence-collection efforts there.

In mid-1983, for instance, sources said, members of a secret U.S. Army intelligence unit were sent to Panama for spying and bug-

ging operations targeted at Soviet and Cuban facilities there. The unit also was instructed to determine the feasibility of planting a listening device in a "safe house" frequently used by Noriega, sources said.

U.S. intelligence has determined that its Soviet counterparts operate a company there as a "cover" for their Central America operations, according to one source.

Perhaps the most serious allegation that surfaced yesterday was The New York Times report that highly sensitive intelligence information tied Noriega to the decapitation slaying last September of Dr. Hugo Spadafora, a leading critic of Noriega. The Times quoted an unidentified U.S. official as saying the information showed that Noriega was the "originator of the idea."

Noriega allegedly told several aides before the slaying, "I want that guy's head." The Times reported. Spadafora's head was found later in a U.S. mailbag in Costa Rica near the Panamanian border.

Intelligence sources yesterday would neither confirm nor deny that intelligence showed such direct involvement by Noriega in the slaying.

Intelligence sources said the U.S. government has been familiar with many of the allegations about Noriega for years and has tried to control his activity. "Why do you think we wanted to bug his [safe house]?" one source asked yesterday.

National security adviser John M. Poindexter met last year with Noriega and, according to one source, urged him to end his involvement with narcotics traffickers and intelligence services such as Cuba's, which are associated with the Soviets.

Sources confirmed yesterday that Noriega has been involved with companies and individuals known to be narcotics dealers. The general allegedly has interests in a staggering sizable number of businesses and has accumulated a significant personal fortune, they said.

Rep. Charles B. Rangel (D-N.Y.), chairman of the House Select Committee on Narcotics Abuse and Control, said yesterday that he expects to hold hearings on the allegations.

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GEN. MANUEL ANTONIO NORIEGA
... drug, weapon smuggling alleged

The panel's senior Republican, Benjamin A. Gilman (N.Y.), echoed the senior administration official, saying, "If the charges are true, then we must reassess our entire relationship with the government of Panama."

*Central America correspondent
Edward Cody contributed to this
report.*