

PAN  
Subj:~~CONFIDENTIAL~~C5 M  
General

Subject: Panama, Communism and Communist Subversion

Present Situation

The Panamanian Communist Party (PDP) has recently suffered a series of crippling and demoralizing blows. The most severe was the arrest of the twelve ranking members of the party's national directorate by Panamanian security forces on February 21. The arrests were the latest of the strong measures taken by GOP President Marco Robles against Communist influence in Panama.

During and after the January 1964 Canal Zone riots, the Communists, through their control of the student movement and various nationalist organizations, brought pressure on the Panamanian Government to take a strong stand against the United States on the Canal issue and capitalized on the anti-Americanism arising from long-standing Panamanian dissatisfaction with the treaty relationship. The PDP's use of the Canal issue and its strategically-placed areas of influence enabled it to exercise a voice in national affairs disproportionate to its small membership of from 200 to 300 active members with 1000 to 2000 sympathizers.

Fortunately, President Robles, while committed to obtaining a new Canal treaty, has publicly attacked the Communists' use of the Canal question for their own selfish ends and has not hesitated to use the National Guard to control Communist-inspired demonstrations and violence against the United States and the GOP. President Johnson's announcement of December 18 of United States willingness to negotiate an entirely new Canal treaty robbed the Communists of their most potent issue with which they had hoped to provoke wide-spread anti-United States and anti-GOP violence during the first anniversary of the Canal Zone riots. Their attempts to mount demonstrations and provoke disorder were so blatantly Communist-motivated that the Panamanian public is wholeheartedly supporting Robles' strong counterattack. Although it is too early to be certain it appears that the Communists have over-played their hand and that

their

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

their influence is waning. Robles appears determined to prosecute the arrested leaders and has not been swayed by threats of violence if they are not released.

Communist Subversion

There have been only sporadic incidents of guerrilla activity and terrorism in Panama in the past several years. Only a small faction within the PDP favors immediate violent action and the party leadership, which is pro-Soviet in orientation, has concentrated its energies on the Canal issue.

~~CONFIDENTIAL~~