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Panamanian Attorney General dismissed the charges for lack of evidence. As in previous such incidents, there was a full-blown propaganda campaign against the US, focusing on the jurisdictional issue in our canal treaty relations.

4. HIM Gonzalez Case

On August 6, 1971, Canal Zone authorities detained a Panamanian citizen, Joaquin HIM Gonzalez, chief air traffic controller at Tocumen Airport, when he entered the Canal Zone. This action was undertaken pursuant to an arrest order stemming from an indictment issued in Dallas, Texas, charging HIM among others, of conspiracy to violate the narcotics laws. According to information revealed in the indictment, BNDD undercover agents, on the basis of tips, went to the Republic of Panama and conducted an investigation of HIM's involvement in international narcotics smuggling. The Panamanian authorities strongly protested HIM's arrest by Canal Zone authorities, demanded his return, and specifically charged the violation of Panamanian sovereignty by the BNDD agents who entered Panama surreptitiously without obtaining official permission to conduct their investigation. Our Embassy was likewise unaware of the activities of the BNDD agents in Panama. Despite strong Panamanian official and press protests, HIM was removed to the US, where he was convicted and is now serving a jail sentence. In an effort to assuage the agitated Panamanian authorities, Attorney General Mitchell wrote President Lakas, explaining the circumstances of the arrest and the need for co-operation between the US and Panama in controlling the international flow of narcotics into the US.

5. Soviet Vessel Attached in the Canal Zone

On December 2, 1970, a Soviet passenger ship, SS Shota Rustaveli, passing through the Canal Zone, was seized by a US marshal in pursuance of a court order attaching the ship pending settlement of a claim by a US shipping company against the owners of the Soviet vessel. Apparently, a sister ship, the SS Svetlogorsk, was involved in an accident in the Indian Ocean with a ship belonging to the American company from which a large damage claim resulted. Since the claim had not been settled, the US shipping line went to court and obtained an attachment order which was served on the vessel as it prepared to transit the Canal. The Soviet Foreign Ministry protested the seizure to our Embassy in Moscow. This issue was played up in the Panamanian press as an example of the "unwarranted" exercise of US jurisdiction in the Canal Zone for purposes not connected with the operation of the defense of the canal. The ship, after a day's delay, was allowed to proceed through the canal when the Soviet shipping company posted a bond in London.

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