

MEMORANDUM

Hark Chern

NATIONAL SECURITY COUNCIL

NSS, DOS Reviews Completed.

ACTION

28 September 1971

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MEMORANDUM FOR: DR. KISSINGER

FROM: ARNOLD NACHMANOFF *By ACA*

SUBJECT: Jim Cannon's Proposed Visit to Panama

Jim Cannon will be calling you, at the Governor's suggestion, to discuss the possibility of a visit by Cannon to Panama. Cannon discussed this with me a couple of days ago, and I did not encourage him for a number of reasons.

Cannon was approached last week by Schlomo Glicksberg, who had been a financial advisor to General Torrijos a couple of years ago and had been in contact with the Governor at that time. Glicksberg told Cannon that Torrijos would like Governor Rockefeller to come to Panama, but if he were not able to do so, he would like Cannon to come instead. According to Glicksberg, Torrijos was very unhappy about the course of the treaty negotiations, and expected to have mass anti-U. S. demonstrations on the Panamanian National Day October 11. Glicksberg also said that Torrijos wanted the manager (a Panamanian named Moreno) of the Chase Manhattan Bank of Panama removed because of anti-Government activity. Glicksberg suggested that Torrijos wanted the Governor to understand the situation and perhaps be helpful in avoiding problems with the U. S.

I told Cannon that I would be cautious, since Glicksberg may be promoting himself. Our information is that Glicksberg fell out of favor with Torrijos last year, after Torrijos learned that Glicksberg was skimming commissions on loans he helped to obtain for the Government. Moreover, all of our reports indicate that Torrijos is not at all unhappy with the course of the treaty negotiations, particularly in light of recent developments which have been favorable to the Panamanian position. Hence, either Glicksberg was misreporting Torrijos or reporting on an attitude that no longer prevails. It also seemed to me that Glicksberg, who has a long record as a shady operator, might be out to get the manager of the Chase Manhattan Bank for personal reasons. I told Cannon that I would get additional information on Glicksberg and Moreno, and then discuss the matter with you. Since then, Glicksberg apparently got Torrijos to write Governor Rockefeller a letter confirming Glicksberg's invitation to Cannon (Tab A).

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[redacted] Moreno is playing ball with the Panamanian Government, has served on a banking commission for the Government, and has earned the respect of Government officials; hence, I continue to suspect that this is just a personal move by Glicksberg. [redacted]

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[redacted] Glicksberg fell out of favor with Torrijos, knows of no official

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relationship between Glicksberg and the Government, but believes he may be providing financial advice unofficially. I therefore continue to suspect that Glicksberg is trying to exploit his past connections with Rockefeller to promote himself with Torrijos.

Cannon has indicated to me that he thinks Torrijos may be looking to the Governor for some help in working toward the reestablishment of Constitutional Government. You may recall that the Governor sent Joe Carlina to Panama a couple of years ago to advise Torrijos on the establishment of political parties and the holding of elections. This backfired when Carlina held press conferences advertising his role. I do not think it would be useful for Cannon to get into the business of political advice to Torrijos, particularly at the present time when Torrijos is engaged in a serious dispute with the church over the alleged murder of a priest by the National Guard.

When Cannon contacts you, I suggest that you:

- discourage him from going to Panama at this time, noting that there is little that he can accomplish and his presence might complicate the treaty negotiations which are currently progressing satisfactorily.

If you do not want to turn Cannon off completely, you should suggest that if he goes to Panama:

- he should receive a briefing on the status of the treaty negotiations to ensure that any discussions he has in Panama reinforces our position rather than encourage Torrijos to think that he can induce greater concessions through his contact with Governor Rockefeller;
- he should avoid getting involved in advising Torrijos on his internal political operations, either with regard to holding their elections or the formation of political parties.

RECOMMENDATION:

That you take the line with Cannon as suggested above.

Approve HK Disapprove _____

Attachments:

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Tab A -- cc ltr Sept 20 Torrijos to Rockefeller

Tab B --

Tab C -- cc Memo to Governor fm Cannon dtd Sept. 17

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