



SECRETARY OF THE ARMY
WASHINGTON

11 December 1974

*M. Melis
Gave this
to H. He has
given to
Brent.*

MEMORANDUM FOR THE PRESIDENT

THRU THE HONORABLE JOHN O. MARSH, COUNSELOR TO THE PRESIDENT

SUBJECT: Governor of the Panama Canal Zone

The expiration of Major General David S. Parker's term as Governor of the Panama Canal Zone on 3 March 1975 provides an opportunity for a new appointment to this important post. I have been previously informed through your staff that the nomination of a military officer for appointment as Governor, as has been the case since the United States acquired the Zone in 1903, would be appropriate. They have requested, however, that I provide you with the rationale for such a recommendation.

The issue of whether the Governor of the Canal Zone should be military or civilian is one that has been raised frequently in recent years. Therefore, I would like to outline some of the reasons why I strongly believe the appointment of a military Governor at this time would be in the best interests of the Nation, your Administration and the Department of the Army, wherein responsibility for the Zone resides.

The one critical factor is the selection of an individual with the breadth of vision, political sensitivity, administrative and technical ability and capacity for leadership required of the Governor. Any individual, military or civilian, with these qualities would turn in a creditable performance. A military officer with these basic qualifications would offer several additional advantages:

- Reaction of Members of Congress. The Congress has expressed deep interest in Panama Canal matters. A change from the traditional appointment of a military Governor to a civilian Governor at this time, when sensitive treaty negotiations are underway, could be misinterpreted with potentially serious consequences.

- Technical expertise: Traditionally, the Governor has been selected from among the general officers of the Army Corps of Engineers. The technical expertise of the Corps is universally recognized. A military Governor selected from this pool of talent would not only possess the needed technical proficiency, but would also have both the formal and informal channels open for assistance available from the Corps. The one fundamental task, that of operating the waterway efficiently to provide passage for vessels between the Atlantic and Pacific Oceans, requires a high order of technical competence. While this type expertise is several layers deep within the Panama Canal Company, the Governor has traditionally been personally proficient, lending an esprit to the system that would otherwise be lost.


- Innovative management opportunities: The appointment of a new Governor provides the opportunity to accelerate needed changes in the management of the Panama Canal Company. The broad outline and basic thrust of needed management initiatives, particularly those concerning labor relations, can come from Washington, but success is dependent upon the unreserved and enthusiastic implementation by the Governor. The appointment of a military Governor would be of great assistance to me in getting underway needed management improvement actions. These are essential if future progress in the Zone and in the Panama Canal Company is to keep pace with requirements imposed by changing labor attitudes, a fluid local political situation, and increasing efforts by the U.S. Government to come to grips with Panamanian demands for a new treaty. This pressure can, I believe, be lessened by our enlightened approach to the management of the Zone and the Canal.

- Responsiveness: A military Governor has no constituency to serve save that of the Nation as a whole within the guidelines of his commission as an officer and his charter as Governor. His responsiveness to the Secretary of the Army and to the Administration is assured. This is particularly crucial at a time when the United States is undertaking major initiatives to realign our relationship with Panama.

- Continuity: A military Governor will provide continuity. Since the appointment is for four years, he could be continued in the next Administration, adding an element of stability in a potentially dangerous and always sensitive part of the world. This would not necessarily be the case with a civilian appointee.

- Availability: There are a number of well qualified Army general officers available for appointment. Finding a civilian acceptable to the Administration with the needed qualifications has been a problem in the past.

Mr. President, I feel strongly that at this time I can better serve you and the Nation in discharging my responsibility for the Panama Canal Zone and Company with the appointment of a military Governor. However, should you determine that it is in the best interest of the Nation to appoint a civilian, I will do all in my authority to capitalize on the advantages of such an appointment and to enthusiastically support your decision. The efficient and effective operation of the Canal and the discharge of Governmental duties in the Zone in a responsible, farsighted manner are my only concerns.


Howard H. Callaway

Would you please distribute a copy of the attached flyers to all
personnel in your agency.

Thank you.

A handwritten mark, possibly initials or a signature, consisting of a stylized 'M' or similar shape.

Jack Marsh

THE WHITE HOUSE
WASHINGTON

December 21, 1974

MEMORANDUM FOR

THE SECRETARY OF THE ARMY

The President has reviewed your memorandum of 11 December 1974 on the subject of the Governor of the Panama Canal Zone. He concurs in your recommendation that a military officer be appointed to succeed Major General David S. Parker as Governor of the Panama Canal Zone.

Brent Sumner
Henry A. Kissinger

Called

Army

See - 2

*12/21/74
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Howard H. Callaway

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 23, 1975

[Handwritten signature] *M*

MEMORANDUM TO: JACK MARSH
FROM: RUSS ROURKER
SUBJECT: CONVERSATION WITH BRENT SCOWCROFT

I spoke with Brent about Bo Calloway's request that he be permitted to send telegrams to the Panama Canal Zone Board of Governors, advising them of the name of the new military Governor nominee.

In response to your suggestion, I advised Brent that this was NSC's call. Regardless of his specific judgement on this particular item, I took the occasion to review with Brent the wisdom of channelizing all announcements of this type including those involving DOD, through the White House Congressional liaison's normal process with John Rhodes and Hugh Scott. Brent agreed wholeheartedly that unless that procedure is followed, our entire pre-notification system would break down.

cc: Max Friedersdorf

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30 Jan 75

