SECRET

TAB B

STRATEGIC SIGNIFICANCE OF PANAMA CANAL

1. It is widely agreed that the World War II strategic significance of the Canal has diminished and that its former military significance has been largely superseded by technological developments and the new strategic concepts which would govern general thermonuclear war.

2. Development of a two-ocean fleet has reduced its importance in deploying US naval strength. Forty of the world's naval units cannot transit the Canal; 28 of these are US warships, including the new type US aircraft carriers. The largest passenger ships, if converted to troop carriers, could not be accommodated.

3. Pipelines, high-speed highways, and military and civilian air transport networks within the continental US have reduced the Canal's former strategic significance as a vital link in US inter-coastal trade and military supply.

4. In the event of general war, the Canal could be destroyed, or made inoperative for a long period, by one weapon or one act of sabotage. Its lock system makes it highly vulnerable in the event either of general or limited war.

5. The problem of guarding the Canal against sabotage was recognized before the Canal was built and a consulting board of engineers reported in 1904 that "it is well-nigh impossible to provide effectually and always against such peril."