



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, DC 20350

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MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subj: Latin American Visit

During the period 27 March to 6 April, I visited Chile, Argentina and Brazil to meet with senior naval leaders and foreign government officials and to tour selected naval facilities in the host countries.

In each country discussions were held concerning naval force modernization, maritime security issues, and U.S. policies towards Central America. I arrived in Argentina prior to their military action in the Falkland Islands on 1 and 2 April. I terminated my visit to that country on 2 April.

Chile. In Chile, I called on the President of the Republic, General Pinochet, and the Minister of Defense, LGEN (Ret.) Carrasco. Lengthy discussions and staff talks were held with my host, Admiral Merino, Commander-in-Chief of the Chilean Navy, and President of the Government Junta. My association with Admiral Merino has been frequent and close over the years, dating to my days as COMSEVENTHFLT.

The military junta in Chile is securely in power and is ardently anti-communist. Of the three countries, Chile is most concerned with the Soviet military threat in the South Atlantic and Pacific, and with Cuban adventurism in Central America.

a. Naval modernization. The Chilean Navy is embarked upon an ambitious modernization program primarily through outright purchases of naval vessels from the U.K. and foreign construction of guided missile patrol boats (Israel) and submarines (FRG). Objectives of this naval modernization appear to be threefold: to counter potential Argentine military action over the disputed territory of the Beagle Channel Islands, to counter the threat of the Soviets in the South Pacific during time of conflict and, although not explicitly stated, to protect Chilean resources in their economic zone. Naval ship procurement programs include the recent purchase of HMS NORFOLK from the U.K. (\$15M) with an option to buy two more County class DLG's by 1985, development of a sea-based air capability with an option (along with India) to purchase HMS HERMES, and the construction of two Type-209 sub-

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marines in West Germany. Chile also has recently constructed two French designed LSM's in their moderate but capable naval shipyard in Talcahuano, and are seeking financial assistance from the Army for the construction of a third, in order to have amphibious lift for a full naval marine brigade. Chile is anxious to develop a sea-based tactical air capability to counter the emerging Soviet sea-based air threat and the perceived threat of Soviet land-based air operating against shipping from bases in the Antarctic. The Chilean cruise missile capability is expanding with the Gabriel missile on their PG's, Exocet aboard their destroyers, and the Sea Slug missile aboard the County class DLG's. Should these programs all reach fruition, Chile will achieve it's objective of becoming a creditable South Pacific naval ally by the mid-1980's.

b. Other maritime security issues. Concern over the Soviet threat to the South Atlantic SLOC is leading Chile to closer relations with South Africa as a naval ally. Although Argentina would be a more logical South Atlantic ally for Chile, historical rivalry between the two countries and Argentine resistance to any Chilean incursion into the Atlantic explain, in part, Chilean overtures to South Africa. On the Pacific side, Chile has established a network of naval facilities along her entire coastline. Admiral Merino pointed out that Chile is anxious to establish P-3 capable bases to cover the entire South Pacific area and, in this regard, has recently extended the runway at St. Felix Island to 2000 meters. Port Arenas, the main Chilean naval base in the Strait of Magellan, has a suitable P-3 airfield and Easter Island is considered another potential P-3 base of operations. Chile is also concerned with patrolling it's 200 mile economic zone. During a recent flight from Easter Island, Admiral Merino counted over 95 Soviet and Cuban fishing vessels operating within 400 miles of the Chilean coast.

c. Certification. Chile is most anxious for Presidential certification so that foreign military sales and normal relations with the United States can resume. It is my judgment that it is in our best interest to proceed with certification, particularly in light of the U.K./Argentine crisis over the Falklands.

d. Central America. Admiral Merino and General Pinochet expressed serious concern over the situation in Central America and consider it critical that Central America remain in Western hands. There are concerns among the Chilean military leaders over U.S. resolve in El Salvador and the will of the American public to permit action now as was taken during the 1962 Cuban missile crisis. We discussed the President's Caribbean

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Basin initiatives and economic policy towards Latin America. I indicated that the best hope for success in Central America was for the Organization of American States to stand up as a body and support the government in El Salvador and, if necessary, to provide a token military force to help establish security and prevent political collapse. I pointed out that both the American people and the Congress would be far more amenable to support for El Salvador, if the Latin American nations were themselves widely committed to confronting Cuban insurgency. It was agreed, however, that it would be politically difficult for Chile to assume a role of leadership in the OAS.

Argentina. I arrived in Argentina late the evening of 31 March and was a guest at Ambassador Shlaudeman's residence in Buenos Aires. Following country team briefings and an update on the U.K./Argentina dispute over the South Georgia Islands, on Thursday, 1 April, I made calls on the Minister of Defense, Dr. Amadeo Frugoli, BGEN Lami Dozo, Commander-in-Chief of Argentine Air Force, and LGEN Galtieri, Commander-in-Chief of the Argentine Army and President of Argentina. Working meetings were held with my host Admiral Anaya, Commander-in-Chief of the Argentine Navy, and his senior naval staff members.

At the time of my arrival, Argentina was embroiled in the dispute with the U.K. over the Argentine contract workers on South Georgia Island. This dispute and the unwillingness of the Argentine government to have the contract workers follow prescribed entry procedures was clearly, in retrospect, a stalking horse for the Argentine incursion into the Falkland Islands. At no time during my formal calls, however, was I made aware of the forthcoming military operation. Admiral Anaya pointed out the unique historical relationship of the United States and Argentina. He indicated that Argentina was very concerned over the situation in Central America and, as their Navy had provided support during the 1962 Cuban missile quarantine, their Army was now rendering similar support of U.S. policy in Central America at a time when the United States was politically incapable of military action. I pointed out that their support of U.S. policies in Central America was not reciprocal and that U.S. could not accept military action by Argentina in the South Georgia Island and Falklands dispute. In essence, I relayed to Admiral Anaya the substance of the demarche provided to Ambassador Shlaudeman earlier in the day by State.

Following early morning press reports of the Argentine amphibious operations in the Falkland Islands, I met with Admiral Anaya at approximately 0830 on the morning of 2 April to hear his explanation of Argentine actions and intentions. During

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that discussion he described in general terms the military action that Argentina had taken in the Falklands. With considerable ingenuousness Admiral Anaya attempted to link their actions with the potential Soviet threat in the South Atlantic. I explained that my presence in Argentina during this situation was both a personal and public embarrassment for the United States, and that I would be departing the country as soon as possible.

a. Naval modernization. During discussions with the Argentine Navy staff on 1 April, acquisition of four or five P-3 aircraft was the most important military hardware issue raised. The Argentine Navy is concerned with the permanent presence in the South Atlantic of Soviet and Eastern European fishing fleets. In 1977, Argentina seized three Soviet fishing boats which were violating their economic zone. This experience is a vivid one in the minds of the Argentines and they profess that they are willing to make whatever sacrifice necessary to control the South Atlantic. Admiral Anaya indicated that he wanted the new U.S. Administration to understand that the P-3's were a very important issue with the Argentines. Again, the linkage of direct Argentine support for U.S. policies in Central America was raised, Argentina being the only country to lend actual military support for our objectives. Reciprocal support in the South Atlantic was clearly intended. I noted that we must first normalize our government-to-government relations, and that following such normalization I was optimistic of the availability of the desired P-3 aircraft.

Brazil. In Brazil, I met with Admiral Maximiano, the Brazilian Navy Minister, and with Admiral Aratanha, Chief of the Navy General Staff, and other senior Brazilian flag officers in Rio de Janeiro. Although a number of maritime security issues of mutual interest were potential items for discussion, Brazilian officials were notably uncomfortable over the Argentina/U.K. Falkland Islands dispute and were unwilling to discuss any issues of substance. With a burgeoning economy, provincial and electoral college elections in November (for the first time in seventeen years) and unlimited horizons for economic growth and influence, Brazil clearly wishes to avoid involvement in the dispute. Although concerned with Cuban insurgency in Central America, Brazil hopes the problem will remain 4000 miles away or at least not impinge upon her economic programs and new status as an economic power. The Brazilian Navy apparently has little influence in the Army-dominated government or on foreign policy decisions. Admiral Aratanha expressed excessive optimism concerning the recent elections in El Salvador, and clearly hoped for

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no Brazilian involvement. My suggestion for OAS multi-national military or economic action in El Salvador met with cool interest. I raised the issue of security verification as a necessary step to allow us to proceed with FMS discussions and technology transfer. I was assured that the Navy would make every effort to get the matter resolved. My understanding, however, is that the issue now resides in the foreign office and that it will likely languish there, possibly until after the November elections.


T. B. HAYWARD

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