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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

11 July 1978

MEMORANDUM FOR: Rear Adm. James A. Lyons, Jr. - J5/JCS
John Merrill - J5/JCS
→ John Rowe - OSD/ISA
Maj. Ronald R. Nelson - DIA

FROM : George W. Allen
Associate NIO for Special Studies

SUBJECT : CIA Study on Conventional Arms Restraint in
Latin America

1. I am forwarding a paper on Latin America produced by our Office of Regional and Political Analysis. We are making a special preliminary distribution because of its relevance to the upcoming round of talks with the Soviets at Helsinki. Copies have been furnished separately to appropriate people in other departments and agencies.

2. Any comments you may have will be gratefully received. Our Office of Economic Research is working on related papers on arms sales to Latin America and Africa. Drafts of these papers should also be available for our use in Helsinki.


George W. Allen

Attachments:

Working Paper dtd. 10 July 1978
The Outlook for a Latin American Regional
Accord for Controlling Conventional Arms
Transfers (4 cys.)

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Date: MAY 08 2018

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Exempt from general
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Exemption category: E.O. 11652, (b) (1), (b) (7) (D)
Automatic declassification on
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CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

THE OUTLOOK FOR A LATIN AMERICAN REGIONAL ACCORD FOR
CONTROLLING CONVENTIONAL ARMS TRANSFERS

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WORKING PAPER

10 July 1978

This informal working paper was prepared jointly by the International Issues and Latin America Divisions of the Office of Regional and Political Analysis in consultation with other CIA offices. It is anticipated that a revised version of this paper will be published as a formal Intelligence Memorandum later this summer. Questions or comments may be directed to [REDACTED]

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

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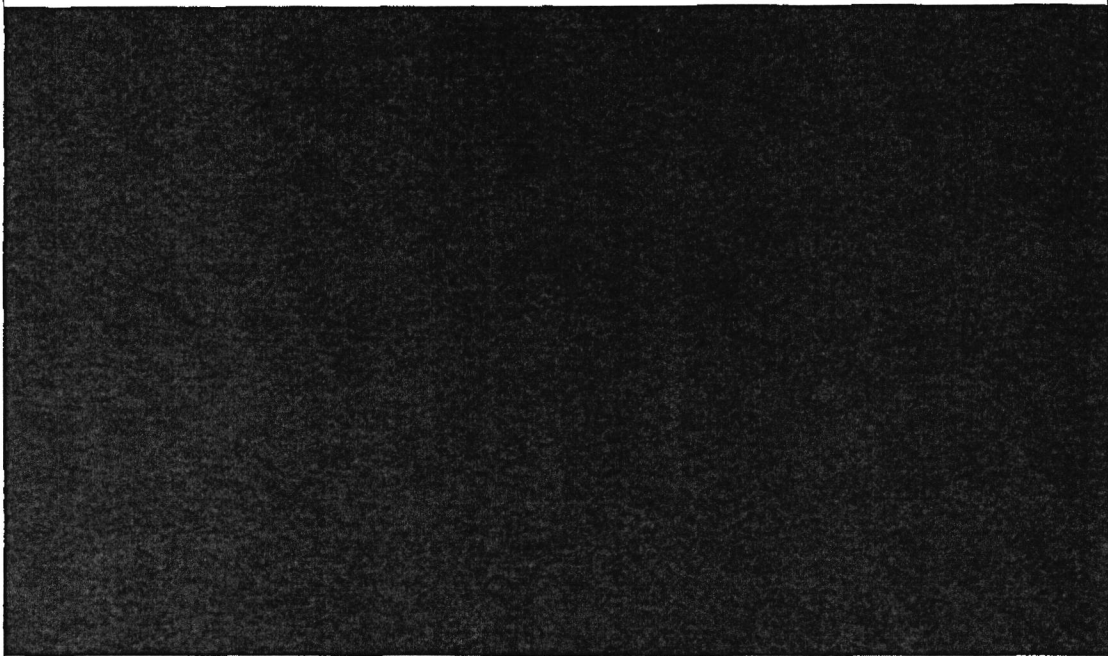
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Argentina and Brazil 8

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* *The declaration--signed by Argentina, Bolivia, Chile, Colombia, Ecuador, Panama, Peru, and Venezuela--was issued at the conclusion of a summit meeting convened by Peru in December 1974 to commemorate the 150th anniversary of the Battle of Ayacucho (the engagement that broke the back of Spanish colonial power in South America). One of the document's stated goals was to create conditions favorable to regional limitations on arms.*

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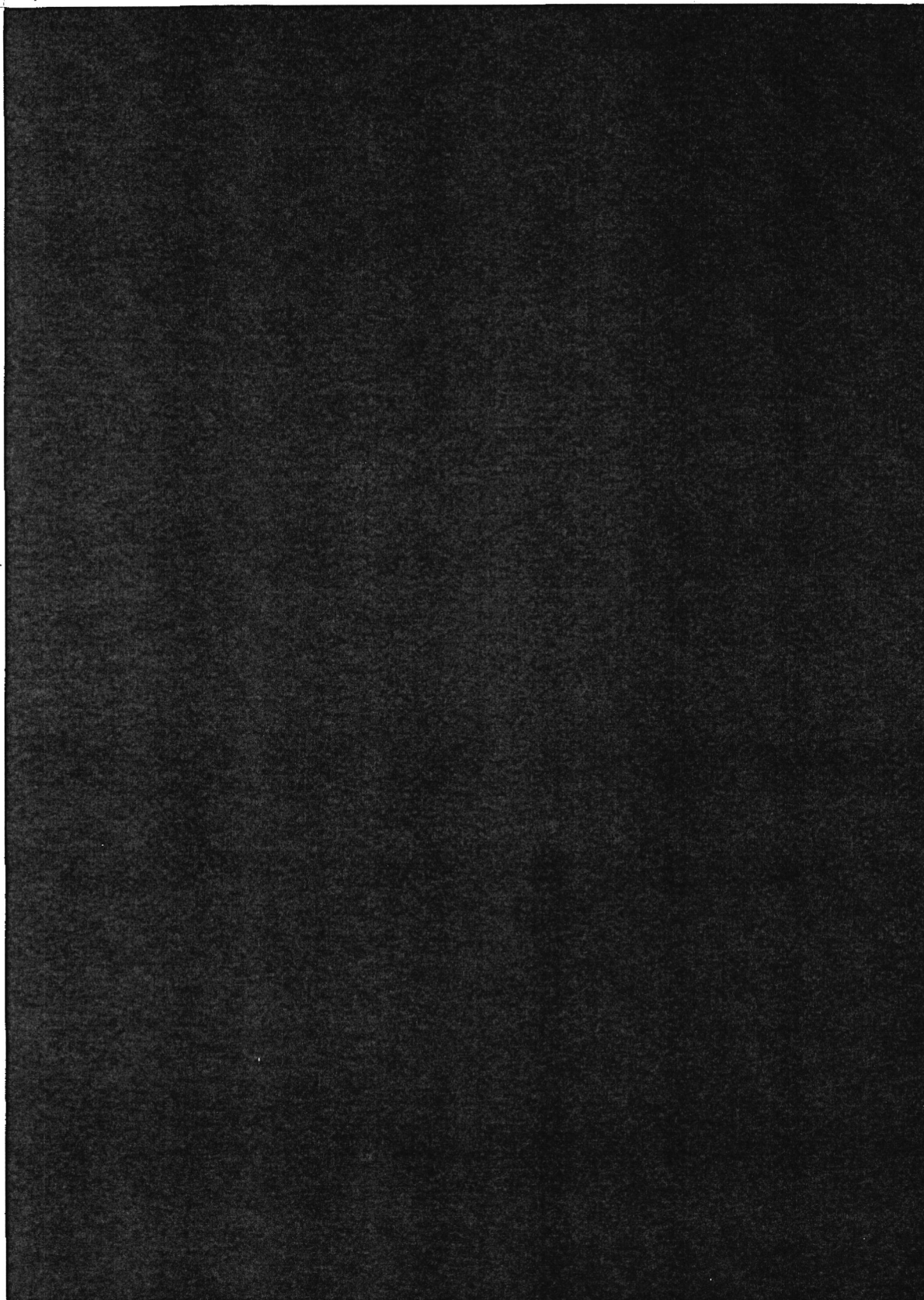
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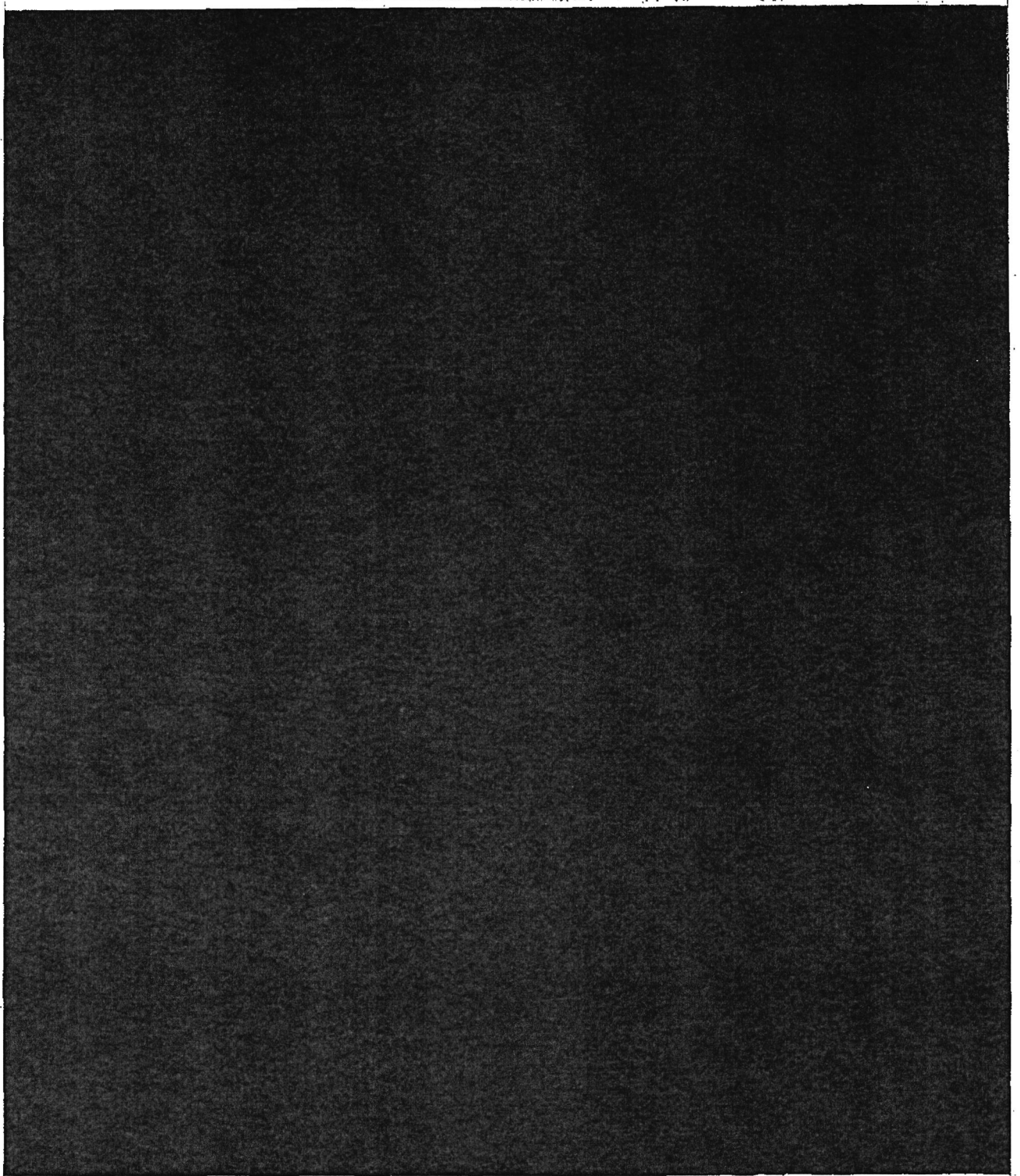
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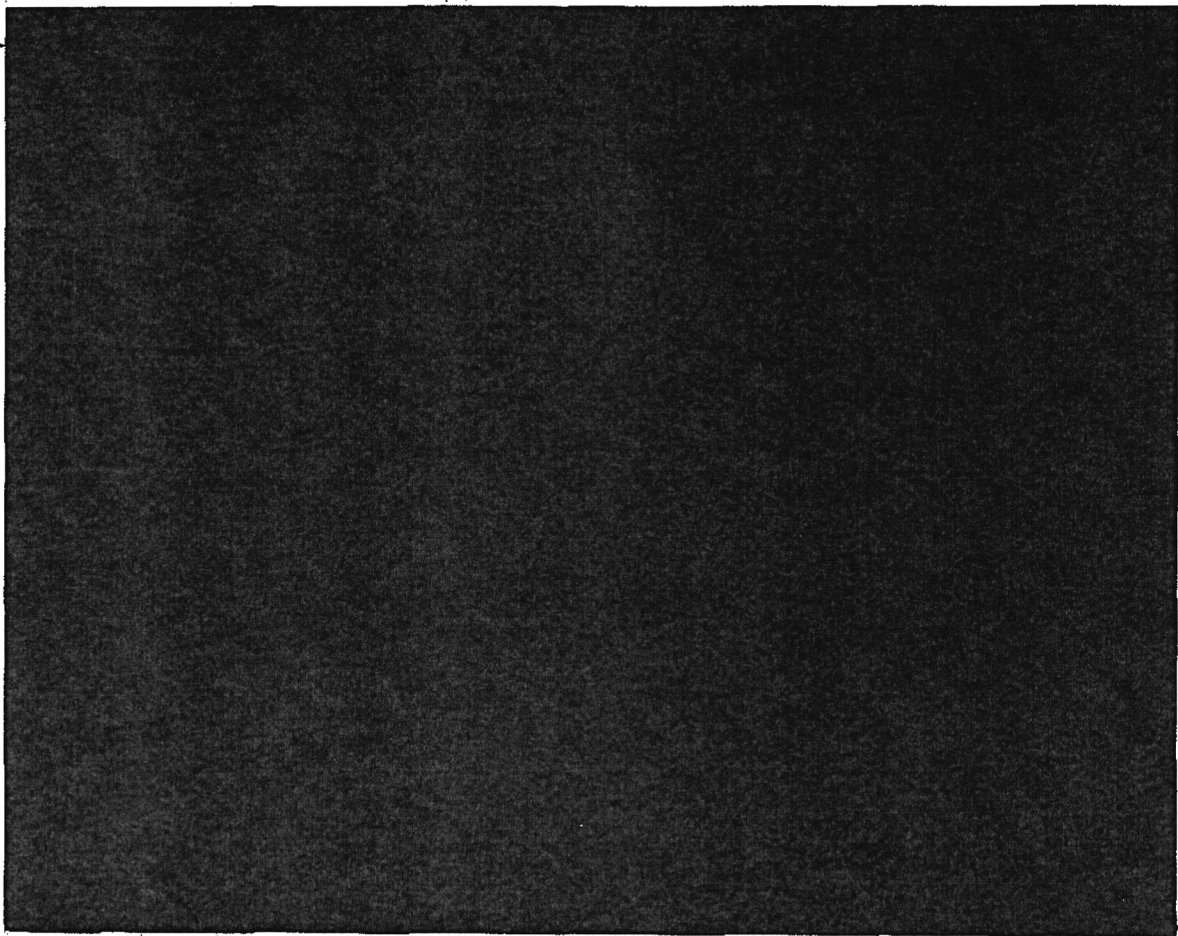
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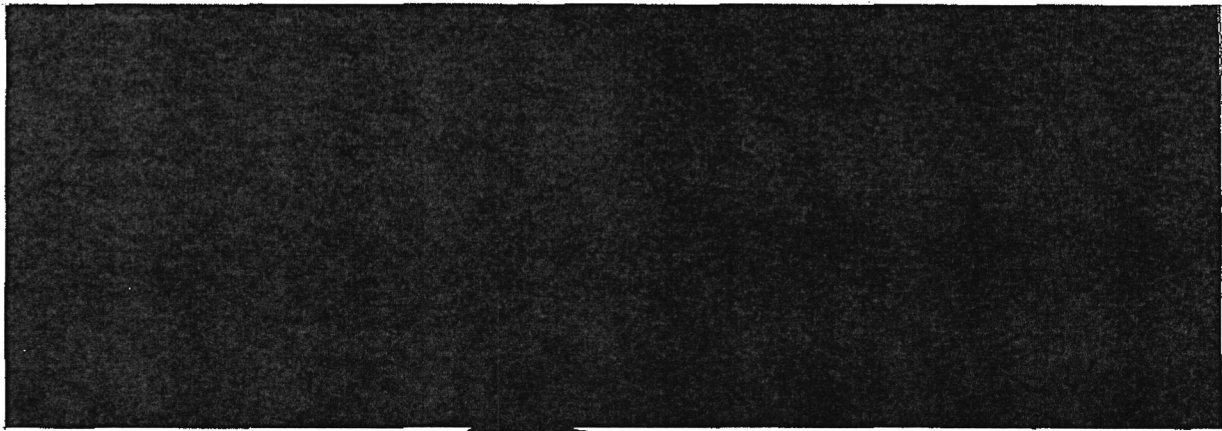
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I. INTRODUCTION

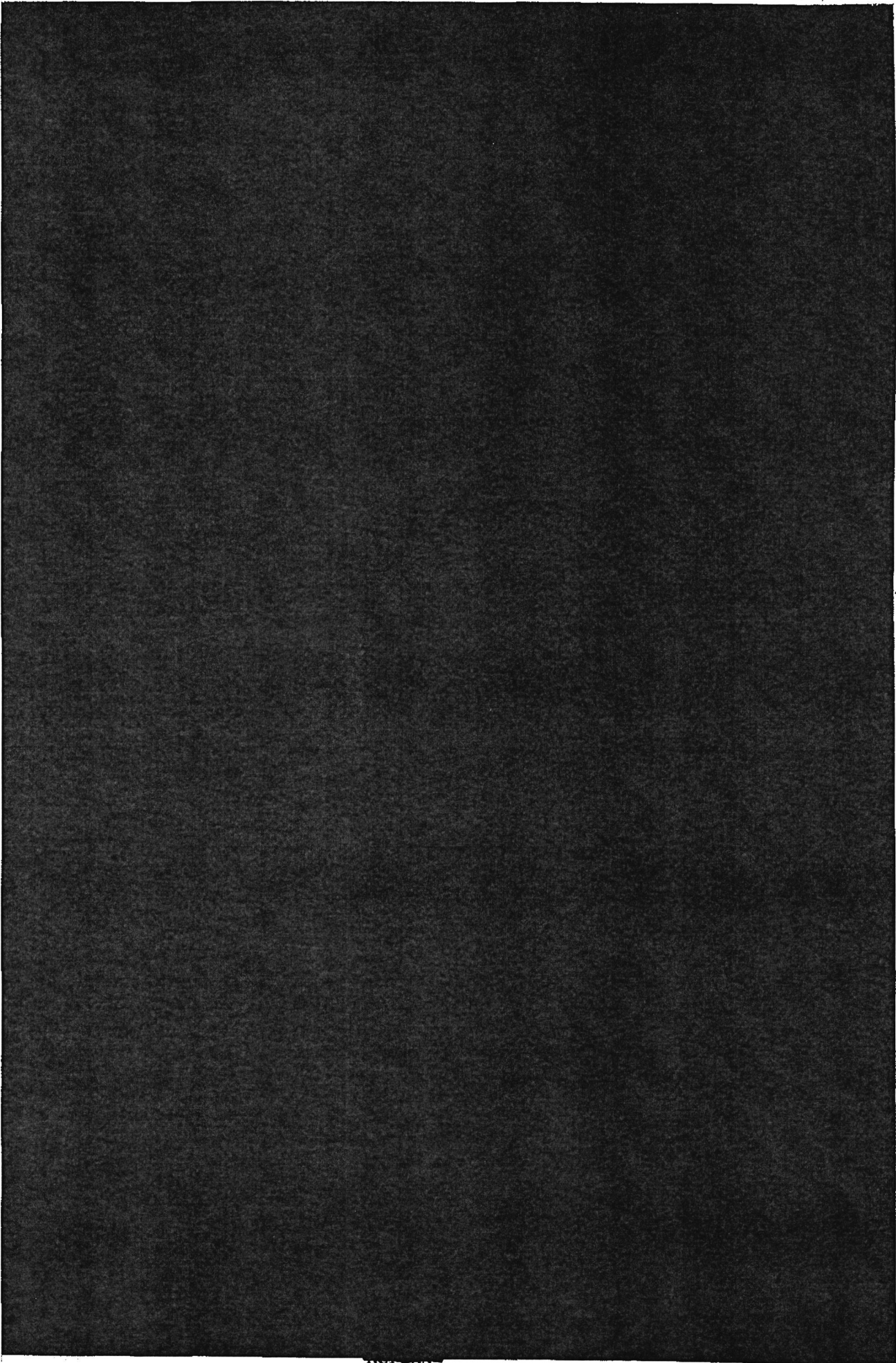
On 9 December 1974, eight Latin American countries (Argentina, Bolivia, Chile, Colombia, Ecuador, Panama, Peru, and Venezuela) signed the Declaration of Ayacucho in which, among other things, they stated their intention to "create the conditions that will permit the effective limitation of arms and put an end to their acquisition for offensive military purposes, in order to devote all possible resources to the economic and social development of each of the Latin American countries."* Although the declaration was issued in the wake of Peru's initial large scale orders of military equipment from the Soviet Union, total arms sales to Latin American countries in 1973 and 1974 still remained relatively low in comparison to like sales to developing countries in other regions--a fact which seemed to auger well for a multilateral effort at restraint. Nonetheless, the Ayacucho pledge proved to be a barren exercise. Latin American countries bought more arms in 1975 (\$1.2 billion worth) than ever before and then beat that record by nearly \$300 million in 1977.

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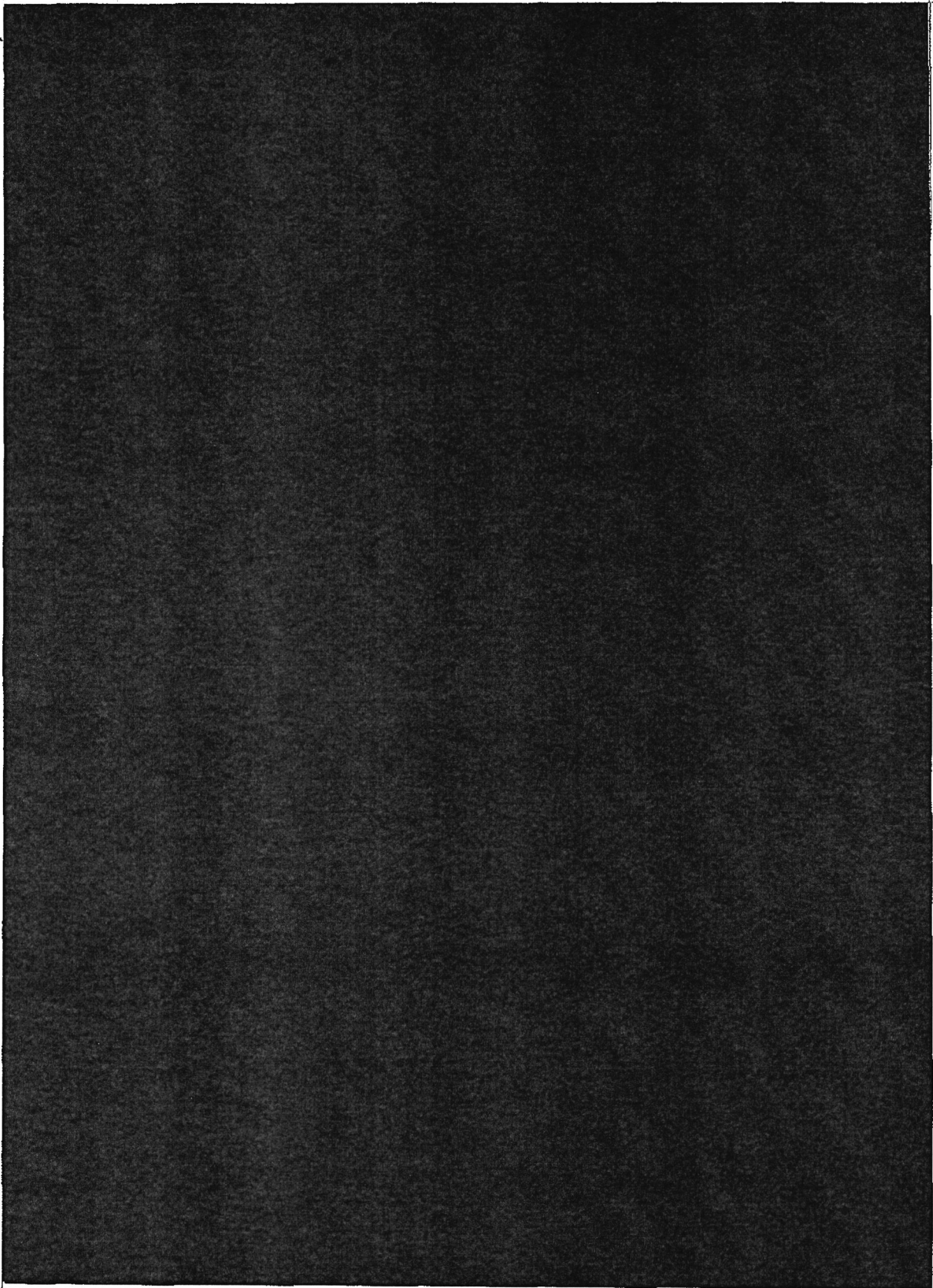


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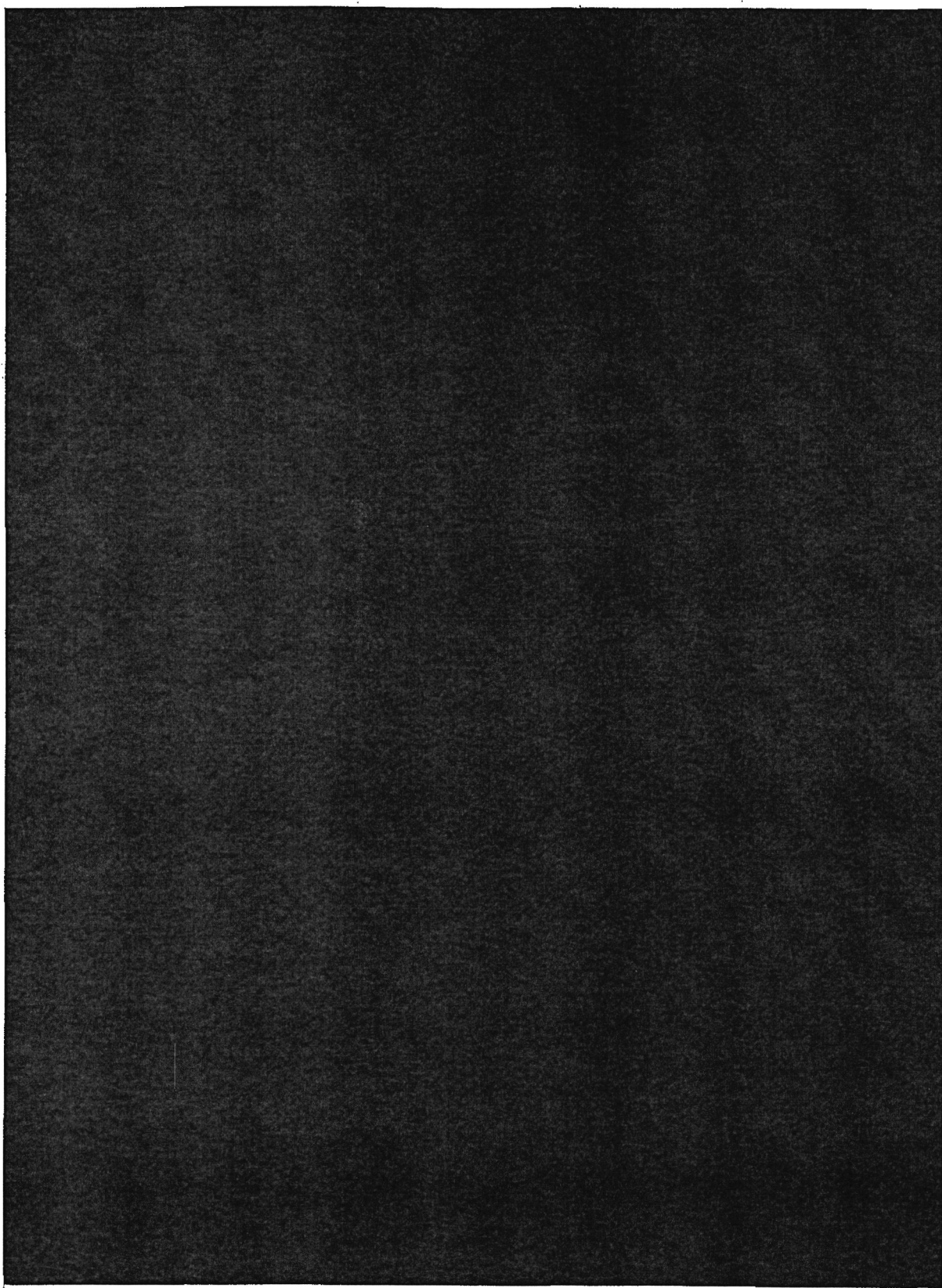
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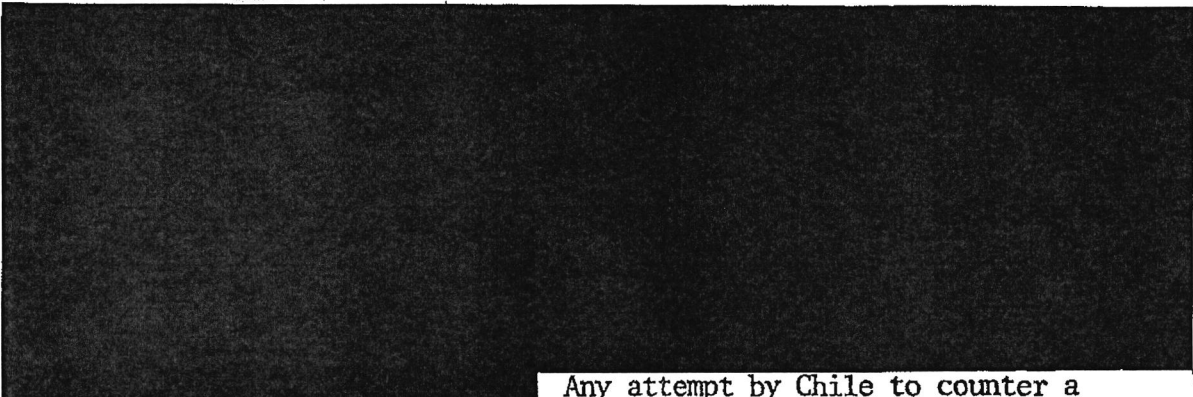
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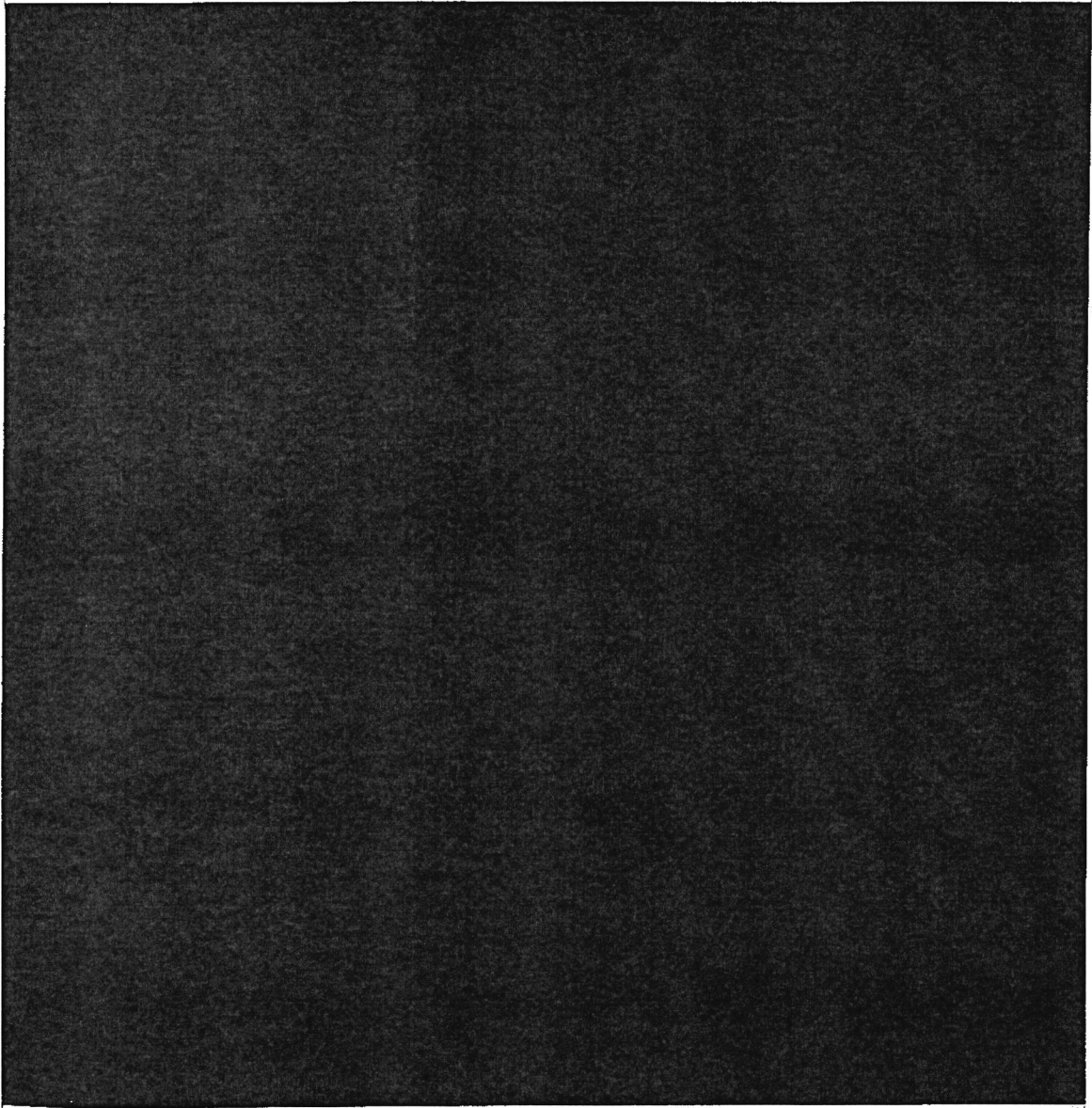


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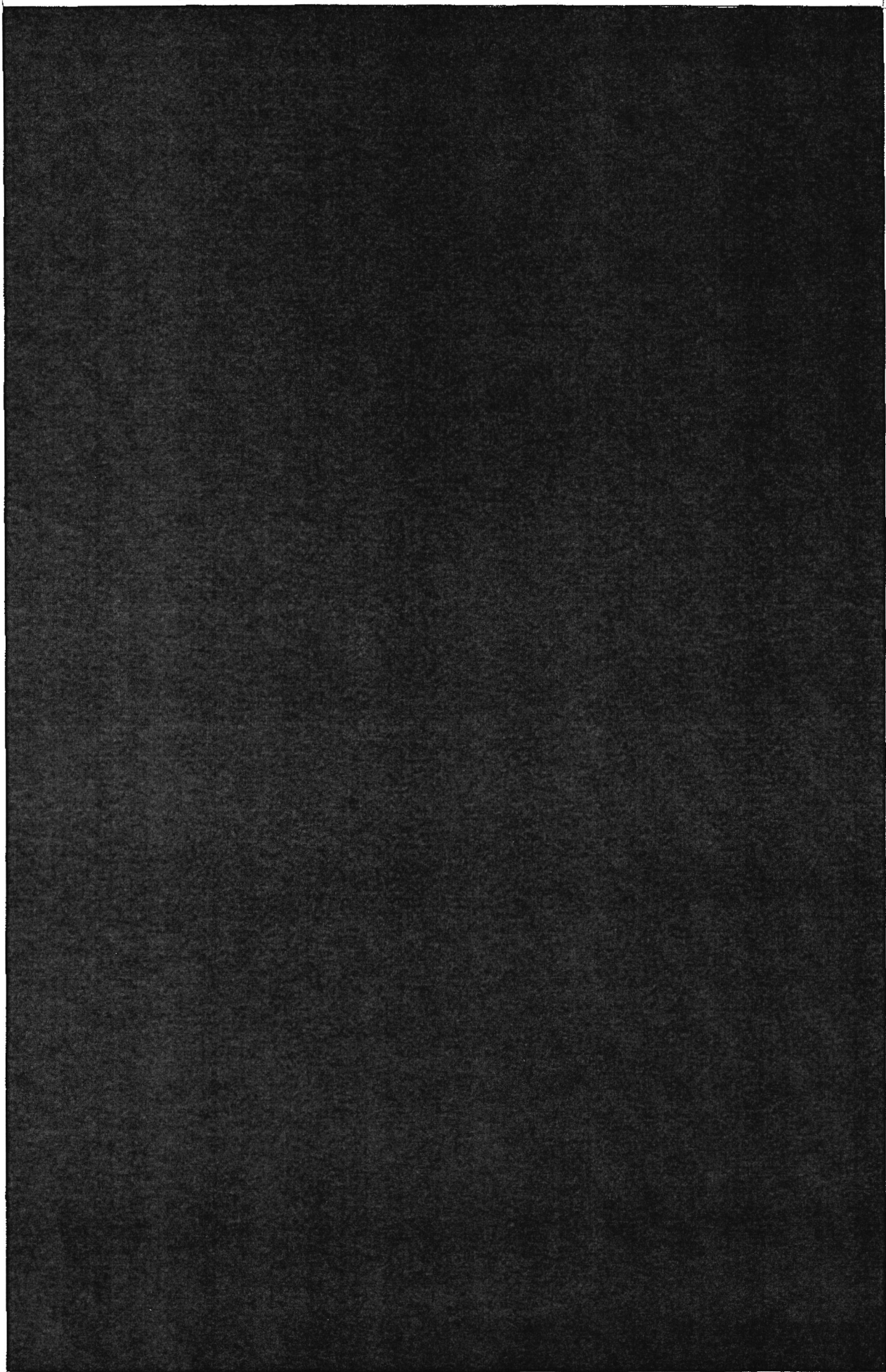


Any attempt by Chile to counter a Peruvian threat with a military build-up of its own would cause concern in Argentina, just as Argentina's military activities are watched warily by Brazil. Military purchases by some of the larger states like Brazil are also motivated by a desire to project an image of power and influence beyond immediate neighbors. The goal may be enhanced status in the global arena as well as hegemony within the region, although Cuba is the only Latin American state to put its armed forces into combat overseas in recent years.



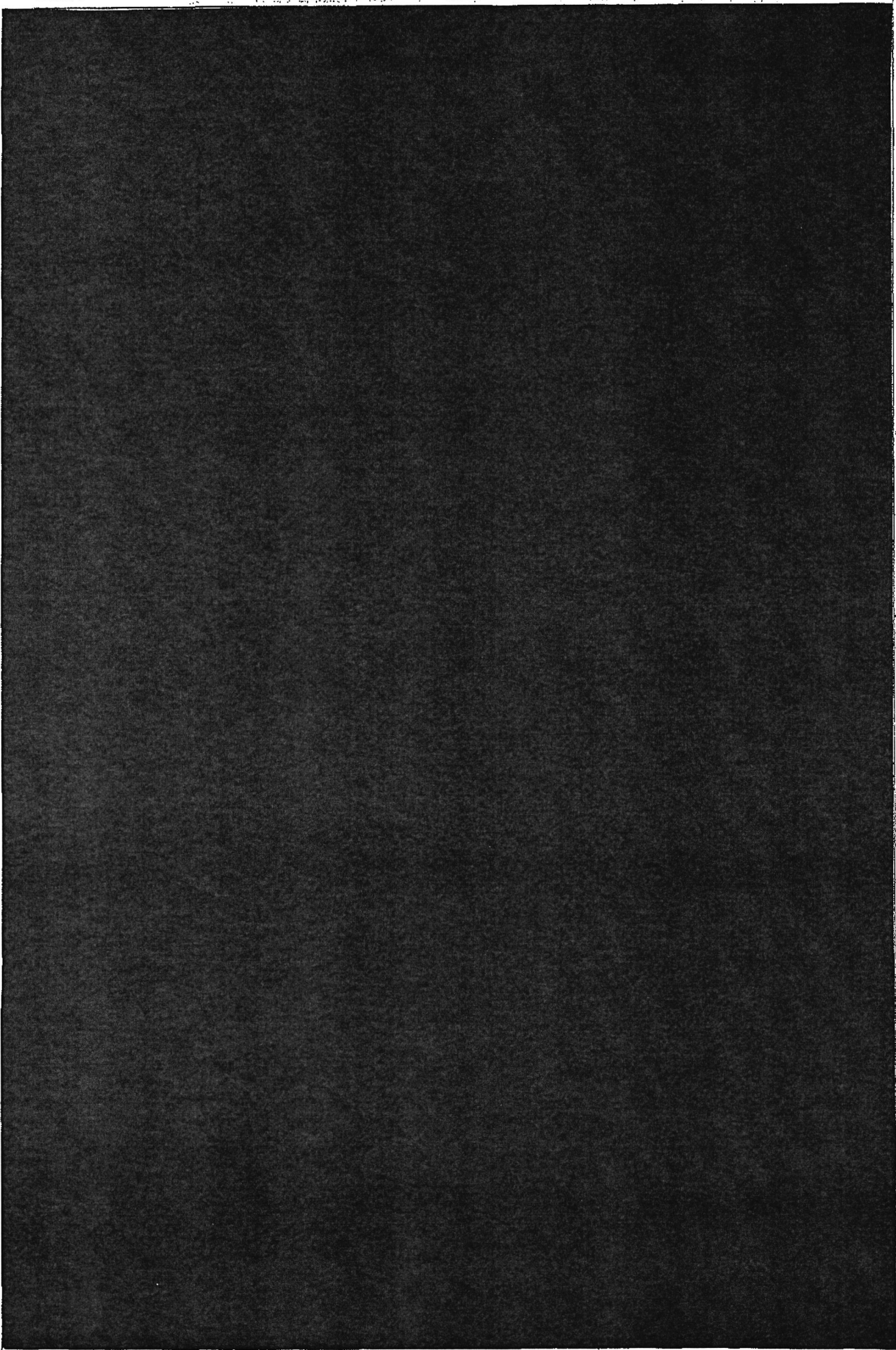
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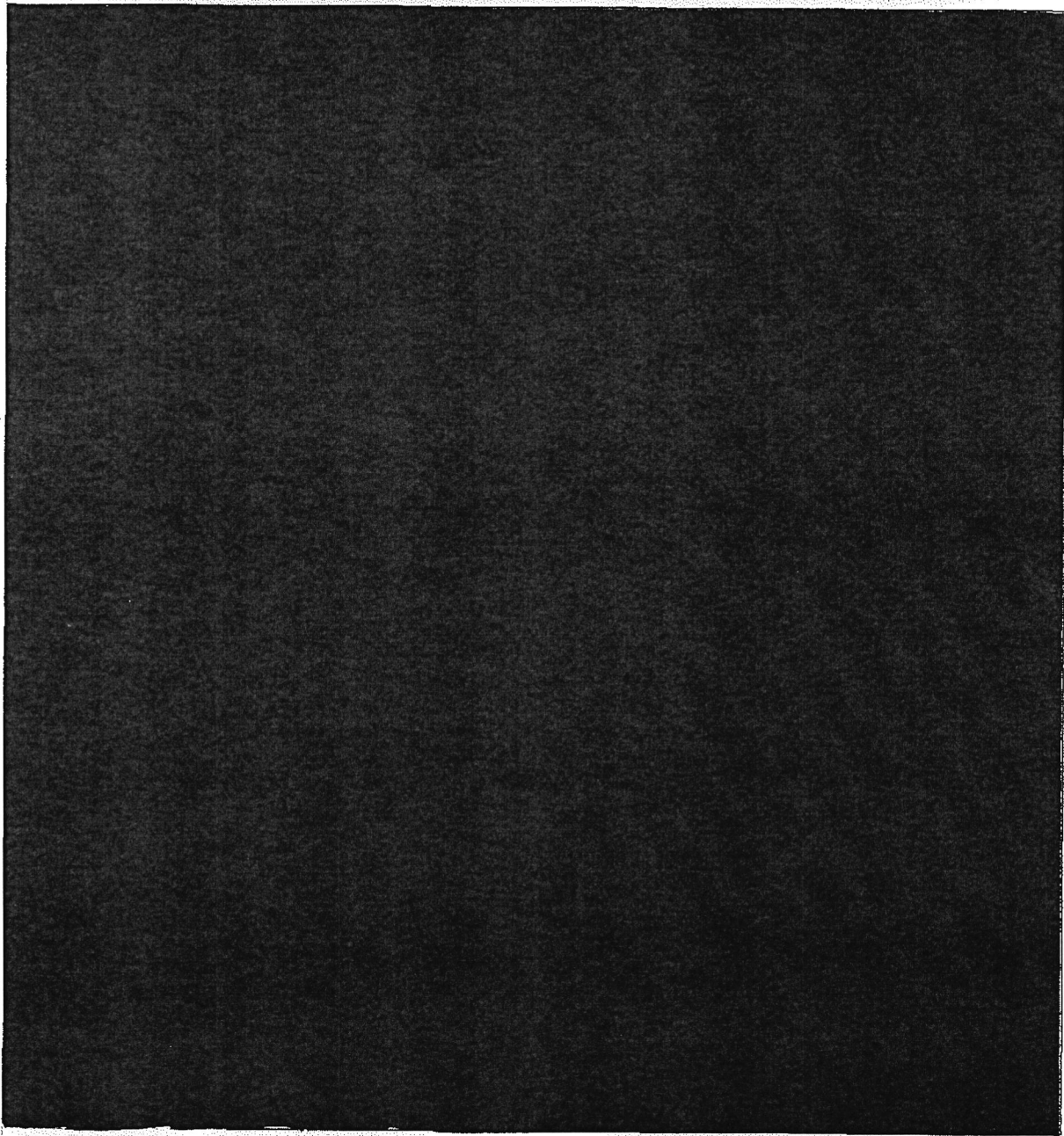
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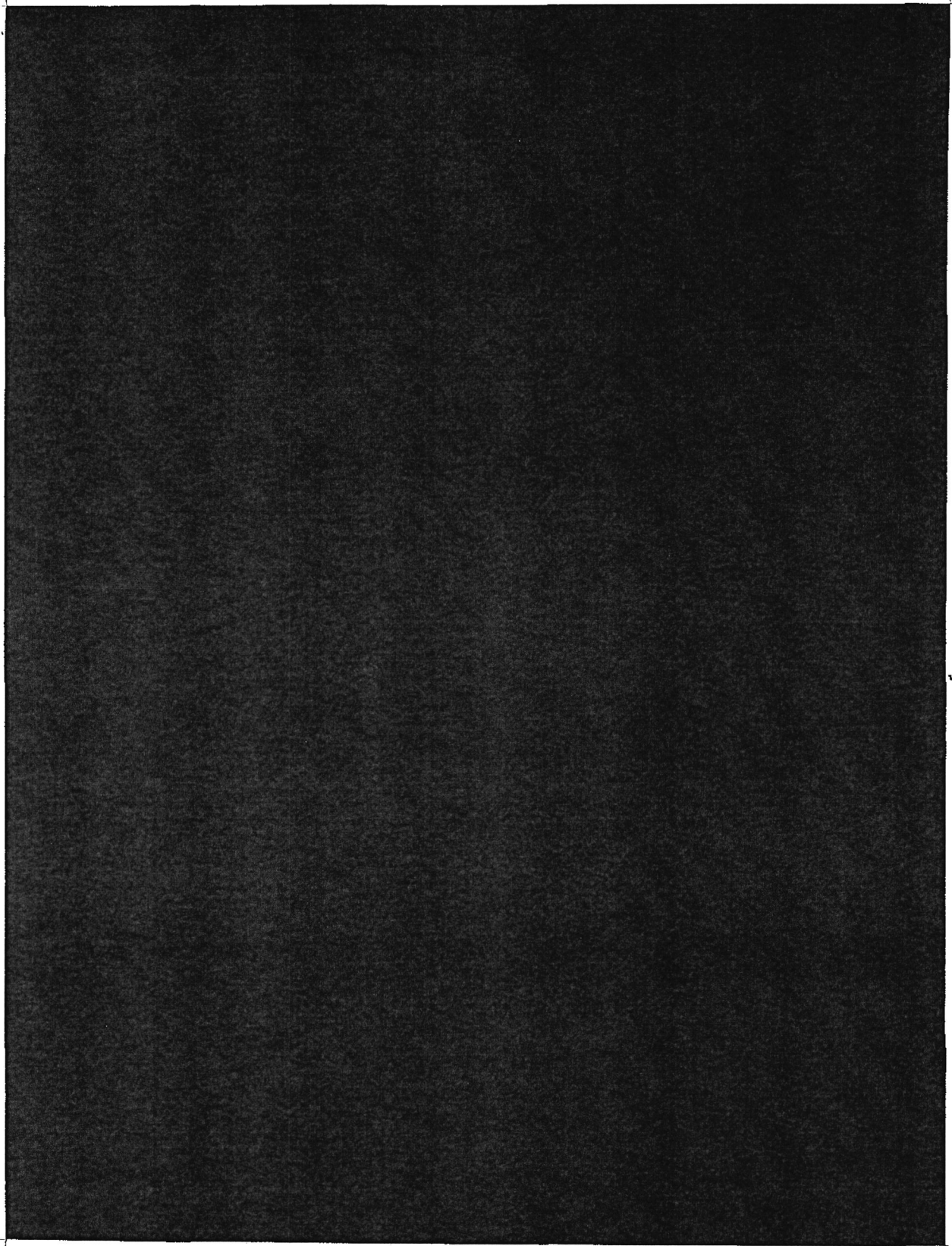
Argentina and Brazil

Argentina would be likely to strongly oppose any regional arms control initiative that has US support. Last year, it rejected US military assistance in protest against US criticism of its human rights policies. Since then, the Argentine government has increased its efforts to strengthen its own weapons industry both to meet its domestic needs and to develop an export capability. It is especially interested in marketing the Pucara turbo-prop counterinsurgency aircraft, which it has already exported to Bolivia. There is also a large manufacturing base for producing rockets, mortars, and heavy automatic weapons, some of which have already been exported to other Latin American countries.

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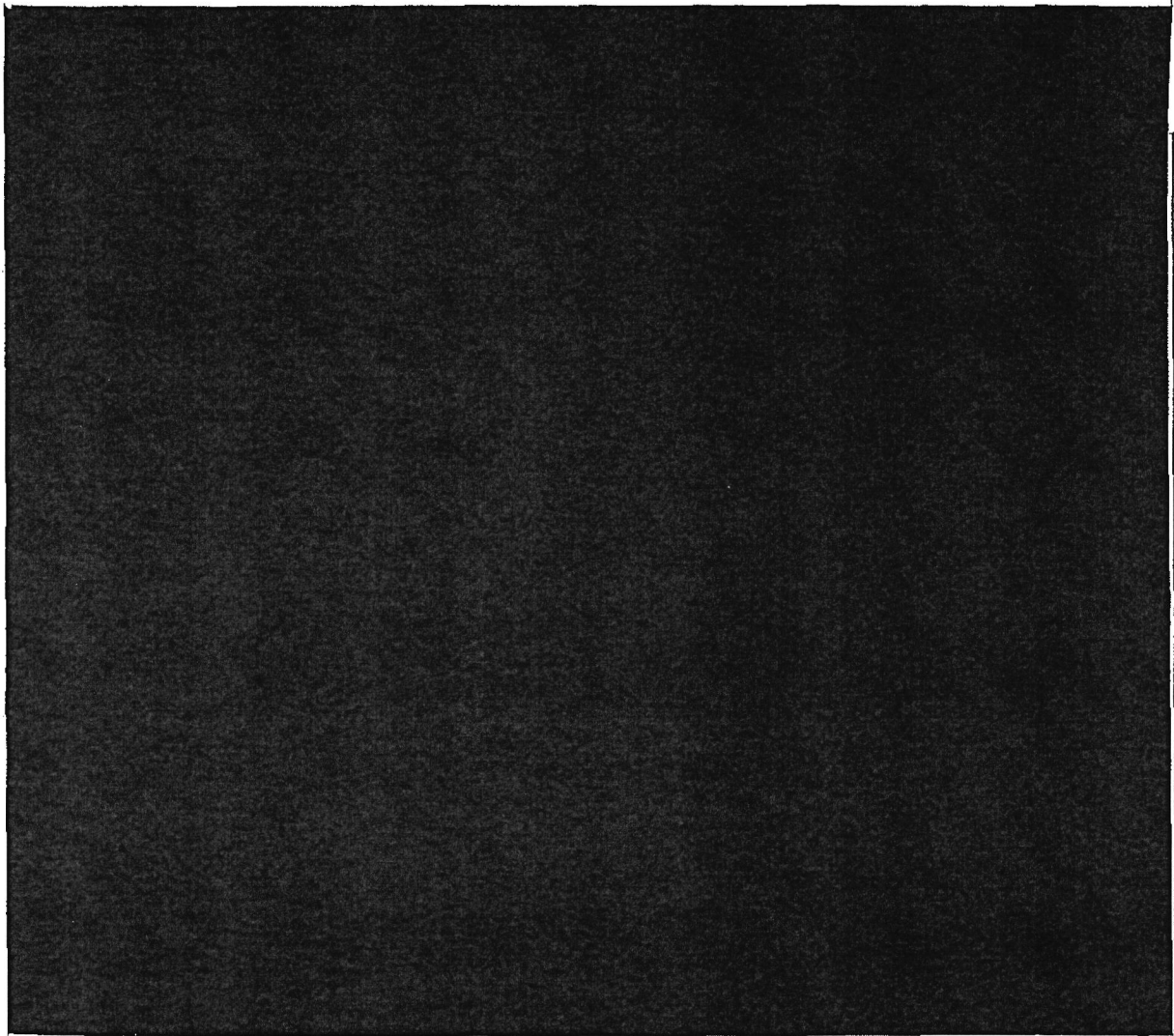
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Since Latin America is not heavily armed and has not experienced a major regional armed conflict in almost 40 years, the West Europeans feel largely immune from any charges that they could be "merchants of death" by selling weapons to the area. Neither are they much bothered by selling to governments that are accused of human rights violations. They reject the idea that they should interfere in others' domestic affairs, and they feel little, though growing,

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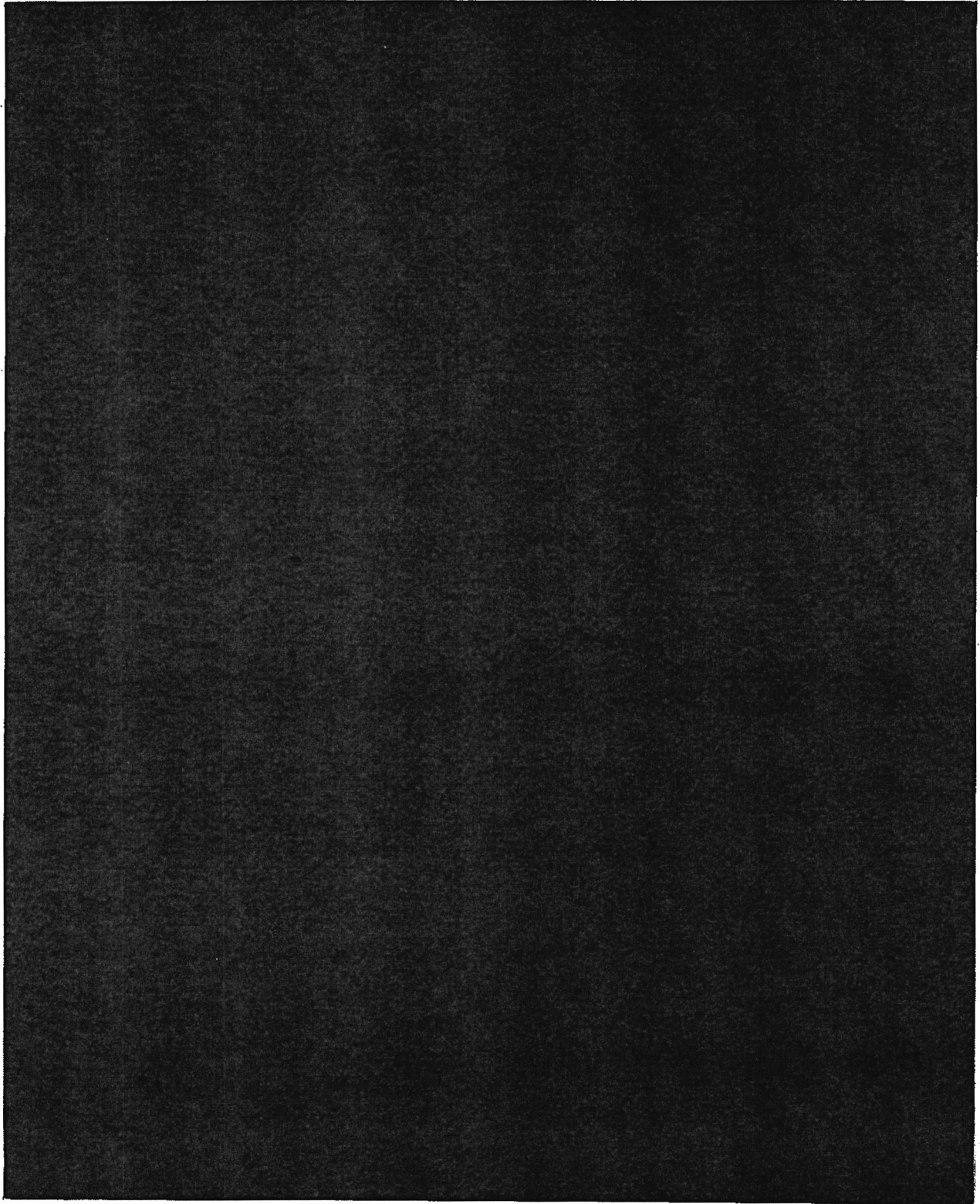
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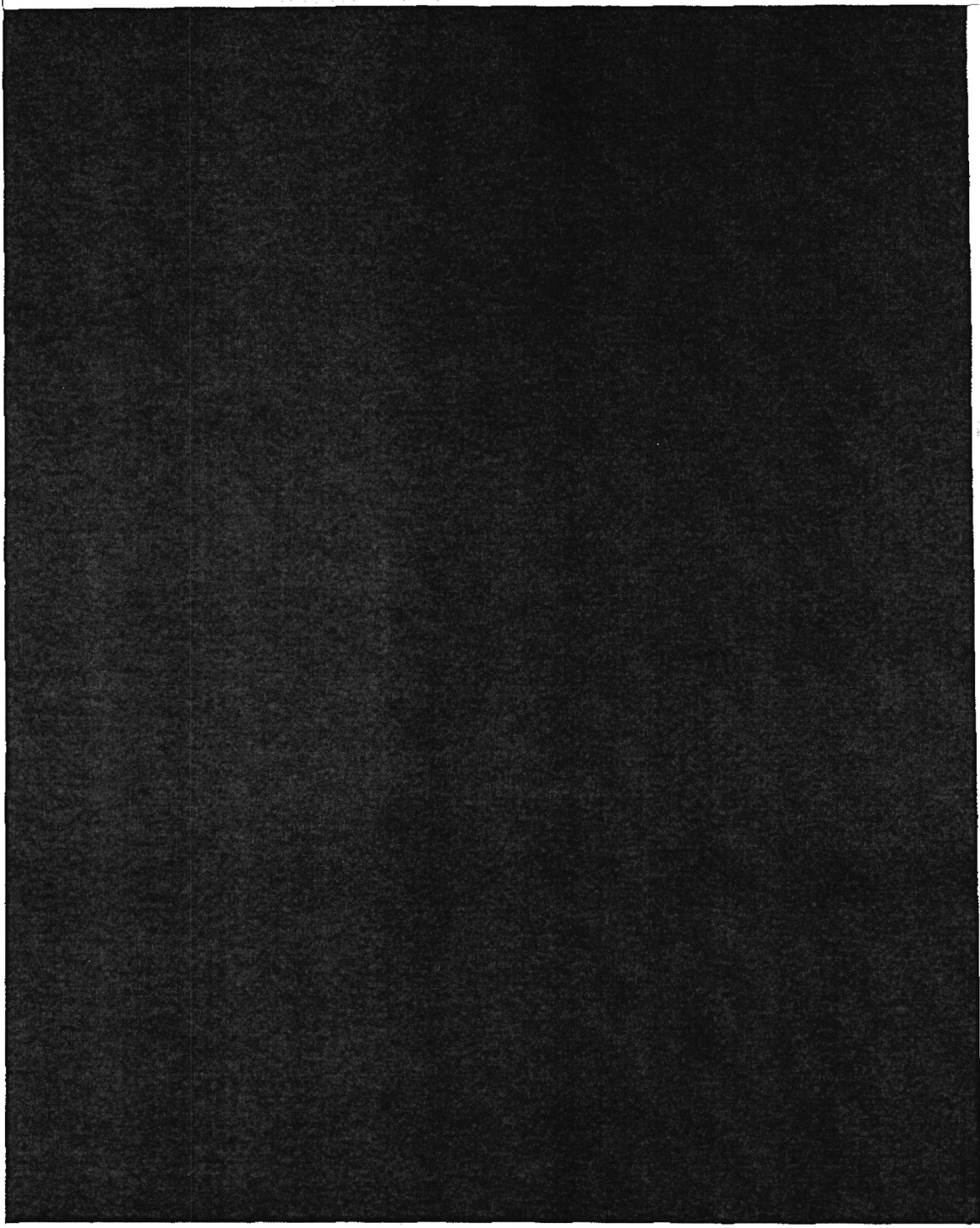
pressure from their domestic constituencies on the issue. Chile and Argentina are exceptions in this regard, but Italy is willing to sell to them openly, and others do so through third party suppliers.

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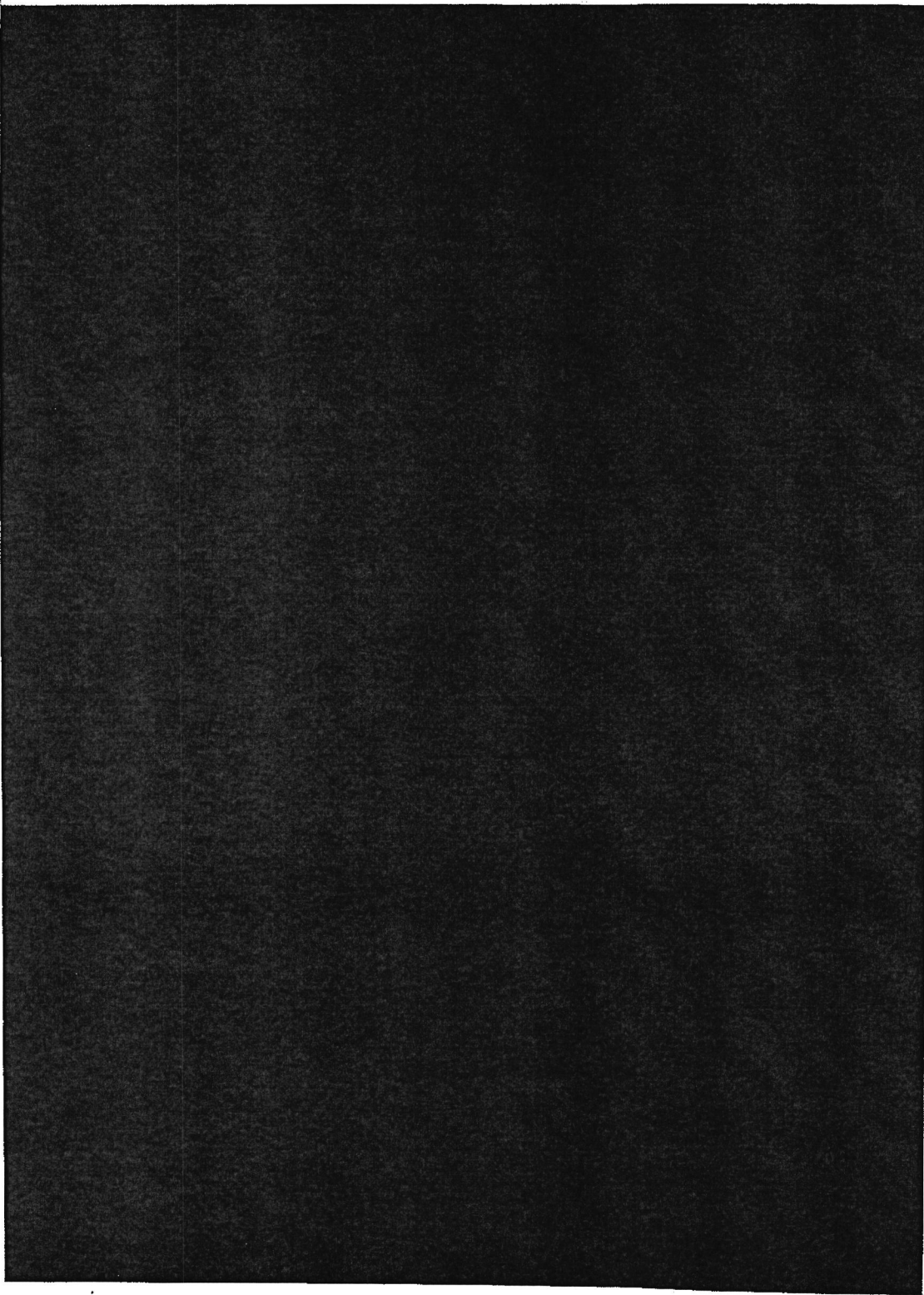
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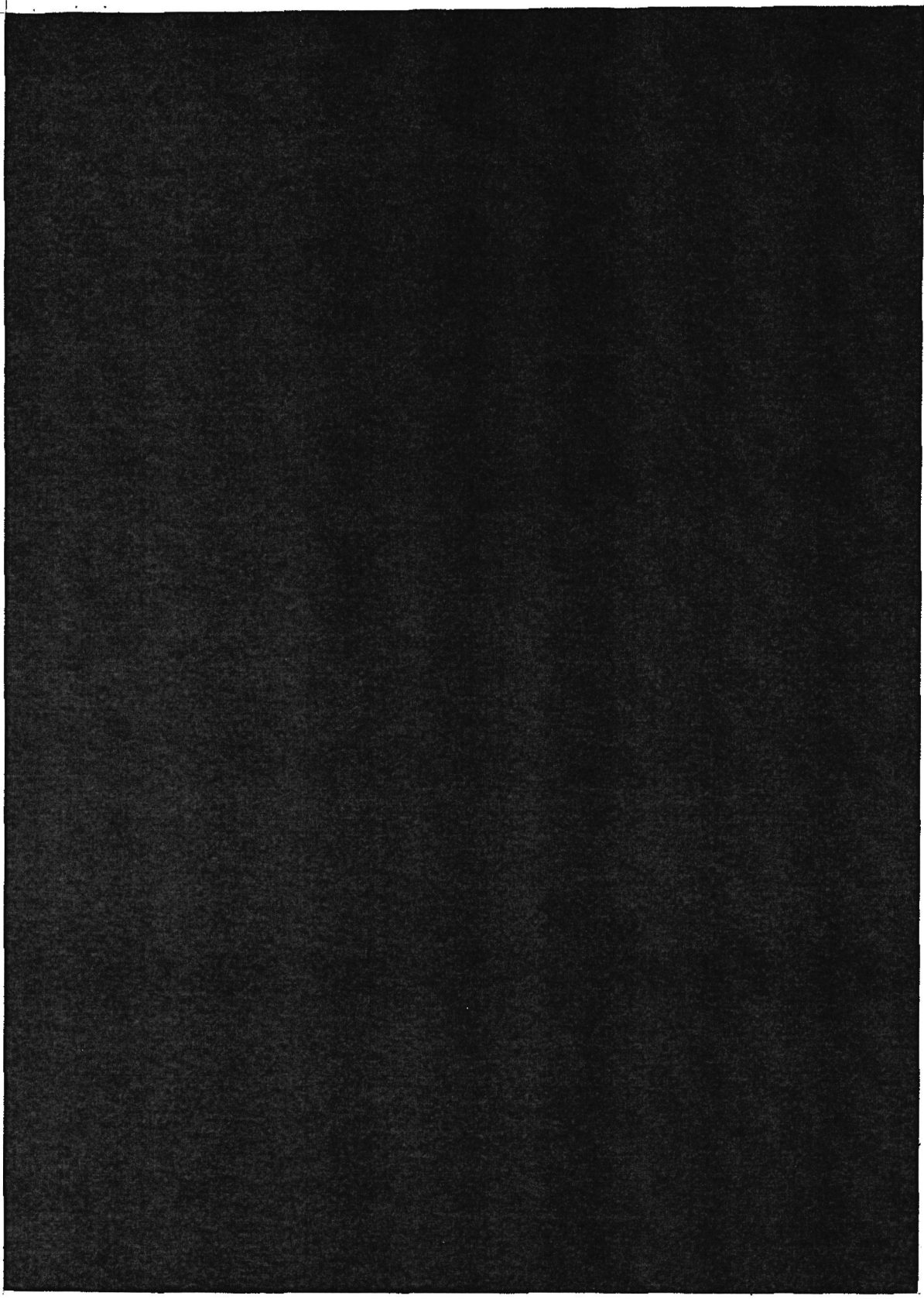
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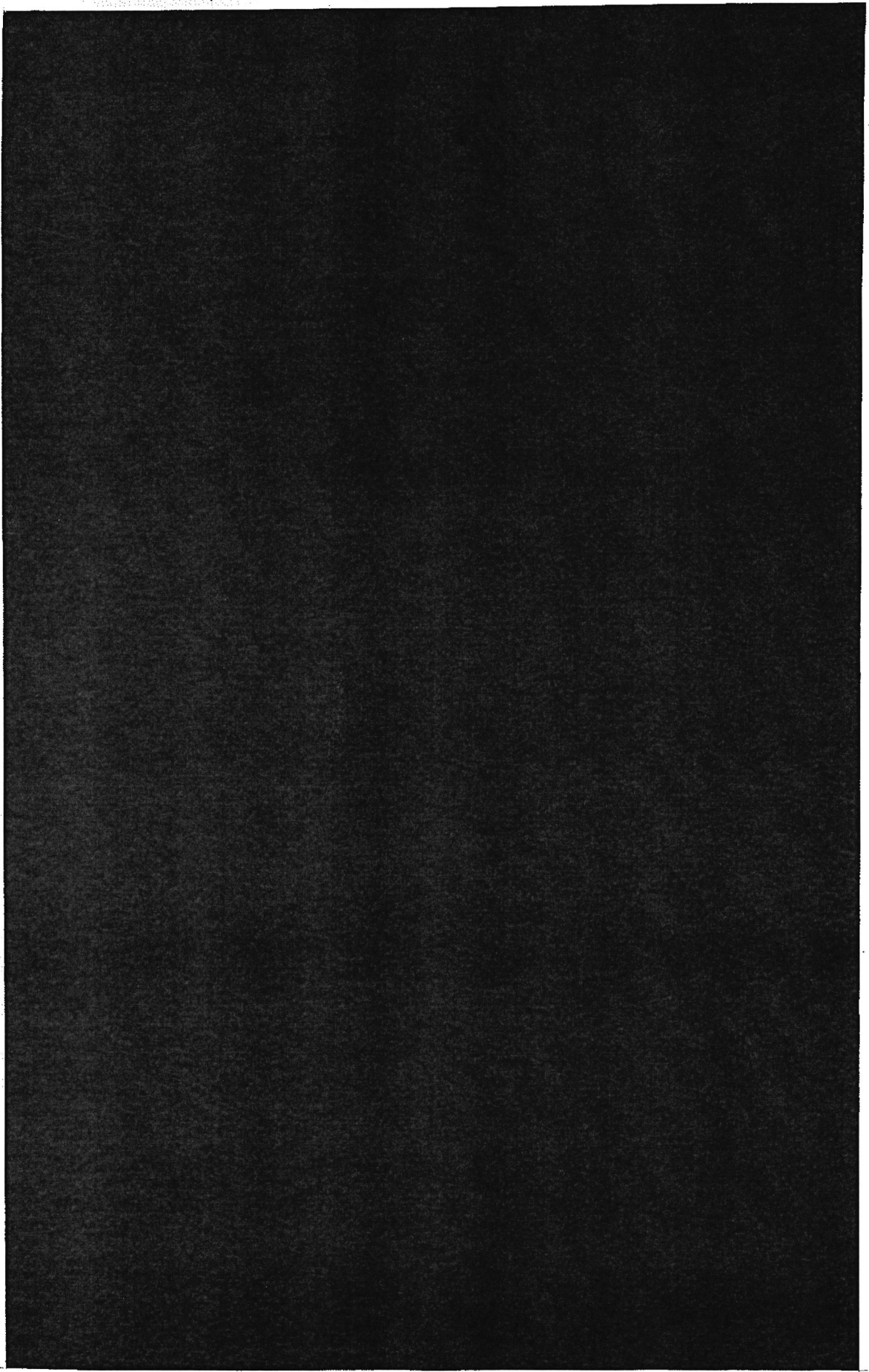


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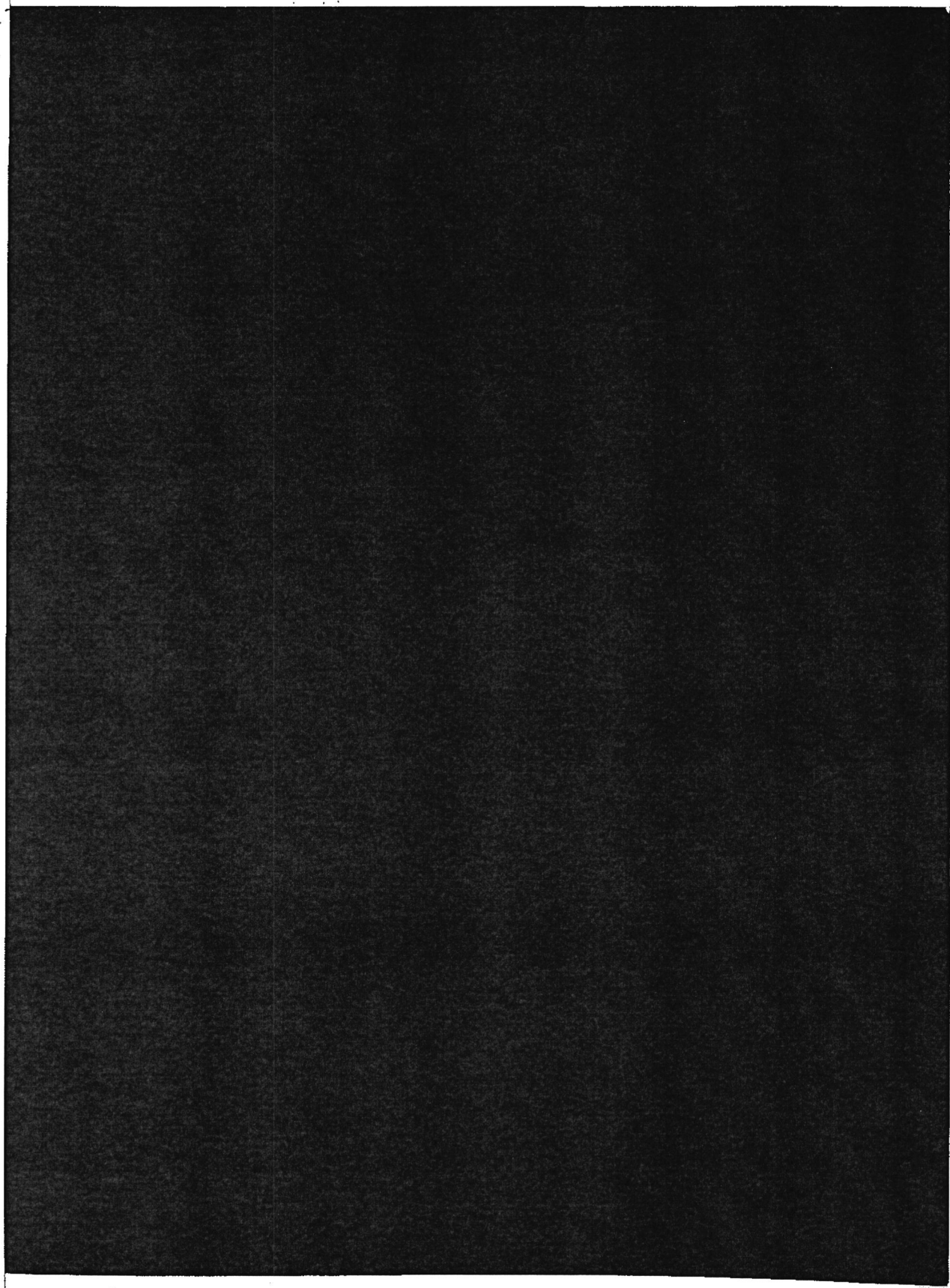
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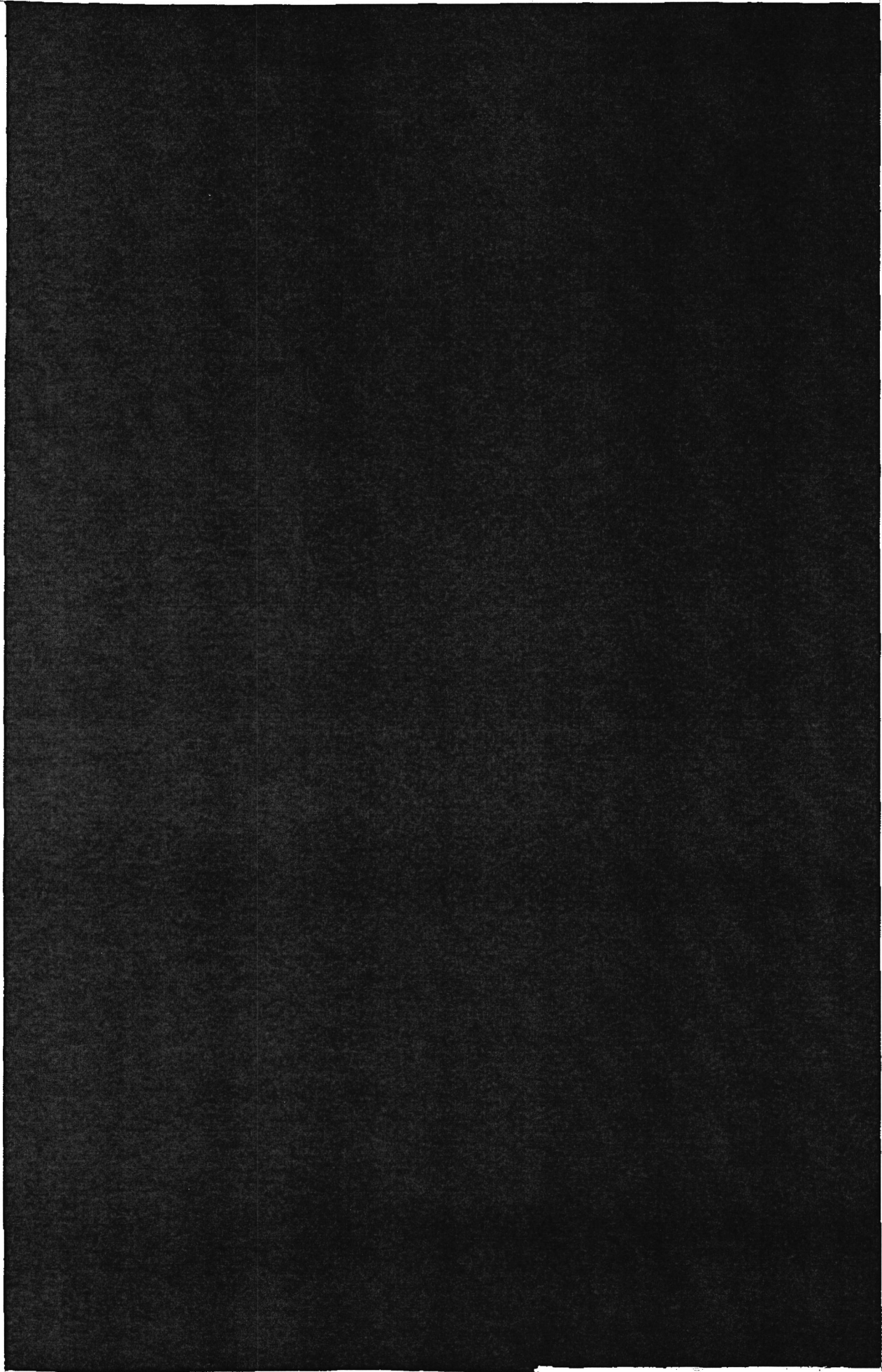


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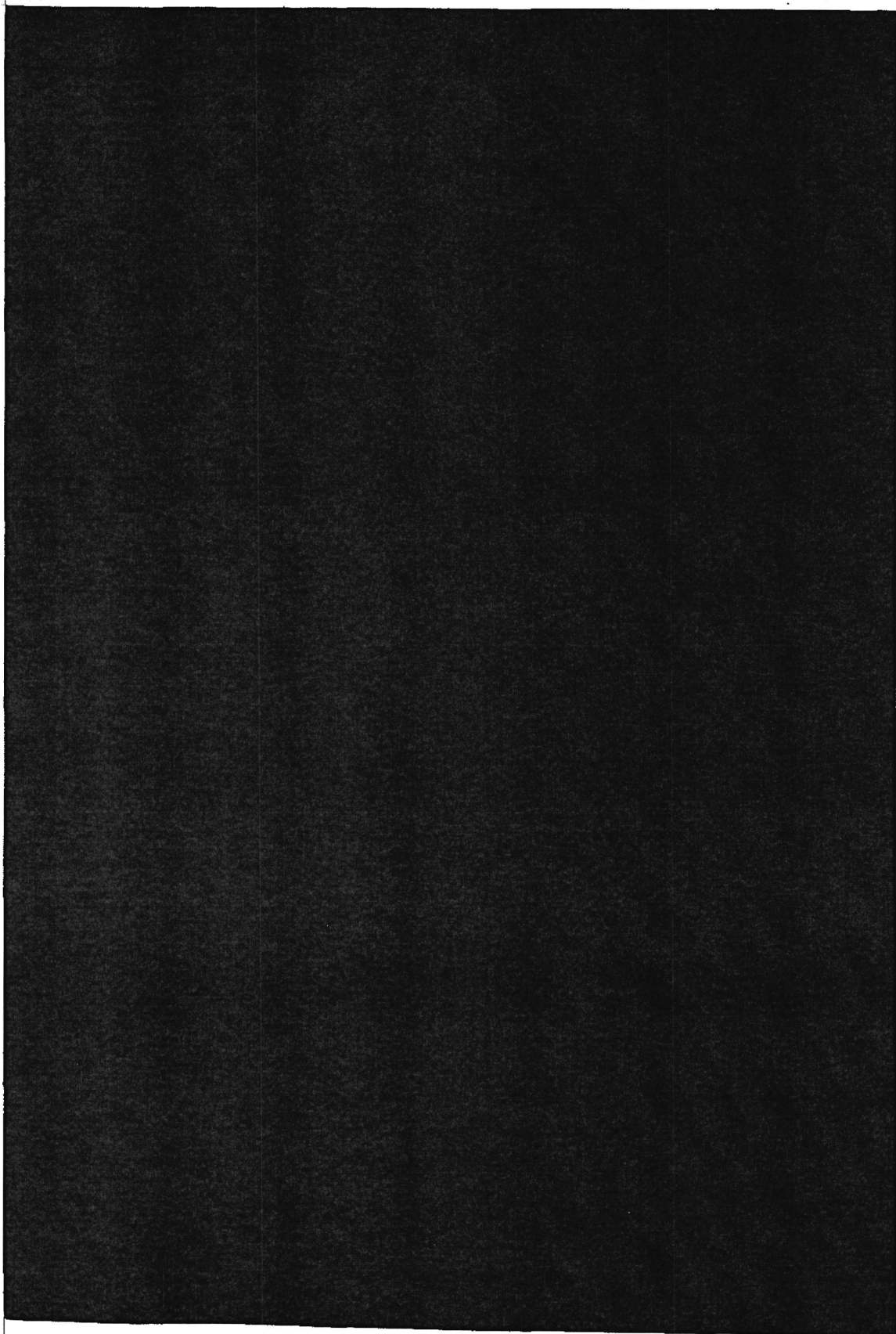


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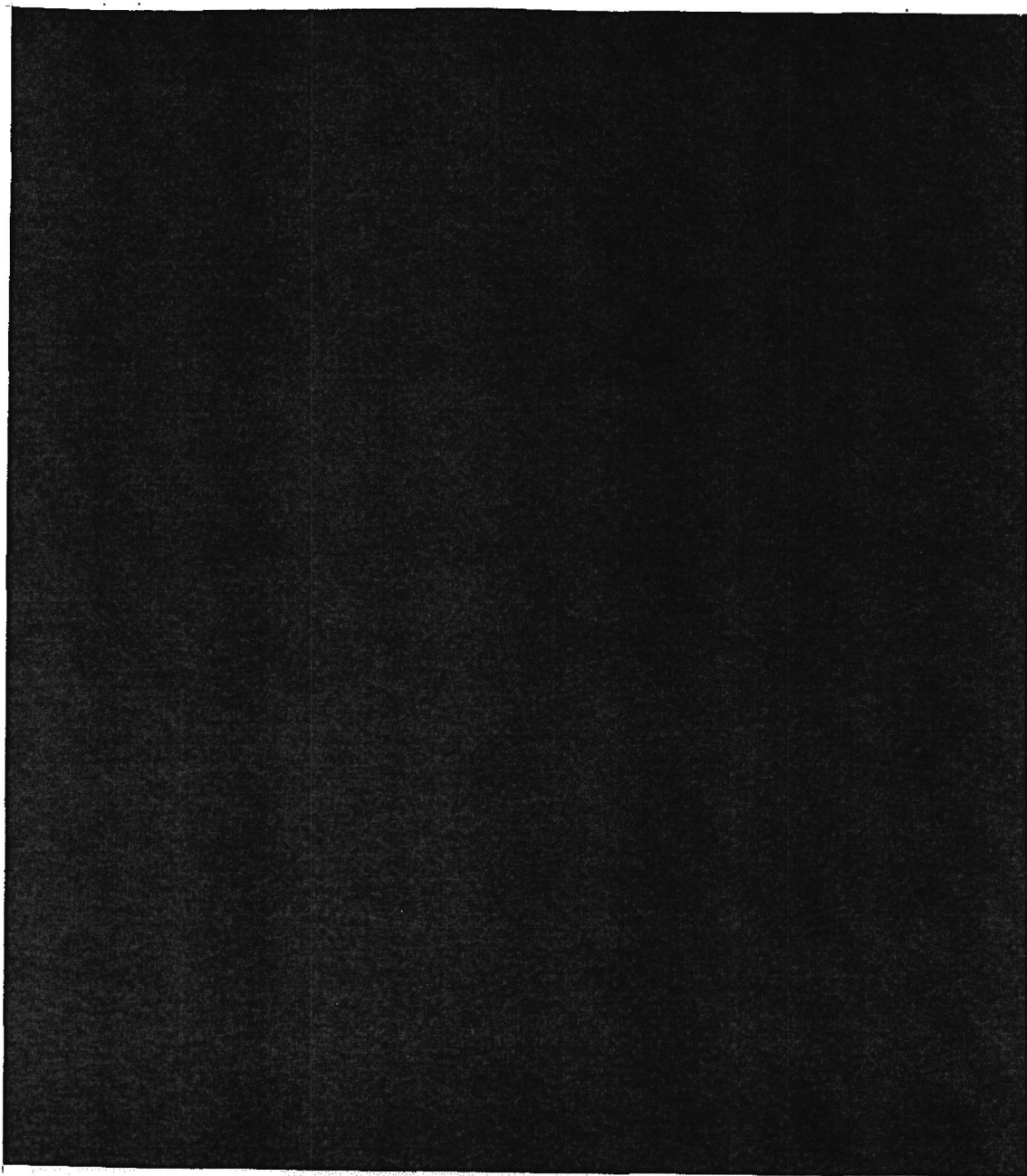
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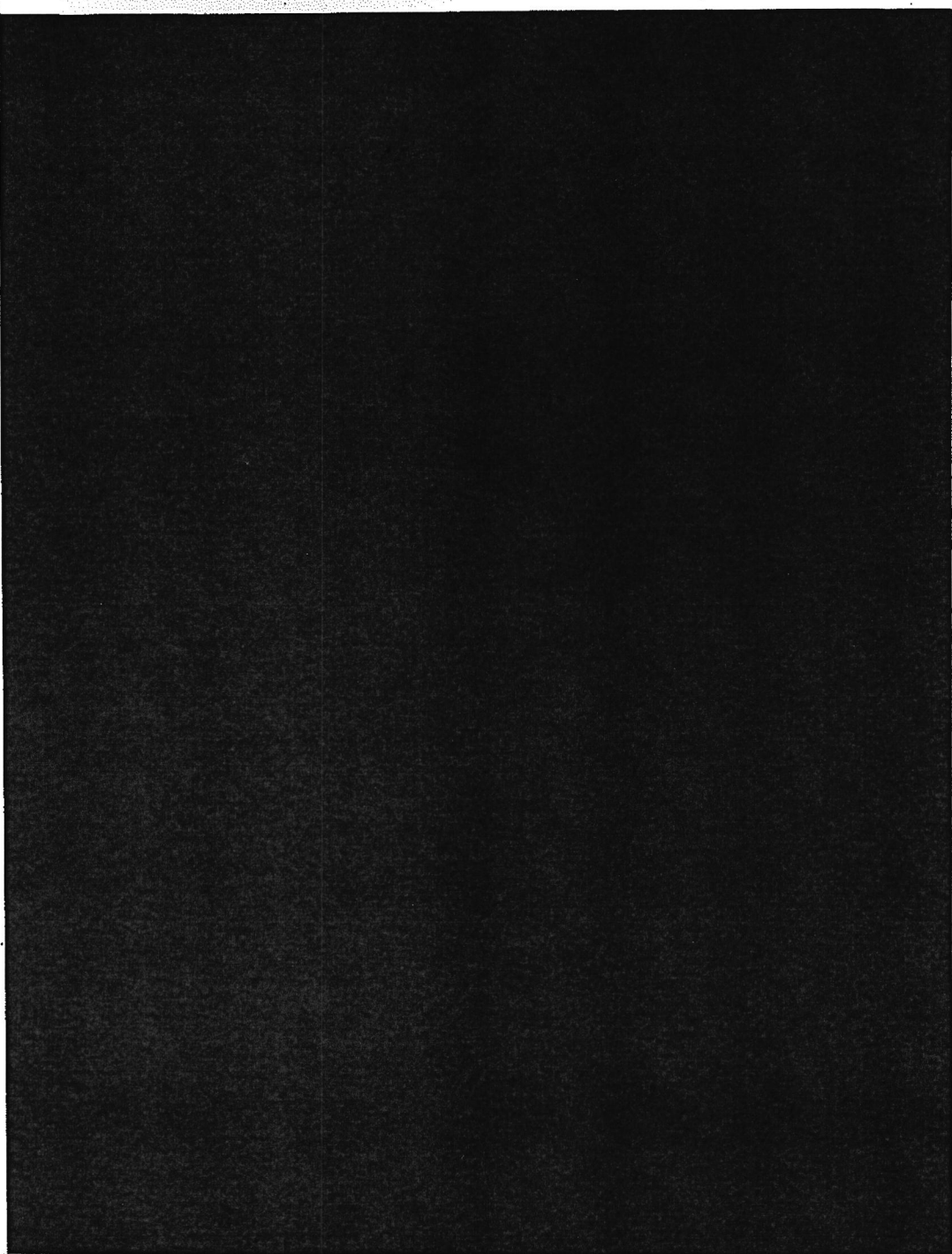
ARMS SALES TO LATIN AMERICA
1973-1977, BY RECIPIENT
(Millions of US Dollars)*

1973 1974 1975 1976 1977 Total

Argentina 20 53 19 47 558 697

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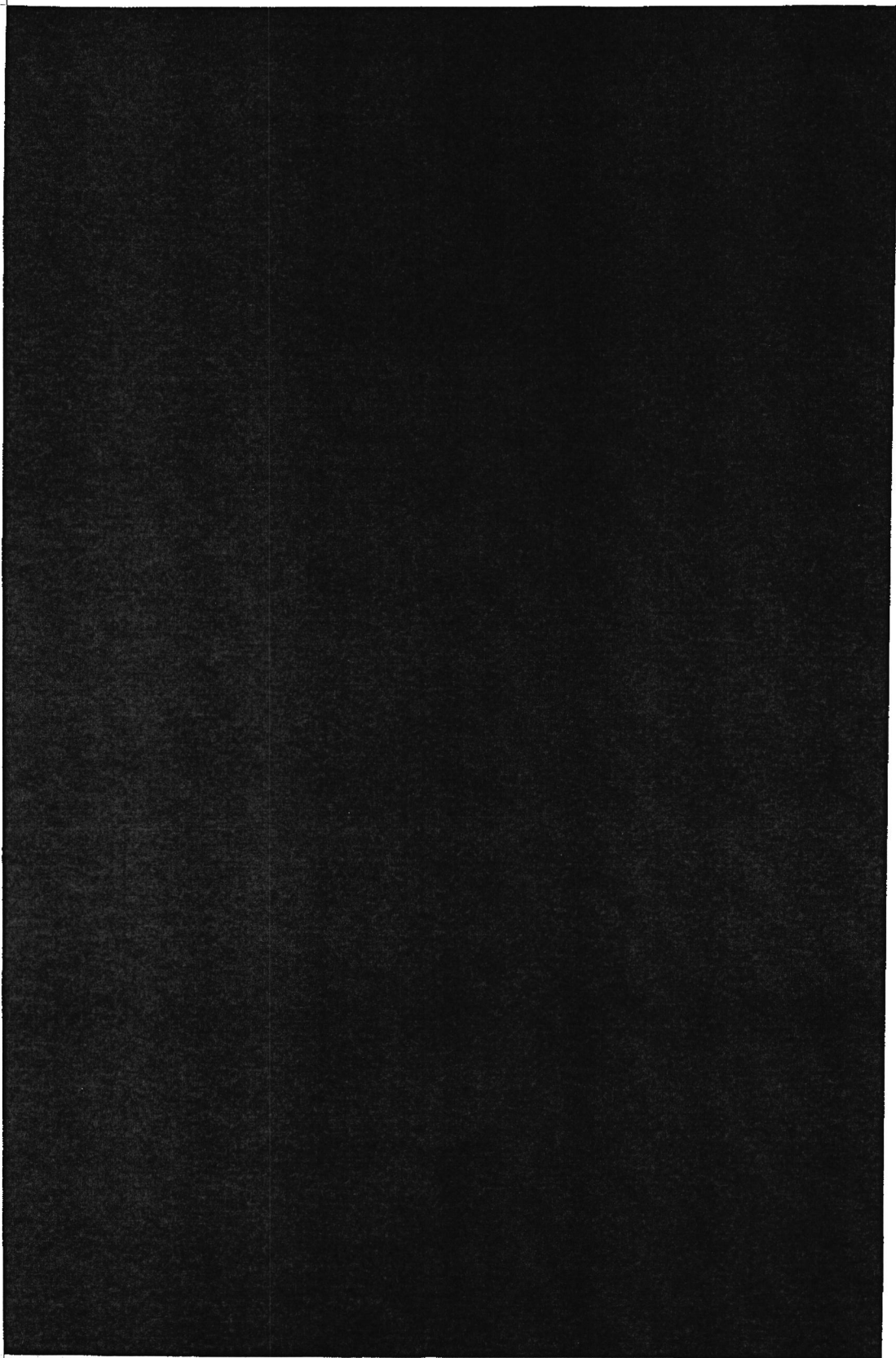
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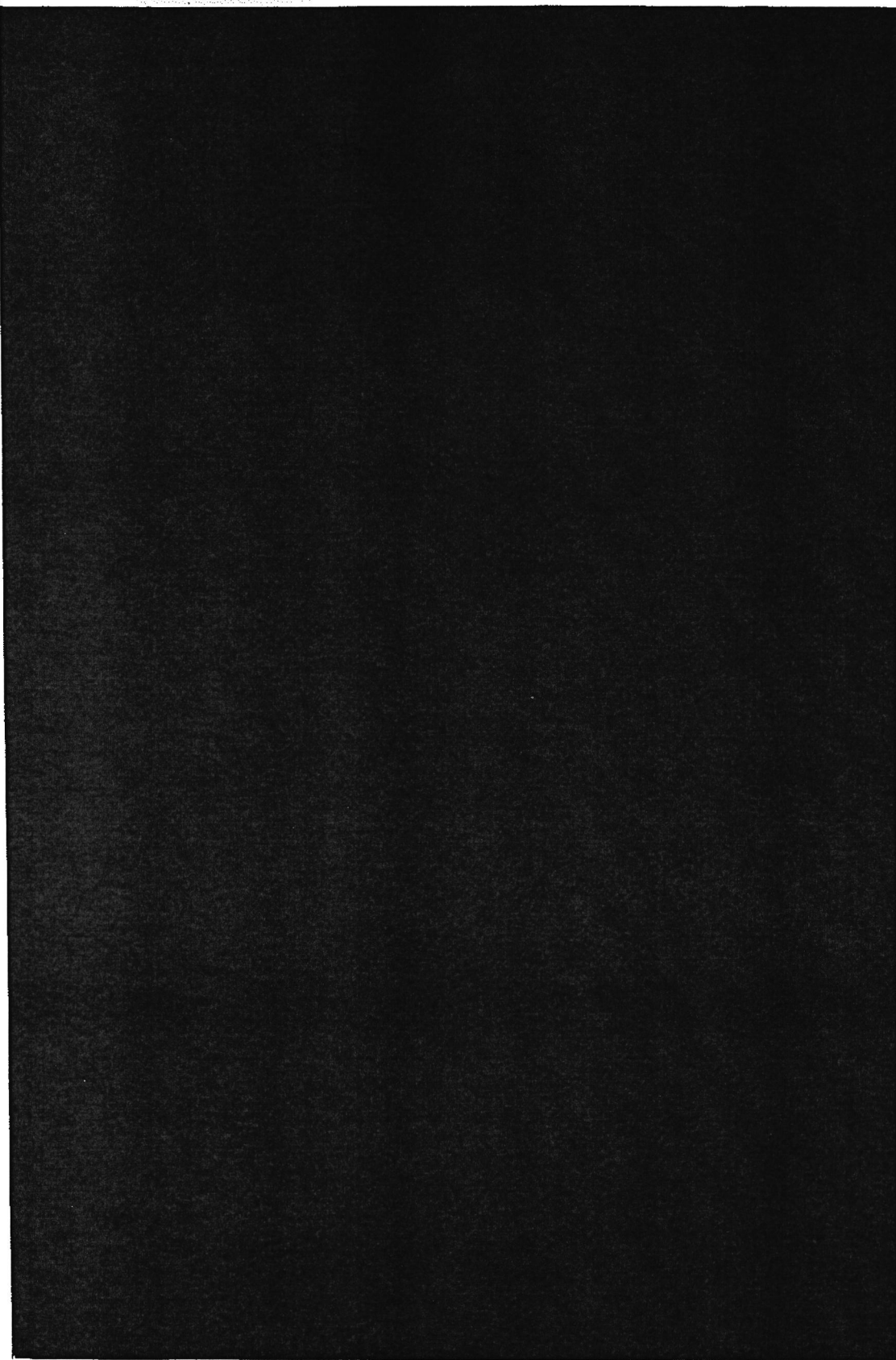
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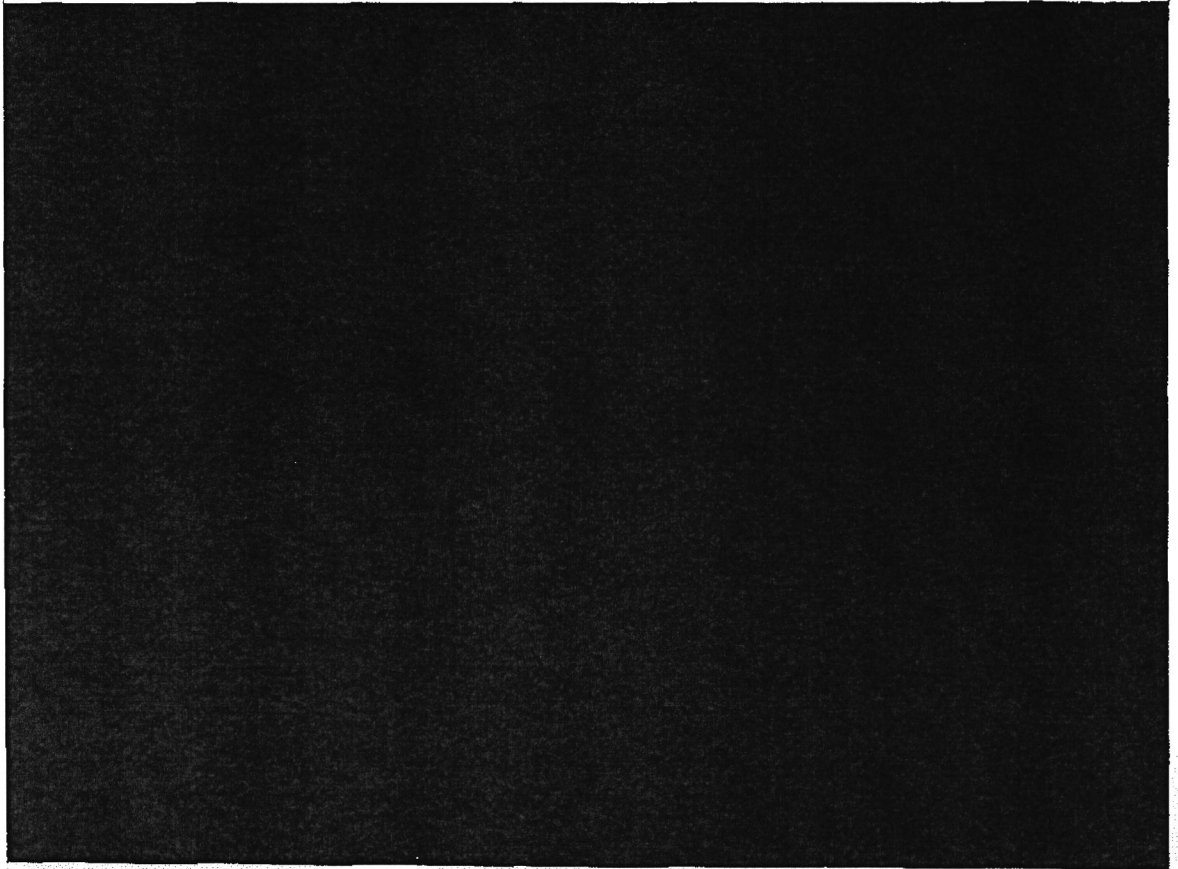
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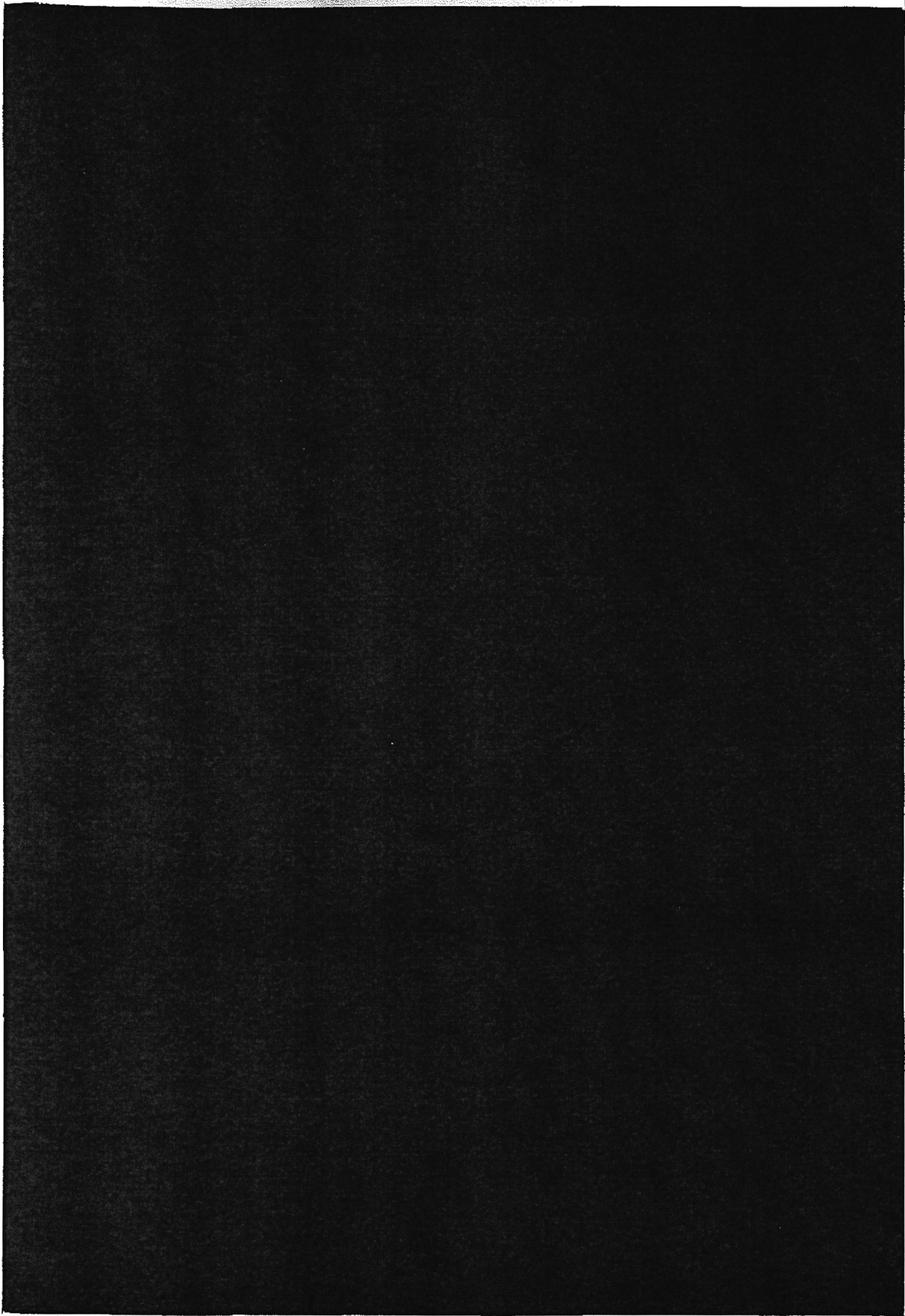


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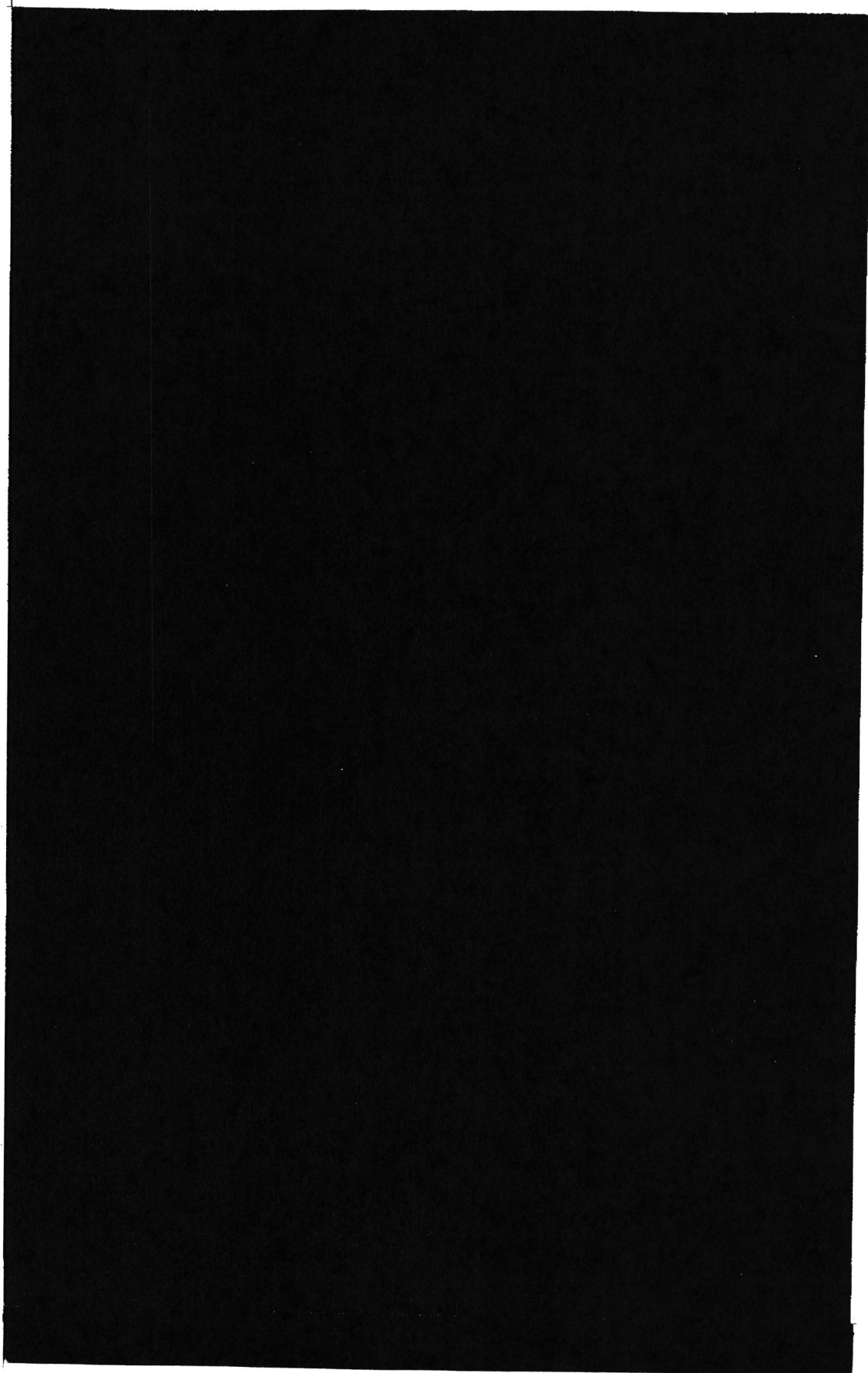


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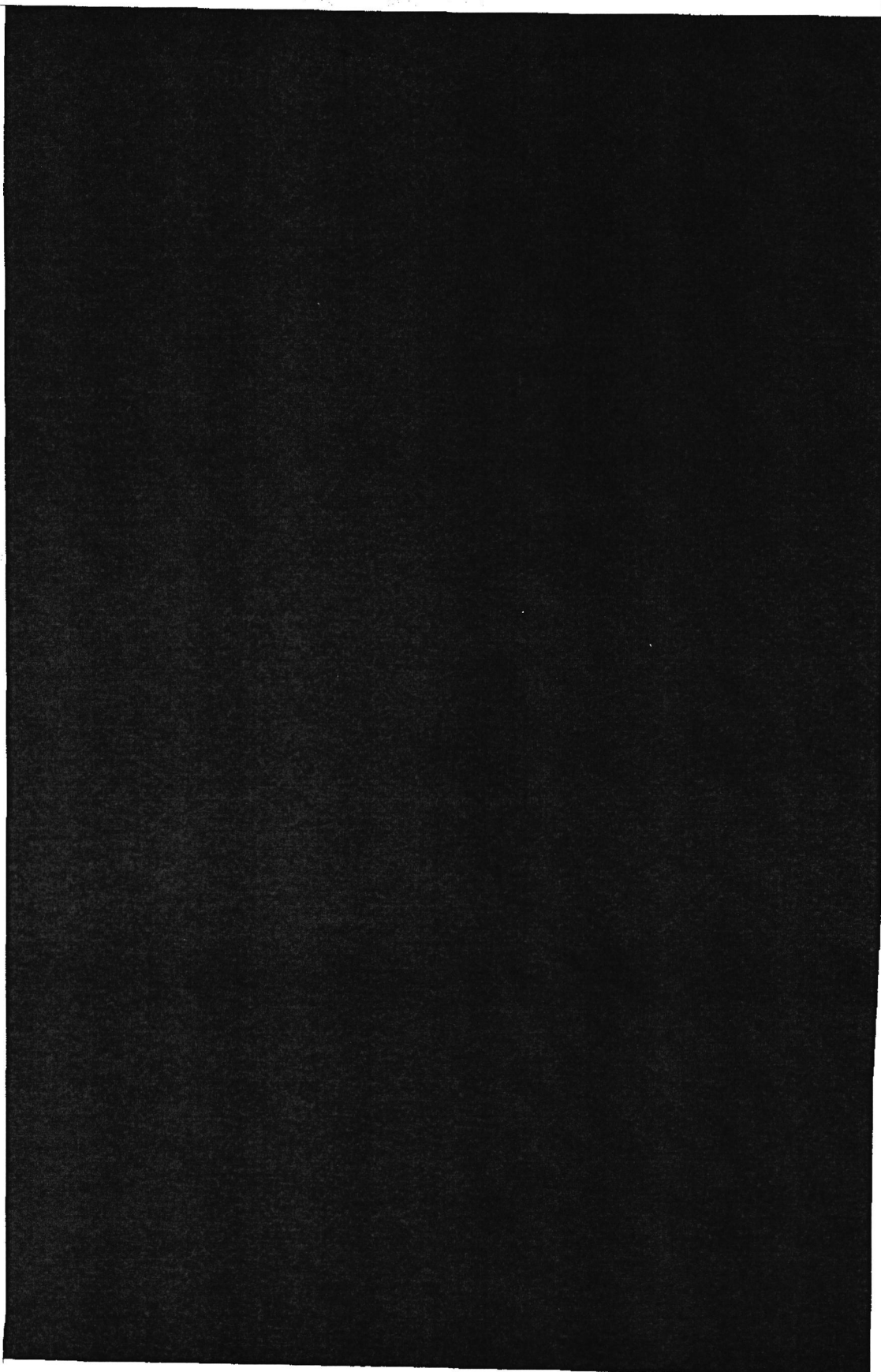


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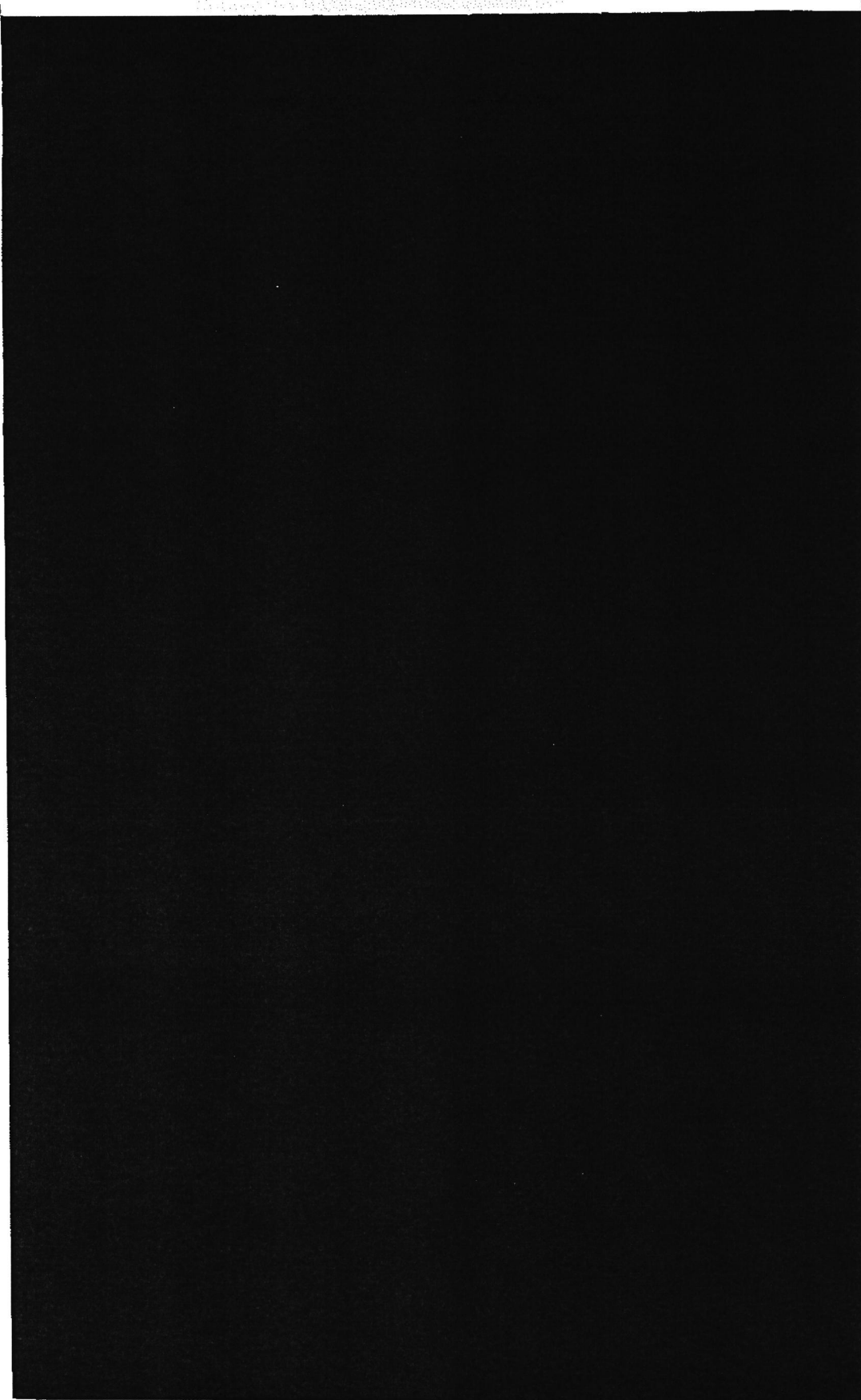


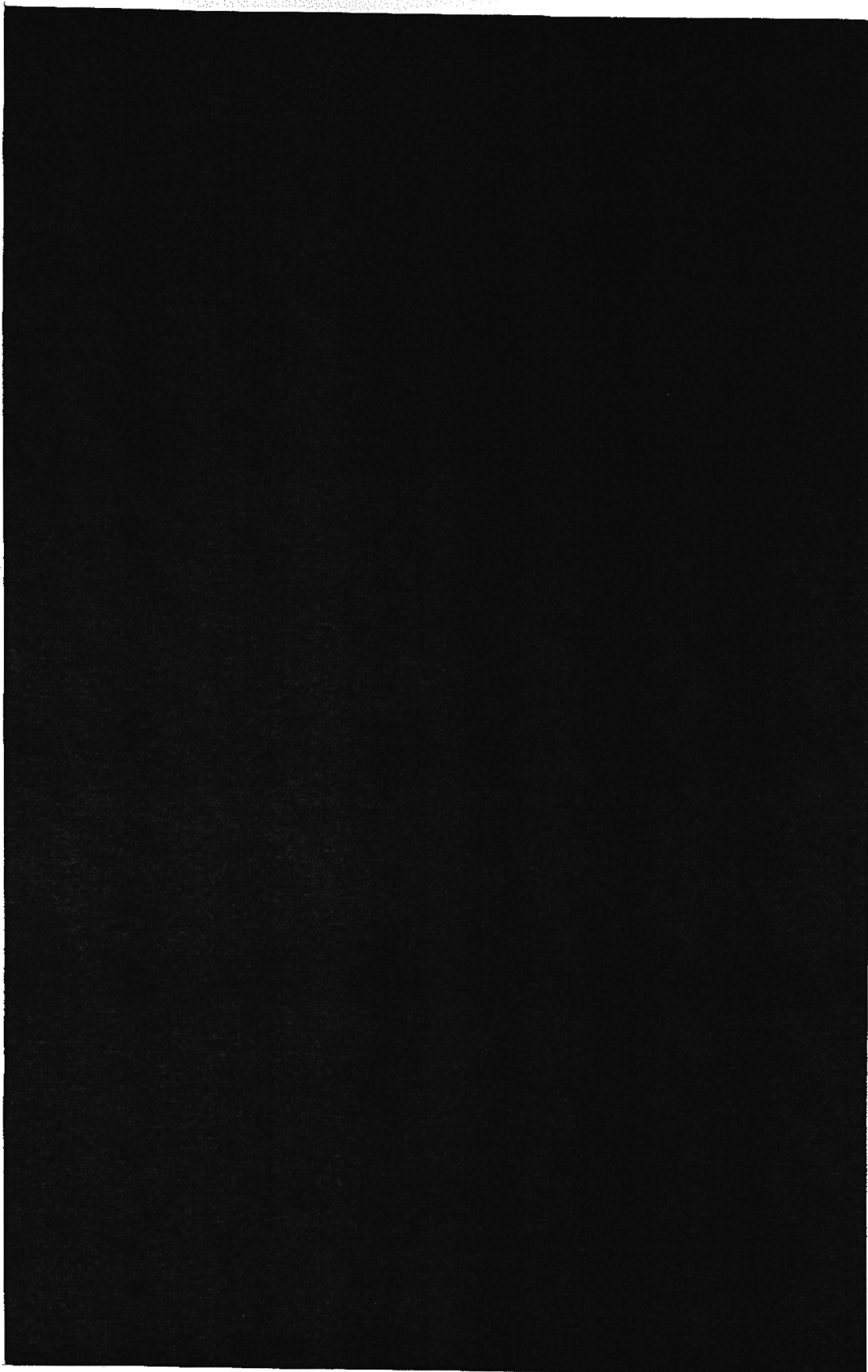
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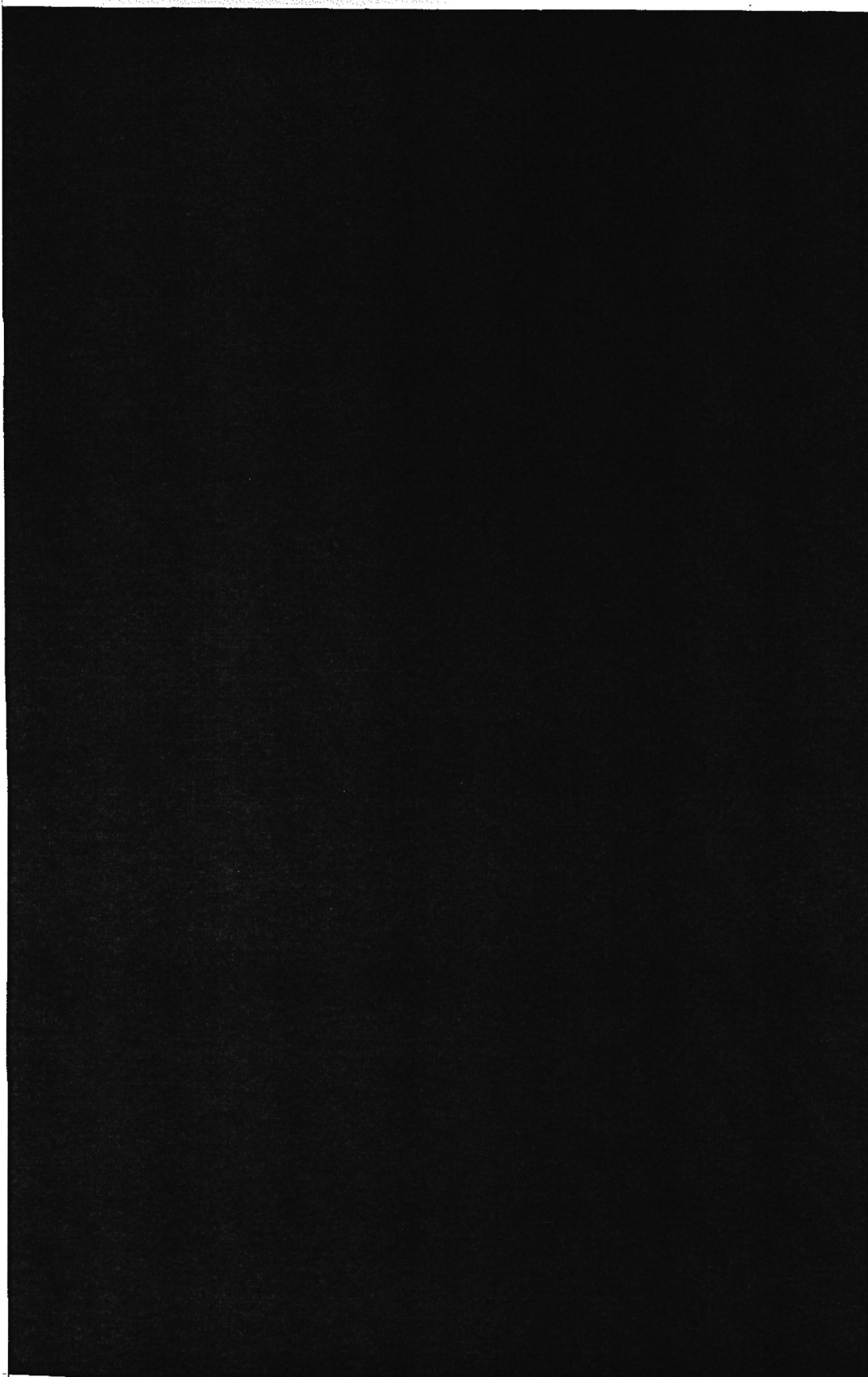
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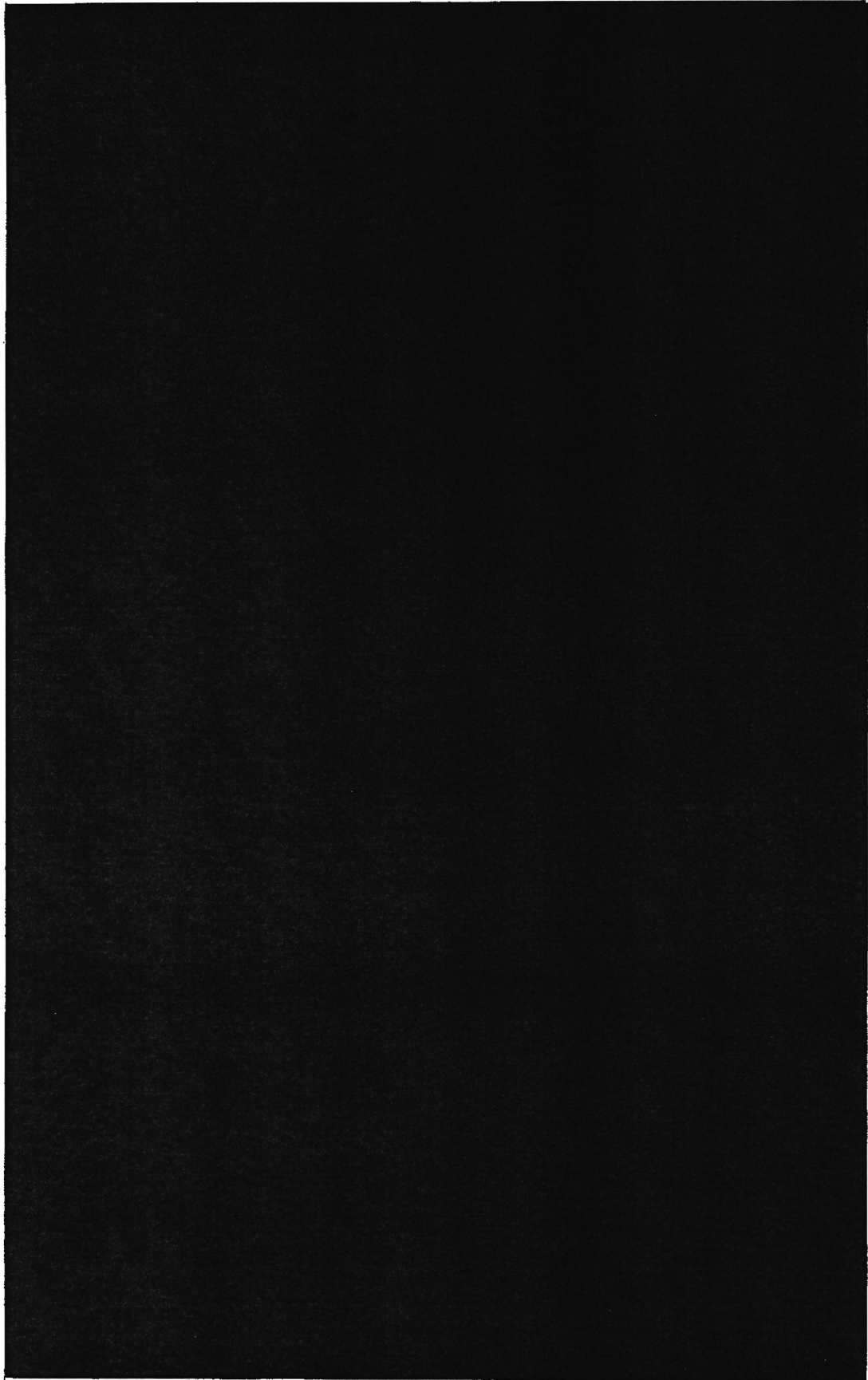


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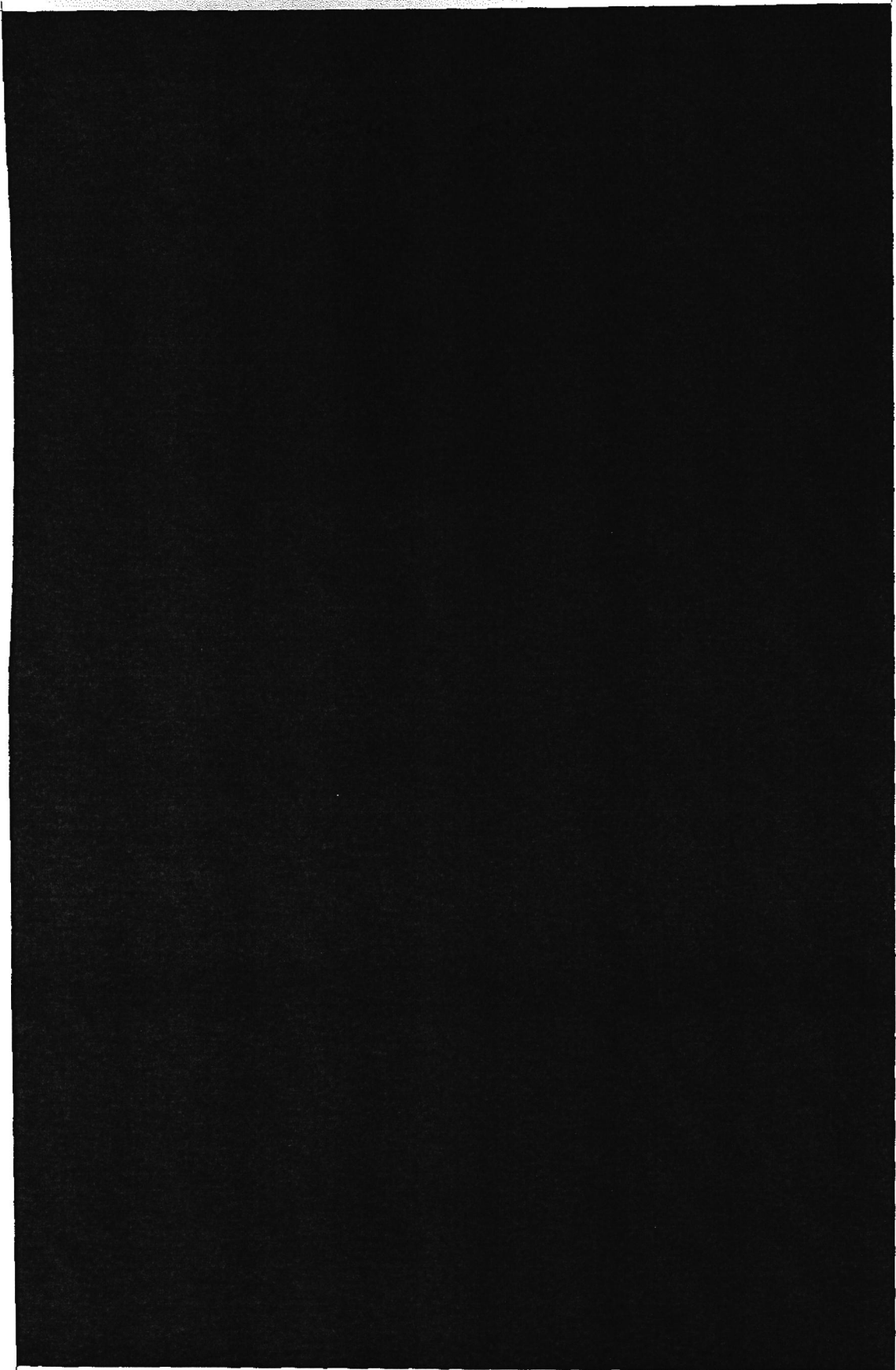
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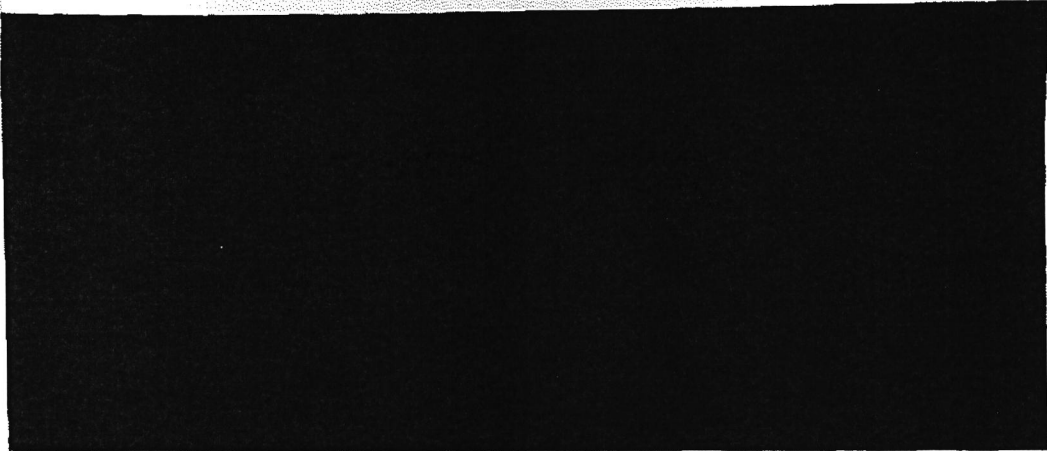


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