



DEFENSE SECURITY ASSISTANCE AGENCY  
AND  
DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA  
WASHINGTON, D.C. 20301

#4-95

17 FEB 1977

In reply refer to:  
I-13517/75

Honorable Daniel K. Inouye  
Chairman  
Subcommittee on Foreign Relations  
United States Senate  
Washington, D. C. 20510

Document determined to be Unclassified  
Reviewed Chief, Records & Declass Div, WHS  
IAW EO 13526, Section 3.5  
Date: Oct 23, 2018

Dear Mr. Chairman:

On December 18, 1975, I wrote to you providing notification, pursuant to Section 113 of Public Law 94-11, of our intention to obligate funds for military training under the present continuing resolution. Your letter of December 23, 1975, expressing your views and those of the Subcommittee on Foreign Operations regarding proposed FY 1976 funding increases for the military assistance training programs in Ecuador and Argentina has stimulated a strong response on the part of my colleagues in the Departments of Defense and State. There has been an equally vigorous reaction from our Ambassadors in Buenos Aires and Quito and the Commander-in-Chief of the Southern Command.

While Section 113 only requires notification and not approval, we attach great importance to the views of the committee. Therefore, in reply to your letter, I wish respectfully to request a further committee review of the decision to limit MAP training obligations for Ecuador and Argentina to the FY 1975 levels and a reinstatement of our higher programmed levels. We are impressed with the steady stream of reports from our missions in these countries describing the budgetary and fiscal constraints which these countries have felt necessary due to severe balance of payments problems arising from the falling world prices of raw materials on the one hand and rising prices of imports on the other. Both of these factors have severely threatened the undoubted long term economic growth they have been experiencing.

For example, Ambassador Hill from Buenos Aires, in referring to his numerous previous reports on the subject, states, "Present economic conditions in Argentina have placed an even greater requirement on the Argentine military to seek advances on FMS credits, and to place greater reliance on grant aid training." Similarly, Ambassador Brewster in Quito, emphasized that Ecuador's expenditures, of which the vast majority are for education, welfare, public works and economic development, are just barely even with, and perhaps exceed, the petroleum and other revenues and that Ecuador is negotiating for substantial loans because her increasing revenues have barely managed to keep pace with economic development needs. Ambassador Brewster also stresses that Ecuador, like Argentina, has refrained from devoting a larger share of her earnings to military expenditures.

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O-ISA (I 13517/75)  
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Also important in both countries are the political effects of cut-backs in the modest U.S. grant military training programs on our bilateral relations with these countries. In the case of Argentina, grant training was under suspension during the first ten months of FY 1975 in compliance with Section 620(a)(3) of the Foreign Assistance Act of 1961. The timing of the determination under the newly enacted Section 664, waiving the suspension, meant that actual obligations for that year totaled only \$100,000 of the originally planned \$700,000. Thus, the FY 1976 program represents both essential training requirements for this fiscal year and some filler for training lost the previous year. Ambassador Hill points out that the Argentina military has been expecting and is programmed to meet this funding level. He also stresses that both the present political climate in Argentina and the importance of the Argentine military with respect to their possible role in future government strongly argue for a continuation of the modest training program.

Similarly, with respect to Ecuador, Ambassador Brewster emphasizes the detrimental effect that freezing MAP training at last year's level will have. This is the first fully funded year of our contemplated training program since it was reinstated last year after a four year hiatus. This cut would come just at a time when the Ecuadorians are trying to rebuild their friendly relationship with us after four years of sanctions and other divisive difficulties. Ambassador Brewster further points out that the head of the new military junta in Ecuador, Admiral Poveda, has been "the one service chief most interested in getting U.S./Ecuadorian relations back on an even keel following the problem which formerly plagued our relationship."

The Commander-in-Chief of the U.S. Southern Command has strongly endorsed the views of our diplomatic missions in Argentina and Ecuador and, from a military point of view, adds that in Argentina political unrest and economic uncertainty have increased the necessity for her military forces to rely at this time on U.S. grant aid training. He considers our grant training program in Ecuador an essential, though modest, contribution to a current, long overdue armed forces modernization program.

Finally, for the committee's consideration, I would like to make the point that the U.S. grant military training program has been traditionally well received in most Latin American countries. For an extremely modest expenditure, it continues to contribute far more than its cost to United States foreign policy objectives by maintaining and enhancing the friendly professional relationships between the United States military forces and those of Latin America. And nowhere in Latin America are these generalizations more applicable than in Argentina and Ecuador. Further, there is nothing in the foreseeable future to indicate that the political influence of the Latin American military establishments will decline.

My conclusion is that, aside from any economic considerations, there are valid reasons from the point of view of the U.S. national interest alone for continuing our grant military training programs to these two key Latin American countries. My colleagues in the State Department have asked me to convey to you and the committee their strong endorsement of these views and join me in urging that the committee re-examine the cases of Argentina and Ecuador in the light of the above information.

Sincerely,

**SIGNED**

H. M. FION  
Lieutenant General, USAF  
Director, Defense Security Assistance Agency  
and  
Deputy Assistant Secretary (ISA), Security Assistance

cc: USCINCSO  
State (ARA/NC)  
State (PM/SAS)  
State (L/PM)  
COMUSMILGP Ecuador  
COMUSMILGP Argentina

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Prepared by: Mr. Jones/OASD/ISA/IA  
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## United States Senate

COMMITTEE ON APPROPRIATIONS  
 WASHINGTON, D.C. 20510

JAMES R. GALLOWAY  
 CHIEF COUNSEL AND STAFF DIRECTOR

December 23, 1975

Lieutenant General H.M. Fish, Director  
 Defense Security Assistance Agency  
 Department of Defense  
 Room 4E837 The Pentagon  
 Washington, D. C. 20301

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Dear General Fish:

Your letter of December 18, 1975 (I-13220/75) formally notifies the Committee of certain planned obligations of Military Assistance Program Training funds under the authority of the Continuing Resolution (Public Law 94-41).

As you know, the Department of Defense had previously informed the Committee, on an informal basis, of planned increases in the MAP Training Program in Argentina, Ecuador, and Haiti. So that there will be no misunderstanding, let me inform you that the Committee regards your letter of December 18, 1975 as the operative notification in compliance with Section 113 of Public Law 94-11.

In consideration of the substantial economic strides made by Argentina and Ecuador in recent years, I find it necessary to object to any obligation of MAP Training funds in excess of fiscal year 1975 obligations to those countries. This objection does not in any way imply that the Committee would oppose the cash purchase of military training by Argentina or Ecuador. In point of fact, it would be my hope that all future assistance to those countries, and to countries of similar economic standing, would be on a cash basis.

I find that I must also interpose an objection to the proposed increase in obligations for Zaire. In view of present conditions in Zaire and neighboring countries, I do not believe that the Congress would support this increase. The Committee, however, will be pleased to review this matter during the course of our deliberations on the regular fiscal year 1976 appropriations bill.

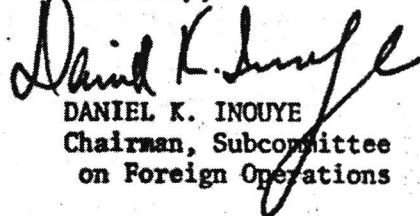
I-13517/75

Lieutenant General H. M. Fish  
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With regard to the proposed increases in assistance to the other countries mentioned in your letter, the Committee has no objection. However, I would refer you to page 31 of the Committee's fiscal year 1975 Report (No. 94-31). The Committee direction contained in the final paragraph of that page is a clear and continuing expression of the Committee's views on assistance to Haiti.

Sincerely,

  
DANIEL K. INOUE  
Chairman, Subcommittee  
on Foreign Operations

DKI:rc