



QUESTIONS

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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

In reply refer to:
1-20649/75
3 February 1975

MEMORANDUM FOR MR. ELLSWORTH

SUBJECT: Planning Tasks - Inter-American Region - ACTION MEMORANDUM

Congress

Three Months

- Panama Canal Treaty Negotiations - Senior DoD officials could be queried on DoD views, their personal views and the status of negotiations. ISA tasks will be to prepare necessary backup material and keep appropriate senior DoD officials informed on the status of the negotiations.

- Military Mission Debt Arrearages - Action is being initiated to approach the Congress to obtain relief from military mission debt arrearages in Latin America. ISA task will be to develop the detailed strategy for the presentation of the issue, to prepare necessary background data on the issue and testify before Congressional Committees on the issue.

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
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- Increased Nationalism in Latin America - Media and Congressional dissatisfaction with U.S. military involvement in Latin America in the face of growing radicalism, continued political activism, charges of repression and U.S. property expropriations pose problems for Executive Branch policy makers. The allocation of limited Defense resources (including MAP/FMS programs) among the countries and regional groupings to best advance U.S. interests is a task in which ISA continues to be involved.
- Increased Soviet Presence in Latin America - Expanded communist penetration of the hemisphere, including Soviet Naval presence in the Caribbean and the sale of Soviet military equipment (e.g., Peru) will continue to be of concern to USG policy makers. ISA will continue to be involved in inter-agency policy deliberations on these matters.
- Petroleum Discoveries in Latin America - New sources of petroleum in Latin America, such as Ecuador and Mexico, will have a profound impact on the ability and desire of such nations to acquire more modern military equipment for their armed forces. ISA task will be to be as responsive as possible to FMS purchase requests within constrained appropriations for FMS credit.
- Arms Limitation Initiatives - Peru recently proposed an arms limitation initiative which may attract the interest of several other Latin American nations. ISA task will be to continue to be alert to such initiatives and to seek ways to encourage them without becoming involved in what should remain essentially a Latin affair.
- Fisheries Disputes - Fisheries disputes involving territorial seas questions are active in Ecuador and could involve Peru as the fishing season off of the West Coast of South America progresses. Recent tuna boat seizures by Ecuador may result in a suspension of FMS with all of its consequences for our military relations with that country unless a Presidential Determination is obtained. ISA is actively involved in this matter.
- Legislative Sanctions Against Cuba - An ongoing issue involves legislative sanctions connected to U.S. Cuba policy (Section 620 of the Foreign Assistance Act). In cases where Latin governments pressure U.S. multi-national concerns to trade with Cuba (e.g., Argentina, Mexico) Section 620 requires the termination of security assistance programs. ISA is involved in actions relating to this matter with Argentina and is likely to become involved concerning Mexico in the area of grant MAP training programs.

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- Data Exchange Agreements - Argentina and Brazil have expressed a strong interest in military research and development cooperation and have requested USG assistance in such endeavors. ISA will continue to monitor DoD actions to further this activity, specifically to obtain the approval of R&D Data Exchange Agreements with these countries which have been tied up with State for several months.

- Panama Canal Treaty Negotiations - There are several events surrounding the ongoing negotiations which may be predicted. These include: negotiations proceeding at a slower pace than reflected in public statements in the U.S. and Panama; Presidential guidance modified; and as debate on a new Canal treaty progresses in Congress, ratification becomes doubtful. Possible events which are postulated include: Panamanian plebesite rejects new treaty; US Congress rejects new treaty; BG Torrijos disappears from the scene; and a new treaty is ratified by both Panama and the U.S. The ISA tasks associated with these predictable/possible events have been formulated by the Inter-American Region but are omitted here for the sake of brevity.

- Argentina - Disenchantment with the Administration of President Maria Estela Peron has increased markedly in recent weeks. The problem centers chiefly around the increased authority of Lopez Rega -- private secretary to the President, Chief of the Presidential Secretariat, Minister of Social Welfare, and ostensible leader of the extreme right wing AAA. As this displeasure with the influence of Lopez Rega grows, chances increase that he will be forced out -- possibly at the cost of President Peron's resignation. ISA task continues to be maintenance of good relations with the Argentine military while working with State and other agencies to insure that U.S. interests are being protected.

- Brazil - A new Brazilian congress convenes in March 1975 filled with new opposition members resulting from their landslide in 15 November 1974 elections. Their behavior will determine the course of Brazil, at least, in the immediate future, i.e., harshly critical of the military government which will probably bring new political constraints and turmoil. ISA task will be to insure continuation of ongoing military activities and programs through the Joint Brazil-US military Commission.

- Bolivia - Survival of the Banzer regime will continue to be doubtful for some time. A key question is whether opposition elements can muster enough organized support to mount a meaningful overthrow attempt. ISA task will be to sustain grant assistance and FMS credits to levels which will avoid any exacerbation of unrest on the part of the Bolivian military.

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