

## WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
<del>#2 memo</del>	<del>Bundy to SecState, SecDef, and AID Admin. S 2 p open 3-18-97 NLT 93-372</del>	<del>10/26/64</del>	<del>A</del>
<del>#3 memo</del>	<del>Read to Bundy S 1 p open 3-14-94 NLT 93-347</del>	<del>9/2/64</del>	<del>A</del>
<del>#4 memo</del>	<del>Participants at 4:30 meeting PCI 1 p [Duplicate of #4e] open 2/6/92</del>	<del>10/19/64</del>	<del>A</del>
<del>#4a memo</del>	<del>Sayre to Bundy S 1 p open 3-18-97 NLT 93-372</del>	<del>10/19/64</del>	<del>A</del>
<del>#4b rpt</del>	<del>Talking Points S 2 p open 3-18-97 NLT 93-372</del>	<del>10/19/64</del>	<del>A</del>
<del>#4c memo</del>	<del>Read to Bundy S 1 p open 3-14-94 NLT 93-347</del>	<del>9/2/64</del>	<del>A</del>
<del>#4d rpt</del>	<del>"Objective 1..." S 15 p "</del>	<del>undated</del>	<del>A</del>
<del>#4e memo</del>	<del>Duplicate of #4 open 2/6/92</del>		
<del>#5 memo</del>	<del>President to AID Administrator S 1 p open 3-18-97 NLT 93-372</del>	<del>4/22/64</del>	<del>A</del>
<del>#6 memo</del>	<del>President to AID Administrator S 1 p open</del>	<del>4/22/64</del>	<del>A</del>
<del>#8 memo</del>	<del>Gordon to Bundy S 1 p open 5-30-95 NLT 93-372</del>	<del>4/15/64</del>	<del>A</del>
<del>#9a memo</del>	<del>Hansen to Director S 3 p open 3-18-97 NLT 93-372</del>	<del>4/6/64</del>	<del>A</del>
<del>#10 memo</del>	<del>NSAM draft PCI 2 p " "</del>	<del>4/8/64</del>	<del>A</del>
<del>#11 memo</del>	<del>Gordon to President S 1 p " "</del>	<del>4/13/64</del>	<del>A</del>

FILE LOCATION

NSF, NSAM, NSAM 297--Latin American Military Aid

Box 4

## RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.  
 (B) Closed by statute or by the agency which originated the document.  
 (C) Closed in accordance with restrictions contained in the donor's deed of gift.



# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
<del>#11a memo</del>	<del>Bell to President</del> <del>S</del> 6 p open 10-3-93 NLS 93-346	<del>3/23/64</del>	<del>A</del>
<del>#11b memo</del>	<del>Gaud to President</del> <del>S</del> 15 p " "	<del>3/19/64</del>	<del>A</del>
<del>#7a memo</del>	<del>NSAM draft</del> <del>S</del> 1 p open 3-18-97 NLS 93-372	<del>undated</del>	<del>A</del>

FILE LOCATION

NSF, NSAM, NSAM 297--Latin American Military Aid

Box 4

## RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

1

THE WHITE HOUSE  
WASHINGTON

October 24, 1964

Mr. Bundy:

Attached for your approval is a memorandum to State, Defense and AID on Latin American military programs. It has been cleared in substance with State and Defense.

  
Bob Sayre

OK

Good

my R



~~SECRET~~

October 26, 1964

2

MEMORANDUM FOR:

Secretary of State  
Secretary of Defense  
Administrator, Agency for International  
Development

SUBJECT: Study of U. S. Policy Toward Latin American Military  
Forces

The report of September 2, 1964 on NSAM 297 has been reviewed. The Department of Defense is requested to undertake to draft a new U. S. strategy for dealing with Latin American military forces.

Specific proposals should be studied for such changes in U. S. policies and programs of military assistance and other military-associated programs, projected over the next five years, as may be necessary to carry out the new strategy. The basic strategy objective should be the restructuring of Latin American military establishments to relate country force levels, defense budgets and military capabilities as closely as possible to the domestic resources available for military purposes and to realistic current and potential security threats, with dominant emphasis on the internal security threat. The study should assess the political feasibility of achieving any such restructure in the context of the Latin American political scene and the possible contribution which might be made to achieving the strategy objectives by regional institutions, such as the OAS or IADB.

The study should include, but not be limited to, an examination of the following points:

1. A critical analysis of how Latin American military forces should be restructured in order to provide them with an increased capability to respond more effectively to internal security threats.
2. Whether, and the extent to which, the concept of hemispheric defense remains valid as a mission for Latin American forces and as a basis for U. S. military assistance in Latin America.
3. The current role of Latin American military forces in civic action with a view to determining whether military or civilian organizations provide the better channel for socially and economically desirable projects.

~~SECRET~~

XEROX FROM QUICK COPY

~~SECRET~~

- 2 -

4. The utility of the Latin American military conscription system as a means of providing security forces and of absorbing excess labor.
5. How to identify, develop, equip, train and insure the availability of select units for OAS/UN peacekeeping assignments.
6. The proper balance between the roles of military and police units in maintaining internal security.
7. The feasibility of a shift in U. S. military assistance to increasing reliance upon credit sales instead of grants.
8. The feasibility of developing cooperative logistic arrangements and common-use training facilities on either a bi-lateral or regional basis among Latin American countries, including possible U. S. participation.
9. The contribution of U. S. military training programs to the education of Latin American military officers on the role of the military in a democratic society, on the effect of military expenditures on economic and social programs of the country, and on the need for continuing adjustment and reorganization of military forces to meet current security threats.

The study should analyze disproportionate military expenditures, identified in the report of September 2, 1964 on NSAM 297, and the reasons for them, and propose specific measures for their reduction which are likely both to be politically feasible and to increase the effective utilization of available resources.

It is requested that the study and your recommendations, which should be drawn up in consultation with the Department of State and the NSC staff, be submitted by 1 February 1965.

*McGeorge Bundy*  
McGeorge Bundy

~~SECRET~~



*Orig. Soyne*

*cc. Dungan*

*9/3/64*

3

September 2, 1964

S/S 12402

MEMORANDUM FOR MR. McGEORGE BUNDY  
THE WHITE HOUSE

Subject: Latin American Military Aid

Reference: National Security Action Memorandum 297,  
April 22, 1964.

The attached report is in response to NSAM 297. In order to avoid redundancy, it treats the subject of U.S. Latin American military policy on a topical rather than country-by-country basis, but individual countries are discussed in detail where appropriate. Each section begins with the statement of a U.S. policy objective as set forth in the NSAM and then comments upon the existing situation and the changes, if any, to which our policies are being directed.

The report has been prepared by the Department of State with the cooperation of the Department of Defense and the Agency for International Development. It has been cleared by Defense and AID and approved by Assistant Secretary Mann for transmittal to the White House.

Benjamin H. Read  
Executive Secretary

Enclosure:

Report on NSAM 297.

**DECLASSIFIED**

**E.O. 12356, Sec. 3.4**

**NEJ 93-347**

**By ing, NARA, Date 3-3-94**

**VEROX FROM QUICK COPY**

~~SECRET~~

**GROUP 3**

Excluded at 12 year  
interval not  
automatically declassified

4

THE WHITE HOUSE  
WASHINGTON

10/19/64

Participants - 4:30 PM Meeting Situation Room

BOB	Mr. Austin Ivory
CIA	Mr. Raymond Herbert
DOD	Mr. Alvin Friedman Dr. Maurice J. Mountain
STATE	Mr. Ward Allen Mr. <del>Bartlett Harvey</del> Don McClellan Mr. Abe Moses Mr. Sandy Pringle Mr. Thomas Mann

~~SECRET~~

4a  
October 19, 1964

MEMORANDUM FOR MR. BUNDY

SUBJECT: Military Assistance to Latin America

Attached are talking points paper, report on NSAM 297 and a list of participants in your 4:30 PM meeting on Latin American military aid.

State is generally bothered by support of naval units, fighter and bomber units, and heavy army units. It doubts the "internal security" utility of such units. It thinks the economic cost is too high. Since the force structure is determined by the JCS and Defense, it is assumed Defense is not bothered. General O'Meara plays the general theme in every cable he sends in on the subject that the fund ceiling is far too low and, as a result, he is unable to discharge adequately his internal security responsibility. Since Congress is unlikely to provide more money, a way out might be to shift units not clearly essential to internal security to the credit and sales program, i. e., take them out of the grant program. It may be argued that this is even worse, because the Latins are already overburdened with debt.

AID is interested in the debate because of its overall role, and also because of its specific responsibility for police programs.

CIA has a general security interest, but it tends to believe that we get more security if our programs are channeled through civilian-police channels than through military channels.

The discussion should point toward an NSC memorandum which you would send out, and another report pursuant to NSAM 297 in about six months.

*RMS.*  
Robert M. Sayre

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLI 93-372  
By CB, NARA Date 2-5-97

~~SECRET~~



46

~~SECRET~~

October 19, 1964

### Talking Points

1. Are existing force goals upon which MAP programs are based wholly consistent with our present policy on strengthening internal security?

Destroyers, fighter aircraft, tank and artillery units are a heavy burden on Latin American budgets and MAP funds without too evident a relationship to internal security. (However, Venezuela put its destroyers on patrol against possible Cuban incursions in early October.) The question is whether smaller ships couldn't do as effective (or better) job at less expense.)

These units are in the program because of 1952-53 secret military agreements. Shouldn't the agreements be completely revised and brought up to date with the elimination of units which are not absolutely essential to the security threat.

It seems unrealistic to talk about increasing funds for the program because it is unpopular in Congress and we are trying to hold the line on the budget.

If such units are regarded as useful (for political reasons), could they be handled under the credit program?

2. Could we take a closer look at the military expenditures of Argentina, the Dominican Republic, Paraguay, and Peru? The report suggests in several places that high military expenditures in these countries may be related to military participation in economically useful projects. If an analysis discloses this is not the case, what can we do to get these countries to cut their expenditures?

3. Even though expenditures in most of the countries may not be a relatively high burden, what are we doing to insure that what is spent is directed toward internal security? i. e., improve the quality of expenditures.

4. What are we doing to improve the mobility of security forces and their ability to communicate with each other? In Caracas, the police program appears to have achieved better communication. In Honduras, the effort of the Army to hunt-down guerrillas was a miserable failure. Was the problem communications, mobility, or simply a will to act?

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 93-372

~~SECRET~~ By cb, NARA Date 2-5-97

5. What courses have been set up in the Canal Zone and in the United States which would give military officers a better understanding of the operation of government and the role of the military in it? What courses give military officers a chance to understand the economic development problems and the adverse effect of high military expenditures or poor security? (There are no such courses. Defense has none and AID courses are not open to military officers. The best solution would be for Defense to program military officers into AID courses. Otherwise, we may have the military teaching the military, and this would be poor at best.)





S/S 12402

~~SECRET~~

This document consists of 1 pages.

DEPARTMENT OF STATE of 9 copies, Series A  
WASHINGTON

September 2, 1964

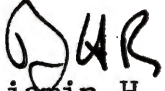
MEMORANDUM FOR MR. McGEORGE BUNDY  
THE WHITE HOUSE

Subject: Latin American Military Aid

Reference: National Security Action Memorandum 297,  
April 22, 1964.

The attached report is in response to NSAM 297. In order to avoid redundancy, it treats the subject of U.S. Latin American military policy on a topical rather than country-by-country basis, but individual countries are discussed in detail where appropriate. Each section begins with the statement of a U.S. policy objective as set forth in the NSAM and then comments upon the existing situation and the changes, if any, to which our policies are being directed.

The report has been prepared by the Department of State with the cooperation of the Department of Defense and the Agency for International Development. It has been cleared by Defense and AID and approved by Assistant Secretary Mann for transmittal to the White House.

  
Benjamin H. Read  
Executive Secretary

Enclosure:

Report on NSAM 297.

**DECLASSIFIED**  
**E.O. 12356, Sec. 3.4**  
**NEJ 93-347**  
**By inf, NARA, Date 3-3-94**

~~SECRET~~

GROUP 3

Downgraded at 12 year  
intervals; not  
automatically declassified

Objective 1. "Military expenditures by the host country which are consistent with and proportionate to expenditures for social and economic development."

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 93-347

By inp, NARA, Date 3-3-94

SUMMARY

The situation in each country is different, and generalizations are difficult. However, the four countries with military expenditures above the regional average are all spending substantially more on social and economic development than on military forces. In the area as a whole, the fact that military expenditures leave 88% of government budgets and 98% of GNP available for other purposes is a clear indication that military costs represent at most a limited barrier to expenditures for social and economic development and that their reduction would offer no dramatic key to such development. In addition, the military establishments can in many instances be counted among the area's social and economic assets not only because they make a positive contribution through developing human resources and through such programs as civic action but because they provide internal security without which social and economic development might prove well-nigh impossible.

DETAIL

In the absence of an objective standard for determining what levels of military expenditures would be consistent with and proportionate to expenditures for social and economic development, we have approached the question of military expenditures by using statistics on national defense expenditures as a percentage of the national budget and the GNP.

With respect to expenditures for social and economic development, a partial measure is provided by statistics on the capital outlay of the central governments (i.e., the equivalent of their investment budgets) as a percentage of the national budget and the GNP. (See Table 1.) Capital outlay expenditures by no means represent total public sector expenditures for social and economic development. They do not, for example, include investments by local governments or by state-owned corporations, nor do they include current operating expenditures (e.g., education). However this limited definition, the broadest for which comparable data can be accurately compiled, is useful as one means of measuring alternative uses of resources by national governments.

In general, there seems to be no correlation in Latin America between levels of military expenditures and economic growth rates. (Table 1.) Large military expenditures are variously associated with fast economic growth (Peru), stagnation (Argentina), and small, lagging countries (Dominican Republic, Paraguay). It should also be noted that low capital outlay is not necessarily associated with high military expenditures. For example, capital outlay in Uruguay as a percentage of the budget and GNP is the lowest in the area, but military expenditure as a percentage of budget and GNP is also among the area's lowest.

The

~~SECRET~~

GROUP 3

Downgraded at 12 year  
intervals; not  
automatically declassified



The level of military expenditures in Latin America (excluding Cuba) compares favorably with that in other less-developed areas. (Table 2.) The armed forces consume approximately 12.2% of the national budget and 2.1% of the GNP in Latin America; 10.0% and 2.1% in Africa; 24.6% and 5.1% in the Near East and South Asia; and 28.9% and 6.5% in the Far East. (These figures are not fully comparable, due to variations in budgetary data and differences in the types of economies involved.) It should be noted that in general military resources in Latin America seem to be used more heavily for social and economic development purposes, i.e., civic action, than in other areas of the world.

We conclude that, considering the threat and the status of economic and social development, the level of Latin America's military expenditures is comparatively low and would be insufficient to meet the threat if not augmented by the Military Assistance Program. We believe that countries at or below the regional average are not "problem" countries in the sense that their military expenditures detract seriously from their expenditures for social and economic development. Indeed, in some of the countries the appropriate question might even be whether their expenditures for internal security purposes are adequate to ensure their ability to maintain the stability essential to their economic and social development.

In countries in which military expenditures as a percentage of both total central government expenditures and GNP are above the regional average, we have proceeded on the hypothesis that military expenditures might be a drag on economic and social development and that the facts required analysis. These countries are Argentina, the Dominican Republic, Paraguay and Peru. Individual discussion of each follows:

ARGENTINA Annual military expenditures are about \$342 million, or 15.6% of central government expenditures and 2.9% of GNP. (This also appears to include about one-half of the cost of the national police forces.) Capital outlay by the central government is estimated at \$267 million, or 12.2% of central government expenditures.

The military budget totals less than the amount spent for social functions (education, health, housing, etc.), which is estimated at 20% of the national budget. The military outlay was just about equal to spending on education in the FY 1963 budget. Economic functions absorbed about 46% of the national budget in the same year, with the remainder going to general administration.

Although not increased significantly in recent years, Argentine defense expenditures continue to loom large because of the persistent stagnation of the economy. They are unlikely to be cut back in the foreseeable future, given the need for modernization, but could take a smaller share of an expanding GNP and national budget. Expenditures on foreign military equipment since World War II have not been a large part of the military budget. The most notable acquisition of prestige equipment was the 1959 purchase of a small aircraft carrier from Britain.

U.S.



~~SECRET~~

-3-

U.S. programs are designed to promote progress toward a self-sustaining process of rapid economic development of nation-wide benefit and to help modernize the armed forces while holding down military expenditures. For FY 1965 they have been planned at \$42 to \$62 million total AID assistance and \$12 million for military assistance.

DOMINICAN REPUBLIC Annual military expenditures are about \$33 million, or 18.9% of central government expenditures and 4.1% of GNP. Figures on capital outlay are not available. However, central government expenditures on education and health in 1963 exceeded those on the armed forces.

During his long dictatorship, Trujillo built the military establishment into one of the more costly in the hemisphere; however, the following table shows that the military budget has declined substantially from the high point reached in 1961, the last year of the Trujillo dictatorship:

	Military Budget (Millions of \$US)	Percent of Total Budget
1961	est. 45.0	32
1962	33.4	23
1963	32.8	19

Since 1961 the government has not acquired any heavy military equipment.

The 30-year Trujillo dictatorship distorted and retarded normal social, political and economic development, and the four governments since Trujillo's death have had little opportunity to alleviate the country's difficulties. A military civic action program including medical assistance, school and road construction, forest protection and well-drilling has recently been started in the Dominican Republic, but as yet very little has been accomplished. The program has been hampered both by the lack of skills among indigenous personnel and a rather unenthusiastic response from military leaders.

U.S. programs are designed to support activities in regional development, agriculture, public administration and education and to promote the development of a small, professional military force capable of maintaining internal security. For FY 1965 they have been planned at \$12 million in AID funds and \$2.1 million in military assistance.

PARAGUAY Expenditures budgeted in 1963 for military and paramilitary (5,000 National Police) forces total \$11.4 million, or 27.5% of the budget. The figures for the regular armed forces are about \$8 million, or 19.3% of the budget. According to recent estimates, which place GNP at about \$365 million, the regular armed forces budget is 2.2% of GNP. Capital outlay by the central government is \$11.2 million, or 27.1% of the budget. The regular armed forces' 19.3% of the budget is about the same as the combined percentage for education (14.3%) and health (5.1%) in the 1963 budget.

The Paraguayan

~~SECRET~~



The Paraguayan military is so closely involved with the government and the economy that it is even more difficult than usual in Latin America to assess its cost and contributions, especially in view of some reputed participation in contraband activities. However, it is able to make real contributions to economic development because it is organized on a national basis and can perform functions in this primitive, frontier society with which domestic civilian elements are unable to cope. Its most important contributions have been through road-building operations. The Ministry of Defense has responsibility for road building and maintenance in the northern section of the country, including the vast Chaco area. In this largely frontier area the military is the main arm of government and has the bases and other facilities that make it the logical instrument of a road building program. Another military contribution to the transportation sector is made by the Air Force, which provides access to interior areas where roads are poor or lacking.

U.S. programs are designed to support economic and social development and to promote democratic ideals and concepts in the Paraguayan armed forces through enhancing their civic action role. For FY 1965 they have been planned at \$4.4 million in AID funds and \$1.1 million in MAP funds.

PERU Military expenditures total \$97 million, equal to 20.5% of central government expenditures and 3.5% of GNP. Capital outlay by the central government in the amount of \$127 million represents 26.8% of the budget, and the expenditures of the Ministry of Education exceed those of the armed forces. Peru's military expenditures entail a relatively high foreign exchange outlay. The armed forces' share of the budget has declined in recent years as a percentage of the total budget, but the cost has increased in absolute terms. The Navy has registered the greatest increase, due to a substantial postwar buildup of the fleet through purchase or loan of ships and submarines.

Tending to support a relatively high level of defense expenditures are 1) long-standing tradition (Peru was the first Latin American country to provide for a standing army); 2) the border dispute with Ecuador, and the latter country's irredentism; 3) unusually serious internal security problems; and 4) the substantial political role of the military (all but a few Peruvian governments since Independence have been headed by military men or closely aligned with the armed forces). It should also be noted that the Peruvian armed forces have a vigorous civic action program, particularly in the fields of road building and vocational education, and that their support of economic and social reform measures is a source of strength to the Belaúnde Administration.

U.S. programs are designed to support land reform, resettlement efforts and a number of related activities in the field of social and economic development as well as to increase the ability of the armed forces to deal with internal subversion and participate in civic action programs. For FY 1965 they have been planned at \$55 to \$65 million in AID funds and \$9 million in MAP funds.

Objective 2. "The maintenance of a military establishment in the host country which is realistic in terms of our estimate of its potential missions."

SUMMARY



~~SECRET~~

- 5 -

#### SUMMARY

As stated above, military establishments in Latin America are not large in terms of expenditures. Neither are they large in terms of personnel. In Latin America as a whole, armed forces represent no more than 1/3 of 1% of the population, while in none of the countries do they exceed 2/3 of 1%. (Table 3.)

From the point of view of numbers, therefore, it is our judgment that in general the military establishments are realistic. While this is also generally true with respect to equipment, there are serious shortfalls in some cases. Military assistance programs are designed to assist in the elimination of these shortfalls. In other instances (see Table 4), forces have acquired major weapons which do not entirely conform to what we (but not necessarily they) consider to be their proper potential missions.

The potential missions which the U.S. believes appropriate for Latin American military establishments are set forth in U.S. MAP objectives. They are 1) internal security, 2) civic action, 3) defense of maritime areas, and 4) OAS/UN peacekeeping missions. JCS force goals are consistent with these objectives. While there are variations throughout the area, the military establishments of the four countries with above-average military expenditures are sufficiently representative to illustrate the general situation with respect to Objective 2, especially since those countries also have above-average armed forces strength.

#### DETAIL

Argentina's armed forces of 132,000 are the largest in the area (excluding Cuba) on a per capita basis and second to Brazil in total strength. The Argentine Army will reorganize along U.S. lines in the near future; a reduction in strength should result. Army units are widely scattered, lack effective logistics and communications, and are poorly organized for effective deployment. The Navy is a respected, professional service with a good capability to perform naval defense within the limitations of present equipment and funding. With an increasing number of ships becoming obsolete, the vital immediate need is for spare parts. The Air Force has qualified personnel and facilities adequate for a small, efficient force. Its immediate need is for spare parts and logistic support, which also includes base facilities, communications, navigation aids and in-country long-range air transport capability.

The Dominican Republic's armed forces of 19,000 are not considered excessive in light of the possible insurgency threat from nearby Cuba. The major deficiencies of the ground forces are lack of mobility, tactical communications, effective staff organization and a logistic support base. They are also hampered by great quantities of obsolete and non-standard equipment. The Navy possesses only limited patrol and surveillance capability because of the poor condition and approaching obsolescence of the majority of its patrol craft. The Air Force, equipped with a heterogeneous collection of U.S.

and

~~SECRET~~



~~SECRET~~

- 6 -

and British aircraft of World War II vintage, has a limited patrol and ground support capability. Its pilot training program is practically non-existent.

Paraguay's armed forces total about 11,700. U.S. military assistance programs are confined to support of civic action and to professionalization of personnel through training. The ground forces lack equipment, communication and transport capability, and adequate field training. The primary need for the Navy is adequate river patrol craft. The Air Force has a relatively small number of aircraft; it lacks maintenance facilities, navigational aids and all-weather airfields.

Peru's armed forces total 46,200, only slightly above the regional per capita average and not excessive considering the serious insurgency threat. The Army has sufficient forces to back up the police in a limited insurgency threat, but it has limited communications and both ground and air mobility. The Navy is capable of defense and surveillance of coastal waters and contiguous ocean areas. However, some of its ships are in poor condition. The Air Force has sufficient air power for air-to-ground tactical support of Army and Police internal security forces and a limited capability for air surveillance of coastal and border areas. Equipment shortfalls for the Navy include patrol ships, destroyers and helicopters. For the Air Force there is a requirement for two C-130 heavy transports, since planes presently in inventory do not have the altitude and short-field capability to airlift counterinsurgency and civic action equipment and troops to mountainous and jungle areas.

---

It should be recognized that U.S. policies must of necessity adjust to the fact that Latin American countries do not always share our views as to the potential missions of their military establishments. In general, they also consider that the basic roles of their forces are to protect national sovereignty and in some cases to act as political arbiters. While U.S. policies seek to persuade Latin American nations that they can rely upon U.S. power and the Inter-American System to protect them from aggression, long-standing rivalries (e.g., those involving Peru, Chile, Bolivia, Ecuador, Paraguay, Brazil and Argentina) provide them with what they consider to be a need for military forces capable of defending them against external attack.

Realism then requires us to recognize that military establishments will be maintained in Latin America to some degree independent of our estimate of their potential missions. Our total policies, however, are directed towards significantly reducing the role of the military in Latin American political life, increasing their understanding of the role of the military in a modern democratic society, and redirecting their efforts toward meeting the threat by focusing on U.S.-supported missions. These are long-run in nature, and our short-term efforts are to improve military capabilities in the four missions listed in the MAP objectives.

The role

~~SECRET~~



The role of the military forces in Latin American domestic politics has deep historical and cultural roots. The ultimate answer to a reduced political role for the Latin American armed forces is to be found in large part in improved standards of political behavior in the civilian community. In some of these countries, the inability, and perhaps unwillingness, of competing groups to compromise their political differences invites arbitration of domestic political issues by military forces and actual seizure of the reins of government.

---

Objective 3. "The establishment of elite units which might be used in UN peacekeeping assignments."

In accordance with the latest MAP Guidelines (July 11, 1964), we seek to develop in appropriate countries from among those land, sea and air units supported by MAP some of elite quality for possible use in performing OAS or UN peacekeeping assignments. Steps are being taken to implement this objective. Forces currently supported under MAP of small, highly mobile, well-trained units for internal security missions are the same type forces needed for peacekeeping assignments. Logistic self-sufficiency and some additional equipment and training may be required. However, in view of the present Congressional ceiling on materiel, complete implementation of this mission may take time.

We believe that only Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela have the potential capability to provide more than token contributions to UN peacekeeping projects. Of these, only Brazil, which has an infantry battalion with UNEF at the Egyptian-Israeli border, is making any contribution at the present time. It should be noted, however, that Colombia made land and naval contributions during the Korean conflict and also provided an infantry battalion at Suez (1956-58) and that Argentina and Brazil sent some military personnel (Argentina 24 and Brazil 29) to the Congo. Latin American military personnel have also served in various capacities with the UN Special Committee on the Balkans, the UN Military Observers' Group in India and Pakistan, and the UN Observer Group in Lebanon. At the time of the Cuban missile crisis, Argentina and Venezuela each provided two destroyers to the quarantine force of the Organization of American States, while most countries made offers of some type.

---

Objective 4. "Continued emphasis on civic action and internal security missions, the latter to be realistically defined."

The MAP is placing significant emphasis on civic action in Latin America. For FY 1965, \$9.7 million, about 15% of the program, has been planned for that purpose, while an AID contribution (including funds derived from Food for Peace sales as well as the value of products given in lieu of wages) of about \$6.7 million is planned. There are now U.S.-supported civic action

projects

~~SECRET~~

- 8 -

projects in all of the countries except Nicaragua, Haiti and Mexico. (Mexico's own civic action program in the field of education is well-known.) Military establishments in a number of Latin American countries are also devoting substantial domestic resources to civic action projects, ranging from literacy in Guatemala and health in Bolivia to reforestation in Chile and public roads in Brazil. In some countries (e.g., Bolivia and Peru) virtually all units have some civic action mission.

Since 1962, the MAP has placed emphasis on internal security. About 52% of MAP funds for Latin America in FY 1965 will go for that purpose. In the latest MAP guidelines, we have defined internal security missions as "the maintenance of security against communist and other threats of violence and subversion, including guerrilla warfare, and the movement of armaments and men clandestinely across land, sea and air borders for subversive purposes." MAP activities are being progressively programmed within the context of the overall Country Team effort for dealing with the total dimensions of the local security problem.

---

Objective 5. "Definition of a clear relationship between military internal security missions and police functions and a rational pattern of U.S. funding for same."

In the latest MAP guidelines to the field (July 11, 1964), we have instructed each of our Country Teams to develop a rational plan, based on the individual country situation, for coordinating all police and military/paramilitary functions and for funding U.S. assistance to local internal security forces. Each plan will include: (1) a clear delineation of internal security functions and responsibilities between police and military/paramilitary forces; (2) measures ensuring integrated efforts and avoidance of unnecessary overlaps and duplications; (3) rapid reporting and mutual exchange of intelligence. Our instructions require each Country Team to develop its plan in accordance with the following considerations:

a. Police forces should be considered as having primary initial responsibility for the law and order aspects of internal security. Military/paramilitary forces should be employed only when police forces are not able to maintain internal security. In addition, civil police or other security agencies in many Latin American countries are assigned roles in the control of subversion and/or the movement of goods and people across borders for subversive purposes. Military efforts in these areas should be closely coordinated with those of other concerned security forces to insure integrated efforts between all forces and avoidance of unnecessary overlaps and duplications.

b. MAP assistance for internal security functions should normally be limited to regular military forces and to appropriate paramilitary organizations.

c. AID

~~SECRET~~



~~SECRET~~

- 9 -

c. AID assistance for internal security functions should normally be limited to civil police forces, or certain paramilitary forces when the latter perform law enforcement functions.

d. Where only one type of police/military/paramilitary force exists, military assistance and AID support will continue in accordance with current funding formula subject to change as recommended by the Country Team and USCINCSO.

Objective 6. "Emphasis in training and by other means on the role of the military in a modern democratic society."

A fundamental objective of U.S. military programs is the fostering of a Latin American leadership dedicated to preserving democratic, constitutional order. We are making an intensive effort to develop an appreciation of the role of the military in a modern democratic society:

(1) At the country level, U.S. military training missions, supported by other Country Team components, are encouraging local authorities to develop troop information and education programs. These include training in citizenship, elements of democracy, the proper role of the military in a democratic society and the danger to democracy from extremist movements, including communist strategy and tactics. The U.S. role in these programs is two-fold: first, to act as a catalyst in stimulating local interest; second, to provide logistic support for national programs, i.e., course materials and training aids.

(2) The course content of the Inter-American Defense College is heavily weighted on the side of problems of democracy and economic and social development. The College has graduated three classes of approximately 30 students each of the rank of Colonel or equivalent who should play an increasingly important role in their countries' armed forces. The introduction of civilian students and faculty advisory personnel into the College this year should further promote among the military students a better appreciation of the proper role of the military in a democratic society.

(3) Through March 1964 the U.S. has provided training for more than 20,000 Latin American military personnel at training facilities in the Panama Canal Zone. As of January 1964, more than 19,000 have received training at military installations in the United States. The Department of Defense gives all foreign military trainees every opportunity to obtain a balanced understanding of United States society, institutions and ideals. For those training in the United States an informational program has been developed in coordination with the Inter-Agency Youth Committee which covers the significant facets of American life. This informational program exposes the foreign trainee to U.S. governmental institutions, our judicial system,

the role

~~SECRET~~



~~SECRET~~

-10-

the role of political parties, our free press and communications media, the minority groups, industrial and agricultural institutions, our free economy, our educational and social welfare programs and subordination of the military to the civil government as provided for by the Constitution. Successful attainment of these objectives and full exposure of the foreign trainee to the non-military aspects of American life are considered to be of importance to the MAP second only to the strictly military training objectives.

Latin American students training in the Canal Zone are included in the Informational Program to the extent that local conditions permit. Tours of training facilities and hospitality in American homes are included in their program. In addition, students who are enrolled in the Spanish language version of the Army Command and General Staff School, conducted in the Canal Zone, are brought to the U.S. annually for a special orientation and informational visit.

(4) We are utilizing the annual meetings of the Service Chiefs of Staff and similar forums to promote among Latin American military authorities an interest in playing a more constructive role in their societies.

Objective 7. "Avoidance of sophisticated and expensive prestige equipment in our grant aid or sale programs except where specifically justified. In this connection, host country purchase from other sources of non-essential prestige equipment is to be actively discouraged."

In accordance with the objectives of the U.S. military assistance program in Latin America, MAP grant materiel support is limited primarily to light infantry and airborne units; land, sea and air transport; communications equipment; coastal patrol vessels and aircraft; and equipment for civic action operations. Sophisticated and expensive equipment for prestige purposes is avoided.

The extent to which five of the major Latin American countries now possess major weapons which do not entirely conform to current MAP objectives is shown on Table 4. Our policies are directed towards having such equipment gradually phased out.

With regard to sales, our policy is to discourage Latin American nations from purchasing weapons and equipment for their armed forces which are not consistent with MAP objectives, and to encourage them to purchase such equipment as is consistent from U.S. sources only. We try to discourage unnecessary purchases of weapons and equipment, particularly of a prestige nature, through threatening, where feasible, to reduce U.S. military or economic aid by an amount equivalent to the cost of such purchases. We continue to believe that, for the present at least, the problem should be approached on a country-by-country basis rather than through the OAS or other international bodies. However, instead of dealing with each individual

purchase

~~SECRET~~

~~SECRET~~

-11-

purchase as it arises, we are studying the possibility of including purchase or credit requirements along with grant requirements in the annual MAP submissions and reviews.

As of possible assistance in preventing purchases of non-essential prestige equipment, we were able to obtain the inclusion of the following statement in the Report of the NATO Latin American Expert Group, April 14-17, 1964, a report which was noted at the May, 1964 NATO Ministerial Meeting at The Hague: "NATO countries should refrain from providing military equipment or supplies to Latin American countries which are not strictly required for legitimate defense and internal security, e.g., those sought principally for prestige purposes, since their acquisition needlessly diverts resources from economic and social development." However, it must be recognized that third country interests in satisfying the desires of the Latin American countries for prestige equipment will continue to pose a significant problem.

~~SECRET~~



~~CONFIDENTIAL~~

Table 1: LATIN AMERICA: Defense Expenditures and Central Government Capital Outlay, 1963 <sup>a/</sup>

	Total Central Government Expenditures (\$ Millions)	1963 GNP, Current Market Prices (\$ Millions)	National Defense Expenditures			Capital Outlay of Central Gov't.		
			Total d/ (\$ Millions)	As % of Total Cent. Gov't Exp.	As Percent of GNP	Total (\$ Millions)	As % of Total Cent. Gov't Exp.	As Percent of GNP
<u>GDP Growth Rate Over 5%<sup>b/</sup></u>								
Brazil ✓	4,975	23,900	565	11.4	2.4 ✓	865	17.4	3.6
Colombia	463	5,350	65	14.0	1.2	123	26.6	2.3
Costa Rica	86.9	515	1.3	1.5	0.3	16.7	19.2	3.2
Ecuador	182.3	920	19.5	10.7	2.1	35.7	19.6	3.9
El Salvador	95.1	585	9.2	9.7	1.6	19.1	20.1	3.3
Guatemala	101.2	725	11.0	10.9	1.5	31.0	30.6	4.2
Mexico	1,233	12,725	119	9.7	0.9	304	24.7	2.4
Nicaragua	51.8	410	8.0	15.4	1.8	12.6	24.3	2.9
Panama	94.0	525	4.7	5.0	0.9	25.1	26.7	4.8
Peru ✓	473	2,796	97	20.5	3.5 ✓	127	26.8	4.5
Venezuela	1,305	6,201	140	10.7	2.3	476	36.5	7.7
<u>GDP Growth Rate Under 5%<sup>b/</sup></u>								
Argentina ✓	2,191	11,625	342	15.6	2.9 ✓	267	12.2	2.3
Bolivia	80.5	500	8.5	10.6	1.7	24.1	29.9	4.8
Chile	990	5,000	109	11.0	2.2	335	33.8	6.7
Dominican Republic ✓	174	800	32.8	18.9	4.1 ✓	n.a.	-	-
Haiti	n.a.	310	n.a.	-	-	n.a.	-	-
Honduras	41.9	455	4.6	11.0	1.0	4.7	11.2	1.0
Paraguay	41.4	365	8.0	19.3	2.2	11.2	27.1	4.3
Uruguay	275	1,600	21	7.6	1.3	14	5.1	0.9
Total 17 Countries <sup>c/</sup>	12,680.1	74,197	1,532.8	12.1	2.1	2,691.2	21.2	3.6

a/ Calendar year 1963, or fiscal years closest to calendar year 1963.

b/ The estimate of gross domestic product (GDP) "growth rate" is based on an arithmetical average of the 1951-62 increase as reported by ECLA for most countries. Where GDP series are not available, countries have been ranked on the basis of other indices.

c/ Excludes Dominican Republic and Haiti. d/ In a few countries (notably Argentina and Venezuela) national defense budgets include expenditures for paramilitary or police units in addition to the regular armed forces.

Sources: AID Statistics, INR and DIA modifications.

~~CONFIDENTIAL~~

LIMITED OFFICIAL USE

Table 2: Military Expenditures and Force Levels of Latin America and other World Areas

	<u>DEFENSE EXPENDITURES (Self-Financed)</u>				<u>FORCE LEVELS</u>		
	<u>Amount</u> <u>(US\$Millions)</u>	<u>As % of</u> <u>Gov't. Expend.</u>	<u>As % of GNP</u>	<u>Per Capita</u> <u>Cost (US\$)</u>	<u>Armed Forces</u> <u>Strength</u>	<u>Population</u> <u>(Millions)</u>	<u>Armed Forces</u> <u>as % of</u> <u>Population</u>
LATIN AMERICA (excluding Cuba)	1,564.9	12.2	2.1	7	699,280	215.0	0.33
Africa	309.8	10.0	2.1	2	178,810	169.2	0.11
Near East & South Asia	3,834.8	24.6	5.1	5	2,175,500	708.0	0.31
Far East	1,622.8	28.9	6.5	7	2,120,900	247.2	0.86
Europe - NATO	18,038	24.1	5.3	75	2,360,000	241.5	0.98
USA	34,536	55.0	9.1	301	2,680,000	181.0	1.48
Other Developed	2,969	14.6	2.4	24	434,200	125.5	0.35

NB For other than Latin America, the regions given include only countries receiving US economic or military aid. Africa does not include Algeria or the Union of South Africa; UAR is listed in the Near East. The Far East does not include Communist Asiatic countries, Malaysia, nor developed countries in the area.

Sources: Defense Expenditures - AID Statistics  
Force Levels, Latin America, DIA Statistics  
Force Levels, other regions, various sources (chiefly  
MIT draft report to ACDA)

LIMITED OFFICIAL USE



~~CONFIDENTIAL~~

Table 3: Latin American Force Levels

	<u>Armed Forces Strength a/</u>	<u>1963 Est. Population (Millions)</u>	<u>Armed Forces as % of Population</u>
<u>GDP Growth Rate Over 5%</u>			
Brazil	211,100	77.3	0.27
Colombia	52,200	16.1	0.32
Costa Rica	1,830	1.3	0.14
Ecuador	18,400	4.7	0.39
El Salvador	3,400	2.6	0.13
Guatemala	7,600	4.1	0.19
Mexico	65,950	38.3	0.17
Nicaragua	5,300	1.6	0.33
Panama	3,200	1.2	0.27
Peru	46,200	11.9	0.39
Venezuela	37,900	8.2	0.46
<u>GDP Growth Rate Under 5%</u>			
Argentina	132,000	21.0	0.63
Bolivia	12,600	4.0	0.32
Chile	48,000	8.1	0.59
Dominican Republic	19,000	3.3	0.58
Haiti	4,850	4.4	0.11
Honduras	4,850	2.0	0.24
Paraguay	11,700	1.9	0.62
Uruguay	13,200	3.0	0.44
TOTAL LATIN AMERICA (excluding Cuba)	699,280	215.0	0.33

a/ Not including police, except in Costa Rica, Panama, and Nicaragua, where single security forces have both police and military functions. In Venezuela the paramilitary National Guard (12,000) is part of the regular armed forces although it performs various police functions.

Sources: Armed Forces Strength - DIA Statistics

Population - UN Statistics

~~CONFIDENTIAL~~

~~SECRET~~

Table 4

FIVE LATIN AMERICAN COUNTRIES: INVENTORY

OF MAJOR WEAPONS WHICH DO NOT ENTIRELY CONFORM TO CURRENT MAP OBJECTIVES

(FY 65)

<u>Weapons Category</u>	<u>Argentina</u>	<u>Brazil</u>	<u>Chile</u>	<u>Peru</u>	<u>Venezuela</u>
<u>ARMY</u>					
Medium Tank (US)	60 <sup>a</sup>	179	30	55	-
305 mm Gun (Ger)	-	2	-	-	-
280 mm Gun (Ger)	-	14	-	-	-
240 mm Gun (Ger)	-	2	-	-	-
190 mm Gun (Ger)	-	12	-	-	-
155 mm Howitzer (US)	6	72	16	4	18 <sup>b</sup>
(Ger)	-	-	Unkn	-	-
150 mm (Fr)	64	-	-	-	-
(Schneider)	-	4	-	-	-
152 mm Gun (All types)	-	111	-	-	-
152/50 mm Gun (UK)	-	-	10 <sup>c</sup>	-	-
152/45 mm Gun (UK)	-	-	12 <sup>c</sup>	-	-
152/40 mm Gun (UK)	-	-	6 <sup>c</sup>	-	-
150 mm Gun (All types)	-	21	-	-	-
130 mm Howitzer (Ger)	12	-	-	-	-
120 mm Gun (All types)	-	18	-	-	-
<u>NAVY</u>					
Aircraft Carrier (UK)	1*	1*	-	-	-
Cruiser (US)	3	2	2	-	-
(UK)	-	-	-	2	-
Submarine (US) <sup>d</sup>	2*	4*	2*	4*	1*
<u>AIR FORCE</u>					
AVRO Lincoln (UK)	12 <sup>c</sup>	-	-	-	-
Lancaster (UK)	6 <sup>e</sup>	-	-	-	-
Vickers Viking (UK)	1 <sup>e</sup>	-	-	-	-
Canberras (UK)	-	-	-	7	-

a. Scheduled to be reduced to 35 by FY 67

b. Scheduled to be raised to 24 by FY 69

c. Scheduled to be phased out of the inventory by FY 69

d. Could be justified as needed for ASW training.

e. Scheduled to be phased from inventory by FY 67

\* Included with JCS approved force goals as listed in MAP country plan.



4e

10/19/64

Participants - 4:30 PM Meeting Situation Room

BOB	Mr. Austin Ivory
CIA	Mr. Raymond Herbert
DOD	Mr. Alvin Friedman Dr. Maurice J. Mountain
STATE	Hon. Thomas C. Mann Mr. Ward Allen Mr. Sandy Pringle Mr. Donald McClellan Mr. Abe Moses

3

~~SECRET~~

THE WHITE HOUSE  
WASHINGTON

April 22, 1964

Presidential Determination  
No. 64-8

MEMORANDUM FOR THE ADMINISTRATOR  
AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT: Determinations under sections 505(a) and 511(b)  
of the Foreign Assistance Act of 1961, as amended,  
permitting the furnishing of defense articles on  
a grant basis to certain Latin American countries

In accordance with the recommendation in your memorandum of  
March 23, 1964, I hereby determine:

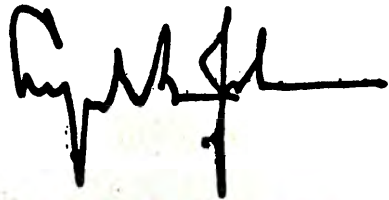
(1) pursuant to section 505(a) of the Foreign Assistance  
Act of 1961, as amended (hereinafter referred to as "the Act"), that  
the furnishing of defense articles on a grant basis under the Act  
to Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican  
Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay,  
Panama, Peru, and Uruguay is necessary to safeguard the security of  
the United States, or the security of such countries, which are all  
associated with the United States in the Alliance for Progress, against  
overthrow of duly constituted governments, or both; and

(2) pursuant to section 511(b) of the Act, that internal  
security requirements may be the basis for the furnishing of defense  
articles on a grant basis to Argentina, Bolivia, Brazil, Chile,  
Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Nicaragua,  
Panama, Peru and Uruguay.

You are requested on my behalf to give appropriate notice  
of this action, pursuant to sections 505(a) and 511(b) of the Act,  
to the Congress.

GROUP 3  
Downgraded at 12 year  
intervals; not  
automatically declassified

~~SECRET~~

  
**DECLASSIFIED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 93-372**  
**By ct, NARA Date 2-5-97**



~~SECRET~~

THE WHITE HOUSE  
WASHINGTON

April 22, 1964

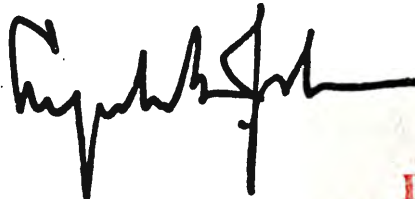
Presidential Determination  
No. 64-7

MEMORANDUM FOR THE ADMINISTRATOR  
AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT: Determination under section 505(a) of the Foreign Assistance Act of 1961, as amended, permitting sales of defense articles to all American Republics other than Cuba and Haiti

In accordance with the recommendation in your memorandum of March 19, 1964, I hereby find, pursuant to section 505(a) of the Foreign Assistance Act of 1961, as amended (hereinafter referred to as "the Act"), that sales of defense articles under the Act to all the American Republics other than Cuba and Haiti are necessary to safeguard either (a) the security of the United States, or (b) the security of such countries, which are all associated with the United States in the Alliance for Progress, against overthrow of duly constituted governments, or both. I hereby authorize such sales under the Act so long as the conditions described in paragraph B. of the Attachment No. 1 to your memorandum continue to exist and to the extent that such sales are necessary to meet the needs there described.

You are requested on my behalf to give appropriate notice of this action, pursuant to section 505(a) of the Act, to the Congress.



GROUP 3  
Downgraded at 12 year  
intervals; not  
automatically declassified

~~SECRET~~

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 93-372  
By cb, NARA Date 2-5-97

7

THE WHITE HOUSE

WASHINGTON


April 16, 1964

MEMORANDUM FOR THE PRESIDENT

I recommend that you approve the two Determinations attached herewith relating to the sale and grant of military assistance to Latin American countries as required by law.

As you know, there has been concern in the Congress and elsewhere about the size of our military assistance programs in Latin America. On the basis of an intensive review this year, the programs covered by these Determinations have been judged by all concerned to be in the interest of the United States. In general, they do not include sophisticated ASW equipment and do place some emphasis on civic action and internal security. This is not to say that the whole question of the size of military expenditures by Latin American countries and our policies, both through MAP and otherwise, are a settled issue. Many of us (including the Bureau of the Budget) believe that we must exert every effort to see that the Latin American countries themselves maintain a reasonable level of military expenditures in relationship to economic and social development goals and, in particular, that our policies and programs are directed toward maintaining this reasonable balance. If you concur in this policy, I would suggest that the attached memorandum be sent so as to insure a continual, critical review of the Latin American MAP program.

I might say that such a memorandum would provide positive evidence to critical members of the Congress of your interest in maintaining a proper level of military activity in Latin American countries.

  
Ralph A. Dungan

Attachment

APPROVED + SIGNED ✓

DISAPPROVED \_\_\_\_\_

SPEAK TO ME \_\_\_\_\_

I agree fully  
m-f 12 m-l



DRAFT NSAM

7a.

*Secretary of State*  
*"*  
*Adm - AID Defense*

LATIN AMERICAN MILITARY AID

The President has today approved determinations with regard to military aid to Latin America.

In administering these funds and planning future programs, the President wishes to insure that our policies, MAP and otherwise, are directed toward the following general objectives:

1. Military expenditures by the host country which are consistent with and proportionate to expenditures for social and economic development.
2. The maintenance of a military establishment in the host country which is realistic in terms of our estimate of its potential missions.
3. The establishment of elite units which might be used in U.N. peace-keeping assignments.
4. Continued emphasis on civic action and internal security missions, the latter to be realistically defined.
5. Definition of a clear relationship between military internal security missions and police functions and a rational pattern of U. S. funding for same.
6. Emphasis in training and by other means on the role of the military in a modern democratic society.
7. Avoidance of sophisticated and expensive prestige equipment in our grant or sale programs except where specifically justified. In this connection, host country purchase from other sources of non-essential prestige equipment is to be actively discouraged.

The President desires, by 1 August 1964, a brief analysis and report on the military situation in each country and the changes, if any, to which our policies are being directed. These reports should measure the existing situation against the above general objectives and other relevant factors. The reports should be prepared under the general direction of the Assistant Secretary for Latin American Affairs with the cooperation of other agencies.

**DECLASSIFIED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 93-372**  
**By cb, NARA Date 2-5-97**

*Bundy*

8

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 93-372  
By 06, NARA, Date 5-22-95

2002

~~SECRET~~

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

GROUP 3  
DOWNGRADED AT 12-YEAR INTERVALS;  
NOT AUTOMATICALLY DECLASSIFIED

OFFICE OF  
THE DIRECTOR

April 15, 1964

MEMORANDUM FOR MR. McGEORGE BUNDY

Attached for the President's signature are two determinations required by the Foreign Assistance Act before certain types of military assistance can be furnished to countries in Latin America. Though I have recommended that the President sign these determinations, I want to call your attention to Ken Hansen's suggestion that he use the occasion of his signing to direct another look at military developments in Latin America and their relation to U. S. policy. The file contains a Hansen memorandum on this subject and a draft NSAM, along with supporting documentation.

I feel that recommendations of the sort Ken proposes should more properly come from you.

  
Kermit Gordon  
Director

Attachments

~~SECRET~~



BB FORM  
NO. 32

ROUTE SLIP

(Fold Here)

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
OFFICE OF THE DIRECTOR

DATE 4/7/64

TO: The Director

FROM: Ken Hansen

REMARKS: Attached is material on the Latin American Determination. I am discussing this whole package with Ralph Dungan, but would like you to read ahead because there is pressure for approval on it from Defense and AID.

Attachments

UNITED STATES GOVERNMENT

Executive Office of the President  
Bureau of the Budget*Memorandum*

TO : The Director

DATE: April 6, 1964

FROM : Kenneth R. Hansen

SUBJECT: Latin American Military Assistance Presidential Determination

Your attention is invited to the International Division memorandum, and attached table, of April 1, and the other attachments to this memorandum which have a bearing on this problem. I believe it desirable to pursue a somewhat augmented approach to that proposed by the International Division.

Primarily, I do not consider that the response to NSAM No. 206, of December 4, 1962, as represented by this file, is adequate.

Beyond that, I would suggest that there should be a new focus for Presidential inquiry at this time--that the focus be broadened to the question of overall military developments in Latin America rather than U.S. military assistance per se, or U.S. military assistance related to internal security, which prompted NSAM No. 206.

There are several factors which prompt this suggestion, particularly at this time:

1. In the State/DOD/BOB study of Defense representation in Latin America, Ambassador Miner, Dick Warner, and the other participants indicated strongly the necessity for a sharper definition of objectives and programs of military missions and purposes of U.S. military policy vis-a-vis Latin American military forces. If, in fact, we get movement on a drastic reorganization of defense representation in Latin America--this is clearly the time to call for a "new look" at military policies and programs.

2. The Latin American military assistance program has not had the kind of scrutiny which the other major MAP programs have, e.g., Greece, Turkey, Pakistan, Korea, Iran, etc., which covered the relationship between total military expenditures, economic development, and political evolution.. The inquiry in those areas was heavily focused on the "resource use" aspects of military programs, and took full cognizance of the expenditures of the governments themselves in addition to the military assistance program expenditures by the U.S.A.

-- Unlike the Middle East and Asia, in the case of Latin America the U.S. MAP program is quite small and represents but a small fraction of the total.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 93-372

By CB, NARA Date 2-5-97



- The most striking fact about Latin American military programs is that according to the incomplete estimates furnished in the attached paper, it appears that roughly \$1,204,000,000 were spent in 1963 for both military and police expenditures in Latin America, and in the period 1959 through 1963 total expenditures have been somewhat over \$4.1 billion.
- Not to be lost sight of, of course, are the prolonged and substantial attacks by Congressional leaders on the Latin American military assistance program which have at one and the same time questioned the fundamental basis for U.S. programs and been highly critical of the country efforts themselves.

In some respects, Executive Branch attempts to re-focus and reorient the military assistance program toward internal security and civic action, as well as to refurbish the police programs to contribute to the same objective, have recognized implicitly the lack of focus of Latin American military armaments build-ups. We have also been successful in challenging some of the hemispheric defense mythology which previously dominated these programs, e.g., anti-submarine warfare, exotic air hardware, etc.

But notwithstanding this progress, it appears to me that some attack should be made at the present time upon the massive under-structure of military programs which are consuming such a fundamental amount of Latin American resources. There should be an assessment of the real military threat, the present and future needs for government revenues for economic and social betterment as contrasted with military uses, and the questionable utility of large military establishments in the Latin America of the next decade.

And this should lead to clear policies and a strategy consistent with our other--and generally over-riding--objectives of the Alliance for Progress.

Finally, having regard for the extremely long lead-time it takes before a challenge of existing policy in such areas will bear fruit (viz., our MAP review exercise of 1961-62), I believe it would be useful to inaugurate this review at this time in the hope that some meaningful revisions or changes in policies and attitudes can take shape over the next year and a half. Fortunately, this policy review can take place during the period when we are revising the institutional framework of military representation in Latin America, and will perhaps find less resistance as those changes take effect.

~~SECRET~~

~~SECRET~~

Accordingly, I recommend:

1. That this Latin American determination be forwarded to the President for signature;
2. At the same time, the President send out a new NSAM to incorporate and replace NSAM NO. 206 as well as adding other fundamental considerations of the nature referred to above (draft attached); and
3. That through Ralph Dungan and Mac Bundy we encourage the establishment of an interagency Task Force for this review, on which the Bureau will act as observer as we did in the previous exercise.

Attachments

~~SECRET~~



4-8-64

10

DRAFT

NSAM NO. \_\_\_\_\_

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE  
CHAIRMAN, JOINT CHIEFS OF STAFF  
THE DIRECTOR, CENTRAL INTELLIGENCE AGENCY  
THE ADMINISTRATOR, AGENCY FOR INTERNATIONAL  
DEVELOPMENT  
THE COORDINATOR, ALLIANCE FOR PROGRESS

Subject: Military expenditures and U. S. assistance in Latin  
America

Although no final report has been received from the coordinator of foreign assistance in response to NSAM 206 on Military Assistance for Internal Security in Latin America, it is recognized that the problems have been under study by the Agencies since its issuance on December 4, 1962. However, in addition to the review of military assistance related to internal security, we need to study carefully the broader issues raised by the substantial allocation of resources to military activities by the Latin American countries themselves.

Consideration of this aspect of Latin American policy should include an assessment, among others, of the following:

1. The nature of the military threats--internal and hemispheric;
2. Present and future needs for government revenues for economic and social betterment--as contrasted with military uses;
3. The balance between MAP and other U.S. assistance programs (including Police); and

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 93-372  
By C6, NARA Date 2-5-97

4. The role of the military in political development in individual countries.

From this review, it is desired to obtain a greater understanding of the activities and needs for military forces in Latin America and a basis for judging the relationship of military expenditures and activities to the other goals of the Alliance programs of both the U.S. and the Latin American governments. This should make it possible to furnish more concrete policy guidance to assure that U.S. activities--military, political and economic--are geared to induce sound allocations of resources and to influence Alliance countries to pursue rational and constructive military programs.

The President desires that, on an appropriate basis, the Coordinator of the Alliance for Progress, working with the Administrator of AID and the Secretary of Defense and other participants as needed, review and recommend U.S. policies and programs in the manner outlined above. Progress reports should be submitted from time to time with a view to the completion of the fundamental review by early calendar 1965.

cc: Director  
Messrs. Dungan  
Forrestal  
Komer  
Hansen  
Ivory



~~SECRET~~

## EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.GROUP 3  
DOWNGRADED AT 12-YEAR INTERVALS;  
NOT AUTOMATICALLY DECLASSIFIED

APR 13 1964

## MEMORANDUM FOR THE PRESIDENT

Subject: Determinations for military assistance to Latin  
American countries

- (a) Grant of materiel to specified countries
- (b) Sales of materiel to all countries except  
Cuba and Haiti

These two determinations are required by The Foreign Assistance Act. Your signature will permit grant materiel programs of \$54.4 million (Congress placed a \$55 million limit) to Latin American countries of which \$32.7 million is for internal security purposes. It is planned that sales of \$40. million will be made of which \$35 million will need medium-term credit under the military assistance program.

This year a new provision (505(a)) was added by the Congress which requires you to find that these military assistance programs (includes both sales and grants) are necessary to safeguard either (a) the security of the United States or (b) the security of a country against overthrow of a duly constituted government. As in past years you must also determine that internal security requirements may be the basis for furnishing materiel on a grant basis (Sec. 511(b)). The Secretary of State has already made determinations under both these provisions for programs of training, as authorized by the delegation contained in Executive Order 10973.

Mr. McNamara has recommended these programs and AID has approved them. They have also been reviewed by Mr. Mann and his staff in State. In my opinion, they have had an adequate review by the responsible agencies and I recommend you sign both the determinations as submitted.

The NSC staff concurs.



Director

Attachments

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 93-372~~SECRET~~ By CB, NARA Date 2-5-97

~~SECRET~~

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington 25, D. C.

11a

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 93-346

By fw, NARA, Date 9-17-93

MAR 23 1964

OFFICE OF  
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Determination under sections 505(a) and 511(b) of the Foreign Assistance Act of 1961, as amended, permitting the furnishing of defense articles on a grant basis to certain Latin American countries

The purpose of this memorandum is to recommend that you determine (1) pursuant to section 505(a) of the Foreign Assistance Act of 1961, as amended, that the furnishing of defense articles on a grant basis under the Act to Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru and Uruguay is necessary to safeguard the security of the United States, or the security of such countries which are associated with the United States in the Alliance for Progress, against overthrow of duly constituted governments, or both; and (2) pursuant to section 511(b) of the Act, that internal security requirements may be the basis for furnishing defense articles on a grant basis to Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Nicaragua, Panama, Peru and Uruguay.

The total programmed for countries listed in (1) above in FY 1964 for defense articles in general is \$54,374,775. The portion of that amount which is related to internal security for countries listed in (2) above is \$32,662,464. The amounts for each country are shown in Attachment #1 hereto.

In sum, my recommendation for the required determinations, supported by data in Attachment #1, is based upon the facts that:

(1) all countries are associated with the United States in the Alliance for Progress,

(2) they have requested our help to meet the pressures of the Castro-Communist threat which is now a reality, and with which they cannot cope without our assistance, to defend their coastal waters, to engage in civic action, and to participate in collective defense missions; and

(3) maintaining the internal security of these countries and the freedom of the Hemisphere from aggression is necessary to achieve our objectives in the Alliance for Progress.

IT IS, ACCORDINGLY, RECOMMENDED that you sign the attached memorandum which embodies the determinations required by sections 505(a) and 511(b) of the Act and thereby authorize the furnishing of defense articles on a grant basis for the purposes described. The Department of Defense concurs in this recommendation.

*David E. Bell*  
David E. Bell

Attachments

~~SECRET~~

~~SECRET~~

ATTACHMENT #1

1. Statutory Requirements

*A. Defense Articles in General are limited by section 505(a) of the Act in pertinent part, as follows:*

. . . except (1) to the extent necessary to fulfill prior commitments or (2) to the extent that the President finds, with respect to any Latin American country, that the furnishing of military assistance under this Act is necessary to safeguard the security of the United States or to safeguard the security of a country associated with the United States in the Alliance for Progress against overthrow of a duly constituted government, and so informs the Congress, no further military assistance under any provision of this Act shall be furnished to any Latin American country.

B. Defense Articles for Internal Security Purposes are further limited by section 511(b) of the Act as follows:

Internal security requirements shall not, unless the President determines otherwise and promptly reports such determination to the Senate Committee on Foreign Relations and to the Speaker of the House of Representatives, be the basis for military assistance programs for American Republics.

2. Funds for Defense Articles in FY 1964 Program

The funds programmed per country are set forth below. The total funds programmed for defense articles for any one country may be varied by up to 15% of the amounts specified below to take account of changing circumstances and requirements, subject, however, to the requirement that the total amount programmed for all countries shall not exceed the ceiling of \$55 million established for grants of defense articles by section 511(a) of the Act.

Column A - Total country grants for defense articles (including costs of packing, crating, handling, and transportation) for FY 1964 which, pursuant to section 505(a), are necessary to safeguard the security of the United States or to safeguard the security of these countries against the overthrow of duly constituted governments.

~~SECRET~~



~~SECRET~~

- 2 -

Column B - Portions of total defense articles in column A programmed to meet internal security requirements pursuant to section 511(b). These are defense articles necessary to safeguard the security of these countries against the overthrow of duly constituted governments and are considered to be primarily for internal security.

<u>Country</u>	(Column A) Total Funds for Defense Articles	(Column B) Internal Security Portion of Funds for Defense Articles (not additive)
Argentina *	\$7,545,464 *	\$6,252,584 *
Bolivia	1,472,129	998,538
Brazil	10,422,686	4,823,369
Chile	7,467,191	2,570,929
Colombia	9,251,021	6,487,355
Costa Rica	398,813	110,939
Dominican Republic	126,695	0
Ecuador	3,178,984	2,729,838
El Salvador	975,954	769,048
Guatemala	1,382,100	746,016
Honduras	51,151	0
Nicaragua	443,903	411,503
Panama	143,958	133,958
Paraguay	909,149	0
Peru	8,189,750	5,762,567
Uruguay	2,415,827	865,820
TOTAL	\$54,374,775	\$32,662,464

\* Implementation will be withheld pending conclusion of a normal military assistance agreement now being negotiated with Argentina.

All of these countries are associated with the United States in the Alliance for Progress.

Since all the materiel to be provided under this program is of United States origin, there will be no adverse effect on the balance of payments.

~~SECRET~~

~~SECRET~~

- 3 -

### 3. Basic Justification for Findings and Determinations

This recommendation for the necessary findings and determinations by the President permitting the furnishing of Defense Articles in General and for Internal Security is based on the following considerations:

Latin America has long been considered a target for Castro-communist subversion. Because of the unstable political institutions, enormous social differences, and retarded economic growth in these countries, many groups in their societies feel isolated from the main currents of national development, and are easy prey to Castro-communist propaganda and organizers.

The Castro regime has announced its intention to promote the overthrow of Latin American governments and replace them with totalitarian regimes patterned on the Castro model. In furtherance of this intention, subversion and guerrilla warfare are being used either unilaterally or in conjunction with local communists, exiles, or dissident opposition groups.

The insidious character of this threat has created critical new requirements for military training and equipment in the Latin American armed forces. Forces responsible for maintaining law and order have neither the equipment nor the trained personnel to counter well-conceived and well-executed plans to subvert the State, either by mob action, guerrilla warfare, terrorism and sabotage, or by armed invasion. They are turning to us for help in developing the special capabilities to seek out, destroy, or take into custody both arms and bands of armed men which move across their land, sea, and air borders for subversive purposes; to deal effectively with disorders in the cities; and to prevent or control guerrilla outbreaks in rural areas. Unless these countries develop the will and capability, individually and jointly, to deal effectively with this new threat, they stand to lose the opportunity for orderly economic and social growth within the framework of free institutions.

The prevention of any further expansion of Communist influence and power within the Western Hemisphere is a major requirement of United States security. Any such expansion would not only greatly undermine the physical security of the United States, but would place the United States position in all other areas of Latin America in jeopardy and would adversely affect our power and influence in other areas of the world which are vital to U.S. security.

This assistance is also designed to increase the capabilities of recipient countries to provide for defense of their coastal waters, participate in civic action projects which serve to ameliorate socio-economic conditions and discontent upon which communism feeds, and

~~SECRET~~

~~SECRET~~

- 4 -

to participate in collective defense missions. In general, the capabilities now being developed by military assistance in Latin America of light, mobile forces constitute an important collective defense asset.

Accordingly, the furnishing of defense articles for the purposes described above is necessary to safeguard the security of the United States or to safeguard the security of these recipient countries against the overthrow of duly constituted governments.

~~SECRET~~



FY 1964 MILITARY ASSISTANCE PROGRAMS IN LATIN AMERICAN COUNTRIES  
by End-Use (of Military Unit Aided)  
(millions of dollars)

	Internal Security	Civic Action	Naval Defense	Other	Supply Operations	Total
Argentina . . . . .	6.6	.3	2.1	.3	0	9.4
Bolivia . . . . .	1.8	.5	0	.2	.2	2.7
Brazil . . . . .	5.2	2.4	2.5	.4	1.3	11.8
Chile . . . . .	3.1	1.4	3.2	.3	.5	8.5
Colombia . . . . .	6.9	1.9	.3	.4	.5	10.0
Costa Rica . . . . .	.4	.2	0	.1	*	.7
Dominican Republic .	.3	.1	*	.2	.1	.7
Ecuador . . . . .	3.4	.7	*	.1	.2	4.4
El Salvador . . . . .	1.0	.2	0	.1	*	1.3
Guatemala . . . . .	1.1	.6	0	.1	.1	1.8
Honduras . . . . .	*	0	0	.1	*	.1
Jamaica . . . . .	*				0	*
Mexico . . . . .	.2	0	*	.1	0	.4
Nicaragua . . . . .	1.1	0	0	.3	*	1.4
Panama . . . . .	.4	*	0	*	*	.5
Paraguay . . . . .	.2	1.4	0	*	*	1.7
Peru . . . . .	6.2	.8	1.7	.6	.5	9.9
Uruguay . . . . .	1.1	.5	1.1	.2	.1	2.9
Venezuela . . . . .	.8	*	*	.6	0	1.5
Area . . . . .	.8	0	0	0	0	.8
	<u>40.6</u>	<u>11.0</u>	<u>10.9</u>	<u>4.1</u>	<u>3.5</u>	<u>70.5</u> <u>1/</u>

\* Less than \$50,000.

1/ Does not add due to rounding.

~~SECRET~~

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON

116

MAR 19 1964

OFFICE OF  
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Determination under section 505(a) of the Foreign Assistance Act of 1961, as amended, permitting sales of defense articles to all American Republics other than Cuba and Haiti

The purpose of this memorandum is to recommend: (1) that you find, pursuant to section 505(a) of the Foreign Assistance Act that sales of defense articles under the Act to all the American Republics other than Cuba and Haiti are necessary to safeguard either (a) the security of the United States, or (b) the security of such countries, which are all associated with the United States in the Alliance for Progress, against overthrow of duly constituted governments, or both; and (2) that you authorize such sales under the Act so long as such sales are necessary for the purposes in (1)(a) and (b) above, and the conditions noted in Attachment No. 1 continue to exist.

This determination is recommended in blanket form to permit sales of defense articles to all American Republics other than Cuba and Haiti. Individual Presidential determinations for specific sales would be onerous, and are neither required by the legislation nor consonant with good administration.

Under the broad authority recommended herein defense articles would be furnished (1) only when, on a case-by-case basis reviewed within the Department of State and A.I.D., the conditions described in paragraph B. in Attachment No. 1 continue to exist, and (2) only to the extent that such sales are necessary to meet the needs there described.

IT IS, ACCORDINGLY, RECOMMENDED that you determine that sales of defense articles may be made to all of the American Republics except Cuba and Haiti, when, on a case-by-case basis, the conditions described in paragraph B. of Attachment No. 1 continue to exist, and to the extent that such sales are necessary to meet the needs described.

*William S. Gaud*

William S. Gaud  
Acting Administrator

Attachments:

1. Attachment No. 1 and Annex.
2. Proposed Determination.

~~SECRET~~

GROUP 3  
Downgraded at 12 year  
intervals; not  
automatically declassified

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 93-346  
By *fw*, NARA, Date *9-17-93*

~~SECRET~~

ATTACHMENT NO. 1

A. Statutory Requirements

Section 505(a) of the Foreign Assistance Act of 1961, as amended (hereinafter referred to as "the Act") provides, in pertinent part, that:

"Provided, that, except (1) to the extent necessary to fulfill prior commitments or (2) to the extent that the President finds, with respect to any Latin American country, that the furnishing of military assistance under this Act is necessary to safeguard the security of the United States or to safeguard the security of a country associated with the United States in the Alliance for Progress against overthrow of a duly constituted government, and so informs the Congress, no further military assistance under any provision of this Act shall be furnished to any Latin American country."

B. Purpose

The purpose of the following background data is to substantiate the need and the recommendation to the President to make the necessary findings under section 505(a) of the Foreign Assistance Act, in order to permit sales of defense articles to all American Republics other than Cuba and Haiti.

All of these countries are associated with the United States in the Alliance for Progress.

The conditions necessitating the present recommendation are as follows:

1. In a number of Latin American countries there are serious internal security problems which, in my judgment, demonstrate that United States military sales assistance is necessary to safeguard the security of each country against overthrow of a duly constituted government. Military Sales programs will enhance the capacity of the named governments to meet their internal security problems.

2. With respect to all of the American Republics except Cuba and Haiti, conditions are such that United States interests, including safeguarding the security of the United States, require, in my judgment, sales of military articles:

~~SECRET~~



~~SECRET~~

- 2 -

a. Such sales are necessary to safeguard the security of the United States because they serve defense objectives which are important to the internal security of Alliance for Progress countries and to the hemispheric defense posture of the United States.

b. It is in the interest of the United States to be the primary supplier of military equipment in all the American Republics.

(1) We are thereby able to influence those countries not to buy unneeded military equipment, and thus, among other things, contribute to economic stability and development objectives in those countries the achievement of which would significantly contribute to United States security in this hemisphere.

(2) We eliminate the necessity or probability of their seeking arms elsewhere, thus opening the door to Europe and Soviet Bloc arms sales.

(3) We probably assure that spare parts and supplementary requirements will be purchased from the United States with continuing favorable consequences for our balance of payments situation.

c. The provision of such support to friendly governments, which is often of critical importance to them, achieves broad United States political objectives which are in keeping with our aims in the Alliance for Progress.

#### C. Present Situation

A number of requests for small military purchases have already been received which are subject to the requirements of section 505(a). These purchase requests include: a) one from Brazil for parachutes; b) three from Chile for torpedoes, torpedo projector charges, and communications equipment; c) one from Colombia for small arms ammunition; d) one from the Dominican Republic for defense services in connection with a loan of two navy yard oiler vessels; e) one from Guatemala for 105 mm. howitzer ammunition; f) one from Mexico for drawings and specifications on the 81 mm. and 60 mm. mortar; and g) three from Peru for helicopters, C-119-J cargo aircraft, and small arms ammunition.

#### D. Limitations

Some sales would be effected on a cash basis under section 507 of the Act and the remainder would be on credit terms under section 503. The determination now recommended would authorize not only sales of

~~SECRET~~

~~SECRET~~

- 3 -

equipment already requested, if otherwise justified, but also other sales of defense articles for all the American Republics except Cuba and Haiti. This broad authority, however, would be subject to the condition that defense articles will be furnished only when, on a case-by-case basis reviewed within the Department of State and A.I.D. (1) the conditions described in paragraph B. above continue to exist, and (2) only to the extent that such sales are necessary to meet the needs there described.

Further, where the sales are for relatively large amounts, the balance of payments situation of the recipient country, and the nature of U.S. economic assistance, as well as the country's security requirements, will be taken into account before any affirmative finding is made. In cases such as this, we are prepared to consider reducing economic and/or military assistance by a suitable amount if the country proceeds with procurement contrary to U.S. advice, whether that procurement be from U.S. or other sources.

The requirement under section 511(b) has been met by Determination No. 62-11 made February 22, 1962.

~~SECRET~~

~~SECRET~~

ANNEX

STATEMENT OF JUSTIFICATION

Argentina

There is under active negotiation a bilateral-military assistance agreement which will be the basis for the provision of grant aid materiel to the government of Argentina. When this agreement is concluded, the program of assistance planned for Argentina will be implemented. This program should enhance and promote the unity of the Argentine military forces in support of a moderate, democratically-oriented constitutional government. The program should substantially improve the armed forces' technical capabilities, and their capacity and will to maintain Argentine internal security against subversion threats, and to help Argentina participate in the defense of the hemisphere, e.g. Argentina was the first Latin American country to offer and provide naval and air units in support of the OAS Cuban quarantine action of October, 1962.

The principal threat to internal stability is the possibility of violence stemming from an accelerated deterioration of political and economic conditions. Argentina was on the verge of such violence on several occasions during the years 1962-1963. Efforts by communists and Peronists to disrupt the elections in July 1963 failed, but these groups are still a threat to stability. In coping with them, an efficient, democratically-oriented and unified military establishment will be a crucial element in strengthening the political fabric of Argentina, which after a decade of Peronist dictatorship followed by uncertain and faltering regimes still remains fragile.

The illustrative FY 1964 materiel program consists of transport and utility aircraft; landing craft; vehicles; light weapons; 90 mm. recoilless rifles; rockets and launchers; ammunition; communications, engineering, and photographic equipment; medical supplies and equipment; armored personnel carriers; and spare parts. The estimated total cost of defense articles is \$7,545,464 (including packing, crating, handling and transportation) of which \$6,252,584 is primarily for support of internal security missions.

Bolivia

Bolivia faces serious difficulties with respect to internal subversion. Communist-led and pro-Castro elements control large segments of the country's organized urban and rural labor. The ability of the Bolivian Government to effectively administer is greatly limited by the

~~SECRET~~



~~SECRET~~

- 2 -

existence of armed workers' and peasants' militia organizations, many of which are led and controlled by pro-communist elements. It is to be hoped that appreciable improvement in the Bolivian economic situation will soon occur under United States and other free world auspices as part of the Alliance for Progress. The large pro-communist element in society, however, continues to bring strong pressures to bear on President Paz through demands that Bolivia accept Soviet and bloc countries offers of economic aid, that Bolivia establish diplomatic relations with bloc countries and that the government adopt a "neutralist" foreign policy. It is likely that this element will continue to agitate sensitive domestic and international issues in an effort to produce wide-spread disorders and violence. The ability of the Bolivian security forces to deal effectively and promptly with such recurring efforts is of critical importance.

The Bolivian Armed Forces have not played a direct political role since 1952. Nevertheless, they constitute the most pro-United States and the least Castro-communist infiltrated element of the present government. The modest assistance provided the Bolivian Armed Forces by way of equipment under internal security programs since 1958 has contributed materially to circumscribing the scope of activities of leftist and communist controlled military forces. Continued U.S. military assistance is needed by the Bolivian Armed Forces to maintain and strengthen their United States orientation, and to increase their capability to support duly constituted governments.

The illustrative FY 1964 materiel program consists of vehicles, small arms, rockets and launchers, mortars, ammunition, radios and other communications and electronics equipment and hand tools. Also included are spare parts. The estimated total cost of defense articles is \$1,472,129 (including packing, crating, handling and transportation) of which \$998,538 is primarily for support of internal security missions.

#### Brazil

Brazil is a pivotal country whose political, economic, and social development will be an important factor in determining the success or failure of United States policies throughout the Hemisphere.

Since the assumption of the Presidency by Joao Goulart in September 1961, however, Brazil (and the United States policy stake therein) has been in serious difficulties. Goulart has contributed greatly toward creating a situation of basic political instability and polarization of political extremes.

~~SECRET~~

~~SECRET~~

- 3 -

A significant factor for stability in this volatile situation is the Brazilian military. The military has traditionally been, and continues to be, a decisive voice for moderation, constitutionalism and democracy in Brazil, and it is a voice to which Goulart continues to listen and respond. The large majority of Brazilian officers are both constitutionally-minded and friendly to United States objectives. Many have strong links to their United States counterparts -- going back to World War II and, in some cases, even earlier. The military continues to exert a moderating influence on extremists of both the left and right. Should present rural and urban unrest lead to widespread disorder, it would be of utmost importance to the United States that the military have both the means and the training to control violence and prevent communist exploitation of the situation. U.S. military assistance is needed to maintain and improve the capability of the Brazilian Armed Forces to effectively counter attempted coups from either left or right.

The illustrative FY 1964 materiel program consists of transport aircraft, helicopters, ship spare parts, vehicles, small arms, 106 mm. rifles, mortars, rockets and launchers, grenades, fire control equipment, ammunition, mines, torpedoes, communications and engineering equipment, hand tools, and spare parts. The estimated total cost of defense articles is \$10,422,686 (including packing, crating, handling and transportation), of which \$4,823,369 is primarily for support of internal security missions.

#### Chile

The Chilean Government needs bolstering of its internal security forces, in order to deal effectively with communist-socialist agitation and provocation of the sort that might arise from the present electoral constellation. These provocative incidents might create such a political turmoil that the outgoing government's continuing efforts at economic and social development programs would be hindered. Continued assistance to the Chilean Armed Forces is necessary to help the Chilean government to limit the possibility of such incidents and to reduce the political gravity of those which may occur. While the populated areas in which strong communist influence exists are also centers of strength for the military, the Government of Chile needs assistance in obtaining more mobile ground forces, combat engineer elements, tactical communications and air support.

The illustrative FY 1964 materiel program consists principally of transport aircraft, helicopters, ship and marine equipment, vehicles, weapons carriers, small arms, mortars, rockets and launchers, grenades, torpedoes, ammunition, communications and engineering equipment, shop equipment, medical and dental equipment, hand tools, and spare parts. The estimated total cost of defense articles is \$7,467,191 (including packing, crating, handling and transportation ) of which \$2,570,929 is primarily for support of internal security missions.

~~SECRET~~

~~SECRET~~

- 4 -

The Costa Rican Civil Guard lacks the resources to patrol adequately the Panama or Nicaragua border, a deficiency which contributes to the threat to these two countries because of Cuban efforts to smuggle arms and men into Costa Rica thence to Panama and Nicaragua. In addition, there are deficiencies in riot control equipment necessary for the control of public demonstrations.

The illustrative FY 1964 materiel program consists basically of utility aircraft, assault boats, vehicles, small arms, mortars, rockets and launchers, ammunition, communications and engineering equipment, parachutes, hand tools, and spare parts. The estimated total cost of defense articles is \$398,813 (including PCH&T), of which \$110,939 is primarily for support of internal security missions.

#### Dominican Republic

Although the threat of subversion posed by Castro-communists has not diminished, U.S. military assistance was suspended temporarily in September 1963 due to a military coup. Because of the suspension, the FY 1964 program of defense articles for the Dominican Republic is limited to a small amount of vital spare parts necessary for the maintenance of defense articles previously furnished (\$6,695), and supply operations costs incurred during FY 1964 in connection with the delivery of material committed and funded in previous years (\$120,000).

#### Ecuador

The Ecuadorean Armed Forces are considered to be anti-communist and pro-United States in orientation. They constitute the strongest bulwark against extreme leftist efforts to initiate a campaign of terrorism and overt guerrilla activities. With the ouster of erratic and leftist-leaning President Arosemena on July 11, 1963, by a four-man military junta, the government finally recognized the threat of communist insurgency and took energetic steps to control it. Known communists and their sympathizers were removed from government positions, the Communist Party was outlawed, and party leaders were jailed or forced into hiding or exile. Steps have been taken to eliminate communist influences from the country's universities and cultural institutions. The junta government has cooperated closely with U.S. advisors in efforts to upgrade the counter-insurgency capability of both the Armed Forces and National Police. Although there has been significant improvement in armed forces' nobility and communications due to U.S. military assistance provided in prior years, further assistance is required to maintain and improve this capability.

The illustrative FY 1964 materiel program consists essentially of training and tactical aircraft, patrol boats, vehicles, small arms, 75 mm. rifles, mortars, grenades, rockets, depth charges, communications

~~SECRET~~



~~SECRET~~

- 5 -

and engineering equipment, shop equipment, medical supplies and equipment, and spare parts. The estimated total cost of defense articles is \$3,178,984 (including PCH&T) of which \$2,729,838 is primarily for support of internal security missions.

#### El Salvador

In tiny, overpopulated El Salvador, which has an extreme maldistribution of wealth and a still semi-feudal social structure, political instability in the months after August 1960 underlined the proximity of the threat of a Castro-communist takeover. The potential of leftist elements to incite unrest, public demonstrations, and mob violence and to promote internal revolution was amply demonstrated during the build-up to the overthrow of the constitutional government of Lt. Col. Jose Maria Lemus on October 26, 1960. Under the leftward-leaning civilian-military junta which followed, Castro-communist forces were able to make alarming headway in a major drive for power, and were effectively suppressed only after a counter coup by the military, the country's only really effective anti-communist force. Elections were held and constitutional government restored a year later following enactment of a number of needed social and economic reform measures in line with the Act of Bogota and the Alliance for Progress. However, serious problems remain to be solved to maintain the political and economic stability which has been developing under the constitutionally elected Rivera government.

The principal threat to internal security is from the international communist movement working through the small but efficient communist party which wields considerable strength in the National University and organized labor. The currently favorable economic situation and the social reform programs of the Rivera Government are diminishing the attractiveness of the Communist line. The potential threat remains great, however, because of the explosiveness inherent in mass poverty, over-population, and extreme maldistribution of wealth. Continued U.S. military assistance is required to maintain and improve the capability of the national security forces to deal with this potential threat.

The illustrative FY 1964 materiel program consists principally of transport and utility aircraft, assault boats, vehicles, small arms, mortars, 57 mm. and 75 mm. rifles, rockets and launchers, grenades, ammunition, communications and engineering equipment, hand tools, and spare parts. The estimated total cost of defense articles is \$975,954 (including PCH&T), of which \$769,048 is primarily for support of internal security missions.

~~SECRET~~

~~SECRET~~

- 6 -

Colombia

The Government of Colombia has restored democratic processes in the seven years since the dictatorship fell in 1957. In addition, it is making an active effort at self-help under the Alliance for Progress. Recent Colombian legislation provides for agrarian reform, tax reform, and a large public housing program.

On the international scene the Colombian Government has been helpful to the United States in a variety of ways, particularly in the United Nations and the Organization of American States. In the latter organization, it introduced an initiative on the Cuban program which made an extremely valuable contribution toward obtaining support in the organization for American foreign policy. In the United Nations it has been an active supporter of such items as the United States position on China.

Two threats to Colombian stability exist. The first is the agitation instigated by the Communist Party among labor, students and peasants. The other is the continued attacks upon villages in rural areas by well-trained and organized bandits which have only recently been successfully checked by military and civil action. These bandit forces are estimated to number from 2,000 to 5,000 and some are reportedly commanded by communists or pro-communists who sympathize with Castro. In the last 13 years rural lawlessness and political warfare have cost the lives of many thousands of people and driven an estimated two million people from rural areas into the cities. This has had a serious detrimental effect upon the agricultural economy in Colombia. Any serious conflict between the major political parties with a further weakening of governmental authority in the rural areas would allow small armed conclaves supported by subversive elements to exploit the situation. Although the armed forces and the national police are generally adequate to maintain informal security and to cope with subversive elements in urban areas, the forces receiving U.S. military assistance have just begun to succeed in controlling the disorders in the rural areas.

In the last year the Colombian Government has shown that it can mount a successful repressive campaign against the rural bandit groups. The military operations against the bandits now have substantial momentum, the area of bandit activities has been reduced, and increasing numbers of bandits have been eliminated. Efforts by communist and pro-Castro elements to subvert or control the bandit groups for political objectives are continuing, however, and attempts have been made by these elements to form guerrilla bands. These attempts to expand primarily criminal activities into insurrectional activities call for continuation at a high level of the Colombian Government's program to eliminate rural violence. In the past year the GOC has given ample evidence of its determination to carry on this campaign, and to make continued effective use of military equipment being provided by the United States for this objective.

~~SECRET~~

~~SECRET~~

- 7 -

The illustrative FY 1964 materiel program consists primarily of training aircraft, helicopters, assault boats, ship parts and accessories, vehicles, small arms, mortars, rockets and launchers, grenades, torpedoes, ammunition, communications and engineering equipment, photographic supplies and equipment, hand tools, and spare parts. The estimated total cost of defense articles is \$9,251,021 (including packing, crating, handling and transportation) of which \$6,487,355 is primarily for support of internal security missions.

~~SECRET~~



~~SECRET~~

- 8 -

### Guatemala

Terrorist and guerrilla activity is expected to continue in Guatemala in 1964 at about the same level as in 1963 shifting, however, from rural to urban areas. The military government has announced that before March 30, 1964, it will lift the state of siege and permit political activity in connection with elections of representatives to a constituent assembly. Pre-election political activities will present many opportunities for active terrorist and guerrilla groups.

The Guatemalan military forces at this time provide the government with its only means of maintaining internal security. Support by continued U.S. military assistance is needed to maintain internal stability in Guatemala during the crucial period of transforming the government from military to civilian control.

The illustrative FY 1964 materiel program consists basically of transport aircraft, vehicles, small arms, mortars, rockets and launchers, 75 mm. rifles, ammunition, grenades, communications and engineering equipment, hand tools, and spare parts. The estimated total cost of defense articles is \$1,382,100 (including PCH&T) of which \$746,016 is primarily for support of internal security missions.

### Honduras

Although all U.S. military assistance was temporarily suspended in October 1963 due to a military coup, the threat of subversion posed by Castro-communists has not diminished. Because of the suspension, the FY 1964 program of defense articles for Honduras is limited to a small amount of vital spare parts necessary for the maintenance of defense articles previously furnished (\$1,151), and supply operations costs incurred during FY 64 in connection with the delivery of materiel committed and funded in previous years (\$50,000).

### Nicaragua

Although there is a state of relative political tranquility in Nicaragua, the GON must contend with the existence of Castro-communist groups internally and in neighboring countries whose aim is to overthrow the government by force and impose a Cuban-type system on the nation. Threats to the security of the government are likely to occur in the following order: 1) demonstrations and/or mob violence in cities or urban areas; 2) terrorism or sabotage; 3) border incursions; 4) clandestine shipment of arms into or within the country; 5) guerrilla warfare; 6) internal revolution. While the National Guard has some capability to handle individual threats, a combination of two or more of the incidents would constitute a most serious threat to internal

~~SECRET~~

~~SECRET~~

- 9 -

security, particularly if well-planned and organized. Continued military assistance from the U.S. is necessary to maintain and improve the limited capabilities of these forces.

The illustrative FY 1964 materiel program consists basically of utility aircraft, vehicles, rockets, ammunition, communications and engineering equipment, tools, and spare parts. The estimated total cost of defense articles is \$443,903 (including PCH&T) of which \$411,503 is primarily for support of internal security missions.

#### Panama

Military assistance to Panama, planned for resumption after the re-establishment of diplomatic relations, is designed to improve the capability of the Panamanian national guard to control mobs and maintain security against other manifestations of violence threatening the security of the Panamanian Government and the Canal Zone. Recent events in Panama have testified to the need for improved Panamanian capability to perform this role.

The illustrative FY 1964 materiel program consists of one 63-foot patrol boat, diesel engine components and spare parts, maintenance spare parts for defense articles previously furnished and supply operations costs incurred in delivery during FY 1964 of materiel funded in previous years. The estimated total cost of defense articles is \$143,938 (including PCH&T), of which \$133,938 is primarily for internal security missions.

#### Paraguay

The present armed forces of Paraguay are believed capable of containing any threat of communist or Castro-insurgency which may present itself.

The Paraguayan armed forces have the responsibility for maintaining constitutional law and order in the country. They are generally pro-U.S. and anti-communist. In the event the present political regime was upset, the armed forces would play a decisive role in seeing that the political vacuum was not filled by elements with Castroist leanings.

Grant U.S. military assistance to the Paraguayan armed forces is required to maintain their present effectiveness and to enable them to assist the country's socio-economic development through constructive civic action projects and to orient the armed forces toward U.S. objectives.

~~SECRET~~

~~SECRET~~

- 10 -

The illustrative FY 1964 materiel program consists essentially of transport and utility aircraft, vehicles, communications and engineering equipment, medical and dental equipment and supplies, and spare parts. The estimated total cost of defense articles is \$909,149 (including PCH&T), all of which is for the missions cited above.

#### Peru

The active threat to Peru's security is subversion by pro-Castro communist political groups. During the past year there has been some evidence of increased cooperation among Communists, Fidelistas, Leninists, and Trotskyites, resulting in a heightened potential for subversion. There is also evidence that "activist" elements looking to Peiping and Havana are taking the leadership away from "old guard" communists who follow the Moscow line of peaceful coexistence. Several hundred Peruvians have received guerrilla warfare training in Cuba and some in North Korea, and the Cuban Government has supplied propaganda, money and arms to pro-Castro groups. It is reported that Cuba and Communist China plan to increase their support of such groups. Discontent among the Indian communities makes Peru particularly vulnerable to this threat. During 1963, there was a great increase in illegal invasions of private lands by Indian campesinos, organized and led by pro-communists. President Belaunde's administration is pushing hard for agrarian reforms in an effort to ease the conditions causing unrest and discontent in rural areas of Peru. The reform program is opposed by the extreme left and extreme right, but it is from the left that violence in the form of terrorism, sabotage, and riots can be expected. Continued military assistance is required to maintain and improve the present capabilities of security forces in consonance with the increasingly active threat.

The illustrative FY 1964 materiel program consists essentially of assault boats, vehicles, mortars, 106 mm. rifles, ammunition, 5" projectiles, torpedoes, rockets, communications and engineering equipment, photographic equipment and supplies, shop equipment, medical and dental equipment and supplies, and spare parts. The estimated total cost of defense articles is \$8,189,750 (including PCH&T), of which \$5,762,567 is primarily for support of internal security missions.

#### Uruguay

The principal threat to Uruguay stems from Castro-communist inspired subversion. The Communist Party is legal and enjoys considerable freedom of action. The communists have infiltrated student and labor groups and various cultural societies. There is a latent threat. With U.S. military assistance, the armed forces of Uruguay have developed a capability to cope with this latent internal security threat. Continued U.S. military assistance is essential to the maintenance of this capability. The armed forces are generally pro-U.S. and U.S. assistance additionally ensures their continued orientation toward our objectives.

~~SECRET~~



The illustrative FY 1964 materiel program consists basically of ASW aircraft, helicopters, vehicles, small arms, ammunition, grenades, depth charges, rockets, communications and engineering equipment, and spare parts. The estimated total cost of defense articles is \$2,415,827 (including PCH&T) of which \$865,820 is primarily for support of internal security missions.

## PROCESSING NOTE

When this folder was processed, it did not contain a copy of the final, signed version of NSAM 297. I was able to locate a copy of the final version in unprocessed and unfiled material in the holdings of the Johnson Library, and I have placed a photocopy of it in the NSAM file on this date. (#12)

REGINA GREENWELL  
Senior Archivist

January 12, 2000

12

CJ

THE WHITE HOUSE  
WASHINGTON

~~CONFIDENTIAL~~

April 22, 1964

NATIONAL SECURITY ACTION MEMORANDUM NO. 297

TO:           The Secretary of State  
              The Secretary of Defense  
              The Administrator, Agency for International  
                                  Development

SUBJECT:     Latin American Military Aid

The President has today approved determinations with regard to military aid to Latin America.

In administering these funds and planning future programs, the President wishes to insure that our policies, MAP and otherwise, are directed toward the following general objectives:

1. Military expenditures by the host country which are consistent with and proportionate to expenditures for social and economic development.
2. The maintenance of a military establishment in the host country which is realistic in terms of our estimate of its potential missions.
3. The establishment of elite units which might be used in U.N. peace-keeping assignments.
4. Continued emphasis on civic action and internal security missions, the latter to be realistically defined.
5. Definition of a clear relationship between military internal security missions and police functions and a rational pattern of U.S. funding for same.
6. Emphasis in training and by other means on the role of the military in a modern democratic society.

~~CONFIDENTIAL~~

**DECLASSIFIED**  
**Authority** NLJ93-372  
**By** cb/ly **NARA, Date** 1-12-00

*Copied 5-1-64*



~~CONFIDENTIAL~~

- 2 -

7. Avoidance of sophisticated and expensive prestige equipment in our grant or sale programs except where specifically justified. In this connection, host country purchase from other sources of non-essential prestige equipment is to be actively discouraged.

The President desires, by 1 August 1964, a brief analysis and report on the military situation in each country and the changes, if any, to which our policies are being directed. These reports should measure the existing situation against the above general objectives and other relevant factors. The reports should be prepared under the general direction of the Assistant Secretary for Latin American Affairs with the cooperation of other agencies.

*McGeorge Bundy*  
McGeorge Bundy

cc:

Mr. Bundy  
Mr. Dungan  
Mr. Chase  
Mr. Johnson ✓

NSC Files

*R. Amory - Budget 4-29*  
*Ruch Booth for file 1/8/69*

~~CONFIDENTIAL~~