

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT CHIEF OF STAFF FOR INTELLIGENCE

WASHINGTON, D.C. 20310



12 April 1974

LTG Walters
Deputy Director, CIA

For your information.

ARMY review(s) completed.

cc to C/WH
+ NIO/LA + OCI

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Major General, GS

ACofS for Intelligence

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O 111630Z APR 74

FM SSO PANAMA

TO SSO ACSI, DA

S E C R E T NOFORN PMA 251

FM COL GERALD H. SILLS, G2 USARSO

TO MG AAMON, ACSI, DA

INFO COL MOSES, CHIEF OF STAFF, USARSO, FT AMADOR CZ

BG BERG, J2 USSOUTHCOM, QUARRY HTS CZ

SUBJECT: TRIP REPORT, CHILE (NUMBER 2)

A. ICR G-FIS-303-74

B. ICR U-UCR-32583

C. ICR G-CON-325-74

D. ICR C-CR-4-57952

1. (C) THIS REPORT IS BASED ON MY OFFICIAL VISIT TO CHILE DURING THE PERIOD 24-31 MAR 74. THIS REPORT WILL BE LIMITED TO THE PERUVIAN SITUATION AND CHILEAN ATTITUDES PERTAINING THERETO.

2. (U) AMONG MILITARY MEN, THE PERUVIAN THREAT SUPERCEDES ALL OF CHILE'S OTHER MAJOR PROBLEMS, EVEN THOUGH THE COUNTRY IS WAGING A GREAT BATTLE FOR ECONOMIC AND POLITICAL SURVIVAL. ONE MUST UNDERSTAND THE CHILEAN MENTALITY TO APPRECIATE THIS ATTITUDE. IRRESPEC-

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TIVE OF POLITICAL LEANINGS, ECONOMIC STATUS OR EDUCATION LEVEL, THE CHILEAN, WITH THE EXCEPTION OF A MINORITY OF FANATICAL LEFTISTS, IS INTENSELY PROUD OF HIS NATIONALITY. PATRIOTISM IS INBRED IN THE CHILEAN PERSONALITY AND TAKES PRECEDENCE OVER ALL OTHER VALUES. MATRICIDE WOULD BE LESS CONDEMNED IN CHILE THAN THE BETRAYAL OF THE COUNTRY. ANY THREAT TO THE NATIONAL INTEGRITY TAKES PRECEDENCE OVER ALL OTHER PROBLEMS.

3. (C) WITH THE RECENT INFLUX OF ARMS INTO PERU FROM VARIOUS PARTS OF THE WORLD, TO INCLUDE THE USSR, CHILE'S TRADITIONAL FEARS THAT PERU WOULD ATTEMPT THE RECONQUEST OF THE LOST PROVINCE OF TARAPACA HAVE BEEN GREATLY INTENSIFIED. CHILE'S CURRENT ECONOMIC AND POLITICAL PROBLEMS MAKE THEIR MILITARY LEADERS FEEL LESS CAPABLE OF ADEQUATELY MEETING THIS THREAT. SOURCES OF ARMAMENTS WITH WHICH TO MEET THIS THREAT ARE BEING DENIED TO CHILE, AS A RESULT OF A WORLD-WIDE LEFTIST PRESS CAMPAIGN "CONDEMNING THE REPRESSIVE ACTS OF THE JUNTA GOVERNMENT AGAINST THEIR POLITICAL ENEMIES." THESE THOUGHTS HAVE GIVEN RISE TO A FEELING OF DESPERATION AND FRUSTRATION WITHIN THE MILITARY. A TYPICAL COMMENT IS "HOW CAN WE ADEQUATELY DEFEND OUR COUNTRY IF WE CANNOT OBTAIN THE EQUIPMENT WITH WHICH TO MEET THE THREAT."

4. (S/NFD) NEVERTHELESS, THE CHILEAN MILITARY IS DOING EVERYTHING POSSIBLE WITH THEIR CURRENT LIMITED RESOURCES TO TAKE ADEQUATE PRECAUTIONS FOR THE DEFENSE OF THE COUNTRY. ON 25 MARCH I WAS FLOWN TO THE NORTHERNMOST CITY OF ARICA WHERE I REMAINED FOR THREE DAYS. THE PURPOSE OF THIS VISIT WAS TO GIVE ME A BETTER APPRECIATION OF THE CHILEAN SITUATION. TWENTY-FIVE YEARS AGO ARICA WAS A

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SMALL TOWN WITH A POPULATION OF ABOUT 11,000 TO 12,000. IN AN EFFORT TO "CHILEANIZE" THE AREA, A FREE ZONE WAS ESTABLISHED TO ATTRACT SETTLERS AND INDUSTRIES. THIS EFFORT WAS SUCCESSFUL, AND THE POPULATION IS NOW APPROACHING 150,000. ALTHOUGH THE FREE ZONE NO LONGER EXISTS, IT IS STILL THE CENTER OF A LARGE INDUSTRIAL COMPLEX WHICH PROVIDES EMPLOYMENT AND PRODUCES A WIDE VARIETY OF MANUFACTURED GOODS FOR THE ENTIRE COUNTRY. IN ADDITION, THROUGH IRRIGATION AND ELECTRIFICATION PROJECTS IN THE INTERIOR, THE AREA IS NOT ONLY SELF SUFFICIENT IN AGRICULTURE PRODUCTS, BUT ALSO SHIPS PRODUCE TO OTHER PARTS OF THE COUNTRY. THE POSSIBILITY OF CHILE EVER VOLUNTARILY TURNING OVER THIS HIGHLY DEVELOPED AREA IS NIL. THE CHILEANS CURRENTLY HAVE ONE REINFORCED INFANTRY REGIMENT IN THIS AREA. THE COMMANDER OF THIS UNIT, COL O CBUER MENA SALINAS IS IDEALLY SELECTED FOR THIS SENSITIVE POSITION. A WELL QUALIFIED INFANTRY OFFICER, WHO WAS FORMERLY HEAD OF THE CHILEAN ARMY MILITARY INTELLIGENCE SERVICE (SIM). COL MENA STATED THAT HE MAINTAINS EXCELLENT CONTACTS WITH BG ARTEMIO GARCIA VARGAS, COMMANDER OF THE PERUVIAN 6TH DIVISION, WHICH IS STATIONED IN TALCA, JUST ACROSS THE BORDER. COL MENA STATED THAT GEN GARCIA HAS EXPRESSED ANTI-COMMUNIST ATTITUDES ON MANY OCCASIONS AND OPENLY CRITIZES ACTIONS OF PERUVIAN PRESIDENT GENERAL VELASCO ALVARADO. I HAVE NO DOUBT THAT COL MENA HAS AN EXTENSIVE INTELLIGENCE OPERATION GOING ON IN SOUTHERN PERU, IN THE AREAS ADJACENT TO THE BORDER. A VERY LIBERAL BORDER CONTROL POLICY EXISTS, AND SINCE THE FRONTIER ITSELF IS A SANDY WASTE FOR MANY MILES INTO THE INTERIOR, INFILTRATION OF AGENTS POSES NO PROBLEMS

5. (S/NFD) THE CHILEANS REALIZE THAT WITH THEIR 6TH DIVISION HEAD-

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QUARTERS LOCATED APPROXIMATELY 150 MILES AWAY IN IQUIQUE, THIS REINFORCED REGIMENT LOCATED IN ARICA IS AT A DISTINCT TACTICAL DISADVANTAGE IN THE EVENT OF A PERUVIAN ATTACK. I DID HEAR STATEMENTS TO THE EFFECT THAT THERE WERE PLANS TO MOVE THE 6TH DIVISION HEADQUARTERS FROM IQUIQUE TO ARICA. EVEN WITH THE PROPOSED ORGANIZATION OF A CORPS HEADQUARTERS, USING THE 1ST DIVISION LOCATED IN ANTOFAGASTA AND THE 6TH DIVISION IN ARICA, REINFORCED WITH UNITS FROM DIVISIONS IN THE SOUTH, THE CHILEANS FEEL THAT THEY WOULD BE HARD PRESSED TO BLUNT AN INITIAL PERUVIAN ATTACK WITHOUT PREPOSITIONED ANTI-TANK WEAPONS, MODERN ARMOUR EQUIPMENT, AND ARTILLERY IN ADEQUATE QUANTITIES. THEY ARE CONFIDENT THAT IN A WAR OF LONG DURATION THAT THE SUPERIOR QUALITY OF THE CHILEAN SOLDIER WOULD PREVAIL, BUT THEIR COMMENT IS "WITH WHAT WE HAVE NOW, WE WOULD BE HELPLESS IN A 5-DAY WAR TERMINATED BY A UN OR OAS CEASE-FIRE."

NOTE: THE CHILEAN ARMY DIVISION MORE ADEQUATELY EQUATES IN SIZE TO A US ARMY REGIMENT, OR AT MOST A BRIGADE.

c. (c) CHILEANS CONSIDER THAT IN ITS DESIRE TO PUNISH THE PRESENT CHILEAN GOVERNMENT FOR THE DEFEAT SUFFERED BY INTERNATIONAL COMMUNISM WHEN THE ALLENDE GOVERNMENT WAS OVERTHROWN, THE SOVIET UNION AND CUBA ARE CAPITALIZING ON THE PERUVIAN DESIRES TO REGAIN ITS LOST PROVINCE OF TARAPACA BY PROVIDING ARMS AND ADVISORS TO THE PERUVIAN ARMED FORCES. IN THE ABSENCE OF SOURCES FOR MODERN WEAPONS, THE CHILEANS CLING TO ONE HOPE. THIS IS THAT THERE ARE ENOUGH OFFICERS WITHIN THE PERUVIAN ARMED FORCES WHO ARE AWARE OF THE DANGER OF COMMUNIST PENETRATION INTO THE FABRIC OF THEIR NATION-

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AL LIFE, THAT THESE OFFICERS WILL EITHER OVERTHROW PRESIDENT VELASCO ALVARADO OR CHANGE HIS PRO-LEFTIST POLICIES. A CONSERVATIVE PERUVIAN GOVERNMENT WOULD NOT CHANGE THE TRADITIONAL OBJECTIVE OF REGAINING THE PROVINCE OF TARAPACA, HOWEVER, IT WOULD NOT BE INFLUENCED BY SOVIET/CUBAN POLICY OBJECTIVES OF REVENGE VIS-A-VIS CHILE.

7. (S) THE ENTIRE DAY OF 26 MARCH WAS DEVOTED TO A 400 KILOMETER OVERLAND TRIP FROM ARICA TO WITHIN 2 KILOMETERS OF THE BOLIVIAN BORDER (ELEVATION 4,800 METERS). A STOP OVER WAS MADE IN THE DISTRICT CAPITAL OF PUTRE. THIS IS AN INDIAN VILLAGE WHICH SERVES AS THE HEADQUARTERS FOR A REINFORCED COMPANY FROM COL MENA'S REGIMENT WHICH THE CHILEANS UTILIZE TO MAINTAIN SURVEILLANCE IN THE BORDER AREA. BECAUSE OF THE ALTITUDE AND CLIMATIC CONDITIONS, THE COMPANIES ROTATE ON A MONTHLY BASIS. ASSIGNMENT TO THIS AREA IS CONSIDERED A HARDSHIP TOUR. THE RUGGEDNESS OF THE TERRAIN AND SPARSE ROAD NET WOULD MAKE THE POSSIBILITY OF A SUCCESSFUL BOLIVIAN INVASION INTO THIS AREA, IN SUPPORT OF A PERUVIAN ATTACK, VERY UNLIKELY.

8. (S/NFD) IN SANTIAGO, GENERAL GUSTAVO ALVAREZ, AT THE TIME ACTING CHIEF OF STAFF, RELATED THE "TRUE VERSION" OF THE SOVIET ARMS DEAL WITH PERU. ACCORDING TO GENERAL ALVAREZ, THE ALLENDE GOVERNMENT HAD ALREADY CONTRACTED TO ACCEPT A SHIPMENT OF SOVIET T-55 TANKS. SHORTLY BEFORE THE 11 SEPTEMBER COUP, PRESIDENT ALLENDE BECAME ENRAGED WHEN HE LEARNED THAT THE SOVIETS HAD SUBSEQUENTLY MADE ARRANGEMENTS TO SEND A SIMILAR SHIPMENT TO PERU. IN DISCUSSIONS WITH THE USSR AMBASSADOR TO CHILE, PRESIDENT ALLENDE RECEIVED NO SATISFACTION, HOWEVER FIDEL CASTRO PROMISED ALLENDE TO USE HIS

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INFLUENCE TO CANCEL THE PERUVIAN ORDER. (AN INDICATION OF CHILEAN CONCERN REGARDING PERUVIAN INTENTIONS EVEN PRIOR TO THE COUP WAS INDICATED IN PARAGRAPH 6 OF MY PN 090, DATED 26 FEB 73.) PRESIDENT ALLENDE ARGUED THAT AS A SOCIALIST STATE, CHILE SHOULD NOT BE STABBED IN THE BACK BY THE USSR (AN EXAMPLE OF CHILEAN NATIONALISM TAKING PRECEDENCE OVER IDEOLOGY). AFTER THE COUP, THE SOVIET UNION MADE BOTH SHIPMENTS AVAILABLE TO PERU. CHILEAN MILITARY ESTIMATE THAT BOTH SHIPMENTS AMOUNT TO ABOUT 200 T-55 TANKS. THE CHILEANS DO THEIR BEST TO MONITOR SOVIET ARMS ENTERING PERU, BUT ADMITTED THAT PERUVIAN COUNTERINTELLIGENCE IN-COUNTRY IS HIGHLY EFFECTIVE. THUS FAR, NO CHILEAN HAS CLAIMED TO HAVE SEEN THE SOVIET TANKS IN PERU, ALTHOUGH THEIR INFORMATION REGARDING THE TANKS AND ADVISORS CORRESPONDS CLOSELY WITH INFORMATION REPORTED BY USDAO, LIMA.

9. (C/NFD) TO MEET THE PERUVIAN THREAT THE CHILEAN GOVERNMENT IS DESPERATE TO OBTAIN MODERN WEAPONS, AS EVIDENCED BY TEAMS OF CHILEAN OFFICERS CURRENTLY VISITING THE US, BRAZIL AND WESTERN EUROPEAN COUNTRIES FOR THIS PURPOSE. OFFENSIVE WEAPONS ARE PREFERRED, HOWEVER THE SITUATION IS SO CRITICAL THAT INITIALLY CHILE WILL BE SATISFIED TO OBTAIN DEFENSIVE WEAPONS. THEY AGREE THAT THIS IN ITSELF SHOULD CONVINCED SKEPTICAL FOREIGN CRITICS OF THE NONAGGRESSIVE MOTIVES OF THE CHILEAN JUNTA GOVERNMENT.

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