

CENTRAL INTELLIGENCE AGENCY

29 April 1949

INTELLIGENCE MEMORANDUM NO. 168

SUBJECT: The Will and Ability of Certain Countries to Support and Develop Their Armed Forces, from Their Own Resources and with US Aid.

REFERENCE: JIGM-106, 29 March 1949; IM-156, IM-159, IM-164

1. The Problem: to estimate the will and ability of Japan, Korea, Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, The Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Paraguay, Peru, Uruguay, Venezuela to support and develop their armed forces during the next eight years, from their own resources and with US military aid. In particular, to estimate, with respect to each of these countries:

a. Its will to resist Soviet military aggression, if need be, (to be expressed in broad categorical terms such as strong, moderate, uncertain, or weak).

b. Its willingness to support national rearmament to the maximum practicable extent from its own resources.

c. Its national income and manpower potential.

d. The portion of this national income and manpower potential which it could afford to devote to its military establishment, having regard to the avoidance of unacceptable economic and political consequences.

e. The critical limiting factors with respect to the maintenance and development of its ground, air, and naval forces.

f. The effect of assumed progressive economic recovery on these limitations.

g. The amount of US military aid which it could effectively use within continuing critical limitations.

2. Estimates with respect to each of the countries named are in a series of Enclosures which follow (in alphabetical order).



Document No. 001  
NO CHANGE in Class.   
 DECLASSIFIED  
Class. CHANGED TO: TS S C  
DDA Memo, 4 Apr 77  
Auth: DDA REG. 77/1763  
Date: 9/17/88 By: 023

JAPAN

As a defeated and occupied power, Japan cannot be made to fit the prefaced structure of this Intelligence Memorandum except upon consideration of special conditions resulting from US occupation.

At present, the country is completely disarmed, entirely under the control of US occupation, industrially stripped, and operating under generally depressed economic conditions creating continued dependence upon US subsidies. Furthermore, the Japanese constitution specifically renounces war, making rearmament constitutionally impossible without modifications or interpretations to permit legal rearmament without negating the entire value and prestige of the constitution.

US efforts to strengthen Japan through reconstituting and rearming its army, navy and air force, and rebuilding its war industry would elicit Japanese enthusiasm, because the Japanese are anti-Russian and anti-Communist and because such rearmament would be seen as Japan's opportunity again to become a major military power with the potential to resume a career of conquest.

Regardless of the propriety, from a US point of view, of rearming Japan, even a suggestion that the US intended to do so would result in violent protest from many powers in the Far Eastern Commission and from Pacific countries that have felt or feared Japanese aggression.

It is only in realization of such factors as the above that any statements can be made within the framework. In the light of these considerations,

and on assumption of continued US occupation of Japan and availability of US aid for developing Japan's armed forces:

(a) Japan's will to resist Soviet military aggression would be moderate to strong.

(b) Japanese willingness to support national rearmament would be strong. It would be reinforced, furthermore, by a historical and psychological background of support for national military programs and by a strong antipathy for Communism.

(c) Japanese willingness to devote considerable of its national income and manpower potential to development of its military establishment would be strong, as long as it received US moral and materiel support.

(d) Japan, at present, however could not devote any large share of its national income to its war establishment without a more severe austerity program. Within the next eight years, Japan's total male population between the ages of 15 and 49 is expected to increase from 19,500,000 to 22,000,000. Assuming that Japan's 5,500,000 serving the armed forces in 1945 represented approximate total availability at any one time under maximum mobilization, Japan's manpower potential exclusively for military service in the light of economic and political conditions would be approximately 6,200,000.

(e) The critical limiting factors with respect to the maintenance and development of its ground, air, and naval forces are:

1. Japan's paucity of strategic natural resources, including food, and the fact that Japan's war-making industries, including the merchant marine, have been largely destroyed or converted.

2. International hostility against Japanese economic revival for fear of competition in world markets as an immediate concern and of its economic development for military resurgents as an ultimate concern.

3. Constitutional limitation, disregard of which might have adverse international and domestic consequences.

(f & g) In view of the absence of armed forces in Japan and the depressed state of Japan's economy, there is practically no internal limitation to the amount of US military aid which Japan effectively could use.

- 3 -

~~TOP SECRET~~

REPUBLIC OF KOREA

(Southern Korea)

(a) The will of the Republic and people of Korea to resist Soviet aggression would depend on the means of aggression used by the USSR. If aggression were carried out through the use of actual Soviet forces, the will would be weak; if it took the form of an attack by unassisted northern Korean forces, the will would probably be strong. The Koreans might even resist aggression and harass occupation by the USSR itself if US aid had been given, and a national resistance movement had grown up whose leaders had been so trained that they could organize the movement for guerrilla warfare after the outbreak of open aggression.

(b) So long as the Republic of Korea survives, and particularly so long as it is dominated by anti-Communist military leadership such as that of the present Premier, the Republic's willingness to support national armament to the maximum practicable extent from its own meagre resources will be strong, particularly if US military aid is devoted largely to strengthening the Korean potential for employing diversionary tactics against a Soviet occupying force.

(c) The Republic's willingness to devote large portions of limited national income and extensive manpower resources to its military establishment would be strong. Korea, with a population of 20,000,000 is presently devoting approximately 50 percent of its budget to the security forces. The Republic, however, cannot devote appreciable amounts of its national income to developing its military establishment without jeopardizing the stability of

considerable manpower to the military establishment without serious consequences to normal activities.

(e.f) The critical limiting factors with respect to the maintenance of security forces in Korea are the almost total lack of facilities for manufacture of arms and equipment, lack of skilled manpower, lack of foreign exchange with which to purchase arms and equipment abroad, and the need to devote a substantial portion of any foreign economic aid to industrial and social development. The most critical factor however, is, the possibility that the Republic of Korea will disintegrate under internal and external Communist attack before it has had the opportunity to attain maximum development of its security forces.

(g) Within these critical limitations, the Republic of Korea could effectively absorb sufficient military aid (a) to equip an Army of at least 100,000 men, a National Police of 50,000, a Coast Guard of 10,000, and a small number of observation aircraft; and (b) to organize and train for guerrilla operations.

ARGENTINA

(a) It is estimated that Argentina would be able and willing to render active military support if the US were willing to trade important concessions for active military support in the event of war between the US and the USSR during the next eight years. Argentina would probably insist, as the price of continued support, on providing troops for duty abroad in strength equivalent to those provided by Brazil but not greatly in excess of such strength --- possibly one or two divisions and one or two air groups.

(b) Argentine willingness to support national rearmament to the maximum practicable extent from its own resources is and will remain high during the foreseeable future.

(c) National income - The latest available estimate of national income (1945) is 12.3 billion pesos. Using that year's figure as a base, a rough estimate for 1949 of 15.3 billion pesos or \$3,060 million has been derived.

Manpower potential - Of a total male population of approximately 8 million, there is a total theoretical mobilization capacity of 2,680,000, of which 2,280,000 are untrained. Supplied by the US, Argentina could place a million men in the field in a year's time. Argentina is not capable of independently dispatching or maintaining an expeditionary force overseas.

(d) Because some funds available to the armed forces are not disclosed it is impossible to know precisely the portion of the national budget devoted to military purposes. In the revealed budget of 1949, Argentina appropriated 8.4 percent of its estimated national income for the armed forces and

national defense. It is believed that any substantial increase in this percentage during the period contemplated would be made at the cost of the productive development of the Argentine economy.

(2) It is estimated that the peacetime strength of the Argentine military establishment and quasi-military organizations will remain substantially unchanged, perhaps expanding over the eight-year period, from 170,000 to 200,000. The effective mobilization potential, in the absence of foreign assistance, will probably increase during the same period at a relatively constant rate from the present 350,000 to 400,000 .

(3) Budget and manpower available for military purposes:

	<u>Estimated Actual *</u> <u>Military Budget</u>	<u>Available Manpower**</u>
1949	\$257,400,000	320,000
1950	\$255,000,000	330,000
1951	\$255,000,000	340,000
1952	\$255,000,000	350,000
1953	\$255,000,000	360,000

\* Estimates of military expenditures in Argentina are necessarily approximations. Under the Five-Year Plan, the Executive is authorized undisclosed expenditures for military purposes. A slight decrease from the 1949 estimate of military expenditures has been allowed for 1950 to account for a possible proportionate decline in national income as a result of economic difficulties. However, it is possible that the impact of such difficulties will be greater. The level of national income during the period 1950-1953 will be largely influenced by the administration's success or failure in resolving the present crisis in its international trade and financial relations. This in turn will be influenced by US and to a lesser extent UK policy. The estimates presented for the military budget for 1950-1953 are based on the assumption that trade and financial relations, particularly those with the US, will be adjusted to a considerable extent and a sharp decline in national income through large-scale unemployment thereby averted. The consistent estimates for military appropriations 1950-53 also reflect the following considerations: (1) the great influence of the military in Argentine policy and its ability to resist curtailment of military appropriations; (2) the probability that the administration will be confronted with problems of economic adjustment during the period and thereby forced to consolidate rather than expand the military program.



(e) Critical limiting factors with respect to maintenance and development of ground naval and air forces include:

(1) Inadequacy and obsolescence of matériel and equipment on hand and the non-standard character of equipment procured since the war, particularly in aircraft.

(2) Present absence of heavy industry for production of other than light arms and ammunition. Plans are under way, however for a factory which will construct field pieces to include 155 mm guns. With the exception of tanks, motor vehicles and other heavy equipment, Argentina will probably become nearly self-sufficient by about 1960 so far as minimum supply of its active armed forces is concerned. Argentina lacks the natural resources and financial capacity for the creation of heavy industry.

(3) Temporary domestic economic instability and adverse conditions of foreign trade forcing curtailment of procurement abroad for rearmament. It is estimated that this economic instability is temporary and will be largely overcome within two years as Argentine trade and the industrial development program are readjusted to existing and prospective world conditions.

\*\* For purposes of this estimate, the expression "without prejudice to the economy" is interpreted to mean "without bringing about an economic collapse."

"Available manpower" represents the number of men under arms that Argentina is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support."

- 2 -

~~TOP SECRET~~

(f) In the absence of hostilities Argentina could effectively use, within critical limitations, US aid to re-equip its army (105,000 present strength, probably increasing at a relatively constant rate to approximately 130,000 during the next eight years).

- 9 -

~~TOP SECRET~~

BOLIVIA

(a) Although there is strong sentiment against Communism in Bolivia, general willingness to resist Soviet military aggression against Europe or the US would be slight. Bolivia's army of 11,500 men could hardly provide an expeditionary combat force. It could, however, be very effective against domestic disturbances in the Altiplano region and slightly less so in other areas.

(b) If Bolivia should be asked, as its share of a coordinated defense plan for Latin America, to increase its armaments to the maximum extent practicable from its own resources, it would probably do so.

(c) Gross national income is estimated at \$85,000,000 (not including non-monetary income). Total males (15-49) are estimated at 991,000, but not more than 300,000 would probably be fit for military service.

(d) Bolivia at present spends about \$7,960,000 or approximately 8 percent of its gross national income (16 percent of its budget) on its armed forces, and presumably could devote a small additional amount to this purpose.

As of June 1948 the Bolivian Armed Forces, including the Carabineros, totalled 16,976. Of the population of 3,790,000 (1946), 1,120,000 or 31 percent are gainfully employed. As there is no great industrial or agricultural need to drain off manpower, a considerable additional number could probably be incorporated into the military establishment. This would not endanger the economy or the government's political stability provided original equipment and continued support for them were obtained from the US.

provided original equipment and continued support for them were obtained from the US.

(3)	<u>Estimated Actual Military Budget</u>	<u>Available Manpower*</u>
1949	\$7,962,000 (16% total budget)	20,000 (actual forces 16,976)
1950	7,500,000	20,000
1951	7,250,000	20,000
1952	7,000,000	20,000
1953	7,000,000	20,000

\*"Available manpower" represents the number of men under arms that Bolivia is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support."

(e) The critical limiting factors with respect to the maintenance and development of ground, naval, and air forces are:

(1) Except for textiles and small quantities of sulphuric acid, Bolivia is dependent on imports to support its armed forces and lacks sufficient foreign exchange for the purpose.

(2) No scientific or technical developments which will materially increase its ability to maintain and develop its ground, naval, and air forces are under way.

(3) The Bolivian Army is poorly equipped, ineffectively organized, and inadequately trained. Its equipment is obsolete and poorly maintained.

(4) With the exception of the Altiplano region, two-thirds of the country is deficient in almost any kind of communication facilities.

(5) The quality of the armed forces is low by US standards. Individual soldiers are unintelligent and illiterate; and most of them speak only Indian languages.

(6) The weaknesses of the economy, which requires imports of most foodstuffs and all types of machinery and processed materials, limits Bolivia's ability to maintain its armed forces.

(f) Bolivia could effectively use without serious economic dislocation only enough equipment for a military establishment of approximately 18,000 men. Continued training by US missions would be necessary.

- 12 -

~~TOP SECRET~~

BRAZIL

(a) In the event of hostilities between the US and the USSR, Brazil would be an active ally to the extent of its total capabilities, which would include contributing combat troops.

(b) It is highly doubtful whether Brazil would be willing or able to increase appreciably its military establishment with its own resources. Its economy now supports national armament to the maximum practicable extent.

(c) Brazil's national income is estimated to be US \$5 billion. It may be expected to increase every year.

Brazil has a manpower potential exceeding 8,000,000, but 8,000,000 must be considered as a high estimate of the number of males between 15 and 49 fit for military service.

(d) Brazil's military budget in 1948 was approximately 5 percent of its estimated national income. It is doubtful that present military expenditures could be increased greatly without producing a national economic disaster.

(1) It is believed that of Brazil's manpower potential it would not be practicable to keep more than 226,000 under arms.

(2)	Estimated Actual Military Budget	Available Manpower*
1949 US	\$ 312,261,000	226,700
1950	368,160,000	223,800
1951	434,200,000	223,800
1952	512,320,000	223,800
1953	604,480,000	223,800

\*"Available manpower" represents the number of men under arms that Brazil is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support."

(e) Critical limiting factors with respect to maintenance and development of Brazil's armed forces are:

- (1) The very low levels of national education and health
- (2) Insufficient maintenance facilities and training;
- (3) Inadequate land transportation; and
- (4) Inadequate domestic sources of fuels.

(f) Brazil could use effectively US aid in maintaining a force of 260,000 men. It must be recalled, however, that US standards had to be relaxed in organizing the Brazilian Expeditionary Force in World War II, even though the entire army was combed for personnel. BEF performance in Italy was about that of the poorest of US combat divisions.

CHILE

(a) Chile's willingness to render active military support to the US can be assumed, but the extent of assistance would depend on US aid. Even with US aid, its ability to render active military support to the US in the event of war between US and USSR would probably be limited to maintaining internal security and, depending on US aid, assisting in naval and air off-shore patrols, anti-submarine activities, and air-sea rescue operations. At present, Chile's military establishment is capable only of maintaining internal order, repelling attack from Peru and/or Bolivia, and providing a delaying action to attack by a larger power.

(b) Chile has already shown willingness to support a relatively large military establishment. Little increase could be expected from Chile's resources.

(c) Estimated national income for 1945 ( = 37,480 million pesos) was \$1,163,000,000. There are about 1,000,000 men of military age (15 through 49) fit for military service. Of this total approximately 735,000 are of little military value owing to the lack of basic educational and technical training.

(d) The Chilean budget for 1949 allots about 21 percent approximately \$54,580,000 of total expenditures to the armed forces. As the economic situation improves, the same percentage can be expected to be maintained.

- 15 -

~~TOP SECRET~~



(2)	Estimated Actual Military Budget	Available Manpower*
1949	\$ 55,000,000	67,500
1950	55,000,000	69,000
1951	55,000,000	71,000
1952	55,000,000	73,000
1953	55,000,000	75,000

\*"Available manpower" represents the number of men under arms that Chile is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support."

It is impossible to estimate changes that may take place in the budget. Factors such as increased investment by foreign enterprise and more stable conditions in domestic economy, which would indicate a possible enlargement of national income and budget, may be offset by declining demand for Chile's primary export products. Therefore, present budget is presented as approximately representative of what may be expected during next five years.

COLOMBIA

(a) Colombia would be both able and willing to maintain internal security in the event of hostilities between the US and the USSR, but could not render support in the form of an expeditionary force. It could offer only delaying action and token resistance against a modern military aggressor.

(b) In an emergency, Colombia would be willing to support national rearmament to the maximum practicable extent from its own resources. (National defense budget for 1949 is 16 percent of total)

(c) National income figures for Colombia are not available.

Colombia has a mobilization potential between the ages of 15-50 of about 2,500,000. However, 2,100,000 are estimated to be the maximum fit for service.

(d) Colombia could appropriate approximately 38 percent of its national budget to national defense for a period of a year without seriously disrupting its national economy.

It could maintain a force of 25,000 men without unacceptable economic or political consequences.

	(3) <u>Estimated Actual Military Budget</u>	<u>Available Manpower*</u>
1949	\$ 31,310,000	25,000
1950	37,570,000	26,000
1951	35,700,000	27,000
1952	33,910,000	28,000
1953	32,320,000	30,000

\*"Available manpower" represents the number of men under arms that Colombia is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support."

(e) Among the critical limiting factors with respect to the maintenance and development of its ground, air, and naval forces are:

- (1) illiteracy,
- (2) poor health,
- (3) lack of adequate training and maintenance facilities,
- (4) inadequate transportation, and
- (5) the absence of heavy industry.

(f) Colombia can effectively use the <sup>at</sup> quantity of basic arms necessary to equip and maintain 25,000 men.

TOP SECRET  
COSTA RICA

(a) The present governing Junta is now in the process of disbanding the Costa Rican army and contemplates a future Costa Rican state in which there shall be no army -- only a national police force. For this reason, in the event of a war between the US and the USSR, it is estimated that although Costa Rica would be willing to render the US active military support, it would be unable to do so.

(b) Because of the pacific intentions of the government, Costa Rica would be unwilling to support national rearmament to the maximum practicable extent from its own resources. The country would, of course, be willing to increase and build up the efficiency of its police beyond present capabilities.

(c) There are no accurate national income figures available for Costa Rica. Manpower potential figures and dollars available for public security (police) are as follows:

	Estimated	Actual	
	<u>Public Security</u>		<u>Manpower potential</u>
1949 \$	1,250,000		130,000
1950	1,250,000		133,000
1951	1,250,000		136,000
1952	1,250,000		139,000
1953	1,250,000		142,000

(d) Because of the unfavorable economic outlook and the present disturbed state of the country's finances, it is doubtful that Costa Rica could afford to spend more on public security than is now contemplated;

- 19 -

TOP SECRET

	<u>Estimated Actual</u> <u>Military Budget (Public Security)</u>	<u>Available Manpower*</u>
1949	\$ 1,250,000	2,000
1950	1,250,000	1,800
1951	1,250,000	1,800
1952	1,250,000	1,800
1953	1,250,000	1,800

\*"Available manpower" represents the number of men under arms that Costa Rica is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) Although the quality of Costa Rican manpower is, by Central American standards, high, the pacific and anti-militarist traditions of the country would be a limiting factor in the exploitation of this manpower for military purposes. Furthermore, Costa Rica does not possess the industrial potential to arm and equip an army, not to maintain it under conditions of sustained operation.

(f) Since Costa Rica plans the abandonment of its army, it could not effectively use direct US military aid. It could however, use small arms and small planes and equipment with which to increase the effectiveness of its contemplated police force, as well as training missions for instruction in the use of such equipment.

- 20 -

~~TOP SECRET~~

CUBA

(a) Cuba would join the US as an ally in a war against Soviet Russia and would be able and willing to provide active military support. During hostilities the armed forces could be counted on for aerial and surface patrol activities in Caribbean waters. A small land and/or air expeditionary force as well as garrison units might be dispatched to Europe or Asia. The combat abilities of these forces would be strictly limited, however. Another form of support if permitted <sup>by the US</sup> would be the enlistment of large numbers of Cubans in the US armed forces.

(b) Cuba, in peacetime, would be unwilling to support national rearmament to the maximum practicable extent from its own resources. This unwillingness stems from the fact that the basic purpose of the Cuban armed forces is to: (1) maintain law and order, (2) keep Cuba's large group of domestic and foreign Communists under constant surveillance and to take such measures against them as the Government would find necessary; and (3) to prevent sabotage and to assure the production and delivery to Cuban ports of the sugar crop and of such other strategic and critical materials as Cuba is able to supply the US and its allies.

It is therefore estimated that Cuba would be unwilling to support the large scale national rearmament which the existing economic resources and dollar balances of the country would presently permit.

- 21 -

~~TOP SECRET~~

(c) Estimates of manpower potential and military expenditures are

as follows:

	<u>Estimated Actual Military Budget</u>	<u>Manpower potential</u>
1949 \$	39,000,000	1,146,000
1950	40,000,000	1,183,000
1951	35,000,000	1,219,000
1952	33,000,000	1,356,000
1953	30,000,000	1,292,000

(d) Since no reliable Cuban national income figures are available on which to base estimates of the portion of national income which Cuba could afford to devote to military expenditures, estimates must be based on percentage of total budget. In this respect Cuba now spends about 17.4 percent of the total budget on the military; it is estimated that Cuba could spend 20 to 25 percent on national defense, but would be unwilling to do so.

	<u>Estimated Actual Military Budget</u>	<u>Available Manpower*</u>
1949 \$	39,000,000	30,000
1950	40,000,000	29,000
1951	35,000,000	29,000
1952	33,000,000	28,000
1953	30,000,000	28,500

\*"Available manpower" represents the number of men under arms that Cuba is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

- 22 -

~~TOP SECRET~~

(e) Critical limiting factors with respect to maintenance and development of armed forces:

- (1) reluctance to expand them considerably beyond present strength;
- (2) traditional limited purposes and scope of the military establishment;
- (3) national opposition to overseas military ventures;
- (4) attitude toward US which Cuba regards as its natural and inevitable defender against foreign aggressors.

(f) Cuba could theoretically effectively use an appreciable amount of US military aid in building up its armed forces to the limit which the economy of the country could sustain. It is doubtful, however, because of the traditions of the country, that in actual practice it would use such assistance effectively.



## THE DOMINICAN REPUBLIC

(a) The present Dominican Government, as well as the Dominican people, would be able and willing to render active military support to the US in the event of hostilities between the US and the USSR. Such assistance would probably take the form of air and naval patrol in the Caribbean area and of a small number of Dominican enlistment in the US armed forces. Support from the army as a unit would most likely be negligible.

(b) The Dominican Republic has already achieved rearmament to the maximum practicable extent from its own resources.

(c) No reliable figures are available on Dominican national income. Manpower potential figures and maximum military budget estimates are as follows:

	<u>Estimated Actual</u> <u>Military Budget</u>	<u>Manpower potential</u>
1949 \$	14,600,000	451,000
1950	12,600,000	467,000
1951	10,000,000	584,000
1952	9,000,000	500,000
1953	9,000,000	517,000

(d) It is believed that the present size of the armed forces of the Dominican Republic and the present number of men being trained under the selective service program approximates the maximum which the country can afford if it is to avoid unacceptable economic and political consequences.

(1)	<u>Estimated Actual Military Budget</u>	<u>Available Manpower*</u>
1949	14,600,000	12,000
1950	12,600,000	12,000
1951	10,000,000	11,500
1952	9,000,000	11,000
1953	9,000,000	10,000

\*"Available manpower" represents the number of men under arms that The Dominican Republic is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) Critical limiting factors with respect to the maintenance and development of Dominican ground, air and naval forces beyond the present state of rearmament are: (1) present budget representing about the maximum the country can afford, (2) inferior quality of manpower, (3) use of armed forces for police functions and (4) the fact that the army is primarily designed as a protection against Haiti.

(f) It is doubtful that US military aid would be very effective in raising the efficiency of the armed forces.

## EQUADOR

(a) Ecuador might be willing to do so but it is not capable of rendering active military support in the event of hostilities between the US and the USSR.

(b) Ecuador would probably be willing to enlarge its military establishment but the critical economic conditions in the country scarcely permit it to maintain what it now has.

(c) There is no available information on national income. In Ecuador there are approximately 660,000 males between the ages of 15 and 49 who might be regarded as manpower potential.

(d) It is believed that, of Ecuador's manpower potential, it would not be practicable to devote more than 12,000 to the military establishment.

	(1) Estimated Actual <u>Military Budget</u>	<u>Available Manpower*</u>
1949	\$ 4,486,000	10,000
1950	4,306,000	10,000
1951	4,134,000	10,000
1952	3,959,000	10,000
1953	3,800,000	10,000

\*"Available manpower" represents the number of men under arms that Ecuador is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support."

(e) The critical limiting factors with respect to the maintenance and development of its ground, air, and naval forces are:

- (1) illiteracy,
- (2) no aptitude for military organization,
- (3) lack of proper equipment and training facilities,
- (4) lack of maintenance facilities,
- (5) inadequate transportation, and
- (6) financial difficulties.

(f) Ecuador can effectively use that quantity of basic arms necessary to equip and maintain 12,000 men.

~~TOP SECRET~~

## EL SALVADOR

(a) In the event of a war between the US and the USSR, El Salvador would probably be willing to render the US active military support. It would only be able to furnish bases, however, because of its limited economic and human resources.

(b) Because of the military government and the solvent condition of the treasury, Salvador can and is willing to spend a small amount for military training and equipment.

	<u>Estimated Actual Military Budget*</u>	<u>Manpower Available**</u>
1949 \$	1,000,000	445,000 (6,000 now in service; 50,000 in reserve)
1950	1,000,000	454,000
1951	1,500,000	664,000
1952	2,000,000	474,000
1953	2,500,000	484,000

\* 1949 figure is the current military budget, which may be supplemented by additional appropriations. Other figures are estimates, based upon the assumptions that the government will be willing to increase its military expenditures to the maximum possible and that this will be done gradually until a limit of 25 percent of the total governmental income is reached, beyond which no more could be appropriated without serious social and economic consequences. It is also assumed that there will be no decrease in the government income and that the current exchange rate will continue.

\*\* All figures are estimates based upon Department of Army estimate of 435,685 men fit for service in 1948, corrected for an average annual population increase of 2.1 percent. The general quality of the manpower is low, as in Guatemala. Most recruits are virtually kidnapped and brought in under guard and usually bound. Enlisted men who have served their period of service constitute the General Reserve (50,000 men, including 1,000 officers). Mobilization plans exist to form five divisions of 6,000 men each.

- 28 -

~~TOP SECRET~~

(d) The total budget for El Salvador for 1948 allows \$1,000,000 for military expenditures (10 per cent of the total budget). Assuming that El Salvador's present solvent economic condition continues, expenditures for military purposes could probably be increased, without serious social or economic consequences up to 25 percent of the total budget.

	<u>Estimated Actual Military Budget</u>	<u>Available Manpower*</u>
1949	1,000,000	9,000
1950	1,000,000	9,000
1951	1,500,000	8,500
1952	2,000,000	8,000
1953	2,500,000	8,000

\*"Available manpower" represents the number of men under arms that El Salvador is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) The quality of Salvadorian military manpower is, on the whole, very low, and the country does not possess the industrial potential to arm and equip the army, nor to maintain it under conditions of sustained operations.

(f) Since El Salvador cannot produce modern military equipment, and is largely dependent on foreign technicians for training in the use and maintenance of such equipment, a US military mission and a certain amount of US equipment could be effectively used. The determining factors however, would be the degree to which Salvador feels such aid is necessary in achieving the limited objectives under which the Army operates,

the relative economy of such aid compared to similar services and equipment to be obtained elsewhere, and the adaptability of US military aid to regional, rather than Hemisphere, objectives.

Hemisphere, b

- 30 -

~~TOP SECRET~~

## GUATEMALA

(a) In the event of a war between the US and the USSR, it is estimated that Guatemala would be willing to render the US active military support. It would only be able to furnish bases however, because of its limited economic and human resources.

(b) It is unlikely that Guatemala would be interested, willing, or capable of supporting or developing the capabilities of its armed forces appreciably beyond the present limit.

(c)	<u>Year</u>	<u>Estimated Actual Military Budget</u>	<u>Manpower Potential</u>
	1949	\$ 4,550,000	779,000 (6,122 now in
	1950	4,550,000	800,000 service; 65,000
	1951	5,000,000	822,000 in reserve)
	1952	7,000,000	844,000
	1953	10,000,000	867,000

(d) Because of an unfavorable economic outlook, and the preference of the current administration for non-military projects (such as public works), it is unlikely that the present budgetary appropriation for the Army of \$4,550,000 (10.2 per cent of the national budget) will be increased, even in case of a US - USSR war.

Manpower under arms could not be increased without impairing the economy of the country.



	<u>Estimated Actual Military Budget</u>	<u>Available Manpower*</u>
1949	4,550,000	10,000
1950	4,550,000	9,000
1951	5,000,000	8,000
1952	7,000,000	8,500
1953	10,000,000	8,000

\*"Available manpower" represents the number of men under arms that Guatemala is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) The quality of Guatemalan military manpower is, on the whole, very low, and the country does not possess the industrial potential to arm and equip the army, not to maintain it under conditions of sustained operation. Approximately 4,200 of the present army strength of 5,980 are uneducated, illiterate Indian conscripts.

(f) Since Guatemala cannot produce modern military equipment, and is largely dependent on foreign technicians for training in the use and maintenance of such equipment, a US military mission and a certain amount of US equipment could be effectively used. However, the determining factors would be the degree to which Guatemala feels such aid is necessary in achieving the limited objectives under which the Army operates, the relative economy of such aid compared to similar services and equipment to be obtained elsewhere, and the adaptability of US military aid to regional, rather than Hemisphere, objectives.

- 32 -

~~TOP SECRET~~

## HAITI

(a) In the event of war between the US and the USSR, Haiti would probably be willing to render the US active military support. It would be unable to do so however, because of its limited economic and human resources.

(b) Haiti would be willing to support national rearmament to the maximum practicable extent from its own resources, but it is not believed that Haiti could spend much more than it now does on its armed forces. Present expenditures, including extraordinary credits above the annual budget amount to well over 20 percent of the government's total budget, or about \$3,800,000.

(c) There are no national income figures available for the Republic of Haiti. Out of a total population of 3,006,000 there are approximately 700,000 males between the ages of 15 and 49. Of this number about 500,000 are fit for military service by Haitian standards. A substantial majority however of the 500,000 considered fit for military service are diseased, illiterate, and superstitious.

	<u>Estimated Actual Military Budget</u>	<u>Manpower Potential</u>
1949	3,800,000	500,000
1950	3,500,000	510,000
1951	3,500,000	520,000
1952	3,500,000	525,000
1953	3,500,000	530,000

(d) There are now about 4500 men in the Haitian armed forces and existing units are considerably handicapped by a paucity of weapons and equipment. Since the Haitian military budget is now at about the maximum

possible under existing economic conditions (3,800,000; over 20 percent of the total budget) it is estimated that Haiti could not expand its military services much beyond present strength in the absence of substantial grants-in-aid from the US.

(1)	<u>Estimated Actual Military Budget</u>	<u>Available Manpower*</u>
1949	\$ 3,800,000	4,500
1950	3,500,000	4,500
1951	3,500,000	4,500
1952	3,500,000	4,500
1953	3,500,000	4,500

\*"Available manpower" represents the number of men under arms that Haiti is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) The critical limiting factors with respect to the maintenance and development of the Haitian ground and naval forces are:

- (1) The existing Haitian concept that the purpose of the armed forces is the maintenance of internal order in accordance with the political orientation of the particular administration in power;
- (2) Pacific proclivities of the country;
- (3) Poverty of the country which strictly limits the amount of money available for expenditures on the armed forces;
- (4) Ignorance, disease, and superstition.

(f) Present and scheduled US military, naval, and air aid to Haiti probably represents the maximum that Haiti can use effectively within continuing critical limitations. In connection with US assistance in

developing its air forces, it should be noted that such skills and equipment that Haiti may thus acquire will most likely be diverted to the development of domestic commercial air transport facilities.

- 35 -

~~TOP SECRET~~

trn

~~TOP SECRET~~  
HONDURAS

(a) In the event of a war between the US and the USSR, Honduras would probably be willing to render the US active military support. It would only be able to furnish bases however, because of its limited economic and human resources.

(b) It is unlikely that Honduras would be interested, willing or capable of supporting or developing the capabilities of its armed forces appreciably beyond the present limits.

(c) There are no accurate national income figures available for the Republic of Honduras. Estimates of manpower available and the military budget are as follows:

	<u>Estimated Actual Military Budget</u>	<u>Manpower Potential</u>
1949 \$	3,500,000	294,000
1950	3,000,000	297,000
1951	2,500,000	300,000
1952	2,500,000	303,000
1953	2,500,000	307,000

(d) Honduras spends around 25 percent of its total budget on the armed forces (strength 3,700). This percentage could not appreciably be increased without impairing the economy of the country. In 1947-1948, \$3,720,447.88 or 26.4 percent of the total budget was actually spent on the armed forces.

It is also doubtful whether Honduras could afford, without unacceptable economic and political consequences, to spend more on its military establishment.

	(3) Estimated Actual Military Budget	Available Manpower*
1949 \$	3,500,000	4,000
1950	3,000,000	3,900
1951	2,500,000	3,500
1952	2,500,000	3,500
1953	2,500,000	2,500

\*"Available manpower" represents the number of men under arms that Honduras is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) Critical limiting factors with respect to the maintenance and development of the Honduran armed forces are:

- (1) low quality of manpower and high disease and illiteracy rate,
- (2) inability of the economic and industrial potential of the country to support expanded or highly modernized armed forces,
- (3) national traditions which impel the military authorities to stress the construction, police and security activities of the armed forces.

(f) Within continuing critical limitations, it is doubtful whether Honduras could effectively use an appreciable increase in the amount of US military aid.

37  
- 35 -  
~~TOP SECRET~~

MEXICO

(a) Mexico would unquestionably be willing to render active military support to the US in the event of hostilities with the USSR, but the nature of this support is likely to be affected by Mexico's desire to play a significant role in world affairs.

(b) Mexico's present military establishment is the maximum practicable in relation to resources. Willingness to augment this military force in an emergency would be governed by the extent to which internal improvements are sacrificed for this purpose. Internal expenditures can not be substantially reduced without lessening Mexico's ability to support a war effort.

(c) Mexico's national income increased steadily from \$1,402 million in 1940 to \$2,676 million in 1946, and, although figures are not available, it is believed to be still increasing. With the successful realization of Mexico's long-range economic plans, it may be presumed that national income will continue to increase steadily.

It is estimated that, of a total of 5,900,000 males between the ages of 15 through 49, 4,700,000 are fit for some form of military service.

(d) It is estimated that the present force of 67,000 men could be increased to 90,000 in case of war, and the additional men could be armed and equipped except for heavy weapons, particularly artillery, in a period of three months from Mexico's own resources.

With US aid, Mexico could place in the field in her own territory a force of 100,000 in three months and under the same circumstances the force could be increased to 125,000 in six months.

(1)	<u>Estimated Actual Military Budget (pesos)*</u>	<u>Available Manpower**</u>
1949	339,710,000	70,000
1950	363,975,000	75,000
1951	388,240,000	80,000
1952	412,505,000	85,000
1953	436,770,000	90,000

\* There is no attempt to convert the Military Budget from pesos to dollars, because the peso has no par value. With fluctuations in the exchange rate of the peso, a dollar figure for Military Budget would be incorrect. Since most Military Expenditures are in pesos, and the budget itself would not be increased or decreased with changes in exchange rate, only the peso figure would have any real meaning.

\*\*"Available manpower" represents the number of men under arms that Mexico is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

\*\* Competent military observers estimate that Mexico could from its own resources, without seriously impairing the national economy, support a maximum armed force of 90,000 men. It is the opinion of this office, however, that Mexico could not immediately increase its armed forces from the 1949 figure of 68,000 to the maximum of 90,000 without seriously impairing its economy; but that, with gradual improvement to the national economy as a result of the 6-year industrial development program, scheduled for completion in 1952, the Mexican economy could support an armed force gradually increasing from a maximum 70,000 in 1949 to a maximum of 90,000 by 1953. The budget required to support the increasing armed force is calculated at the 1949 budget ratio of 330,000 pesos for 68,000 men.

(e) In addition to the basic economic limitation other critical limiting factors to the maintenance and development of armed forces, would be:



- (1) the lack of equipment,
- (2) lack of officers with practical training to handle large military units,
- (3) lack of definite mobilization plans for personnel,
- (4) poor communications,
- (5) lack of facilities for storage of supplies,
- (6) the lack or deficiency of service units.

(f) If Mexico were to place in the field in her own territory the maximum armed force of 125,000 men, it would require US military aid for arms and equipment for 35,000 of this number.

~~TOP SECRET~~

## NICARAGUA

(a) In the event of a war between the US and the USSR, Nicaragua would probably be willing to render the US active military support. It would only be able to furnish bases however, because of its limited economic and human resources.

(b) It is unlikely that Nicaragua would be interested, willing, or capable of supporting or developing capabilities of its armed forces appreciably beyond the present limits.

(c)	<u>Year</u>	<u>Estimated Actual Military Budget*</u>	<u>Mannpower Potential</u>
	1949	\$2,200,000 - official exchange rate (\$1,570,000) - unofficial exchange rate	(3,842 now in service in Army; 10,000 in reserve)
	1950	(\$1,000,000) - unofficial exchange rate	
	1951	(\$1,000,000) - unofficial exchange rate	
	1952	(1,000,000)	
	1953	(1,000,000)	

\* 1949 figure is the current budget specifically appropriated for the Armed Forces. However, the army is also indirectly subsidized through other governmental departments.

(d) Military expenditures have been increasing in recent years, and it is probable that the limit have been reached. It is very unlikely that more money could be spent on the army without serious social and economic consequences.

	(1) Estimated Actual Military Budget	Available Manpower*
1949	\$2,200,000 - official exchange rate	6,000
	(\$1,570,000 - unofficial exchange rate	
1950	(\$1,000,000) - unofficial exchange rate	6,000
1951	(\$1,000,000) - unofficial exchange rate	6,000
1952	(\$1,000,000)	6,000
1953	(\$1,000,000)	6,000

\*"Available manpower" represents the number of men under arms that Nicaragua is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military mission. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) The Nicaraguan Army is capable only of limited local action, and the economic and industrial potential is incapable of supporting an expanded or modernized army.

(f) The present administration, suffering from an adverse economic situation, would welcome any sort of US military aid which would cost less than comparable aid available on the world market. It could effectively use only a training mission and a limited amount of modern equipment.

- 42 -

~~TOP SECRET~~

PARAGUAY

(a) Paraguay would be willing to support the US in the event of hostilities between the US and the USSR, but its ability to render active military service is negligible.

(b) Its willingness to support national rearmament to the maximum practicable extent from its own resources can be relied on.

(c) National income figure not available.

The estimated strength of armed forces is 11,500, with approximately 201,000 males of military age available for service.

(d) National defense expenditures in 1948 were about 15 percent of the total budgetary expenditures of 75.15 million guaranies (about 24.3 million \$US). A maximum of 25 percent of the total budget could be spent on national defense.

	<u>Estimated Actual Military Budget</u>	<u>Available Manpower*</u>
1949 US	\$3,500,000 (15 percent of total budget)	15,000
1950	3,500,000	15,000
1951	3,500,000	15,000
1952	3,500,000	15,000
1953	3,500,000	15,000

\*"Available manpower" represents the number of men under arms that Paraguay is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) Industrially, Paraguay does not have the capability to support its armed forces in combat.

The Paraguayan Government is not financially able to purchase sufficient US military equipment for replacement of its antiquated non-standard equipment. In almost all respects Paraguay's armed forces and equipment are many years behind those of any modern country. Men fight barefoot, and equipment is inadequate for modern warfare; however, troops, and equipment meet the exigencies of the local situation. Following each coup or attempted coup (there have been five in the past year), many officers are deported, thus depriving the country of many of the best qualified soldiers. Loyalty of the armed forces to the government in power varies with the situation. In the event that Paraguay were menaced by an enemy outside the country, it is believed that all Paraguayans, including those in exile, would immediately rally to the defense of Paraguay.

(f) Paraguay could use sufficient US military aid to equip an armed force of 15,000 men.

- 44 -

~~TOP SECRET~~

PERU

(a) Although there is strong sentiment against Communism in Peru, general willingness to resist Soviet military aggression against Europe or the US is estimated to be slight. The Peruvian Army, which numbers 32,000 men, could hardly form a significant expeditionary combat force, although it could effectively maintain internal security.

(b) If Peru should be asked, as its share of a coordinated defense plan for Latin America, to increase its armaments to the maximum practicable extent, it would probably do so.

(c) The gross national income (1947) is estimated at \$600,000,000.

It is estimated that 1,300,000 males (age 15-49) are fit for military service.

(d) Peru at present spends \$13,280,000 or approximately 2 percent of its gross national income (1947), (25 percent of its budget) on the armed forces, and presumably could devote a small additional amount for this purpose.

As of July 1947 Peru's armed forces, including the National Police Force, totalled 55,500. According to the 1940 census, 2,480,000 members or 35 percent of the population of 7,030,000 (1940) were gainfully employed. It is estimated that a total of 100,000 men could be incorporated into the military establishment without danger to the economy or to the government's political stability. Peru could provide them with food, but military equipment would largely have to be obtained from the US.

	Estimated Actual Military Budget	Available Manpower*
1949	\$13,277,000 (25% total budget)	62,000
1950	13,000,000	61,000
1951	13,000,000	61,000
1952	12,500,000	60,000
1953	12,500,000	60,000

\* "available manpower" represents the number of men under arms that Peru is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) The critical limiting factors with respect to the maintenance and development of ground, naval, and air forces are the following:

(1) Peru has no munitions industry and is dependent upon imported materials of war and manufactured products to supply its ground, naval, and air forces. It lacks sufficient foreign exchange for such imports.

(2) No scientific or technical developments, which will materially increase its ability to maintain and develop these forces, are under way.

(3) Present military equipment is a heterogeneous assortment, generally old and in disrepair.

(4) The health and educational levels of the armed forces are low by US standards.

(5) The government's lack of funds precludes the holding of well-organized periodic tactical maneuvers.

(6) Peru's economy requires imports of food, machinery, motor vehicles, metal manufactures, and electrical goods and its limitations reduce Peru's ability to maintain its armed forces.

(f) In general, Peru could effectively use only enough equipment to supply 100,000 men. Continued training by US missions would be necessary.

As of 1 December 1948, it was estimated that Peru needed \$500,000 worth of spare parts for its US tactical aircraft in order to operate them for training purposes during 1949.

- 47 -

~~TOP SECRET~~



## URUGUAY

(a) Uruguay's willingness to support the US in the event of hostilities between the US and the USSR can be relied on, but capabilities for active military support are extremely limited.

(b) Uruguay's interest in obtaining, and willingness to support, a maximum of war machinery is certain, but it can be expected to be reluctant to increase manpower to the maximum practicable extent.

(c) National income figure is not available.

There are 550,000 males (15-49), of which 420,000 are estimated to be fit for military service.

(d) Uruguay has allocated about 14 percent of the proposed 1949 budget for national defense; in view of the prospect of approximately 15 percent deficit-financing for 1949, only a slightly increased allocation to national defense would seem practical in the foreseeable future.

Armed forces could be increased from approximately 11,000 to a maximum of 50,000, but the major costs of equipping and maintaining these men would have to be borne by the US.

	Estimated Actual Military Budget	Available Manpower*
1949 US	\$15,332,000 (14% total budget)	25,000
1950	15,000,000	25,000
1951	15,000,000	25,000
1952	14,500,000	25,000
1953	14,500,000	25,000

\*"Available manpower" represents the number of men under arms that Uruguay is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) (1) Lack of military industries would necessitate procuring military equipment abroad and paying in hard currency, which is not available for the purpose.

(2) Strong popular and congressional resistance to conscription and building up a large military machine would deter the development of ground, air, and naval forces.

(3) Unless stirred by an overt, aggressive act of a foreign nationa Uruguayans would be very reluctant to participate in armed conflict.

(4) All factors considered, the army would prove effective as a delaying force acting within the country. Offensive action on even a limited scale would seem to be out of the question against any but a very weak opponent.

(f) Uruguay would effectively use only enough equipment to supply a force not exceeding 50,000 men. Uruguayan manpower would be effective in army, naval, or air forces.

VENEZUELA

(a) In the event of hostilities between the US and the USSR, Venezuela would be willing to render active military support, but its assistance would be limited to the maintenance of domestic order and the protection of vital US petroleum installations within Venezuelan territory.

(b) Venezuela is at present increasing its military establishment, and would probably be willing and financially able to increase it still further in the event of an emergency. However, for reasons of manpower and inadequate military organization, such a rearmament program probably would not be extensive enough to permit the sending of an expeditionary force.

(c) There is no information regarding the national income of Venezuela. The 1948-1949 budget of the Ministry of National Defense is US \$34,840,000, representing 7 percent of the national budget.

The manpower potential in terms of all males fit for service as of December 1947 was estimated at 845,000. This figure, however, has little practical significance, since it includes agriculturalists and ineffective manpower units.

(d) Within the critical limiting factors noted below, Venezuela could effectively devote to its military establishment 23,000 of its manpower potential, although financially it could afford further expansion.

	<u>Estimated Actual Military Budget</u>	<u>Available Manpower*</u>
1949 US	\$34,860,210	24,900
1950	35,557,414	26,800
1951	36,268,562	28,700
1952	36,993,933	30,700
1953	37,733,812	32,500

\*"Available manpower" represents the number of men under arms that Venezuela is able to support out of its own economy without prejudice thereto, assuming initial US aid in equipment but no continuing US aid other than US military missions. Physical fitness is not taken into account because it is assumed that any country (according to its own standards) can find at least as large a number of able-bodied men as it can support.

(e) Illiteracy, disease and malnutrition, lack of adequate maintenance and training facilities, and lack of adequate transportation facilities are among the critical factors which limit the maintenance and development of the ground, air and naval forces of Venezuela.

(f) Venezuela could effectively use the amount of basic arms necessary to equip and maintain a force of 23,000 men