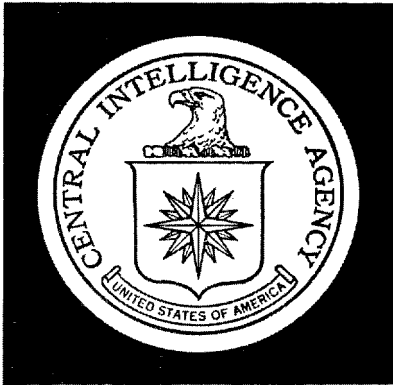


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Assessment of Latin American Military and Arms Needs

MOR/CDF

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№ 47

23 December 1966
No. 0320/66A

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ASSESSMENT OF LATIN AMERICAN MILITARY AND ARMS NEEDS*

Latin American armed forces consistently get only a small portion of the resources available within their countries yet are responsible, in addition to defense, for a host of functions normally handled in other countries by civilian entities. Because of rapid technological advancements in aircraft, communications systems, and ground weapons, these countries find themselves hard pressed to maintain their capability for national defense and internal security while keeping their defense budgets to proportionately low levels.

Recent and prospective purchases of expensive military equipment by several Latin American countries have led to talk of an "arms race" and criticism of the governments involved for spending money on armament that should be going toward houses, schools, and roads. In fact, the countries now buying modern equipment for their armed services are doing so within normal budgetary limits. They are trying to replace antiquated equipment that is costly to maintain and unsafe to operate. There is no evidence that any Latin American country is involving itself in a genuine arms race with its neighbors for either hostile or deterrent purposes. There has been no international military conflict in Latin America since the conclusion of the Chaco War between Paraguay and Bolivia in 1935, and none appears likely.

Historical Background

After winning their countries' independence from the European powers in the 19th century, the armed forces of the Latin American nations became a major

force in internal politics, along with the church and the landed oligarchy. Several major armed conflicts involving the South American nations, countless border disputes, the threat of interference in their affairs from

**Excluded from this discussion are Cuba, because of its dependence on the USSR for its arms; the English-speaking new nations of the hemisphere, which are still largely under the military protection of Great Britain; Costa Rica, which has no military forces; and Haiti, whose general economic and political situation is no longer comparable to that of the other republics.*

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Chilean soldiers wearing old
German-style helmets

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Ecuadorean army tank



Brazilian Air Force B-17s in Recife



Argentine destroyer (vintage 1943)

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Europe, and the needs of internal security gave the military an importance that led to pressure for well-trained and well-equipped professional armies and navies, instead of politically oriented forces. The trend toward professionalism in the latter half of the 19th century inspired many countries to look toward Europe and the traditional great military powers for equipment and for training.

After World War II, in which only Brazil and Mexico of the countries south of the border had forces actively involved, the nations of the area turned to the United States for assistance and arms. Spurred by the signing of the Inter-American Treaty of Reciprocal Assistance in Rio de Janeiro in 1947, the policy of cooperative hemispheric defense became the basis for equipping many of the armed services with more modern ships, planes, tanks, and guns. In 1960, new emphasis was placed on strengthening internal security against a growing threat of guerrilla warfare. Civic action was also emphasized, designed to assist in national development as well as to stem the military's continuing involvement in politics.

Professionalization and
Modernization

The military services in the major countries have achieved their relatively high level of professionalism through the establishment of military academies and technical schools. These give as fine an education as is

available in the best civilian schools and often a better education than the average university graduate receives. Academy-trained officers are frequently able to obtain further schooling in the US or in the special programs in the Canal Zone, and occasionally attend schools in European countries. Argentina, Brazil, and Chile have achieved a professional level sufficiently high to enable them to send military missions to some of the smaller countries.

The Latin American professional military men who have had this training and who are familiar with the latest developments in military technology are interested in seeing their own services adapt to the new techniques and equipment. The prestige of their nation's military is also important, especially in relations with other Latin American military forces in combined exercises. As evidence of a danger to their prestige, the officers point to the supersonic planes, missiles, and other advanced weapons possessed by African and Asian nations which they consider far less developed than their own.

The military uniform is no longer a guarantee of advanced social standing, and a military career is becoming increasingly less attractive because of low pay and poor living conditions in certain areas. Today's professional officer sees modernization as the only effective way to continue to attract young and capable people to a military career.

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Most Latin American armies are using World War II equipment which is still serviceable, especially rifles, machine guns, and similar small arms. Parts and ammunition are no problem for the smaller weapons. The Latin American armies are not seeking highly sophisticated electronic equipment, advanced missiles, or large field weapons, and there seems little likelihood that they will be interested in buying such equipment. Transport of troops and supplies is a problem, however, and they will probably become increasingly interested in the uses of helicopters and light aircraft of the type employed by United States forces in Vietnam. A demand is also developing for newer tanks and military vehicles, since the older models in most inventories can no longer be maintained except by cannibalizing vehicles or by paying outrageous prices to private suppliers for spare parts.

Several Latin nations have submarines and cruisers as well as destroyers in their navies. Argentina and Brazil also have small aircraft carriers. Some ships, including the carriers, and some cruisers and destroyers, were bought from Europe, while others were purchased or are on loan from the US. Although the carriers and cruisers are prestigious flagships, especially in inter-American maneuvers, they are quite old, expensive to operate, and hard to maintain. These countries also want improved communications and navigation equipment to support their naval forces.

It is in the re-equipping of the air forces that the latest fears of an arms race have been triggered. Most Latin American air forces are flying jet fighters and trainers developed at the end of World War II or before the Korean war, such as the US F-80 and F-86 and the British Meteor. Latin America's rugged mountains and extreme altitudes limit both the kinds of aircraft that can be used and the useful loads they can carry. Some countries have modern turboprop transports, but the work-horse C-47 and C-54 of World War II fame are still their mainstays.

Only a few countries have acquired any aerial attack capability and they use such aircraft as the British Canberra (US B-57), the older B-26, and the ancient B-17 for reconnaissance, air-sea rescue, and training. Many of their so-called modern jets, such as the F-86 and the Meteor, have been grounded for periods of up to a year because their advanced age requires extensive repair of their wings before they can again be safely flown. Other older propeller planes are used mostly for parts to keep a few aircraft serviceable.

The air forces have been hardest hit in the matter of equipment obsolescence because of the rapid advancements in aircraft technology. The nations looking for new aircraft want to be sure their purchases will not become museum pieces before they are used.

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Defense Equipment and the
Economy

Military purchases from European suppliers prior to World War II were haphazard at best, resulting in a lack of standardization. An army could have French guns, Czech rifles, Italian tanks, and British trucks. There was little effort made to do more than manufacture some small arms and ammunition at home.

Many of the Latin American countries used foreign exchange reserves built up during World War II to finance the moderniza-

tion of their services. This modernization reflected the policy implications of the 1947 Inter-American Defense Pact and the emphasis on standardization provided by the US military assistance program (MAP).

Since the initial re-equipping of the Latin American military forces after the war, defense spending by these nations has remained at a low and fairly constant level. Defense budgets form about 13 percent of the total national budgets for 17 countries (see table). Such expenditures for the most part are

LATIN AMERICAN DEFENSE SPENDING

COUNTRY	% of BUDGET			% of GNP			1966 Est. of Defense Expenditures (Millions of \$US) **
	1964	1965	1966*	1964	1965	1966*	
Argentina	15	12	13	2.0	1.5	1.6	220
Bolivia	10	15	13	1.2	1.7	1.4	12
Brazil	16	16	18	4.0	3.0	4.0	576
Chile	10	11	11	2.0	2.5	2.4	158
Colombia	14	14	14	0.9	0.9	0.8	48
Dominican Republic	22	24	22	5.1	4.7	4.7	40
Ecuador	9	10	10	2.0	2.0	2.0	25
El Salvador	11	10	8	1.2	1.3	1.1	10
Guatemala	9	8	9	0.9	1.0	1.0	14
Honduras	10	10	9	1.3	1.2	1.2	7
Mexico	10	10	10	0.7	0.7	0.7	155
Nicaragua	10	9	10	1.1*	1.1	1.4	9
Panama	7	7	5	1.0	1.0	0.8	5
Paraguay	28	24	26	2.5	2.6	3.5	16
Peru	20	17	16	3.4	3.8	3.3	118
Uruguay	10	8	8	1.7	1.5	1.4	14
Venezuela	10	10	10	2.6	2.2	2.2	174
17 Republics	13	13	13	2.0	1.9	1.9	1,601

* Estimated

**Effective exchange rates used to derive dollar values.

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equivalent to only about two percent of their gross national product. The percentages of budget and gross national product vary widely from country to country, according to the level of sociopolitical development in each country. Generally, however, a growing emphasis in the hemisphere on spending for social and economic development programs has constrained military expenditures. Severe balance-of-payments problems in most countries, moreover, have contributed to the reluctance to buy advanced weapons systems that require large foreign exchange expenditures.

It must also be noted that most armed forces budgets include a host of expenditures that are for nonmilitary purposes. These cover such functions as air traffic control, mail delivery, health services, housing and road construction, communications, and operation of airline services. For example, 30 percent of the budget of the Brazilian Air Force is devoted to items that would be handled by civilian agencies in the US. The military budget figures often also include the cost of maintaining the national police forces.

The Current Quest for Arms

The concentration of arms purchases concluded recently by several Latin American countries

has given the impression that there has been a sudden upsurge in this activity. Actually, these purchases have been provided for in the budgets of the nations involved. In some cases they represent the culmination of up to two years of negotiations and shopping. They do not signify an increase in defense spending as a percent of national budgets, and there is no indication at present that any increase is contemplated by the nations involved in seeking further new equipment.

Argentina, Brazil, Chile, Peru, and Venezuela have all expressed interest in purchasing the US-built F-5 supersonic "Freedom Fighter," a twin-jet tactical aircraft that can be used in a variety of roles. The F-5 is already being supplied to a number of African and Asian countries. When the US decided to postpone sales of the F-5 to Latin America, Argentina agreed to accept the older and slower A-4B, since it could get this model at an attractive price. However, the demands of the war in Vietnam prevented further sales of the A-4B, and the other nations which wanted the newer planes were offered only the venerable F-86. Therefore, Chile turned to Great Britain for Hawker Hunters, an aircraft similar to the A-4B, but far more expensive. Brazil, on the other hand, asked the US for jet trainers, apparently with the idea of

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either waiting for the time when the F-5 finally is made available, or eventually looking to Europe for tactical planes. Peru's Air Force leaders have rejected offers of the F-86, saying that it would be like buying a "Model-T Ford," but they have been unable to find a satisfactory substitute that they can afford (see Table).

These same countries have been less insistent on buying newer ships for their navies. Argentina's Admiral Varela has been most vigorous in trying to improve his fleet, some elements of which were built before World War II. Argentina would like to revamp its carrier to launch modern jets and there were rumors earlier this year that Chile would

also like to have a carrier. It appears, however, that the greatest demand will be for newer destroyers and smaller ships, which are more practical and easier and cheaper to operate than the larger vessels. Although there has been a good deal of shopping, there have been no recent purchases of major ships by any of the countries mentioned.

Attitudes Toward an Arms Limitation Agreement

The governments of the countries currently buying new military equipment have generally expressed surprise and consternation that they would be accused of entering an "arms race." Several of these same governments have

CURRENT STATUS OF JET AIRCRAFT PURCHASES

COUNTRY	TYPE AIRCRAFT	NUMBER	COST \$US	TO REPLACE
Argentina	US A4B subsonic fighter-bombers	24 (12 delivered Nov. 1966)	8.5 million	Grounded F-86 and Meteor jets
Brazil	Negotiating for US T-37 subsonic jet trainers	30	7.5 million	Antiquated T-6 propellor trainers
Chile	British Hawker Hunter subsonic jet interceptors	21	20 million	F-80, T-33 jets
Peru	Looking for sub- or supersonic fighters			F-80 and F-86 jets
Venezuela	US F-86K subsonic fighters (purchased from W. Germany)	74 (28 for parts)	2 million	Older British and US jets

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indicated their interest in discussing an arms limitation agreement among the Latin American nations and have suggested that it might be a valuable subject for discussion at the proposed summit conference of Western Hemisphere chiefs of state, which may be held next spring.

The government leaders of the major countries generally agree that there is no arms race, and that they are not buying arms with money that should be diverted toward nonmilitary development. Nevertheless, they tend to be critical of each other's arms agreements. Also, the presidents of some of the smaller countries, who are not under pressure for modernization, have been severely critical of the larger countries for buying arms. Thus, there is a good possibility that some general statement on arms limitations, if brought up at the summit meeting, would be approved. Such a ban might cover heavy weapons, nuclear armaments, bombers, and missiles, which would be of little use to the nations involved.

Conclusion

Although there is no arms race among Latin American nations

and there is little likelihood that there will be one, especially if the MAP program is maintained, these countries will continue to seek new equipment. In order to maintain their capability for national defense and internal security, the Latin American republics must consider the replacement of aging machinery, the development of new techniques and training, and the capabilities of neighboring countries in planning for the future.

The countries which are unable to buy new equipment under the US MAP program can be expected to turn toward European suppliers or even Japan. Although the European suppliers agree generally that excessive defense spending would be a mistake in Latin America, they will, for financial reasons (Great Britain) or in an attempt to expand their influence (France), continue to try to sell their planes, tanks, and ships. There seems little chance that the Latin countries will ever really be interested in obtaining arms from Communist bloc nations since most Latin governments are strongly anti-Communist. (CONFIDENTIAL NO FOREIGN DISSEM)

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