

TRANSMITTAL SIGNATURE

14 May
DATE

TO: *Mr Bundy*

BUILDING

ROOM NO.

REMARKS:

FROM: *Mr*

STAT

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SECURITY INFORMATION

14 May 1952

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MEMORANDUM FOR THE RECORD

SUBJECT: Mr. Montague's comments on draft for NIE-66

1. I agree with much of what is said in Section I "General." It should be noted however that most of the difficulties noted arise from a difference in concept as to the nature of an NIE. My indoctrination on NIE's has admittedly been brief, but the following constitutes the concepts governing the subject draft:

a. A national estimate should tell the what of the situation and explore possible developments that might affect the US. In other words, it should not be the case history, but the diagnosis of the disease and the prognosis of possible effects. The majority of its readers are probably in two groups: those who know the background and those who don't need or care to know it. Therefore, the briefest possible statement of the nature of the malady and its effects is required. The specialists can discuss on the basis of the interpretation of the case history whether the diagnosis is correct and whether or not the disease is far advanced.

b. A brief treatment, like that given Guatemala, appears ideal to me. The situation in Guatemala is nearly as complicated as that in Argentina and is less well known both to specialist and general reader. Yet a brief treatment allowed an assessment of the situation and served all purposes that appear possible in an NIE. It should be reserved to an NIS study or other lengthy papers to detail and interpret basic sociological, political, and economic factors that determine a current situation.

2. State's Contribution

This was good on its summary of historic background and elements in the present economic and labor situation. I feel, however, that it did not and could not in 41 pages adequately "explain" the situation. There are other factors that would have to be taken into account in such a socio-historic study. Moreover, I am not in agreement with the selection of factors in relation to the "Probable Future Developments" that are given in the last pages of the paper. Manifestly, it is the job of the estimator to select the conclusions that he believes in and there will always be a disparity if he does not go back and write the parts of the historic background that point to the conclusions selected. That is the

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difficulty in the alternate method suggested in Mr. Montague's Section I. Unless one accepts all the conclusions of a paper like State's, he would have to go back and write all the background in the same scale in order to "justify" such conclusions. It would appear to be more helpful to set up a brief statement and then discuss with the agencies the qualitative shading that might be accepted within the same focus.

I will mention only one divergence with State. State discounts almost entirely in its conclusions the possibility of increased Communist influence within the CGT or the government, during Peron's incumbency or thereafter. Inasmuch as this is the chief danger to US interests, I have stressed it more. It also appears to me that even the historical background given by State indicates that the proletariat and not the Army may well be the rising force of the future in Argentina. Certainly it is the one that adds something new to the traditional Latin-American picture and requires special attention.

3. Sections III, IV, and V of the subject comments are all useful and applicable within the limits established by the basic concepts mentioned in paragraph one.

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cc: Dr. Kent
Mr. Montague
Mr. Bundy ✓

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