

ESS

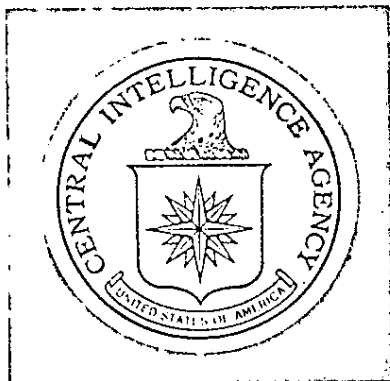
Secret

No Foreign Dissem

23 SEP 1968

RF

...



DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

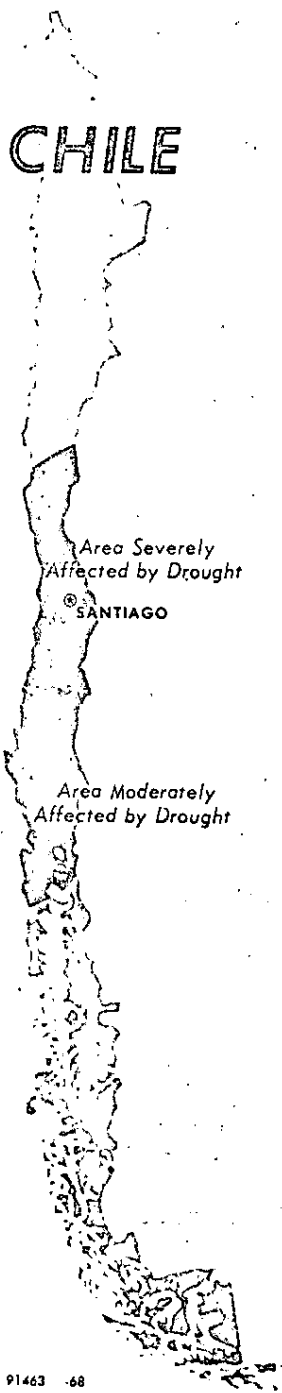
Secret

1013

20 September 1968
No. 0038/68

SECRET

CHILEAN DROUGHT CAUSES RURAL UNREST



The most severe drought in Chile in more than a century is causing unrest among landowners and their workers and sharecroppers. Rainfall in the northern part of the agriculturally important Central Valley is only 20 percent of normal this year, and snowfall in the Andes, on which Chile depends for summer irrigation, has been very light. As a result, agricultural production could decline by more than 25 percent. In addition to the problems caused by the drought, the landowners continue to be squeezed by credit restrictions, price controls, and high taxes.

Against this background of economic hardship, charges of widespread rural unemployment and large-scale firings of peasant workers are being heard. The landowners claim that they cannot absorb the drought losses without dismissing some workers. The workers claim that even if this is true, the owners are using drought-induced layoffs to get rid of rural union leaders and "troublemakers." Even the minister of the interior, who usually takes a relatively hard line against strikers and labor agitators, has stated that owners who dismiss their help now should have their farms seized by the workers. Seizures have already occurred in several places, and medium- and large-scale farmers are banding together and some are arming themselves to counter threatened seizures.

Some leftists, both inside and outside the government, wish to capitalize on the drought problems by accelerating expropriations under the agrarian reform program. They claim that drought relief programs will only strengthen the

91463 -68

SECRET

SECRET

private agricultural sector and that farms should be turned over to the workers before such relief is implemented. The agrarian reform agency, which is already under fire because of its inefficiency, may indirectly encourage workers to take over the

drought-hit farms while expropriating the better ones itself. It may also decide to concentrate its future efforts in the south, which has been less affected by the lack of rain.

[Redacted]

25X1

NEW APPROACHES NOT LIKELY TO SOLVE ECUADOR'S PROBLEMS

The Velasco administration's hastily conceived measures for Ecuador may well be sowing the seeds of renewed political instability and a more serious fiscal crisis.

come possibilities that the deficit process will probably accelerate. Portions of the budget were adopted with complete disregard of their contents.

25X6

Jose Maria Velasco has made several major moves intended to alleviate the fiscal crisis that was his most urgent problem when he became president for the fifth time on 1 September. They are not likely to solve Ecuador's basic and chronic financial difficulties, however, and have already aroused political opposition. Among the palliatives are plans to nationalize control of major imports and exports, the renegotiation of the concession contracts for oil reserves recently discovered, and a variety of tax changes.

[Redacted]

In his personalist exercise of power, Velasco has always rated the supposed personal loyalty of his subordinates above any other qualifying factor. This policy helped destroy the effectiveness of his past administrations.

25X6

Ecuador's skyrocketing budget deficit will probably reach some \$50 million by the end of 1968, and the 1969 budget hastily conceived and passed by the congress in early September sets expenditure levels so unrelated to in-

[Redacted]

25X6

25X1

25X1

SECRET

Page Denied

Next 6 Page(s) In Document Denied

3/9/73

SECRET

ARGO Chronology

1966 - Agreement by DCI and President's Science Advisor that a study would be undertaken under auspices of the Science Advisor ^{Advisor} to determine applicability of TK materials to Civil Agencies' activities.

November 1966 - Project ARGO initiated jointly by [redacted] 25X1
Special Assistant to the President for Science and Technology and Secretaries of Agriculture, Commerce, Interior and Transportation; Administrators for A.I.D. and NASA; Director, OEP, and O.C.E. Civil Works Directorate.

February 1968 - After clearing appropriate officers from each of the Civil Agencies involved, and considerable work with TK materials at NPIC and at

[redacted] a local cleared contractor's facility, a report was 25X1
issued which presented strong evidence that the then present intelligence systems could be of service to their operations. Two recommendations were included in [redacted] forwarding memo to the Heads of the Agencies who 25X1
participated in the study:

1) that there be established a mechanism whereby the Agencies could routinely make their needs and interests known to the Intelligence Community; and

2) that each Agency evaluate the ARGO conclusions from the standpoint of its own interests and write a report on its findings, which would include the definition of "pilot" studies they planned to undertake. 25X1

February 1968 - A letter from [redacted] then Acting Chief, DD/I Information Requirements Staff, to [redacted] AC/DCI/NIPE, in response to comments 25X1
in [redacted] letter stated, among other things: "It appears that paragraph 2 of the letter is too positive about the benefits derived from the photography 25X1

SECRET

SECRET

by the civilian agencies;" and "it is essential under current budgetary and personnel restrictions that the workload imposed on NPIC by future civilian programs be held to a minimum and that services to those agencies must be subordinate to NPIC's primary mission." (As of this date NPIC has expended 3,279 man-hours in supporting Project ARGO.)

March 1968 - Letter from Mr. Helms to [redacted] states that [redacted] would represent him for liaison with [redacted] as Chairman of the ARGO Steering Committee. Two concerns noted: "protection of this vital source of intelligence," and "use of this material for civilian purposes (should) not compete with the collection of exploitation of satellite photography for intelligence purposes."

25X1

25X1

July 1968 - Memo from [redacted] to Civilian Agency heads proposing to continue ARGO Steering Committee as a mechanism which would (1) collect and consolidate needs, (2) make those needs known to intelligence community and, (3) discuss procedures for handling classified photography.

25X1

1969 [redacted] facility established to accommodate Civil Agency use of TKH materials.

25X1

May 1970 - Letter from Director, NPIC to DD/I noting that: "Civil uses of satellite photography, and civil plans for developing satellite photographic systems, have reached a point at which I have become concerned about the involvement of intelligence resources," and "Let me make clear that I and my colleagues in NPIC believe that the U.S. government should push ahead vigorously with a satellite earth resources program for civil purposes."

SECRET

SECRET

October 1970 - Memo for Heads of Civilian Agencies and NPIC from [redacted] transmitting ARGO Steering Committee Charter, also stating, "It is my belief that the achievement of the ARGO goals is essential if the government is to realize the opportunities inherent in the resources which we possess and I hope you will encourage their imaginative use."

25X1

November 1972 - Memo for ARGO Committee from [redacted] Chairman, ARGO Committee noting plans for ARGO meeting in December 1972.

25X1

November 1972 - M/R from [redacted] noting subjects he had suggested to [redacted] for 15 December ARGO meeting: a) explore possible use of WAG or WAC cell ~~WAGE II~~ indexing by NASA, b) Review and update of civil agency requirements in light of ERTS materials, c) Study of civil requirements against automated and manned systems and, d) briefing by EPA and OCE on the [redacted] contract.

25X1

25X1

25X1

15 December 1972 - ARGO meeting held in NEDB, ~~was~~ chaired by [redacted] OS&T and attended by representatives from: State, OCE, USGS/EROS, NPIC, OEP, OMB, NRO, NASA, ETC, NOAA, EPA and COMIREX. Agenda was essentially as suggested

25X1

25X1

January 1973 - Future status of ARGO is now undetermined with ~~device~~ ^{demise} of OST.

9 MARCH, 1973

25X1

SECRET

Page Denied