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DATE: 04-Apr-2011

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The Director of Central Intelligence

Washington, D. C. 20505

EO 13526 3.3(b)(1)>25Yrs
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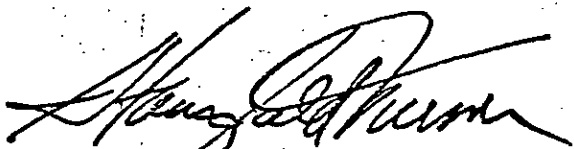
8 DEC 1979

ALERT MEMORANDUM

MEMORANDUM FOR: National Security Council

SUBJECT : Argentina-Chile: Beagle Channel Dispute and the
Potential for Conflict

Argentina continues to move substantial military forces, equipment, and naval units south with the apparent intent to strengthen its territorial claims to the South Atlantic by seizing a couple of uninhabited islands south of the Beagle Channel (probably the Evout and Barnevelt Islands), and possibly some Chilean territory on the mainland. Although Argentina and Chile have agreed to have their Foreign Ministers meet on 12 December to identify a mutually acceptable mediator for their dispute and to work out issues related to territorial jurisdiction in the region, it seems unlikely that any substantive progress will be made. Argentina will be prepared to make a military move after 15 December. Should hostilities break out, Chile will almost certainly invoke the Rio Treaty.


STANSFIELD TURNER

Attachment:

NI IAM 78-1003J

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SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED~~

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

[]
Copy 77
8 December 1978

ALERT MEMORANDUM*

ARGENTINA-CHILE--THE BEAGLE CHANNEL DISPUTE
POTENTIAL FOR CONFLICT (U)

We have increasing indications that Argentina's armed forces are prepared to initiate hostilities over the Beagle Channel dispute in mid-December if Chile does not make substantial concessions at the Foreign Ministers' meeting scheduled for 12 December.

By 15 December, three days after the Foreign Ministers of Argentina and Chile meet in what may be the final peaceful attempt to resolve the Beagle Channel crisis, both nations will be ready for large-scale military actions in four potential theaters of operation that include northeastern Chile as well as the Beagle Channel - Cape Horn area. []

**The Alert Memorandum is an interagency publication issued by the Director of Central Intelligence on behalf of the Intelligence Community. The Alert Memorandum was in use from 1974 through 1976, and the procedures for this intelligence alerting device were last approved by the United States Intelligence Board on 9 January 1975. The DCI recently reorganized the warning structure within the Intelligence Community and appointed a National Intelligence Officer for Warning to oversee the development of procedures and to assist the Community in developing an increased awareness of its warning responsibilities. The revival of the Alert Memorandum is undertaken as a part of those responsibilities. Comments on the procedures for warning should be addressed to the National Intelligence Officer for Warning []. This memorandum has been prepared in consultation with The Bureau of Intelligence and Research, Department of State, the Defense Intelligence Agency, and the National Security Agency. []*

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[redacted]

All warships stationed in Puerto Belgrano--the main Argentine naval base--are already in a 24-hour readiness posture. Final Argentine Army deployments are to begin this week with combat units from the Army's four corps to be positioned along the border and in the disputed area; six or seven new regiments of conscripts and recently trained reservists have reportedly been activated.

[redacted]

This massive deployment of force could mean that:

- Argentina is continuing its efforts to intimidate the Chileans into territorial concessions;
 - Argentina is making a tactical move to hold down Chilean military forces along the Andean border while it attacks one of the Beagle islands or smaller islets near Cape Horn;
 - Argentina is prepared, either as a primary or secondary military move, to occupy Chilean territory outside of the Beagle area as well.
- [redacted]

All available information suggests that if hostilities ensue, Argentina will be the aggressor. Hardline Argentine military commanders are highly critical of President Videla's efforts to reach a peaceful settlement, and the President probably is losing control of the situation. Videla is being faulted not only for what hardliners perceive to be inept handling of the Beagle Channel issue but also for the inefficiency of his system of consensus government and his firm support of his economics minister. Since Videla retired from the Army on 1 August and turned over command of that service to an Army colleague his presidential authority has eroded. Reports in early November suggested that nationalistic officers were talking of replacing Videla, but we have no firm evidence of serious coup plotting.

[redacted]

These hardline commanders apparently do not expect results from the Foreign Ministers' conference and are

[redacted]

insisting on a major policy role in the Beagle Channel dispute. [redacted]

[redacted]

[redacted] This information--buttressed by other sources--reflects the Argentine high command's determination to take decisive action to resolve the dispute in their favor if the Foreign Ministers' meeting fails. [redacted]

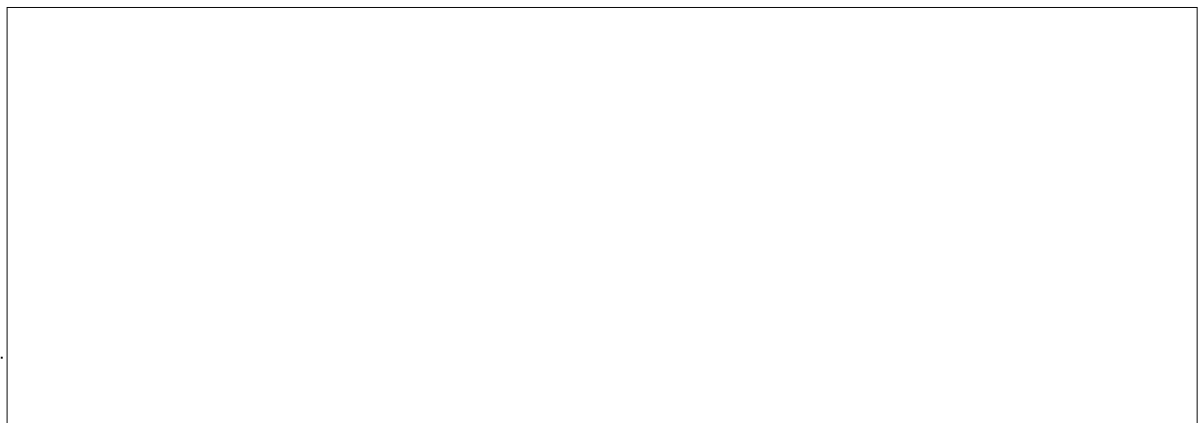
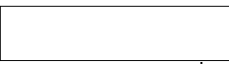
At the same time, there are indications that the Argentine Foreign Ministry is actively seeking to resolve the dispute peacefully. [redacted]

[redacted]

The Argentine high command reportedly has ordered all operational units of the armed forces to be fully deployed and ready for combat by 15 December. In recent months, Argentina has purchased between \$550 million and \$750 million of military equipment and ammunition abroad--only some of which, however, has been delivered and is ready for use. [redacted]

Earlier estimates by the Chileans that Argentina was bluffing--a possible factor in their previous diplomatic inflexibility--have changed to pessimism about a peaceful outcome. Whether the Chileans think Argentine military moves would be local or general is not known. Given their present pessimism, however, they doubtless fear both possibilities and are preparing for them. The Chilean riposte to a localized Argentine attack most likely would be a limited military countermove and a heavy reliance on quick international pressure to end the hostilities. Argentine occupation of Chilean territory well away from the southern zone will surely bring a full-scale Chilean military response. [redacted]

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