

1DCS 30-81 19 February 1981

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Security Assistance Policy--Argentina/Chile (U)

- 1. The Joint Chiefs of Staff recently proposed* a series of action recommendations to enhance US security interests in Latin America. One of the issues, legislative restrictions on security assistance for Argentina and Chile, must be highlighted early in this Administration because of the lengthy process involved in changing laws. It now appears both timely and prudent to reevaluate the efficacy of current law and policy.
- 2. (A) The geo-strategic importance of the southern cone of South America and the politico-military influence wielded by Argentina and Chile dictate that US military and strategic interests in that area be addressed on a priority basis. These interests will be significantly enhanced if legislative action is taken to repeal those portions of the Foreigh Assistance Act of 1961, as amended, and the International Security Assistance and Arms Export Control Act of 1976 that restrict security assistance programs for Argentina and Chile.
- 3. Without question, significant political implications are involved in repealing the applicable laws and directives. affecting US security assistance policies toward Argentina and Chile. However, the need for repeal is urgent. As a result of these laws and policies. US military relationships with Argentina and Chile have steadily deteriorated, with an attendant loss of influence and leverage with these and other South American governments. Chile and Argentina, as

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well as other countries in the region, are beginning to define their national interests independently of the United States. The human rights conditions that led to the imposition of current US laws and policies have significantly improved over the past few years. Prolonging the existing situation will almost certainly make it more difficult to . rebuild advantageous security assistance and corollary military relationships. Both Argentina and Chile have immediate requirements for security assistance. United States will not meet those requirements, both countries will almost certainly acquire their military equipment and training from others. For example, Argentine officials have recently informed the United States that a \$3 billion Argentine Air Force modernization program decision must be made by June 1981; further, the Argentine Navy intends to make a decision in CY 1981 on the replacement of its aging maritime patrol aircraft. Both decisions will have sweeping effects on military preparedness, regional balance of power, and US-Argentina cooperation on security interests for the next 20 years. It is thus in the militarystrategic interest of the United States that it return to a more cooperative security assistance relationship with both countries.

4. In view of the above, request that you confer with the Secretary of State and urge that he initiate legislation to repeal the restrictions imposed by Section 620B of the Foreign Assistance Act of 1961 and Section 406 of the International Security Assistance and Arms Export Control Act of 1976. Both the near-term problem of the Argentine aircraft purchase and the broader issue of restricted sales must be addressed. Additionally it is requested that you in concert with the Secretary of State, ask the President to immediately remove any administrative limitations currently preventing the transfer of previously purchased defense articles and services.

For the Joint Chiefs of Staff:

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THOR HANSON

Vice Admiral, USN

Director, Joint Staff

Reference:

* JCSM-284-80 of 24 November 1980, "US Policy Toward Latin America (U)