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Sub-committee A L A

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E.O. 11652, Sec. 3(E) and 5(D) of (E)	975
By: K.A.	Date 2/11/75

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Papers -
Sub-committee ALA

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DEPARTMENT OF STATE

DIVISION OF THE AMERICAN REPUBLICS

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SECRETMEMORANDUM

11/21/44

CERTAIN ACTIVITIES OF THE WAR DEPARTMENT AND ARMY OFFICERS
IN THE OTHER AMERICAN REPUBLICS

The Department understands that the War and Navy Departments believe that the danger of a serious attack on this hemisphere has passed, a view in which this Department concurs. This being the case, it is evident that political considerations must resume their paramount position in determining the policies to be pursued in our relations with the other American republics.

The Department believes that certain practices which have grown up should now be abandoned, for example:

1. Visits of high-ranking officers should not be undertaken, in the absence of urgent and imperative military reasons, without prior clearance with the American Embassy in the country to be visited. The reasons for this point of view are as follows:
 - (a) Such visits are frequently represented by the local governments as constituting an endorsement of them by the Government of the United States, with consequent charges by the opposition of intervention in internal politics on our part.
 - (b) Their purposes frequently are misinterpreted locally and give rise to misgivings and suspicions.
 - (c) They sometimes produce confusion and lack of correlation in our foreign relations because the Ambassador is not fully informed of their purpose.

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Examples:

Visits of Lieutenant General Brett, Commanding General, Caribbean Defense Command, to the Dominican Republic, Bolivia, Ecuador, and Colombia; certain of these visits, notably that to the Dominican Republic, were played up by the local governments as an endorsement of them by the United States. A visit to Guatemala was narrowly prevented at a peculiarly delicate moment in Guatemalan internal politics. In Ecuador General Brett stated that he was acting as a personal representative of the President.

Another example of travel regarding the nature and purpose of which neither the Department of State, nor the diplomatic mission, has as yet received any official information is the current visit of Lieutenant Colonel Frank C. Carey to Bolivia, despite the fact that such information was requested of the Department of War by the Department of State in a communication of October 12, 1944.

2. Under no circumstances should direct correspondence or negotiations be undertaken by officers in our military service with chiefs of state or other high officials of foreign governments. Such officers should, moreover, be enjoined from discussing pending business, including military business, with foreign officials, unless the diplomatic mission in the country in question has first been informed and given an opportunity to express its objections. The Department feels that the following are valid reasons for this point of view:
 - (a) Negotiations with foreign governments through other than diplomatic channels frequently result in confusion in the policies governing our relations established by the Department of State, and in obvious conflicts between the viewpoints of two or more departments of this Government.
 - (b) Such negotiations lead foreign governments to believe and act on the premise that their objectives can be achieved without reference to the Department of State or the diplomatic missions.

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Examples:

In the spring of 1944 General Brett discussed with the Panamanian authorities a plan for the rebuilding of the Chepo road. This plan had not been approved in advance either by this Department or by the Public Roads Administration which was to build the road; the latter, in fact, opposed the plan. The resulting embarrassment is obvious.

General Brett appears to have corresponded directly with President Somoza regarding the furnishing of arms and to have given the latter the impression that they would be forthcoming. In as much as the Department of State is making every effort to curtail shipments of arms to the other American republics (see point 4 below) this was unfortunate.

General Brett recently made an offer directly to the Panamanian authorities, without prior clearance with the Embassy at Panama, to attempt to secure rice in Ecuador and transport it free of charge to Panama to alleviate a shortage of this commodity in the latter country. This irregular procedure took no note of the established diplomatic practice for submitting such offers. This case also had very embarrassing consequences for the Embassy in Ecuador, where United States military officials, acting on information from General Brett, requested the Embassy to make the necessary export arrangements with Ecuadoran officials to permit the United States Army to export the rice without the payment of the usual export tax. The Embassy was not informed that this rice was destined for Panamanian consumers and secured the export permits from the Ecuadoran Government on the assumption that it was to be used by the United States Army. Subsequent requests from United States military officials for a similar waiver of export regulations in order to ship rice to Panama were received by the Embassy, and it was only after two such permits had been obtained that the Embassy ascertained from a source, other than military officials, the true destination of the rice. As a direct consequence of its generosity toward what it thought to be the United States Army, Ecuador has suffered itself from a rice shortage.

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This embarrassing situation could have been avoided if the military officials concerned had given the Embassy at Quito complete information.

During his recent visit to Ciudad Trujillo, General Brett apparently discussed with President Trujillo, without prior consultation with the Embassy, the Dominican President's desire to secure several planes for the newly-formed Dominican Aviation Company. Subsequently, the Dominican Government cabled the Dominican Embassy in Washington as follows:

"DIRECT ALL YOUR EFFORTS TOWARD SECURING THE PLANES REQUESTED FOR THE COMPANIA DOMINICANA DE AVIACION. SEE THAT THE REQUEST IS REFERRED TO GENERAL BRETT. WE ARE SURE OF SUCCESS IF THIS METHOD IS FOLLOWED."

It is obvious that by his personal discussion with President Trujillo without the knowledge or prior clearance of the Embassy, General Brett had, however unintentionally, left the impression that the planes might be secured through other than normal diplomatic channels.

A representative of the Dominican Embassy at Washington recently approached General Clay with a request for rifles for the Dominican Army. Although General Clay stated that the request would have to be discussed with the Department of State, and the Dominican representative did subsequently inquire informally of the Department as to its attitude, the Department has ascertained that his conversation with General Clay left him with the impression that the War Department was favorably inclined to the proposal when circumstances would permit the delivery of the rifles.

Certain officers of the Army Transport Command recently visited Chile under orders issued by General H. H. Arnold through General George, head of the ATC, for the purpose of participating in a survey of the possible expansion of commercial air routes in that country. This visit was not cleared in advance with either the Department of State or the Embassy, neither of which received any information with regard thereto from the War Department, and the survey was carried out without reference to or consultation with the Embassy. The visiting officers stated their

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orders were to report upon their visit directly to Generals George and Arnold.

3. Army officers should not make public statements regarding political conditions in other American republics. This position is supported by reasons similar to those outlined under points 1 and 2 above.

Examples:

General Brett, on his return from the Dominican Republic, gave the press an interview in which he spoke very favorably of Trujillo's work despite the fact that Trujillo is not regarded as precisely the type of individual this Government wishes to encourage. Subsequently, an autographed photograph of General Brett was forwarded to Trujillo by special Army plane.

4. The threat of a serious attack on this hemisphere having ended, political considerations should, with certain exceptions, be paramount in determining the broad basis for allocation of arms, ammunition or implements of war to the other American republics, and important allocations should be cleared with this Department. The reasons for this position are as follows:
 - (a) arms furnished by this Government are frequently used either to maintain in power or to overthrow the governments of other American republics, thereby leading to charges of intervention by this Government;
 - (b) these supplies serve to stir up suspicion and hostility between the American republics, thereby threatening the peace of the hemisphere;
 - (c) among non-favored republics the furnishing of supplies to other republics awakens resentment against the United States.

Because the Department has no control over arms shipments embarrassing, unfortunate, and ridiculous situations have at times arisen.

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Examples:

Ambassador Briggs did not hear of the assignment of six planes to the Dominican Republic until he was informed that the planes were about to be delivered. Neither he nor the military attaché knew under what circumstances the planes had been requested or what types had been assigned.

Ambassador Braden has reported the following cases to the Department:

- (a) delivery by the Cuban Government of six Aeronca planes, which had been furnished under lend-lease (without the United States Embassy's approval) to an unofficial flying school in Cuba;
- (b) the private use by a Cuban Army officer, on his sugar estate, of a lend-lease jeep or jeeps.

In all of the Central American countries the charge has been made that lend-lease equipment has been used to maintain the established governments in power. In Guatemala, El Salvador, Ecuador, and Bolivia lend-lease equipment was actually used during revolutions. (In none of these cases has it ever been used against our common enemies.) In Costa Rica lend-lease equipment, still bearing United States insignia, was used to maintain order and intimidate the opposition during the presidential elections.

5. The position of the military attachés as members of the staffs of the chiefs of missions, as agreed upon by the State and War Departments and defined in the War Department's circular letter no. 24 of May 3, 1944 to all military attaches, should be impressed upon the attachés. In particular, they should be enjoined scrupulously to follow the directives of the chief of mission in all activities having political implications.

Examples:

In many instances military attachés have failed to report to chiefs of mission information which they have received regarding allocations of lend-lease material having political implications.

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In seeking information, military attachés have often acted in such a way as to cause embarrassment to the chief of mission. The indiscreet use of paid agents, the making of thoughtless political comment when seeking information, and indiscreet establishment of contacts are examples in point.

On certain occasions military attachés have discussed matters having political implications with officials of foreign governments without having first cleared the matter with the chief of mission. For example, it recently became necessary to withdraw an assistant military attaché from Nicaragua because he had written to President Somoza contrary to the Ambassador's instructions and then denied having done so.

6. In as much as the sending of and activities of military missions have political implications, no military mission should be sent or changed in composition without prior clearance with the Department; and military missions should cooperate closely with the local chief of the diplomatic mission in all activities having political implications.

Examples:

Military missions, as military attachés, have frequently failed to keep ambassadors informed regarding lend-lease allocations and deliveries.

Missions, as military attachés, have manifested sympathy for reactionary and undemocratic regimes. For example, the Embassy at La Paz reported in August, 1944 that "certain members of the United States Military Mission have given the Bolivian military group comfort and encouragement."

The War Department is now trying, in connection with the revision of the agreement with Guatemala for a military mission, to make all changes in composition, organization, and size of the mission the exclusive concern of a representative of the War Department and the Government of Guatemala.

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DEPARTMENT OF STATE

DEPARTMENT OF STATE
OFFICE OF
AMERICAN REPUBLIC AFFAIRS

Transmitted to Field (Form DS-5)

To: Embassy
Buenos AiresMemorandum of ~~Conversation~~ ^{MEETING}

MAR 5 1948

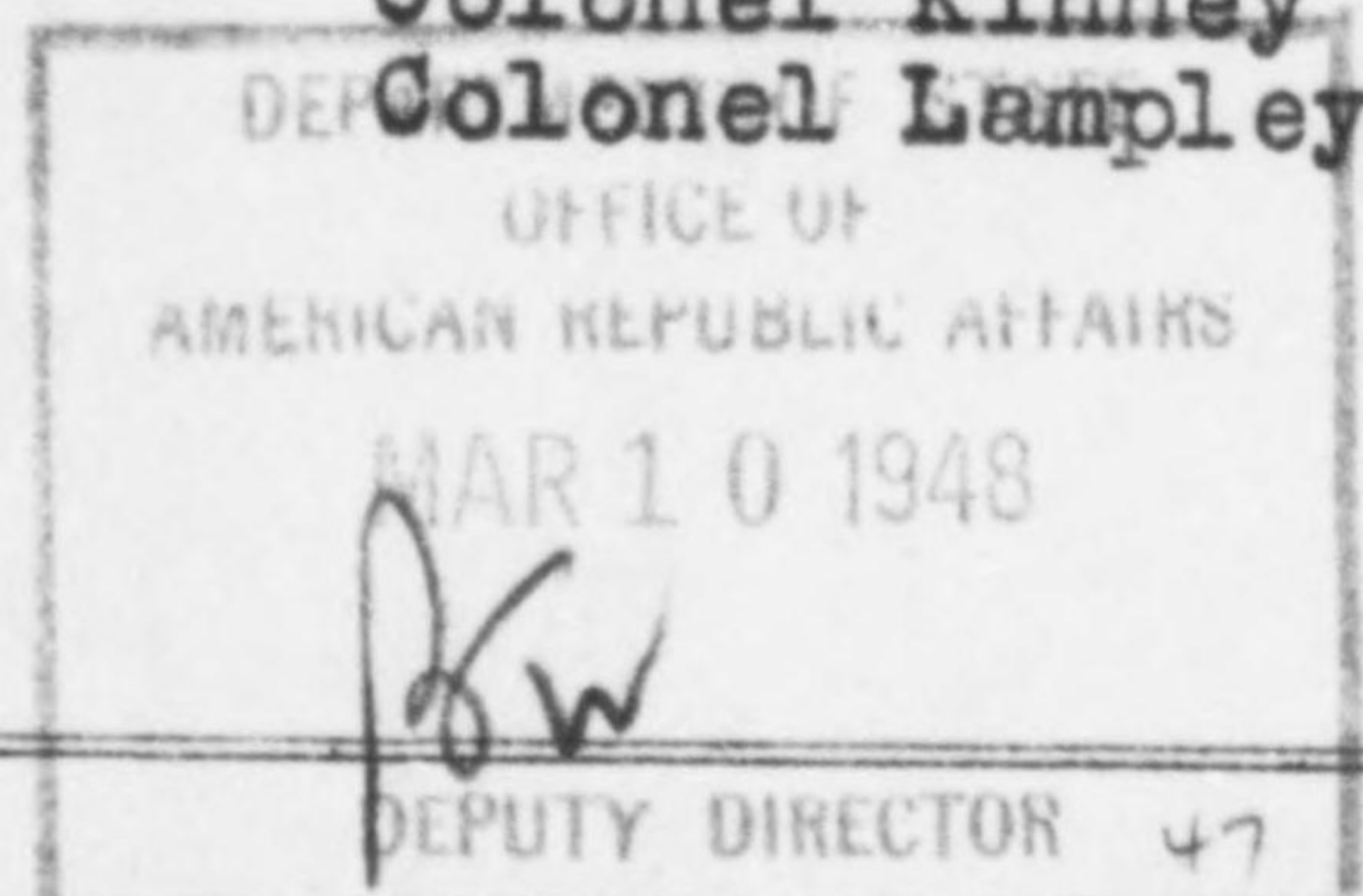
For: Information

Div: RPA By: HD Date: 3/23/48

DATE: March 3, 1948

SUBJECT: SANACC COORDINATING SUBCOMMITTEE FOR LATIN AMERICA

PARTICIPANTS:	<u>State</u>	<u>Navy</u>
	ARA - Mr. Daniels	Captain Gladney
	ARA - Mr. Woodward	Captain Mitchell
	IA - Mr. Dreier	
	IA - Mr. Spencer	
COPIES TO:	<u>Army</u>	<u>Air Force</u>
	Colonel Ordway	Colonel Kinney
	Colonel Freeman	Colonel Lampley
	Colonel Franklin	



The following topics were discussed at a meeting of the SANACC Subcommittee on Latin America, March 3, 1948:

Request of Argentina for arms

Colonel Kinney stated that General Cannon, of the Department of the Air Force, would soon visit Argentina, at the request of the Argentine Air Force. He stated that Argentine officials would probably ask General Cannon what types and numbers of aircraft the U.S. Government would approve for export to Argentina. Colonel Kinney expressed the opinion of the Department of the Air Force that Latin American countries should be permitted to purchase freely in the open market. As an argument in favor of this position, Colonel Kinney referred to the Gloucester Meteors and Lincoln Bombers which Argentina has purchased in England. Colonel Kinney suggested that purchases of this kind should be made in the United States rather than in European countries.

Mr. Daniels stated that although the State Department's policy regarding the export of aircraft to Latin American

countries

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countries had recently been liberalized, according to the latest position of the Arms Committee, it would not be possible for General Cannon to make any definite commitment regarding the specific numbers and types of planes which would be approved for export. Mr. Daniels stated, however, that Argentine officials might be informed that this Government would apply to Argentine requests the same criteria applied to requests of other friendly governments. Mr. Daniels emphasized that in supplying Argentina with military equipment it would be necessary to avoid an arms race between Argentina and Brazil. He further emphasized that care should be taken not to prejudice our friendly relations with Brazil. Accordingly, he suggested that the Service Departments submit for the next meeting of the Subcommittee, a report on the present levels of armament in both countries, together with an estimate by the Service Departments of the military requirements of both countries. It was agreed that the Service Departments would submit a report for the next meeting of the Subcommittee.

Inter-American Military Cooperation Bill

Mr. Daniels stated that according to the latest information available to the State Department, the Inter-American Cooperation Bill would not be considered by the Senate or the House until after the House has completed consideration of the European Recovery Program. He stated that in testifying on behalf of the Bill, the State Department would probably adopt the same procedure used during the last session of Congress; namely, that a prominent official of the State Department, preferably Secretary Marshall, would make a general statement similar to the statement made by Secretary Marshall during the previous hearings. He stated that he assumed that the testimony of the Service Departments would cover all the technical aspects of the legislation, such as the cost of the program, method of procurement, etc. Colonel Ordway stated that in his opinion this procedure would be acceptable. He pointed out that this procedure had been used during the previous hearings with successful results. Mr. Daniels suggested that members of Congress would probably ask what precautions would be taken to prevent the program embodied in the Bill from

initiating

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initiating an arms race, and that he assumed the Service Departments would be prepared to answer this and similar questions. Colonel Ordway stated that the Department of the Army was prepared to answer questions of this kind and pointed out that during the previous hearings members of Congress had made clear their desire that an arms race not be initiated.

Availability of U.S. Army equipment for Latin American countries

Colonel Freeman stated that the Army would attempt to make available a limited amount of military equipment for Argentina, the Dominican Republic and Honduras, countries which have not yet been offered equipment in the interim program. He stated that it would be very difficult to supply additional equipment for other countries. Colonel Ordway pointed out that other foreign programs had been given a higher priority than the Western Hemisphere program and asked whether the State Department would recommend that the priority of the Western Hemisphere program be raised. He stated that the drain of foreign military programs on the Army's reserve of equipment is becoming so great that unless the priority of the Western Hemisphere program can be raised there will be no equipment available to use in implementing the Inter-American Cooperation Bill. Mr. Daniels stated that it would be difficult to recommend that the Western Hemisphere program be given a priority higher than other programs which are obviously more urgent from a purely military point of view, i.e., Greece-Turkey. Colonel Ordway suggested that a higher priority for the Western Hemisphere program might be justified on political grounds. Mr. Daniels agreed that on political grounds a high priority should be given Latin America, for reasonable amounts of arms. He suggested that the Department of the Army prepare a draft statement setting forth the reasons why a higher priority should be given to the Western Hemisphere program. It was agreed that the Department of the Army would have such a draft for the next meeting of the Subcommittee.

Bases

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Bases

Mr. Daniels indicated that Secretary Marshall had been consulted regarding the desirability of proposing a multilateral agreement on bases at Bogotá and that he had decided that the raising of this issue at Bogotá would not be practicable. Mr. Daniels stated that the State Department continued having an active interest in obtaining for the Service Departments any specific rights required in any of the other American republics. He asked if information on Air Force needs was being prepared for consideration in this regard, and Colonel Kinney said it was and would be made available.

Belize

Colonel Freeman asked Mr. Daniels to comment regarding the role which U.S. Armed Forces would be expected to play, in the event of an outbreak of hostilities between Guatemala and Great Britain in Belize. Mr. Daniels replied that the State Department was doing everything possible to discourage an outbreak of hostilities in that area and that he found it very difficult to believe that an outbreak would occur. He stated that he assumed there were sufficient military forces in the Caribbean and Central American area to meet any crisis that might develop. Members of the Service Departments present agreed that armed forces in the area would probably be able to meet any crisis.

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DEPARTMENT OF STATE

Memorandum of ^{MEETING}~~Conversation~~

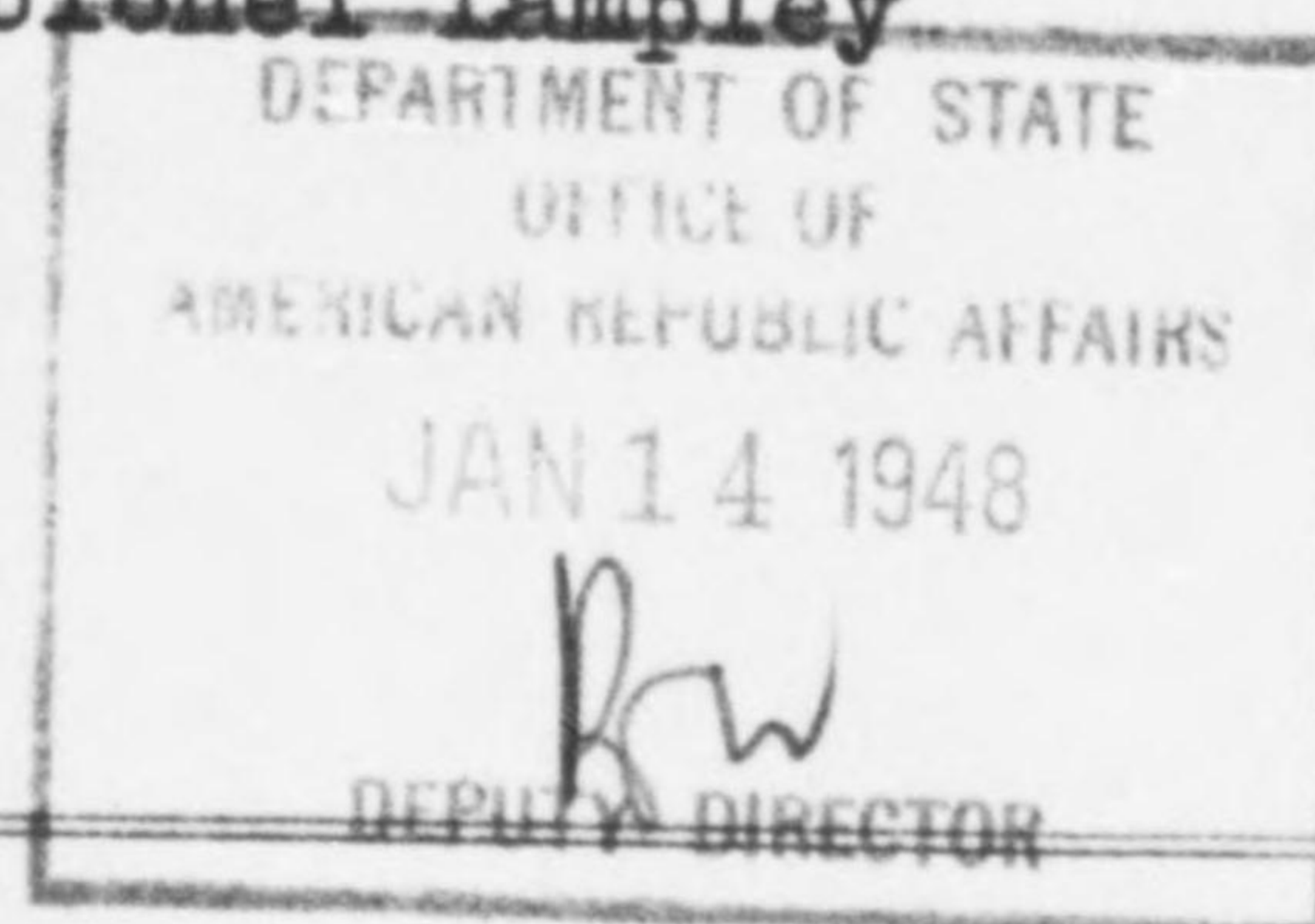
DATE: January 7, 1948

SUBJECT: SANAC COORDINATING SUBCOMMITTEE FOR LATIN AMERICA

PARTICIPANTS:

StateMr. Daniels (ARA)
Mr. Dreier (IA)
Mr. Spencer (IA)Air Force

Colonel Lampley

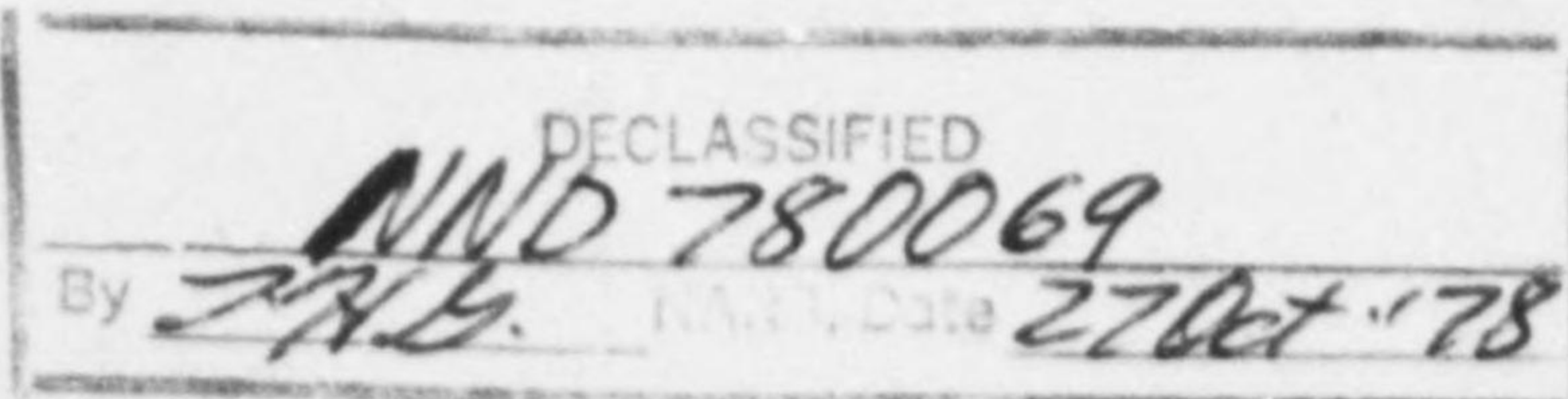
~~COMMISSION~~ArmyColonel Ordway
Colonel FranklinNavyCaptain Barbaro
Captain Gladney

1-1408

The following topics were discussed at today's meeting of the SANAC Coordinating Subcommittee for Latin America:

1. The Air Force representative, Colonel Lampley, expressed the desire of the Air Force that an attempt be made to negotiate at Bogotá a multi-lateral agreement whereby the participating states would express agreement with the principle of providing landing rights to other American states on the basis of reciprocity. Colonel Lampley indicated the opinion of the Air Force that the acquisition of landing rights in any given country would have to be obtained by bi-lateral agreement, but that a multi-lateral agreement at Bogotá on the general principle of granting rights would be helpful to the U.S. in negotiating the subsequent bi-lateral agreements which would be required. Mr. Daniels indicated that the question of raising the issue of bases at Bogotá was a particularly delicate one in view of our recent experience in Panama. He suggested that before a decision on whether the question should be raised at Bogotá, it would be desirable to determine whether the Inter-American Defense Board would approve a resolution on bases introduced by the U.S. delegation to the Board. Mr. Daniels stated his opinion that approval by the IADB of a resolution on bases would have the desirable effect of indicating to the other governments that the military people of the hemisphere favored the idea of granting rights to bases. The discussion and action in the

IADB

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IADB would help in the consideration of whether a resolution should be introduced into the Bogotá Conference. It was agreed that the Service Departments would prepare a resolution for submission to the IADB, subject to General Ridgeway's concurrence, and that the State Department would not make a final decision on the question of whether a resolution on bases should be introduced by the U.S. at Bogotá, pending action by the IADB.

2. Colonel Ordway expressed the view of the Army that an effort should be made by this Government to negotiate a resolution at Bogotá whereby the participating states would agree to promote the development of critical resources, such as petroleum. Mr. Daniels stated that the State Department was particularly interested in stimulating the development and production of petroleum, and indicated that the State Department was agreeable to proposing such a resolution at the Bogotá Conference. Mr. Daniels suggested that an attempt also be made to have the IADB approve a resolution on this subject, suggesting that the IADB might have a legitimate interest in the question of petroleum in view of its military use and importance. It was agreed that the Service Departments would prepare a resolution for submission to the IADB, subject to General Ridgeway's concurrence, but that irrespective of any action taken by the IADB, the State Department, in consultation with the Service Departments, would prepare a resolution to be proposed for the agenda of the Bogotá Conference. It was indicated that an interdepartmental committee representing the State and Service Departments is presently working on this problem.

3. Mr. Daniels informally introduced the suggestion that a more liberal policy be adopted with respect to the approval of export licenses for military equipment purchased by Latin American countries from U.S. firms. The members of the Service Departments present reacted favorably to this suggestion. Mr. Daniels stated that the State Department might be prepared to set forth more definite views on this subject at a later date, after further discussion of the subject within the State Department. Mr. Daniels requested that the suggestion made by him be treated confidentially, and as a suggestion which did not at this time represent his own conclusions or those of anyone else in the State Department.

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LA-AMER

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

RESTRICTED

DATE: June 14, 1949

TO : SANACC - Mr. Haselton

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SUBJECT:

The SANACC Subcommittee on Latin America has functioned solely as a medium for exchanging views with representatives of the Service Departments on problems of mutual interest. During the course of daily business, ARA is in contact with Army, Navy and Air Force officers concerned with Latin American problems, and it is believed that ARA will have no difficulty in arranging meetings with them whenever an exchange of views is required. Accordingly, no formal arrangements for the continuance of the function performed by the SANACC Subcommittee on Latin America need be made.

RFW

Robert F. Woodward

ARA:IA: ~~Spencer~~ Spencer:DVH

BRIEF HISTORY OF HEMISPHEREMILITARY COLLABORATION

Before World War II the United States had made no extensive effort to achieve an influence over the armed forces of the other American republics. Few military or naval training missions were sent to other republics outside of the smaller Caribbean countries and no effort was made by this government to assist the other republics as a whole in equipping their armed forces. In fact European armies and navies, particularly those of France, Germany, Great Britain and Italy dominated the military groups of South America trading upon their historical traditions and prestige.

When World War II broke out, and as the likelihood of United States involvement increased, the influence of German and Italian military missions and advisers in several of the other American republics became a cause of serious concern to United States military chiefs. One result of this situation had been infusion of pro-Axis and totalitarian thinking into the military groups of several American republics. Many officers of these countries had acquired such respect and liking for the Axis military machine that they not only expected but favored an Axis victory. Moreover, even when the desire to take the side of the democracies was present the heterogeneous character of the arms and organization of the Latin American military establishments imposed great difficulties on plans for defense in the event of an invasion of the continent which in 1941 and 1942 was a contingency seriously to be reckoned with.

Friendly and cooperative political relations made it possible, however, to open the door to military cooperation with Latin America even before the Japanese attack on the United States, in accordance with the agreement reached at the Habana meeting of American Foreign Ministers that an attack on any American state by a non American country would be considered an attack against all. Arrangements were made to hold bilateral military and naval staff conversations with the other American republics which laid the foundation for the close wartime hemispheric military collaboration. A symbol of that collaboration was the Inter-American Defense Board established in March 1942 and composed of military representatives of all the American republics. While detailed security relations were worked out by the United States on a bilateral basis, with the aid of such instruments as the Joint United States-Brazilian and United States-Mexican Defense Commissions, the Defense Board served to give those arrangements multilateral sanction and in addition was valuable as a psychological and social stimulus to unified action.

To replace

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To replace the foreign military missions the United States sent on request its own military and naval personnel. These United States missions emphasized United States training methods and helped to counter-balance foreign ideological patterns in the various armed forces. As a necessary complement to the missions, and for the purpose of hemisphere defense, individual Lend-Lease agreements with the other American republics were made in 1941 and 1942 under which military equipment was transferred for a varying percentage of cash repayment. The type and amount of material up to an established ceiling was determined by the War and Navy Departments on the basis of the military needs of each country in relation to the maintenance of hemispheric security. Most active participants in the war effort were Brazil and Mexico, which two nations received the bulk of Lend-Lease material and sent expeditionary forces overseas.

Lend-Lease to the other American republics continued through 1942 and 1943 on the basis of plans laid down by the Joint Chiefs of Staff as a result of the first staff conversations. On December 30, 1943, as a result of the changed military situation, the Joint Chiefs, in response to a letter from the Secretary of State, set forth a revised Lend-Lease policy. On the grounds that "any major threat to the security of the Western Hemisphere has largely been removed," the Joint Chiefs of Staff proposed to restrict future Lend-Lease shipments to that which was actually needed for joint operations, anti-submarine patrol, or limited amounts of equipment to be used in connection with the work of the United States military missions. At the same time, the basic objective of military collaboration was reiterated, namely, to eliminate foreign military influence from the hemisphere action through the standardization of military establishments according to United States tables of organization and equipment. The Joint Chiefs of Staff also restated the approved policy of assisting the American republics in withstanding an attack from outside the hemisphere through the transfer of armaments on terms which the recipients could meet.

The reply of the State Department on February 29, 1944 concurred in the desirability of attaining standardization of military equipment, agreed to limiting Lend-Lease transfers to the categories set forth by the Joint Chiefs of Staff, and proposed that bilateral military staff conversations be held with the other American republics as a necessary preliminary to a revision of military policy in the light of the changed war situation.

After detailed arrangements had been worked out, the bilateral military staff conversations were held in 1944 and 1945 with all the other American republics except Argentina.

The military

-3-

The military representatives of the various governments gave detailed information as to the desired post-war size of their armed forces. They also indicated their willingness to standardize these forces on the United States tables of organization and equipment furnished by the United States representatives. The theoretical purpose of standardization was stated to be a unified defense of the continent by a joint hemisphere defense force against external aggression. While it was clearly stated to the various governments that the conversations were purely preliminary and exploratory in character and involved no commitments by either party, the fact that the United States representatives offered military missions if desired, showed United States tables of organization and equipment, and sought information as to the amount of military material desired, undoubtedly encouraged the other governments to believe that such material would be supplied.

While the staff conversations were being held, the representatives of the other American republics signed at Mexico City the Act of Chapultepec, which broadened the concept of defense of the various countries to include attacks from within as well as without the hemisphere. The measures to be taken in accordance with the Act to frustrate an attack on any American state were limited specifically to the duration of the war, but it was provided that a treaty of mutual assistance should be signed to replace the Act. Representatives of the American republics are scheduled to convene in Rio de Janeiro in March 1946 to sign such a treaty.

The completion of the staff conversations made it advisable to formulate a basic statement of policy to provide for the envisaged post-war military cooperation with the other American republics. This statement (designated as document SWNCC 4/10) was approved by the President in July 1945, on recommendation of the Secretaries of State, War, and Navy. The document emphasizes the desirability of obtaining agreement by the other American republics to standardize their armed forces according to United States tables of organization and equipment. The United States would supply military equipment, furnish military missions to train the various armed forces, and make available training facilities in the United States. The War and Navy Departments were to take the initiative in formulating basic plans for extending this military cooperation and were to submit to the State Department for approval as to political considerations projects in implementation of the basic plans. The document stated that prompt action should be taken as an evidence of the good faith of the United States and in order that the American republics not turn to other than United States sources for equipment. (See Tab. ___)

DEPARTMENT OF STATE
 DIVISION OF ~~THE~~ AMERICAN REPUBLICS
 Analysis and Liaison

Secretfile
SWNCC/LA

V

January 9, 1945
 MEETING OF THE STATE, WAR AND NAVY AD HOC SUB-COMMITTEE
 ON THE CONFERENCE OF AMERICAN REPUBLICS

Those present:

State Department - Ambassador Warren
 Mr. Dreier
 Mr. Johnson
 Navy Department - Admiral Spears
 War Department - General Walsh
 General Hertford

Ambassador Warren gave a brief sketch of the purpose of the coming conference at Mexico City pointing out that it was primarily directed toward political and economic subjects. He felt that it would be valuable to have comments and suggestions from the War and Navy Departments in regard to various aspects of the agenda but did not believe that the major subjects of negotiation of the other American republics in the military and naval field, i.e. the matter of bases, staff conversations, Lend-Lease, would be considered in connection with the formal agenda of the conference. Ambassador Warren emphasized this was a conference of representatives of the American republics cooperating in the war effort and not a meeting of Foreign Ministers.

Copies of the draft letter to the Secretaries of War and Navy were made available to those present. General Hertford said the War Department would be able to reply to the questions therein very promptly. Ambassador Warren stressed the urgency of losing no time in planning for the conference and bringing all necessary viewpoints together at once.

The conversation turned to staff conversations at one point and Ambassador Warren counseled against undue haste in proceeding with these conversations until all aspects were thoroughly cleared. There was some reference to General Wooten flying to Asunción to inspect the military and air missions there and possibly to lay the groundwork for the staff conversations. The State Department representatives pointed out that we preferred not to have General Wooten take up staff conversations in Asunción at all since we wished to have Uruguay follow Brazil. General Hertford strongly agreed with this point of view.

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MEMORANDUM OF AD HOC MILITARY COMMITTEE

February 5, 1945

Present: Admiral Spears, Navy Department, Generals Walsh, Hertford, War Department, Mr. Warren, ARA, Mr. Dreier, Mr. Furniss, RL.

The following matters were discussed.

1. Chilean request for powder factory under Lend-Lease:

Mr. Dreier asked if the War Department had received this request. General Hertford said the request would go through the War Department, but that he had not as yet personally seen a copy because in all probability it was in the International Division of the War Department.

2. FEA letters to War, Navy, and State Departments regarding FEA budget estimate for fiscal 1946.

Mr. Dreier inquired whether these letters had been received and what the War and Navy attitude on the matter was. Admiral Spears and General Hertford stated that the letters had been received and FEA had been told in reply that the Army and Navy Budgets would include the items in the FEA estimate. It was further stated by Admiral Spears and General Hertford that the Navy and War Departments had in mind no projects suitably to be undertaken by FEA.

3. Support for the Defense Board at Mexico City.

Mr. Warren raised the question of the attitude of the War and Navy Departments toward a possible resolution at the Mexico City Conference supporting the Inter-American Defense Board. General Hertford said the question of the Board had been discussed in the War Department and it was agreed that the Board in its present form should be supported. Admiral Spears agreed to present the question of a possible resolution to Admiral Edwards in order to determine the Navy attitude. Discussion ensued as to the merit of the Defense Board during which it was stated that the Board serves as a safety valve for expression by military representatives of the other American republics, that it has definite psychological advantages in assuring the juridical equality of states, and that it gives multi-lateral sanction by its existence and by certain of its resolutions to the bilateral military approach of the United States. Mr. Warren pointed out that the alternative was not to ignore or support the Board at Mexico;

either the

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either the United States would present the motion of support or another nation would, thereby making it necessary for the United States to define its attitude. It was emphasized that any resolution offered by the United States would not attempt to change the Board or make it permanent, since the Mexico Conference was outside regular framework of inter-American conferences, but that the resolution would suggest the continuance of the Board to the Ninth Conference and would recommend that the Board at that time be placed on a permanent basis. Such a resolution, it was felt, would not preclude later changes in the Board. Mr. Warren said officers of the State Department would talk with War and Navy representatives Monday and Tuesday, February 5 and 6, to determine United States policy toward a Defense Board resolution.

4. Memorandum on Lend-Lease procedure prepared in SWNCC January 19, 1945

This memorandum had recommended that the Ad Hoc Committee obtain certain information regarding Lend-Lease. It was decided that the points on which information was requested were to be dealt with as follows: a) current Lend-Lease program: War, Navy, and FEA figures, already available to December 31, will be coordinated and transmitted to Mr. Dreier; b) interests of each U. S. Government agency involved: covered by JCS629, dated July 1, 1944; c) payments by Lating American countries: figures available in FMA; d) political factors disturbed by munitions supply: a short summary of the effect of Lend-Lease will be made in the State Department; e) possibilities of reverse Lend-Lease: General Hertford stated that this question had been explored by the ~~War~~ Department and rejected; f) potential allocations of shipping space: it was estimated that this space was too small to constitute a problem; g) munitions delivered, in transit, on hand, and h) allocations, obligations, and expenditures as of December 31, 1944: see under a) above. It was decided that a report covering the above points would be drawn up this week for the information of the SWNCC.

The next meeting was scheduled for Thursday, February 8, at 3:00 P.M.

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SECRETMEETING OF SUB-COMMITTEE ON LATIN AMERICA

SWNCC/IA

February 8, 1945

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pc/R

Present:

State Department: Mr. Warren, ARA; Mr. Dreier,
Mr. Furniss, RL;

War Department: General Walsh, General Hertford,
Colonel Dubois;

Navy Department: Admiral Spears, Commander Parker.

1. Administrative: Mr. Warren mentioned that the committee had ceased to be "ad hoc", but would continue to operate as a sub-committee of the SWNCC. It was decided that a summary record of the meetings should be kept, which would be sent, together with an agenda, to the various members in advance of the next meeting. The committee agreed that it should meet every Thursday at 3:00 PM. General Hertford presented a note from the SWNCC asking what additional personnel might be needed by the sub-committee. He stated that the War Department would need an additional officer, while Admiral Spears and Mr. Dreier said no additional personnel were needed by the Navy and State Departments at present.
2. Report on Lend-Lease prepared for the SWNCC:
Mr. Dreier presented the summary report by Commander Parker, Colonel DuBois and himself, based on the detailed information regarding Lend-Lease on record in the War and Navy Departments, as compiled by Commander Parker and Colonel DuBois. The committee agreed to send the report, subject to certain additions to the SWNCC with the indication that it was a summary report based on detailed material. The detailed material, it was also agreed, should be sent to the SWNCC, but the SWNCC should be asked to return this material to the committee for filing. This material would then be kept periodically up-to-date and additional information added from time to time. Additions to be made in the summary report prior to its transmission to the SWNCC include 1) figures on Treasury Procurement, 2) Navy figures for leased vessels, 3) Army figures for its Brazilian and Mexican forward programs, 4) Army figures on Lend-Lease for the Brazilian expeditionary force. Of these additions the first two were already at hand, and Colonel DuBois agreed to furnish the last two.
3. Report on military

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3. Report on military and Naval objectives in the other American Republics:

A report on this subject had been requested by the SWNCC for the United States delegates to the Mexico City Conference. General Hertford pointed out that this subject had been covered in a joint strategic Survey Report for the Secretaries of War and Navy. Mr. Dreier suggested, and it was agreed, that since the report requested had already been prepared and since, with the exception of the subjects of world security and the Defense Board, no military subject would be raised at Mexico City, this report, if it met with approval in the State Department, should be submitted with a covering memorandum to the SWNCC and with a letter to the Secretary of State, suggesting that the report be made available to the United States delegation for their background information and in the event that other military questions were raised.

4. Report on Commercial Aviation, merchant fleets, international communications, development of strategic resources:

A report on the above topics had been requested by the SWNCC in a memorandum of the Special Assistant to the Secretary of the Navy handed to Admiral Spears. It was brought out that both the Army and Navy had already separately made reports on these topics, and the committee agreed that these reports should be correlated and discussed prior to their submittal in response to the informal SWNCC request.

5. Staff conversations with Uruguay and Paraguay:

General Hertford stated that in a meeting of the Interdepartmental Aviation Committee there had been discussion of the advisability of initiating staff conversations with Uruguay and Paraguay about March 1. Discussion ensued as to the relative desirability of proceeding with the conversations while the Mexico City Conference was in progress and of waiting until the conclusion of the Conference. It was agreed that the situation did not warrant any unnecessary delay in the conversations, and the committee decided that, prior to requesting the opinion of Embassies in Montevideo and Asuncion, Mr. Dreier should obtain clearance in the State Department and inform Admiral Spears and Generals Walsh and Hertford.

6. Agenda and schedule for staff conversations:

Mr. Dreier pointed out that difficulties had arisen in the Chilean staff conversations because of the
political

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political implications contained in the agenda given the Chilean representatives. It was agreed that a revised agenda excluding political questions should be prepared and that telegrams should be sent to Admiral Monroe and General Wooten, who would be in charge of conversations with Paraguay and Uruguay, to learn what suggestions for an agenda they had. Mr. Dreier was to investigate the clearance of the instructions for staff conversations and see to the preparation of a time schedule for holding the conversations.

7. Inter-American Defense Board Resolution:

Discussion of the resolution regarding the Defense Board to be presented at the Mexico City Conference resulted in agreement that the resolution should recommend the continuance of the Board until the Ninth International Conference of American States. Mention was made of the desirability of having the Brazilian delegation present the resolution.

The next meeting was scheduled for Thursday, February 15, at 3:00 PM.

SECRETSWNCC/LA
I/3STATE-WAR-NAVY SUB-COMMITTEE ON LATIN AMERICA

Minutes of the Meeting, February 15, 1945.

PC/R

Present:

State Department: Mr. Warren, ARA
Mr. Butler, ARA
Mr. Dreier, RL
Harry ReedWar Department: General Walsh,
General Hertford,
Colonel DuBoisNavy Department: Admiral Spears,
Commander Parker

1. Minutes: The minutes of the February 8 meeting were approved. It was decided to send copies of the minutes of each meeting to the Secretariat of the State-War-Navy Coordinating Committee.
2. Staff Conversations: Mr. Warren emphasized the importance of holding staff conversations in Uruguay and Paraguay soon. A general schedule for the staff conversations was agreed upon, the first to be held on March 15 in Ecuador, Mexico and Uruguay. A detailed schedule in accordance with this plan was later worked out and is attached hereto. Draft telegram to Bogotá prepared by Mr. Dreier was approved with a change of date. Telegrams to other missions will be sent out immediately.
3. Report on memorandum of Military objectives by the Joint Chiefs of Staff:
The memorandum to the SWNCC and the draft letter to the Secretary of State were approved. Approval was also given to the suggested change on page 6 of the JCS memorandum. The language will now read "the issuance of arms export licenses implementing the policies agreed upon by the State, War and Navy Departments".

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4. Report on Lend-Lease: The report on Lend-Lease was approved with a few minor changes including substitution of "factual data" for the word "material" in the last sentence and a clarification of the fact that a good deal of the Navy's forward program for Brazil involved cash purchases by Brazil rather than lend-lease credit. The covering memorandum transmitting the report to the SWNCC was approved with one minor correction. It was agreed that any policy and procedural problems in regard to lend-lease would be taken up in subsequent meetings.
5. Report on Aviation, Shipping, Communications and Strategic Resources:
The memoranda which had been received on this subject by Admiral Spears and General Hertford were discussed at length, it being unclear as to what the Sub-committee was to do with them. Subjects included in the memoranda would obviously require lengthy and detailed investigation and study, and most of them touch upon work being carried out by other inter-departmental committees. Admiral Spears read a memoranda giving the Navy Department's comments on the questions. It was decided that General Hertford would discuss with Colonel McCarthy what the SWNCC wished to have the Sub-committee do in this regard. Since the memoranda referred only to the discussions of these subjects in connection with the Mexico City Conference it was thought probable that no further action by the Sub-committee was necessary at the present time.
6. Planes for Chile: Admiral Spears reported that the Chileans wished to have some new patrol and observation planes, some to replace existing worn-out planes; others to be additional to the number now in the possession of the Chileans. Mr. Warren expressed the informal opinion that it would be alright to replace in kind planes which the Chileans now had but that no additional tactical aircraft should be given them. There was considerable discussion of the problem of assigning tactical aircraft to the other American republics. Although no decision was reached it was generally agreed that a program on this subject should be agreed upon as soon as possible.

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7. Transitional training of Military Pilots: General Hertford reported a request from Ecuador for transitional training in combat planes for Ecuadoran military pilots. It was recognized that giving such training to pilots from the other American republics would increase the demand for combat planes for them to fly. Mr. Warren expressed the opinion that without prejudice to consideration of any other requests of this character it might be desirable to extend this training to the Ecuadorans. This subject was brought up informally by General Hertford on the basis of a memorandum he had sent over prior to the meeting.
8. Next meeting: In view of the absence of members of the Committee during the Mexican Conference it was agreed to hold the next meeting on Friday, March 16, at 3 p.m. If in the meantime a meeting becomes necessary Mr. McGurk will call one in Mr. Warren's place.

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I MSTATE-WAR-NAVY SUB-COMMITTEE ON LATIN AMERICA

Minutes of the Meeting, March 15, 1945.

DC/R

Present:

State Department

Mr. Warren, ARA ✓
Mr. Lockwood, ARA ✓ SMD
Mr. Dreier, RL
Mr. Furniss, RL

War Department:

General Walsh
General Hertford
Colonel Du Bois
Captain Breese

Navy Department

Admiral Spears
Commander Parker

1. Lend-Lease Report: Mr. Dreier explained that the difficulty of arriving at a precise definition of FEA's role in the Lend-Lease program had necessitated minor changes in the report, including the omission of figures for Treasury Procurement and the addition of an informal estimate of 40⁷ million, suggested by Mr. Kempter, as a tentative FEA figure. It was decided not to hold up the report pending clarification of FEA's part, but to submit it to the SWNCC on approval of the changes which had been made. It was further decided that supplementary quarterly reports on Lend-Lease should be made to the SWNCC in view of its continuing interest in the subject.
2. Staff Conversations - Dominican Republic and Haiti: The problem was whether the conversations with the two republics should be held simultaneously and with the participation of United States officers of equal ranks in both countries. Mr. Warren stated that, in view of the atmosphere at the Mexico Conference, there seemed to be less need than a month ago for holding these conversations simultaneously. It was decided that the dates were to be set and that it made no difference which country came first.
3. Draft letter to Mr. Crowley: It was pointed out that the Sub-Committee had been established under the SWNCC to make recommendations on Lend-Lease policy with reference to the draft letter to Mr. Crowley as well as to

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make a factual report on the status of Lend-Lease. Whereas the second duty has been performed, the first still lay ahead. A discussion in general terms ensued during which there appeared to be substantial agreement that a report should be prepared giving recommendations in the light of changed conditions since the letter to Mr. Crowley had been drafted.

4. Lend-Lease and the Act of Chapultepec: There was discussion of the implications of the Act of Chapultepec on the future supply of arms to the other American Republics. It was emphasized that to the old policy of defense of the continent against external aggression had been added its defense against internal aggression as well. It was agreed that the Lend-Lease Act did not contemplate the transfer of arms for the latter purpose, and that the present policy limited the transfer to equipment used in the winning of the war until a new policy could be established. In this connection it was not expected that the staff conversations, basic to the adoption of a new policy, could be completed and a new policy governing the transfer of arms put into operation until the end of this year. This left unsettled the problem of arms supply to the other American republics until that time. It was agreed that the problem was increased by the existence of what was considered by some American republics Lend-Lease "credit" and by the fact that the staff conversations had made the American republics increasingly aware of the arms potential of their neighbors. Admiral Spears stated that, so far as the Navy Department was concerned, no new projects were under consideration and its program was confined to fulfilling existing commitments, while General Hertford said that few requests for arms could be legally approved by the War Department in view of the restriction as to military necessity. General Walsh raised the question and there was discussion of the advisability of removing AT6's, which both Guatemala and Honduras had requested, from the category of combat planes for Central America. Although General Hertford doubted whether a program of training and the supply of training planes would prove satisfactory to other American republics desirous of obtaining combat equipment, it was agreed as a general proposition that no additional combat planes or other arms and munitions should be sent, recognizing, however, the possible need for delivering very small amounts of material in order to keep out other potential suppliers.

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STATE-WAR-NAVY SUBCOMMITTEE ON LATINAMERICAMinutes of the Meeting - May 26, 1945minutes
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SWNCC/IA

I/9

De/R

PRESENT:

State Department: Mr. Warren ARA
 Mr. Butler ARA
 Mr. Halle RL
 Mr. Furniss RL

War Department: Colonel Edwards
 Colonel Schneider
 Major Gunther

Navy Department: Commander Parker

The Following Subjects Were Discussed:I. DRAFT LETTER TO THE PRESIDENT:

Mr. Warren placed before the meeting a draft of a letter to the President concerning future military collaboration between the United States and the other American republics. He explained that the draft had been prepared in San Francisco and had been approved by Admiral Spears. It is planned that the letter, when approved, would be signed by the Secretaries of State, War and Navy. The letter would ask Presidential approval, pending the passage of new legislation, for the augmentation of existing missions, the placing of new missions, the training of personnel, and the equipping of the armed forces of the other American republics with United States material. The wording of the draft was discussed, and one change was made so that the amended draft would read:

"Subsequent plans required to implement this program would be the subject of agreement by the three departments."

It was explained that the draft letter would be carefully considered in the State Department and some time would elapse in the process. After the meeting it was decided to send the draft letter also to the State, War and Navy Coordinating Committee for their consideration.

II. PREPARATION OF NEW LEGISLATION TO PERMIT ARMS SHIPMENTS:

Mr. Warren inquired concerning the drafting of new legislation to permit continued arms shipments. Colonel Edwards stated that a draft had been prepared, that Navy representatives were being consulted, that the project was ready to move forward. Commander Parker argued that it was bad tactics to attempt to involve new legislation with the present Lend-Lease act, and

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Mr. Warren thought it would be preferable to connect it with the new concept of hemisphere defense evolved at Mexico City. Mr. Warren then initiated a discussion of the purposes of such legislation by stating that there was some feeling in San Francisco that continued arms shipments would establish a closed region encompassing this hemisphere, thus inviting other powers to do the same, and that it would have the effect of freezing dictatorships in power. In reply Colonel Edwards pointed out that the new legislation would permit the re-equipping of the armed forces of the other American republics, not an increase in their supply of arms or their fire power. This would be done by furnishing new arms at more than surplus in exchange for old arms at scrap value. In fact, Colonel Edwards continued, the staff conversations were cutting down the requests for arms compared to what the various armed forces have now. Finally, if the United States doesn't supply the arms, other suppliers will enter the field. Mr. Warren also said that education of military personnel in the United States and by the military missions means a break with existing military traditions and that United States military influence would act as a deterrent to undesirable military activity. It was agreed that support for this argument was to be found in the restraint of military personnel in some countries which have had United States missions. The procedure which the drafted legislation would follow would be from the Joint Chiefs of Staff to the SWNCC, to the Coordinating Committee of the Secretary of State, from the Secretary to the President, and thence to Congress. It was pointed out by Mr. Warren that the new legislation should be ready at the time of the negotiation of the treaty under the Act of Chapultepec in September.

III. EXTENSION OF JCS 629/4:

In the discussion of Lend-Lease policy Commander Parker inquired concerning a document supposedly circulating in the State Department on this subject. Mr. Butler replied that the State Department, while sympathetic to the military objectives of the War and Navy Departments, was concerned over the possible illegal use of Lend-Lease for the attainment of long-range ends. The Secretary's Coordinating Committee, he said, had recommended that Lend-Lease be eliminated as rapidly as possible unless needed as a military necessity for the prosecution of the present war and that the Act of Chapultepec not be included as justification for continued use of Lend-Lease, with the same exception. Colonel Edwards replied that the Act of Chapultepec was a war measure only and that the Joint Chiefs of Staff were prepared to approve a recommendation for the extension of JCS 629/4, with the Act of Chapultepec written in, as one step possible under existing legislation. It was agreed to recommend the extension of JCS 629/4 only during the present war and to send the recommendation to the SWNCC.

IV. UNITED STATES AIR MISSION TO ARGENTINA:

It was brought out that Ambassador Braden had requested that the term of duty of General Cavenah not be extended until the Ambassador had an opportunity to survey the situation. In reply Colonel Edwards pointed out that the existing agreement calling for the services of General Cavenah had already been extended by an informal exchange of correspondence between Colonel Peron and General Brett. It was agreed that a telegram should be sent to Ambassador Braden acquainting him of this fact.

SECRET**V. RELEASE OF NON-MILITARY EQUIPMENT TO THE ARGENTINE:**

Mr. Warren, Colonel Edwards, and Commander Parker, brought up the question of releasing certain non-military materials to Argentina; Commander Parker said that non-military material was being released in Great Britain, and similar action should be taken in this country. He further stated that instructions from Mr. Clayton not to release material for the Argentine armed forces had apparently been issued without differentiating between military and non-military material. Commander Parker also raised the question of releasing non-military material to the Argentine navy without certificates of necessity. It was agreed that Mr. Butler would look into the problem of releasing the material involved, but he stated, and it was agreed, that the Navy Department should refer to the State Department all specific cases in which it wished to release material without a certificate of necessity. No general exception to the requirement of a certificate of necessity should be made. Mr. Butler said that the Bendix Corporation had asked whether certain data on radios could be released to Argentine authorities; it was agreed it could.

VI. INTERIM SUPPLY OF AIRCRAFT:

There was discussion of the program for interim supply of aircraft to other American republics during the remainder of 1945, including the desirability of sending the same number of planes to Ecuador as to Peru and Chile. Colonel Edwards stated that there were pilots now in the countries concerned who could fly B-25's and P-51's, that requests for the latter by Ecuador in the staff conversations had been lowered in the War Department to approval for the allocation of P-47's. It was brought out that General Brett had said the countries to be equipped could absorb the aircraft proposed, but it was agreed to delay implementation of the supply program pending Presidential approval of the draft letter referred to above. In the meantime, AT-6's could be sent to Central America if it was certified by the War Department that they were only training planes.

VII. STAFF CONVERSATIONS:

Mr. Warren stated that approval had been received to implement the staff conversations with Brazil and Mexico. In connection with the former, Colonel Edwards stated that the Brazilians had wished to organize forty divisions, whereas the War Department was prepared to equip six divisions now and possibly six more later.

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STATE-WAR-NAVY SUBCOMMITTEE ON LATIN AMERICA

Minutes of the Meeting - August 13, 1945.

PRESENT:

State Department: Mr. Warren ARA
 Mr. Dreier RL
 Mr. Furniss RL

War Department: General Walsh
 General Hertford
 Major Gunther

Navy Department: Admiral Spears
 Captain Cady

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SWNCC 12A

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 The following subjects were discussed:

(1) SWNCC 4/11/D concerning arrearages in Lend-Lease payments: The SWNCC document had been submitted to the Subcommittee for study and report. It was pointed out that the three countries most in arrears were Mexico, Peru, and Cuba, and there was discussion of the political factors in each of these countries affecting their status on Lend-Lease repayment. The advantages of adopting a stronger stand with regard to Lend-Lease repayment were stated to be that it would enable this Government to call attention forcibly to this debt should there be any inclination on the part of Governments now in arrears to seek military equipment from sources other than the United States and that it would make the various Governments more amenable to suggestions that their military establishments should be kept within reasonable limits. It was further suggested that repayment for Lend-Lease equipment would leave less available money to buy elsewhere. Accordingly it was decided to request, and in stronger terms, the amounts owed under Lend-Lease in the regular statements submitted and to report this decision, together with the reasons for making it, to the SWNCC.

(2) SWNCC 171/D concerning withdrawal from various Netherlands Western Hemisphere possessions: It was decided to report to the SWNCC that the Subcommittee does not consider that it has jurisdiction in this matter because it concerns colonies of a European power and does not have any direct bearing on policy regarding the American republics.

(3) Lend-Lease

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(3) Lend-Lease and the President's directive: With regard to the interpretation of the recent presidential directives on Lend-Lease by the War and Navy Departments, Admiral Spears stated, for the Navy, that it was up to the Joint Logistics Committee to say what the directives meant, while General Hertford pointed out that the directives had stopped Lend-Lease, so far as the army was concerned, except for the specific categories listed in the directives. General Hertford stated that it would be helpful if the State Department wrote the War Department asking that transfer be allowed under Lend-Lease of material approved but not shipped.

(4) Future military collaboration with the other American republics: It was brought out that the War Department interim projects based on completed staff conversations was on its way to the State Department in accordance with the procedure agreed upon in SWNCC 4/10, while Admiral Spears stated that the Navy Department was awaiting approval of the Joint Chiefs of Staff before submitting its projects to the State Department. General Hertford pointed out that, when V-J Day arrived, provision must be made for ear-marking Latin American military requirements and that the only available figures on this were those arrived at by the staff conversations.

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*Staff Conversations*STATE-WAR-NAVY SUBCOMMITTEE ON LATIN AMERICA

Minutes of the Meeting - September 5, 1945

De/R

PRESENT:

State Department: Mr. Warren ARA ✓
 Mr. Dreier RL
 Mr. Furniss RL

War Department: General Hertford
 General Kroner
 Colonel Niergarth
 Lt. Colonel Eiseman

Navy Department: Admiral Spears

The meeting was held to discuss the question of supplying Brazil, under terms of the Surplus Property Act, with caliber .30 and .50 ammunition production lines.

Mr. Dreier stated that it was the opinion of various officers in the State Department who had been consulted that supplying Brazil with this material was justified in the light of our policy of continued military collaboration with that country. However, he added, there was strong feeling that the United States should not build up unduly the arms producing capacity of the other American republics and that the supplying of this equipment should not serve as a precedent for the approval of other similar projects. General Hertford agreed that no precedent should be established, although, he said, other countries, such as Mexico, may have intentions to negotiate for similar equipment. He also said that the Army is agreed that there should not be large arms manufacturing establishments set up in South America. It was expected, General Hertford said, that for present Brazilian 7mm ammunition would eventually be substituted the .30 and .50 caliber ammunition from the new production lines. Admiral Spears pointed out that the same question had been discussed by the Joint Advisory Board in 1940 and that a precedent for the supply of the proposed equipment existed in similar projects of the Navy Department. It was agreed that a memorandum be sent to the Acting Secretary explaining the position of the Subcommittee and asking his approval for the project.

Mr. Warren then raised the question of the present status of draft legislation providing for future military cooperation with the other American republics. General Hertford said that the amendments

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the amendments of the State Department made the bill broader than the original War Department draft. Mr. Warren replied that the informal draft prepared in the State Department had aimed at granting authority at the Presidential level with the expectation that the President would define departmental responsibilities in his regulations delegating authority to the Secretaries of State, War and Navy. Mr. Dreier said that it had been felt by the drafting officer that only the authority actually needed should be requested and specific limitations should be dealt with in the accompanying regulations. Admiral Spears pointed out that the proposed legislation presented difficulties for the Navy in that there were already a number of laws in effect concerning the transfer of vessels. It was agreed that the legislation, when approved in the three Departments, should be initiated by the Subcommittee and go from it to the SWNCC at the same time that it was presented to the Joint Chiefs of Staff. It was also agreed that the proposed legislation should be taken up informally with members of Congress concerned before it was officially presented to Congress by the President.

ARA - Mr. Briggs
Swanee

STATE-WAR-NAVY SUBCOMMITTEE ON LATIN AMERICA

Minutes of the Meeting - October 25, 1945

DC/R

PRESENT:

State Department: Mr. Briggs ARA
Mr. Dreier RL
Mr. Exton CD/M
Mr. Furniss RL

War Department: Major General Walsh
Colonel Niergarth
Brig. General Hertford
Captain Charbonneau

Navy Department: Rear Admiral Spears
Captain Metz

The following matters were discussed:

1. SWNCC 190/d, containing Admiral Johnson's recommendations concerning the Inter-American Defense Board, the Brazilian-United States Defense Commission, and the Mexican-United States Defense Commission: It was pointed out that the committee composed of representatives of the State, War and Navy Departments which was working on the Rio Conference was also working on the permanent military defense agency and had already had Admiral Johnson's memorandum under discussion. In light of this fact it was decided that a memorandum from the Subcommittee to SWNCC should suggest that the Subcommittee take no separate action regarding the memorandum. It was further agreed that the memorandum should recommend that no changes be made regarding the three agencies mentioned in Admiral Johnson's memorandum until new agencies were established.
2. War Department program of interim allocation of ground equipment: There was discussion of the War Department table of ground material which it proposed to send to equip suitable units of the ground forces of the other American republics as envisaged by the staff conversations. Mr. Dreier explained at the outset that the State Department was checking with Ambassador Messersmith regarding the additional equipment proposed by the War Department for a Mexican road-building unit in view of the apparent desire on the part of other branches of the Mexican Government to obtain similar material. Mr. Briggs stated that some concern existed regarding the relation in respect to size of the proposed ground forces of certain American republics such as Venezuela, Colombia, and Guatemala and that this relationship would have to be considered most carefully in future shipments but did not affect the decision on the proposed initial shipment. It was stated that the proposed shipment was approved for all countries listed except Venezuela - which would be held up until recognition took place - and the

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Dominican Republic, Haiti, Honduras, Nicaragua, Bolivia, Paraguay - in which cases consultation was taking place with our respective Embassies. It was agreed that it was desirable, at the time military equipment was sent, to remind those countries owing money under Lend-Lease of their indebtedness and to ask when some settlement might be expected. Formal approval of the program of the State Department would be contained in a reply to a new letter from the Secretary of War substituting the revised table of organization and equipment for the one enclosed with the Secretary's letter of September 4, 1945. A copy of the reply of the State Department would go to the Secretary of the Navy for his information.

As to the interim allocation of aircraft, Mr. Dreier said that the State Department wished to have a fuller explanation of the basis of allocation and of the relation of the proposed initial shipment to the contemplated total allocation. Colonel Niergarth then presented a revised chart showing the number of planes of each type to be sent, the units to be equipped, the percentage of total contemplated strength equipped in the first shipment, and the armament on each plane type. He stated that this table would reach the Department shortly. General Walsh said that the disparity in the number of fighter planes to be allocated various Central American countries was due to the fact that certain countries had the fields and pilots to handle the planes, whereas others did not. It was stated that the State Department had no objection to the allocation of non-tactical planes, such as C-47's which were now being sold, demilitarized PBY's, primary, basic, and certain advanced trainers. General Walsh argued that any plane could be tactical and that the line between non-tactical and tactical planes should be drawn as the Army Air Forces had done. Mr. Dreier raised the question of allocating C-45's when it was understood they were in short supply and desired by commercial interests in the United States. General Walsh said the question of Beechcraft was difficult, that some should be allocated in the United States, but that about 30 should be made available for delivery to the other American republics. Mr. Dreier then asked about the suitability of assigning C-64's, which had an American body but a Canadian engine. General Walsh replied that the planes were not satisfactory in the tropics and only a few were desired for use in river areas. Colonel Niergarth pointed out that the proposed air force allocation was weighted toward C-47's, since they were now in surplus and could not be delivered at the end of the contemplated program five years hence.

The terms of sale of surplus equipment were then discussed. Mr. Dreier and Mr. Briggs stated that the price should be the same for all buyers. General Walsh agreed but said that a price differential might have to be established at some point to favor such countries as Bolivia and Paraguay, which have no money to pay

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pay for equipment. He added that present Surplus Property Board regulations set the price of aircraft, particularly P-47's and B-25's too high. General Hertford pointed out that the Surplus Property Board had no formula for determining the price of ground equipment, that the War Department could make recommendations to the State Department but that it was the responsibility of the latter to set the prices. Mr. Exton asked, and it was agreed, that the new letter from the War Department on the interim shipment of ground equipment should contain figures on the procurement value so that the relation of surplus prices thereto could be determined. It was further agreed that the letter should contain figures on the amount of training ammunition which it was proposed to allocate with the initial shipment.

3. Furnishing P-47's, B-25's to various United States missions: Mr. Briggs read the reply that the State Department had sent to the request of the War Department to supply a P-47 and B-25 to United States missions for demonstration purposes. The reply had stated that these planes should only go to the larger countries which would ultimately receive such equipment. Mr. Briggs said the planes should not be sent to those countries for which the State Department was withholding approval of the allocation of ground equipment.

4. Direct purchase by other American republics of military equipment from private manufacturers: It was agreed that such purchases should be carefully controlled and screened for their relation to the program of implementing the staff conversations.

5. Difficulty in purchasing surplus property: General Walsh pointed out that it was extremely difficult for representatives of the other American republics to obtain satisfaction of their requests for surplus property because of the division of responsibility between various disposal agencies and the Surplus Property Board. He urged that with the transfer of the Office of Army-Navy Liquidation Commission to the State Department a special Latin American section be established so that requisitions may be submitted there. Mr. Briggs said the subject would be raised with Mr. Clayton's office, to which the office was being transferred.

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STATE-WAR-NAVY COORDINATING SUBCOMMITTEE ON
LATIN AMERICA

Minutes of the Meeting - December 17, 1945

PRESENT:

State Department: Mr. Braden - A-Br
Mr. Wright - A-Br
Mr. Briggs - ARA
Mr. Butler - ARA
Mr. Dreier - RL
Mr. Furniss - RL

War Department: General Walsh
General Hertford

Navy Department: Admiral Spears
Captain Barbaro

The meeting was called to discuss the proposed initial shipment of ground and air force equipment to other American republics.

Mr. Braden reported a recent meeting of the Secretary's Staff Committee and outlined the principal considerations which had influenced the Department's decision on the interim arms program proposed by the War Department. The Staff Committee had decided that the Department should approve the program for the initial equipment of ground force units except for certain countries from which equipment should be temporarily withheld and established the following general policies for the arms program:

- (1) Drastic limitation on the sale of tactical aircraft.
- (2) Agreement by the other American republics to standardization.
- (3) Acquisition of non-American equipment in exchange.
- (4) Efforts to obtain agreement for the limitation of armaments by the other American republics.

Finally the Staff Committee had decided that it could not approve the air force program in its present form since revision was needed both as to the quantity and type of aircraft to be transferred and as to the ratio to be maintained between countries.

General Walsh

SECRET

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General Walsh stated that the aircraft in the War Department program for initial shipment represented a small token and that the War Department had cut in half the recommendations of the staff conversations. He pointed out that this equipment would result in committing the other countries to United States standards as they had agreed in the staff conversations. If the American republics did not get a satisfactory minimum of equipment, they might be expected to look to non-United States sources, which sources were already active in Latin America. General Walsh said the War Department was chiefly interested in the disposal of aircraft to Chile and Peru, possibly also Venezuela and Colombia. The other American republics, he added, should have enough equipment adequately to deal with an internal threat to hemisphere security if the United States was otherwise preoccupied.

Admiral Spears presented a list of aircraft which the Navy Department wished to form part of the initial shipment. This list, he pointed out, was small and consisted mainly of training planes and PBV's, which last were not now available. He mentioned the fact that the transfer of ships must await authorizing legislation and inquired concerning the status of a draft of legislation to obtain authority for long-term military cooperation. Mr. Butler and Mr. Dreier replied that the proposed legislation would be decided by the Secretary's Staff Committee now that the Committee had passed on the proposed initial arms program. General Hertford stated that the Joint Chiefs of Staff were deferring their decision until the State Department had approved the draft.

Mr. Braden read a draft of a letter from the Secretary of State to the Secretary of War which stated the approval of the State Department to the proposed shipment of ground equipment in accordance with the Staff Committee's decision. The letter requested that equipment be withheld from certain of the American republics and reduced for others. It was agreed that the letter would omit specific mention of prices under which the equipment was to be transferred other than to state that they should be non-discriminatory. The letter in its final form would also add mention of a revised aircraft program agreed upon between representatives of the three departments.

Mr. Dreier read a draft which had been prepared for the representatives of the other American republics setting forth the equipment which the United States was offering each country and the conditions under which it was being offered. The draft also expressed a desire to work out arrangements for exchanging

for the

SECRET

-3-

for the United States equipment non-standard material in the possession of each country. This draft would be used as the basis for oral discussions with the Ambassadors in Washington of the various American republics, and would be presented in the form of a note or aide-mémoire. It was agreed that the approved naval equipment would also be offered at the same time. In response to a question from General Walsh, Mr. Braden stated that the price of equipment should be the same for all countries.

At the conclusion of the meeting, Meeting, Mr. Wright, Mr. Dreier, and Mr. Furniss were asked to meet with General Walsh and Captain Barbaro to review and revise the interim air force program in the light of the discussion.

January 18, 1946.

SECRETMEMORANDUM FOR THE PRESIDENT

SUBJECT: Military Policy for Latin America.

Your approval is requested for a reconsideration of the basic policy regarding military collaboration with the other American republics.

The policy which you approved last July on recommendation of the Secretaries of State, War and Navy, features the provision of arms to other American republics by the United States Government, in an expansion of U.S. military missions and other training facilities, with a view to inducing the other republics to adopt U.S. standards of military organization and equipment. This policy, drawn up during the war, aims at the exclusion of non-American military influences from Latin America. Its full, long range execution would require the enactment of special legislation by the Congress. Exploratory military and naval staff conversations were held during 1945 with other American republics to ascertain the practical possibility of such collaboration. (For fuller discussion see Tab .)

The War Department has submitted, and the State Department has concurred in, a limited interim allocation of equipment for ground and air forces of other American republics to be made available to other governments through surplus property procedure. (For details concerning this program see Tab .) No interim program has been proposed by the Navy since the Navy requires special legislative authority to permit the transfer of ships and equipment desired by the other republics.

A long range program outlining the size of armed forces in each other American republic to be equipped and trained with our help has been submitted to the State Department by the War and Navy Departments, along with draft legislation to make possible the implementation of this program. These proposals have received careful consideration in the Department of State.

Subsequent developments of the highest importance warrant in my opinion a careful reexamination of the present policy:

- (1) Development of atomic bombs, guided missiles, and other weapons calls for a review of the politico-military basis of our strategy of national and hemisphere defense.
- (2) Adoption by the United States of a strong and exclusive regional military policy at this time may be expected to encourage regional blocs in other areas dominated by other

-2-

powers, which would undermine the foundations of the United Nations security organizations.

(3) The increased political unrest in Latin America augments the likelihood that arms supplied by the United States will be used in bloody revolutions, which would in turn arouse public opinion here and abroad.

(4) It becomes increasingly clear that a decrease and strict control of armaments is essential for world peace, and this purpose is not served by arming other American republics.

(5) No estimate has been made of the ultimate cost of such a program, and it is doubtful whether public opinion and Congress will support repeated appropriations which may be necessary.

In the light of the foregoing, I therefore request your approval for the State Department to undertake, with the War and Navy Departments, a reexamination of the entire question of military and naval cooperation with the other American republics with a view to reporting our views to you at the earliest possible time. Pending the results of that reexamination, I request your approval to withhold further action under the present policy, including the submission of special legislation to the Congress.

RL:JCDreier:MM

SWACC

SECRET

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE ON
LATIN AMERICA

DC/R

Minutes of the Meeting - January 25, 1946

PRESENT:

State Department: Mr. Briggs
Mr. Dreier
Mr. Furniss
Mr. Davis
Mr. Dearborn)
Mr. Barber) For pertinent parts
Mr. Wilson) of the Meeting.

War Department: General Walsh
General Hertford
Colonel Weber
Colonel Pottanger

Navy Department: Admiral Spears
Admiral Greer
Captain Barbaro

1. Latin American Arms Program:

Mr. Briggs began by reviewing the present status of the so-called "Adjusted Interim Allocation" of aircraft. The allocation, he said, is subject to the approval of the various United States Ambassadors and to the willingness of the American republics to accept the proposed numbers and types of aircraft. No tactical aircraft are for the present being sent to certain countries. The Chilean, Peruvian, and Colombian governments have been notified of the proposed allocation to those countries. The Venezuelan program has been discussed with the United States Ambassador, Dr. Corrigan, who is now in Washington; the Ambassador agrees with the head of the United States Military Mission that there is need for further revision in the program.

Mr. Briggs then raised the question of the PBY's desired by Colombia and offered by General Arnold on his recent trip. He said that Admiral Ramsey had written that the Navy would make available 2 PBY's on certain conditions, and the price would, because of repairs, be up to \$120,000 per plane. General Walsh stated that General Arnold had asked that ~~the War Department~~ inquiry be made as to whether the Navy had any PBY's, if not, to

see

SECRET

-2-

see if some of the Army rescue planes could be released. Admiral Spears and Admiral Greer pointed out that the Navy was getting some PBY's back from England, but that no indication could be given of their probable price.

Mr. Dreier told of a recent discussion by State, War, and Navy representatives with Mr. Snyder in which it had been decided to use the surplus property mechanism to transfer the equipment in the approved program but that, since the Surplus Property Act did not envisage such a transaction, it would be discussed in advance with Congressional leaders on the basis of a memorandum prepared by the War Department outlining the scope of the program and the value of the equipment transferred. General Hertford then submitted a draft of such a letter and stated that Mr. Snyder would shortly write to Mr. Symington to designate the State Department as disposal agency for the equipment included in the program. It was decided that since the draft submitted by General Hertford did not include mention of the small Navy program, a separate letter on that subject would be required. In connection with the Navy program, Admiral Spears stated that the only ships which could now be legally transferred were demilitarized vessels through the War Shipping Administration and that legislation was needed to authorize the transfer of vessels which have been leased to the American republics.

2. Galapagos Base:

Mr. Briggs outlined the present status of negotiations for the base, mentioning the agreement reached at an earlier meeting to approach the Ecuadorans for joint rights in return for the payment of maintenance costs. He said that a short time ago, the Ecuadoran Ambassador had called on Mr. Acheson to ask United States intentions regarding the base and that it appeared that if something were not done soon, the United States might be asked to leave. In view of this fact and the possibility that the Ecuadorans might not take kindly to an approach on the basis stated above, this offer of maintenance costs was being cleared in advance with the Secretaries of War and Navy.

3. Cuban Bases:

Mr. Briggs stated that the Cubans were taking the position that the United States should leave these bases on March 2, 1946 prior to any negotiations for rights. In view of this attitude and since the agreement with Cuba called for turning over the base with "fixed" installations, it was decided that it would be advisable to tell the Cubans the United States would leave on March 2 or soon after as possible and that, in accordance with

the agreement

SECRET

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the agreement, all but fixed installations would be removed. it was agreed that a note to the Cuban Embassy and letter to the War Department should be drafted in this sense. If the Cubans realized that United States withdrawal would mean the removal of valuable installations, it was hoped that they would express a willingness to negotiate for continued United States rights.

JW Sec

SECRET

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE ON LATIN AMERICA

Minutes of the Meeting - March 11, 1946.

PRESENT:

State Department: Mr. Briggs
Mr. DreierWar Department: Major General Walsh
Brig. General Hertford
Colonel Blaine
Lt. Colonel HughesNavy Department: Captain Dennison
Captain Barbaro1. Legislation.

The Committee met at 3:30 and proceeded to discuss the revised legislation for military collaboration with the other American republics (draft of March 6, 1946.).

The first item was the first revision under Section 5. The Navy Department's revised language was accepted. This distinguished between property purchased for transfer to another government, for which full compensation should be received by the United States, and property purchased for the U.S. armed forces and sold to another government without being declared surplus, for which compensation to the United States should be fair value considering age, condition and cost of replacement.

In the second proviso of Section 5 the Navy member proposed the wording "shall" be changed to "may" in line 5. The Navy pointed out the difficulties in applying this mandatory provision to the sale of ships, as contrasted with rifles or other ground equipment. General Walsh said the program of the Air Forces would be helped by the suggested change, but raised the question whether the change would be acceptable to Congress. Mr. Dreier observed that the change would vitiate this provision, but the view was advanced that the emphasis given to the exchange of equipment under the provision as revised would still be helpful in requiring the collaboration of other countries to that end. It was agreed to change the word "shall" to "may" subject to discussion with Congress.

The Navy

-2-

The Navy member then proposed an additional clause in the last section of the bill to make sure that the bill would not restrict any authority deriving from the Surplus Property Act. Other members felt that the proposed reference to the Surplus Property Act would tend to restrict the new bill and confuse procedure. It was agreed to discuss this question further with legal advisers.

Section 7 of the bill was then discussed at length. It was first clarified that the determination of required forces called for under this section would be made in the agreement referred to, not by the United States or the other country unilaterally. The thought was then expressed that this section might result in requiring the Army and Navy to make an official declaration that any specific transfer of arms and equipment to any other country was justified on the basis of maintaining international peace and security. Furthermore the Navy member raised the question of whether it would be desirable for the United States to confirm in any agreement the exact forces which any other country would require for the maintenance of international peace and security and of internal order. The idea was suggested that the word "appropriate" would be more suitable than "required" in this connection. All three members said they saw advantages in eliminating this section entirely by putting some reference to the maintenance of international peace and security as a purpose of the act in the preamble. It was pointed out, on the other hand, that on the basis of staff conversations the Joint Chiefs had envisaged some inter-American agreement limiting the size of armed forces and that such an agreement was borne in mind in the drafting of this section. Complete omission of this section would, it was pointed out, eliminate any requirement that the transfers of arms under the act should be certified as necessary to the maintenance of international peace and security. The State member suggested that section 6 already covered international treaties and conventions limiting arms traffic or armaments. It was decided to give this matter further thought before reaching a final conclusion.

2. Galápagos Base

The State member referred to the letters recently sent to the Secretaries of War and Navy regarding the Galápagos, asking their opinion as to what this Government should do in the face of the Ecuadoran position that we should either withdraw from the Islands or agree to a twenty-million dollar payment for long-term rights. The Navy member asked whether the problem of the

Galápagos

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Galápagos could not be related to the general program of military collaboration, to Export-Import Bank loans, or to an inter-American defense agreement which would bring the influence of other countries to bear upon the Ecuadoran Government. The State member replied that these possibilities had been thoroughly considered, but that it was evident the Ecuadorans were possessed of a fixed idea on the subject, namely twenty million dollars or no agreement. The War and Navy members stated that replies to the letters from the Secretary of State would be made shortly.

The meeting adjourned at 5:15.

SECRET
SWNCC/LA V/18
March 21, 1946

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE ON LATIN AMERICA

Minutes of the Meeting - March 19, 1946

PRESENT:

State Department: Mr. Briggs
Mr. Dreier
Mr. Furniss
Mr. Elliott

War Department: Major General Walsh
Brig. General Hertford
Colonel Blaine

Navy Department: Captain Dennison

DC/R

1. Legislation on Military Cooperation:

The Subcommittee agreed to revisions in the preamble and Sections 2, 5, and 12 of the draft legislation. It was further agreed that the proposed executive order to accompany the legislation should be brought into conformity with the changes that had been made in the legislation.

The question was raised as to the desirability of having an expiration date written into the legislation. The War and Navy members were agreed that this should not be done, and the decision was taken not to add an expiration date.

The Subcommittee agreed that the draft legislation as revised (SWNCC/LA III/3) should be sent as soon as possible to the State-War-Navy Coordinating Committee with a covering memorandum (SWNCC/LA III/3/a) explaining that an executive order to accompany the legislation and a memorandum for the President were being prepared and would be sent to the Committee at a later date. The legislation would then be circulated for approval as a SWNCC document and, when approved by the SWNCC would be transmitted by the Secretary of State through appropriate channels to the President in order that the President might forward it to Congress. The Subcommittee agreed that before the legislation was formally submitted to Congress informal conversations should be held with Congressional leaders to acquaint them with the purposes of the legislation.

2. Requests

SECRET

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2. Requests for military equipment:

The Subcommittee agreed that a uniform procedure should be adopted to handle requests by the other American republics for military equipment beyond the amounts recently approved and that such requests should be handled only through General Wooten's office in the Foreign Liquidation Commission. A draft of standard procedure (SWNCC /LA VII) will be prepared and circulated.

3. Galapagos Base:

Mr. Briggs asked when the reply might be expected from the Secretaries of the War and Navy to the most recent letter of the Secretary of State on the Galapagos Base. It was stated that the reply, signed by the Secretary of War, was ready for the signature of the Secretary of Navy ^{and} could be expected to reach the State Department very shortly.

SECRET

SWNCC

Mr. Briggs
SECRET
SWNCC/LA V/18
April 16, 1946

DEPARTMENT OF STATE
OFFICE OF
AMERICAN REPUBLIC AFFAIRS
STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR LATIN AMERICA

Dc/R

DIRECTOR
Minutes of the Meeting - April 9, 1946

PRESENT: State Department - Mr. Briggs
Mr. Dreier
Mr. Furniss
Lt. Col. Smith (FLC)
Commander Moran (FLC)

War Department - General Walsh
Colonel Pottinger
Colonel Blaine

Navy Department - Captain Dennison

I. Surplus Construction Material from the Pacific (SWNCC/LA VIII, April 5, 1946). The material involved was stated to be vehicles and construction material which were not available for export as surplus from the United States. The members agreed that, if the program was properly handled, the sale of the material would be of benefit to other American republics; however, the following questions would have to be answered before steps could be taken to invite the other American republics to see and bid on this equipment: (1) can the material which is available be allocated for sale to the American republics or must it all be sold on a first-come, first-served basis, and (2) is shipping available to transport the material to Latin America from the Pacific. It was agreed that these questions would have to be worked out by FLC and that the Subcommittee, while interested in the proposed plan, was not in a position to take any positive action regarding it.

II. Revisions in Executive Order and Memorandum: Certain changes in the former were agreed upon, and the Executive Order was sent to the State-War-Navy Coordinating Committee as SWNCC/LA III/3/b, April 9, 1946. It was agreed that the memorandum should take the form of views to be incorporated in the message to Congress from the President when the legislation is submitted. After the meeting the memorandum was accordingly revised and sent to the State-War-Navy Coordinating Committee as SWNCC/LA III/3/c, April 9, 1946.

SECRET
SWNCC/LA/V/20
May 1, 1946

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR LATIN AMERICA

Minutes of the Meeting
April 29, 1946

PRESENT: State Department - Mr. Briggs
Ambassador Scotten
Mr. Dreier
Mr. Dearborn
Mr. Furniss
War Department - General Walsh
Brig. General Strong
Colonel Blaine
Colonel Tate
Lt. Colonel Hughes
Navy Department - Captain Dennison

1. Galapagos Base: Ambassador Scotten described a suggestion which he had earlier discussed with General Walsh and Colonel Blaine for the acquisition of certain limited rights in the Galapagos. It was proposed that the Ecuadoran Military Attaché in Washington be approached informally by the Army to learn whether Ecuador would be interested in asking the United States to leave certain equipment and a maintenance detachment at the base after July 1 under an Ecuadoran commanding officer, with provision that the United States would maintain the base in useable condition. Because of the political situation in Ecuador the negotiations would be kept, in so far as possible, in military channels. Ambassador Scotten said the plan appeared to be worth trying but he was not sanguine as to its results. General Walsh said that in view of the Joint Chiefs' directive on the Galapagos, it appeared to be necessary to go to the Joint Chiefs and to SWNCC to gain approval for negotiation with the Ecuadorans on such a basis, since the transit rights which the United States would obtain were less than the minimum set forth by the Joint Chiefs of Staff.

Mr. Briggs said that the best way would appear to be to approach the Ecuadorans informally in advance of any formal approval by the Joint Chiefs. If the Ecuadorans then indicated a desire to proceed with such a request to us, the matter could be submitted to the Joint Chiefs. Captain Dennison asked whether the rights to be obtained were worth the sacrifice entailed in having an Ecuadoran officer in command of the base. He also inquired whether it wasn't preferable to wait until after the signing of the Rio Treaty, which should make it possible to

bring

SECRET

-2-

bring multilateral pressure on Ecuador to contribute the base to hemisphere defense. General Walsh answered that the alternative to the plan advanced was to evacuate the base and allow it to deteriorate, since the Ecuadorans were not at all interested in maintaining it. In his opinion the provision for an Ecuadoran commanding officer would involve no problems for United States operation and that the term "transit rights" could be interpreted in a fashion satisfactory to the United States.

Captain Dennison and General Walsh gave information as to the present status of the evacuation of the base. The former said that the material which had not already been removed by the Navy would be of little bargaining value with the Ecuadorans, and the latter said the removal of army material was ahead of schedule but that some lighting and communications equipment would be kept to the last.

General Walsh said, and the Committee agreed, that he would give further consideration to talking informally with the Ecuadorans.

Captain Dennison subsequently alluded to an inquiry from the Panama Sea Frontier asking for permission to declassify appropriate communications regarding the evacuation of the base. It was agreed that there would be no objection to such declassification and that the matter should be coordinated with the Army's Caribbean Defense Command.

2. Letter to the Secretary of State from Mr. McCabe: Mr. Briggs briefly discussed a letter, a copy of which he had received, addressed to the Secretary of State from Mr. McCabe, Special Assistant to the Secretary and Foreign Liquidation Commissioner. The letter requested certain information concerning the program for the sale of specified amounts of military equipment to other American republics. It was agreed that, following receipt of the original of the letter, a reply should be drafted which would express the hope prompt action could be taken to carry out the program.

3. Visit of General Spaatz to Mexico: In connection with the visit of General Spaatz to Mexico, General Walsh said he was anxious to complete the transactions for the transfer to Mexico of certain planes now officially under the control of the United States Military Mission and asked that inquiry be made to learn whether there were any buildings, property, or "intangible benefits" which the United States might wish to acquire from Mexico in payment for the planes. Mr. Briggs said he would take up the matter with Mrs. Hughes of the Mexican Division.

S E C R E T

DEPARTMENT OF STATE
 MEETING
Memorandum of Conversation

DC/R

SECRET

DATE: February 4, 1948

SUBJECT: SANACC COORDINATING SUBCOMMITTEE FOR LATIN AMERICA

PARTICIPANTS: State

Navy

Mr. Daniels (ARA)
 Mr. Dreier (IA)
 Mr. Wise (CPA)
 Mr. Bennett (CPA)
 Mr. Spencer (IA)

Captain Mitchell
 Captain Gladney
 Captain Deuterman

COPIES TO:

Mr. Spencer (IA)

Air Force

Army

Colonel Kinney

Colonel Franklin

* * * 1-1498

The following topics were discussed at today's meeting of the SANACC Coordinating Subcommittee for Latin America:

1. Panama. Mr. Daniels said he wished to mention for the record, and for comment by other members, a problem regarding our relations with the Government of Panama. He stated that Panama, over the years, has charged the U.S. with racial-labor discrimination in the Canal Zone, and that as a result of these charges, General McSherry had made an investigation and had submitted certain recommendations for action in regard to the subject. Mr. Daniels stated that the State Department is in favor of any changes in the administration of the Canal Zone which would remove the irritation felt by Panama, provided that these changes are consistent with the security interests of the U.S. in that area and with the efficient administration of the Canal Zone. He said he would welcome comments by the Service Departments. He pointed out that the maintenance of friendly relations with Panama was a matter in which all four Departments were interested.

2. Bases. The Service Departments submitted a draft of a multilateral resolution on bases which they recommended be

proposed

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-2-

proposed at the Bogotá Conference. A copy of this resolution, as revised by the Subcommittee during the meeting, is attached. Mr. Daniels stated that the State Department would consider the revised resolution for possible submission to the Bogotá Conference. Colonel Kinney stated that the IADB had appointed a committee to implement an earlier resolution on bases and that no delegation to the IADB had opposed the idea of having the IADB approve a resolution along the lines of the attached draft. It was agreed that the U.S. delegation to the IADB would continue to seek adoption of an up-to-date resolution by the Board. Colonel Franklin stated that the Service Departments had found it impractical to draft a standard bilateral agreement which would obtain for the Service Departments the base rights desired in Latin American countries, since the situation varied so from country to country. Colonel Kinney expressed the view that bilateral negotiations should await the decision on the Bogotá resolution. It was decided that the Service Departments would prepare information on rights desired in each Latin American country. Mr. Daniels said that he was prepared to go into the question of bilateral negotiations whenever the Service Departments considered the time desirable.

3. Petroleum. Mr. Daniels stated that the State Department was considering the recommendations made by the inter-departmental committee on petroleum and other strategic resources, and that the Service Departments would be informed as soon as the State Department had reached its conclusion on these recommendations.

IA: GOS ^{ag} Spencer: blhSECRET

SECRET

4 February 1948

PROPOSED ITEM FOR THE AGENDA OF THE BOGOTA CONFERENCERESOLUTION ON HEMISPHERE SECURITY SYSTEM

WHEREAS the Governments represented at the Ninth International Conference of American States

recognize the intent of collective defense contained in the Act of Chapultepec and the Inter-American Treaty of Reciprocal Assistance, and

are desirous to promote to the fullest the common defense of the Western Hemisphere, and

WHEREAS they understand that preparedness in times of peace is an insurance against the consequences of war,

these Governments do resolve that they subscribe to the following principles and objectives:

ARTICLE I

Military operational facilities, present and future, of signatory nations will be available to the military forces of the American States when such forces are engaged in the defense of the Hemisphere in accordance with procedures established in inter-American agreements.

ARTICLE II

The Inter-American Defense Council shall plan an integrated system of operational facilities necessary for the maintenance of the security of the Hemisphere. Each American nation, as a necessary and appropriate part of its contribution to the collective preservation of hemispheric peace and security will designate within its territory operational facilities including anchorages available to American nations under the above provisions and will develop and maintain such facilities within their capabilities.

ARTICLE III

Military transit and technical stop privileges at designated ports, and navel anchorage privileges in territorial waters of American nations, will be accorded on a collectively reciprocal basis during peacetime in order to further hemispheric military

exercise

tion of equipment. The

exercise

SECRET

4 February 1948

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ARTICLE III

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exercise

SECRET

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exercise of such privileges in a country by aircraft or vessel of another American nation will be in accordance with the procedures and regulations established by the country which extends the privilege.

ARTICLE IV

The provisions of this agreement will not serve to preclude bilateral arrangements among the American nations in regard to military, operational facilities.

ARTICLE V

The use of military operational facilities during times of emergency or peacetime, derived from inter-American agreements, shall, in no way, affect the national sovereignty of the countries in which the facilities are located.

ARTICLE VI

In cases wherein the establishment or maintenance of the bases referred to in Article II exceeds the economic capability of an individual country, agreements for cooperative action will be reached as circumstances may warrant.

See Annex

SECRET

A N N E X**EXPLANATION OF PRIVILEGES OF TRANSIT, TECHNICAL STOP
AND NAVAL ANCHORAGE**

The privilege of military air transit and technical stop is the privilege to operate military and naval aircraft into, over, and away from a designated territory, to land at one or more specific airfields in order to refuel, effect repairs, or await favorable weather conditions, in accordance with the procedures established by the country which extends the privilege.

The privilege of naval anchorage is the authority to operate naval vessels and aircraft into, through and away from designated territorial waters, to anchor such vessels and aircraft at specified locations, to land such aircraft at specified locations, and to operate seaplane tenders as required in the exercise of the military air transit and technical stop privileges, in accordance with the procedures established by the country which extends the privilege.

DEPARTMENT OF STATE
MEETING
 Memorandum of ~~Conversation~~

De/R

CONFIDENTIAL

DATE: February 18, 1948

SUBJECT: SANACC COORDINATING SUBCOMMITTEE FOR LATIN AMERICA

PARTICIPANTS:	<u>State</u> Mr. Dreier (IA) Mr. Elliott (IS) Mr. Spencer (IA)	<u>Navy</u> Captain Mitchell <u>Air Force</u> Colonel Lampley
	<u>Army</u> Colonel Franklin	

~~CONFIDENTIAL~~

GPO 1-1498

The following topics were discussed at a meeting of the SANACC Subcommittee on Latin America, February 18, 1948:

Bases

Mr. Dreier stated that the question of whether or not a resolution on bases should be introduced by the U.S. delegation at Bogotá was being referred for top-level decision in the State Department, and that the Service Departments would be informed promptly of the Department's final opinion. Colonel Lampley referred to the resolution on bases which the IADB is transmitting to all governments through the PAU. He asked what reply the State Department intended to make to the IADB regarding this resolution. Mr. Dreier stated that any reply made by the State Department would be drafted in consultation with the Service Departments. Colonel Lampley asked whether the resolution of the IADB would provoke the Governing Board of the PAU to place the subject of bases on the agenda. Mr. Dreier stated that he believed that the Governing Board would not place the subject on the agenda in the absence of

a definite

CONFIDENTIAL

CONFIDENTIAL

-2-

a definite recommendation by one of the governments. He pointed out that the PAU merely transmits resolutions of the IADB to each of the governments, making no recommendations with respect to them. Colonel Lampley suggested that the resolution of the IADB might usefully be employed by the U.S. representative, Ambassador Dawson, in having the subject considered by the Governing Board. It was agreed that a decision on the question of raising the subject before the Governing Board would be dependent on the decision made on the problem relating to a resolution at Bogotá.

Colonel Lampley said the Air Force had not yet prepared any statement of specific rights to be sought in any other American republic through bilateral negotiations, but that further consideration would be given to this problem.

U.S. Military Personnel in Guatemala

Mr. Dreier referred to reports from the U.S. Embassy in Guatemala indicating that the continued presence of U.S. military personnel in Guatemala has given rise to several minor incidents which the Embassy believes may result in a request from the Guatemalan Government that the personnel be withdrawn. He pointed out that under the present agreement the Guatemalan Government may request the withdrawal of these forces at any time and suggested that it might be desirable for this Government to take the initiative in withdrawing these personnel, if the activities for which they had been stationed there were now largely completed. Colonel Lampley stated that the bases in Guatemala had been used in the ferrying of planes transferred to the other American republics under the program of providing them with surplus military aircraft, but that this program had been completed. He stated that the Air Force might desire to obtain an agreement with Guatemala for rights which might be necessary in the event of a contingency which would require the stationing of personnel in Guatemala in the future. He pointed out that, under normal conditions, the only rights desired in Guatemala would be the rights of entrance and exit for planes on special missions which we now enjoyed. He stated that the Air Force had experienced no difficulty in obtaining these rights in all countries, as the need for them arose, without the benefit of special agreements. It was agreed that the Departments of the Army and the Air Force would consider the situation in Guatemala and report their views to the State Department. Mr. Dreier suggested that if future rights were needed in Guatemala, the withdrawal of U.S. troops now there might provide a good opportunity to request such rights.

U.S. Delegation

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U.S. Delegation to Bogotá Conference

Colonel Franklin reported he understood that Mr. Armour had suggested to General Ridgway that the Service Departments send to Bogotá the same number of persons as they did to Rio de Janeiro. Mr. Dreier confirmed this, adding that it had been suggested that the Services might fly down special personnel during the conference to take care of any special circumstances that might arise. Captain Mitchell pointed out the necessity for having a petroleum adviser attend from the Navy Department. Mr. Dreier said that the composition of the delegation would be taken up with the Secretary of State in the near future for final decision.

Antartic Situation

Captain Mitchell asked whether it would be possible for Argentina and Chile to invoke Article 3 of the Rio Treaty in support of their claims to the Antarctic. Mr. Dreier said that of course the territories in question fell within the areas covered by Article 3, but that other provisions of the Treaty should also be borne in mind. For example, Article 10 specifically upholds the rights and obligations of the parties under the Charter of the United Nations, one of those obligations being to settle all their international disputes by peaceful means.

Petroleum

Mr. Dreier stated that the question of resolutions on petroleum and other strategic resources is being referred for a top level decision in the State Department. The present thinking is to introduce a resolution on petroleum, unless it should appear during the Conference that a satisfactory resolution on the subject would not be approved by the Conference, but not to present any resolution on other strategic resources which were believed to be cared for adequately in the Basic Economic Agreement.

Arms Traffic Control

Mr. Dreier distributed informally for subsequent consideration a paper outlining a possible plan for arms traffic control in the Inter-American System; he emphasized the tentative and informal character of the paper.

IA:GOSpencer:blh

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DEPARTMENT OF STATE

Memorandum of ~~Conversation~~ ^{SANACC MEETING}

DC/R

DATE: May 12, 1948

SUBJECT: SANACC Subcommittee on Latin America,
Meeting May 12, 1948.

PARTICIPANTS:

State
Mr. Daniels
Mr. Dreier
Mr. Spencer

Army
Colonel Franklin
Colonel Lane

~~COPIES TO:~~

Navy
Captain Dietrich
Colonel Forney

Air Force
Colonel Kinney
Colonel Eiseman
Colonel Miller
Major Johnson

1-1493

THE FOLLOWING SUBJECTS WERE DISCUSSED AT THE MEETING OF
THE SANACC SUBCOMMITTEE ON LATIN AMERICA, MAY 12, 1948:

Bogotá Conference

Mr. Daniels explained that the Advisory Defense Committee created at Bogotá would not function as a continuous body but would be convened only when special circumstances required. He stated that the Inter-American Defense Board would exist as a permanent and continuous organization and that it would continue its present functions. Mr. Daniels suggested that it would be propitious at this time to consider what might be done to improve the IADB. Mr. Dreier suggested that it might be desirable to reorganize the Board as planned before Bogotá and Colonel Kinney stated that the Service Departments had the question of reorganization under study. Mr. Daniels suggested that the question of the reorganization of the IADB be studied and discussed at some future meeting. He pointed out that the Pan American Union would have some funds available for the IADB and suggested that the Service Departments consult with the Pan American Union regarding this. Colonel Kinney inquired regarding the diplomatic status to be accorded to members of the IADB. Mr. Dreier pointed out that the

status

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status accorded members of the IADB by this Government would be something short of full diplomatic status but that the members would doubtlessly be accorded those rights necessary to perform their functions in the United States. He stated that the status accorded members would be determined in accordance with the U.S. Statute bearing on the matter of status.

Visits to U.S. of military officials from Latin American countries

Mr. Daniels referred to the visits which military officials of the other American Republics frequently make to the United States, at the invitation of one or another of the Service Departments, and urged that these visits be coordinated in advance with the State Department and each of the other Service Departments. He emphasized the importance of timing in arranging these visits and pointed that the visits of officials from one country should be so spaced as to avoid an unfavorable impression on the part of other countries. He indicated that the present procedure, whereby the Service Departments obtain the clearance of the State Department, is satisfactory, but suggested that it would also be desirable to have the Service Departments bring proposed visits to the attention of the Subcommittee on an informal basis so that everyone might be kept informed.

Petroleum

Colonel Forney stated that the IADB would probably continue to study the problem of the development of petroleum by Latin American countries. Mr. Daniels expressed the opinion that the problem should be kept alive in the IADB to the end of obtaining the fullest cooperation of the other American Republics. He suggested that the interest of the IADB in the problem might be helpful in having other countries enact legislation which would provide an incentive for the development of petroleum in those countries.

Bases

Mr. Daniels indicated that the State Department was prepared to consider the needs of the Service Departments for base rights in Latin American countries and to attempt to obtain them by bilateral agreements.

Colonel Kinney

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Colonel Kinney stated that the Joint Chiefs of Staff are now studying the problem and that the State Department would be informed of the results.

Missions

Mr. Daniels expressed the opinion that it would be advisable to have training missions in all countries where they can be justified. To the end of reviewing the present status of missions in the other American Republics, he suggested that a list of all missions be compiled for the Subcommittee.

Inter-American Military Cooperation Act

Colonel Franklin expressed concern over the fact that the State Department had decided not to request Congress to enact the legislation embodied in Title VI. He explained that the Service Department had hoped to use this legislation for the purpose of transferring military equipment to Latin American countries. He asked whether the State Department was prepared to support some kind of legislation which would enable the transfer of military equipment to Latin American countries. Mr. Daniels stated that in his opinion the need for legislation during this session of Congress was most urgent and that he would immediately take the question up in the Department to see what could be done.

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IA:GOSpencer:amw
5/25/48

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DEPARTMENT OF STATE

Memorandum of ~~Conversation~~ MEETING *DC/R*

DATE: May 26, 1948

SUBJECT: Meeting of the SANACC Sub-Committee for Latin America, May 26, 1948.

PARTICIPANTS:

State
Mr. Daniels
Mr. Dreier
Mr. Swett
Mr. Spencer

Army
Colonel Freeman
Colonel Lane

~~COPIES: 10X~~

Navy
Captain Mitchell
Captain Deitrich
Captain Deuteran

Air Force
Colonel Kinney
Colonel Eiseman

1-1493

Arms Bill

Representatives of the Service Departments were given copies of Public Resolution No. 83, of 1940, as amended by the State Department. It was explained by Mr. Dreier that, subject to the approval of the Service Departments, the State Department would consider suggesting to Congress that this amendment be enacted this session of Congress, in the event that Congress responded negatively to the Secretary of State's request for action on IAMCA. It was explained that a simple amendment to Public Resolution 83 would provide sufficient authority to permit (1) the procurement of military equipment by the Service Departments for Latin American countries and its sale at cost; and (2) the sale of surplus naval vessels which the Navy Department is holding for the Western Hemisphere program, but which the Navy Department is unable to sell because of restrictive provisions in the Surplus Property Act. It was explained that if Congress responded negatively to the request of the State Department to enact IAMCA in this session, the State Department would attempt to persuade Congress to enact an

amendment

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amendment to Public Resolution 83 as a compromise measure. The members of the Service Departments present agreed that the amendment seemed satisfactory, but expressed a desire to submit it to their respective Departments for comment.

Request of Argentina for military equipment and other Assistance

1. Colonel Freeman stated that Sosa Molina, Argentine Minister for Defense, had proposed that there be stationed in Washington a group of Argentine Army personnel which would maintain liaison with the Department of the Army, for the purpose of obtaining information regarding the procurement of military equipment and technical assistance. Colonel Kinney stated that a similar proposal had been made by Argentina with regard to the establishment of an Argentine Air Mission in Washington. He pointed out that Argentina had raised this question in connection with discussions now being held with Argentina regarding the establishment of a U.S. Air Training Mission in Argentina. Mr. Daniels suggested that appropriate officers of the Department of the Air Force arrange a meeting with him and other officers in the State Department to discuss the Argentine proposal for an Air Mission in Washington. With regard to the Argentine proposal that Argentine Army personnel be stationed in Washington to maintain liaison with the Department of the Army, Mr. Daniels stated that the function of such a group would seem to be similar to the function of a purchasing commission which many of the Latin American countries customarily send to the United States. He stated that he could see no objection to a purchasing commission being sent to the United States, provided that it was not accorded any special status.

2. Mr. Spencer referred to the most recent request of Sosa Molina for military equipment and asked Colonel Freeman whether the equipment was in excess of that already approved by the State Department for sale to Argentina. Colonel Freeman replied that the most recent Argentine request was for the most part within the program which the State Department had already

approved

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approved, with the exception of an additional few items. Mr. Swett indicated that the State Department would need to know the exact quantities and types of additional equipment before approving the request. Colonel Freeman replied that he would submit a memorandum to the State Department clarifying this point.

Proposal of Air Force to withdraw U.S. Forces from the Galápagos Islands.

Colonel Kinney stated that the Department of the Air Force was prepared to withdraw its forces from the Galápagos Islands and asked whether the State Department would have any objection to this action. Mr. Daniels replied that he would like to take this matter up in the State Department before making comment.

Request of Colombia for uniforms

Colonel Freeman stated that none of the clothing requested by the Colombian Government is in excess of the U.S. Army's own needs. He stated, however, that the Department of the Army is prepared to suggest the names of commercial suppliers where clothing might be procured. He stated that these comments would be submitted to the State Department formally in a memorandum.

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DEPARTMENT OF STATE

DC/R

Memorandum of ~~Conversation~~ MEETING

DATE: July 8, 1948

SUBJECT:

Minutes of SANACC Sub-Committee on Latin America Meeting of July 8, 1948.

PARTICIPANTS:

State
 ARA - Mr. Daniels
 IA - Mr. Dreier
 O - Mr. Swett
 IA - Mr. Spencer

Army
 Col. Freeman
 Col. Somerville
 Col. Isely
 Col. Franklin
 Col. Folda
 Col. Kane

COPIES TO:

Navy
 Capt. Mitchell
 Capt. Deutermann
 Capt. Copping
 Comm. Gladney

Air Force
 Col. Eiseman
 Col. Miller

The Subcommittee met to consider whether it will be possible for the Service Departments to continue to make available U.S. military equipment to Latin American countries. Colonel Isely explained that in attempting to make equipment available to foreign countries, both inside and outside the Hemisphere, the Department of the Army is faced with a world-wide problem. He reviewed the problem as follows:

1. Military assistance to foreign governments has been made difficult by the lack of adequate legislation authorizing sales of arms to foreign governments. As a result of legislative action by the last Congress, the Surplus Property Act of 1944, which previously provided the legal authority for sales of surplus equipment, is now applicable only to equipment which the Service Departments already have declared surplus to OFLC. The President has executive powers which might be used to continue these sales, but the use of these is dependent on the President declaring an actual state of emergency to exist. Public Resolution 83, of 1940, permits the sale of military equipment at cost, but limits the type to coastal defense equipment. In short, there is no adequate legislation

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which would permit the sale of balanced military programs to foreign countries, except in the case of those countries, such as Greece and Turkey, for which Congress has specifically authorized programs of military equipment. Legislation by the next Congress will be required if the military requirements of Western European and Latin American countries are to be met.

2. Even if adequate legislation were presently available, the Department of the Army would not have equipment available, in balanced units, for Latin American countries. This shortage of equipment is attributable to: (a) the current requirements of the U.S. Army, which is being expanded in accordance with the wishes of Congress, (b) the dissipation of surplus equipment in overseas areas, and (c) the requirements of countries for which programs have been specifically authorized by Congress, such as Greece and Turkey.

3. The National Security Council has taken cognizance of the shortage of U.S. military equipment and, to the end of assuring that it is distributed to areas where it is most urgently needed, has recommended to the President that the military requirements of Western European countries be accorded first priority. If approved by the President, this recommendation will be implemented by the Departments of Government. The Department of the Army does not have enough available equipment to meet the total requirements of Western European countries.

Colonel Freeman supplemented the remarks of Colonel Isely by pointing out that, although about fifty million dollars' worth of equipment is available for Latin American countries, only a negligible quantity of this is in the form of actual weapons. The bulk of it consists of relatively useless items such as radios without tubes, telephones without wires, etc.

After reading a recent memorandum from the Department of the Army which reiterated most of the points made by Colonel Isely, Mr. Daniels asked whether the Departments of the Navy and Air Force were faced with

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a similar problem. Captain Mitchell pointed out that the Navy has a number of surplus naval vessels which have been earmarked for Latin American countries, but that there is no legislative authority permitting the sale of these vessels. Captain Deutermann stated that the Department of the Navy, under Public Resolution 83, is able to provide armament for U.S. vessels already in the possession of Latin American countries and for ships which these countries may have built in the United States. He stated that under this law the Navy is empowered to build ships for foreign governments, but that the Navy prefers that foreign governments have them built in private shipyards, the Navy supplying the necessary armament. Captain Deutermann pointed out that all equipment sold under Public Resolution 83 must be sold at current market prices, which are very high.

With regard to the possibility of the Department of the Air Force making further equipment available for Latin American countries, Colonel Eiseman stated that about 600 planes were available, but that it was questionable whether they should be sold to Latin American countries, inasmuch as the Department of the Air Force could neither rehabilitate them nor provide spare parts. He suggested that it might be possible for other governments to obtain spare parts from commercial sources and have the planes rehabilitated by private firms. Colonel Eiseman pointed out that Latin American countries had not purchased all of the aircraft offered to them in the interim program and stated that it might be surmised from this that a saturation point in the demand of Latin American countries for aircraft may have been reached. He expressed the opinion that during the next five years most of the demand would be for replacement aircraft. With regard to the recent interest of some countries in procuring jet planes, Colonel Eiseman indicated that the aircraft industry in the United States would benefit from sales to Latin American countries. He expressed the view that the industry would be able to fill these orders and at the same time meet the requirements of the expanded U.S. Air Force. With regard to the desirability of Latin American countries purchasing jet planes, Colonel Eiseman cited Venezuela as an example. He stated that he could perceive no

objection

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objection to the procurement of jet planes, such as P-80's by Venezuela, even though the Venezuelan Air Force had neither the training nor the facilities to fly the planes effectively.

Mr. Daniels states that in view of the remarks of the members of the Subcommittee there would seem to be no possibility of providing Latin American countries with equipment from U.S. Government sources, until such time as Congress enacted adequate legislation. He stated that the only source of supply open to Latin American countries would appear to be the commercial market. Colonel Freeman pointed out that current high prices would prevent most countries from procuring equipment from this source and recommended that the long-range objective of the interested Departments should be to have Congress enact legislation which would subsidize purchases of arms by Latin American countries. Mr. Daniels replied that if Congress makes it possible for countries outside the Hemisphere to obtain military equipment at less than cost, our aim should be to have Congress accord most-favored-nation treatment to Latin American countries. The Subcommittee agreed that each of the interested Departments should give the problem of military assistance to Latin American countries, and particularly the IAMCA, further study, and agreed on the following course of action:

1. The State Department should prepare a circular instruction to U.S. Diplomatic Missions in Latin America, pointing out frankly that the only immediate source of U.S. military equipment for Latin American countries is the commercial market in the United States.

2. Each of the respective Departments should review the proposed Inter-American Military Cooperation Act, to the end of determining whether any of its provisions require revision. It was agreed that any legislation proposed to the next Congress should embody the best possible plan for providing military equipment to Latin American countries, insofar as possible on a basis which would prevent anything like an arms race.

IA:GOSpencer:amw
7/13/48

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DEPARTMENT OF STATE
MEETING
 Memorandum of ~~Conversation~~

SECRET

DATE: August 11, 1948

SUBJECT: Minutes of SANACC Subcommittee on Latin America
 Meeting of August 11, 1948

PARTICIPANTS:

State

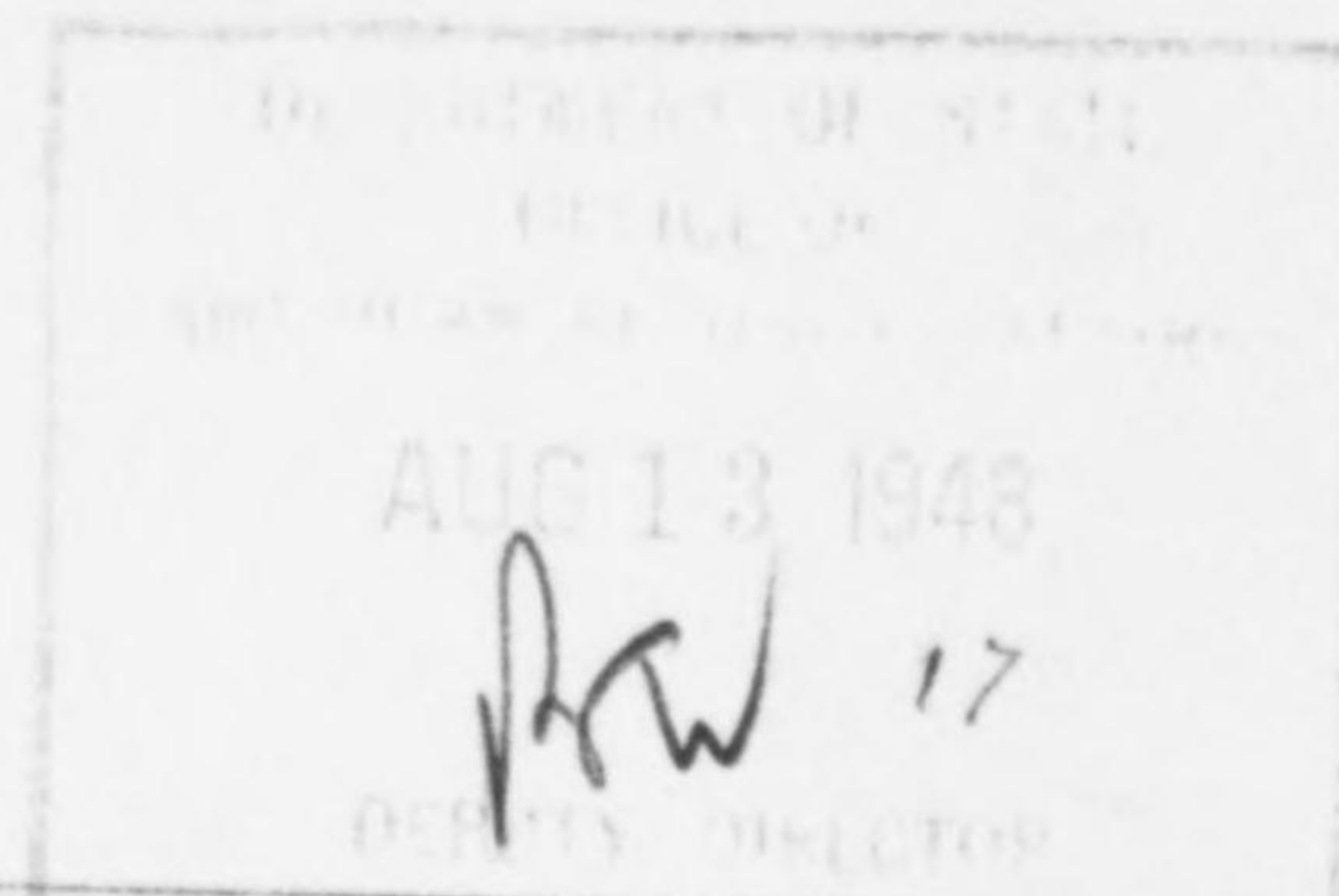
ARA - Mr. Woodward
 IA - Mr. Dreier
 IA - Mr. Spencer

Army

Colonel Folda
 Colonel Kane

~~XXXXXXXX~~Navy

Commander Gladney



1-1403

Colonel Folda and Commander Gladney submitted lists of military equipment which Latin American countries are reported to have procured from sources other than the United States. Copies of these lists are attached. Commander Gladney referred to the corvettes and frigates which several countries have acquired from Canada and pointed out that these vessels conformed to United States standards. Accordingly, in acquiring these vessels the other governments have not jeopardized the standardization program. He stated that the acquisition of foreign vessels by Latin American countries had not yet resulted in the establishment of any foreign naval training missions in Latin America. Colonel Folda referred to the purchase by Argentina of British planes and indicated that the acquisition of these had resulted in the establishment in Argentina of a British aviation training mission. He pointed out that this mission was accepted by Argentina a few days after our air mission agreement with Argentina had expired. He stated that although this Government was attempting to renew the air mission contract with Argentina, he believed that there had as yet been no official exchange of notes renewing it.

Colonel Kane

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Colonel Kane explained that it would be possible for the United States to assign an air mission to Argentina in spite of the fact that Argentina had accepted a British mission. He pointed out that the duties of the British mission would be different from those performed by the United States mission. Members of the Subcommittee discussed how the acceptance by Latin American countries of foreign military training missions could be avoided in the future and it was generally agreed that to do this it would be necessary to permit Latin American countries to procure arms freely in the United States commercial market. It was recognized, however, that if prices quoted for arms in the United States were higher than those quoted for arms in other countries, purchases from the latter sources might be expected; furthermore, it was recognized that some Latin American countries might be in a better position to procure arms from Britain than the United States if they had a shortage of dollars but sufficient amounts of blocked Sterling. It was generally agreed that when other governments acquired appreciable amounts of military equipment from foreign governments there was usually the danger of their accepting military training missions from the governments supplying the arms.

Mr. Woodward inquired whether the Service Departments were in a position to offer Latin American governments assistance in procuring arms from commercial sources. He pointed out that there had been a recent interest expressed by representatives of Latin American governments in Washington to obtain information regarding reliable arms firms which were in a position to offer military equipment. Colonel Kane stated that the Department of the Army was working out a procedure by which assistance of this kind could be rendered, but that the Army had not yet completed its plans. Commander Gladney stated that he believed the Navy was prepared to assist the other governments in procuring arms under procedures already established in the Navy. Mr. Woodward stated that the State Department was prepared to send a letter to Mr. Forrestal, making a formal request that procedures immediately be established, but both Colonel Kane and Commander Gladney felt that such a letter would serve no useful purpose in view of the effort already being made by the Service Departments.

Commander

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Commander Gladney referred to a paper approved by SANACC on July 26, 1948 (SANACC 360/5) which stated that the appropriate Subcommittees of SANACC, in coordination with the Rearmament Subcommittee of SANACC, should be charged with making recommendations to SANACC twice a year with respect to continuing support of military assistance programs in effect. He inquired what function the SANACC Subcommittee on Latin America would perform under this directive. It was agreed that a consideration of what type of report should be made by the Subcommittee to SANACC would be considered at a later meeting.

Mr. Woodward mentioned that on August 25, 1948, Mr. Daniels would probably deliver an address before the Army Intelligence School. Colonel Kane stated that he, also, had been asked to address the Army Intelligence School on this date. Mr. Woodward stated that he would pass this information on to Mr. Daniels.

Classification approved:

Wm C. Spencer Chief - IA
Date: August 12, 1948.

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IA:GOSpencer:amw
8/12/48

NAVY DEPARTMENT

OFFICE OF THE CHIEF OF NAVAL OPERATIONS

In reply refer to
Initials and No.

Washington, D.C.

Op-34W/ep

11 August 1948

MEMORANDUM TO MR. DANIELS:

Subject: Naval Vessels Purchased by Latin American Countries.

1. I have listed those naval vessels of which we have record in the Navy Department, which have been purchased by Latin American countries:

VENEZUELA

1 Corvette	Canada
4 Frigates	U.S.
15 Mine Sweepers (only 1 delivered)	Canada

BRAZIL

Sailing Vessel (1755 Ton)	<u>Ex-German</u>
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DOMINICAN REPUBLIC

2 DE	British
5 Corvettes	Canada (Panama)

1 Frigate (Yacht)	Canada
1 Merchant Ship (3400 Ton) (Naval Training Ship)	British

PERU

2 Frigates	Canada
1 Tanker	Canada

CHILE

3 Frigates	Canada
3 Corvettes	Canada

D. W. GLADNEY

C O P Y

9 August 1948

ARMY REPORT

1. Argentina has purchased 100 British jet planes, a limited number of Lincoln and Lancaster four-engine bombers as well as commercial and military aircraft from Italy. Argentina has purchased approximately 600 tanks of American and British make from a Belgium firm. She has ordered Naval anti-aircraft guns and submarine deck guns from Swedish sources. She has negotiated with the Hispano-Suiza Company of Berne, Switzerland for 20 mm cannon.

2. El Salvador has purchased approximately 1,000 Madsen semi-automatic rifles from the Dannish firm. Further purchases from the same company are under negotiation now.

3. Several countries are seriously considering the purchase of war material from other than U.S. sources. Among these is Paraguay which intends to buy from Belgium sources unless U.S. sources can deliver equipment. Chile has announced her intention of purchasing machine guns from Madsen in Denmark. Venezuela has been involved in Czech and French negotiations.

4. Within Latin America itself there has been at least one transfer of equipment. Brazil has sent to the Dominican Republic 8,500 Mauser rifles.

5. The most recent indication of European sources encouraging Latin Americans to buy from them is a recent statement by the new British Air Attache to Brazil.

"British Made Jet Planes Available"

ZXBS Sao Paulo Brazil in Portuguese Brazil
3 August 48 8:45 P.M.

"On arriving in our country, the new British Air Attache, Commodore David (Bayles), told newsmen that Brazil can purchase British made jet planes in same manner that Argentina is now purchasing them, merely by conducting the necessary negotiations for their acquisition."

C O P Y

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DEPARTMENT OF STATE

MEETING
 Memorandum of ~~Conversation~~

DC/A

DATE: October 20, 1948

SUBJECT: Minutes of SANACC Subcommittee on Latin America
 Meeting of October 20, 1948.

PARTICIPANTS:	<u>State</u>	<u>Navy</u>
	ARA - Mr. Daniels IA - Mr. Spencer	Lt. Colonel Forney Commander Gladney
CORRECTS:	<u>Army</u>	<u>Air Force</u>
	Colonel Folda Colonel Kane	Major Swiren

1-1403

Bases

Mr. Daniels stated that the State Department was prepared to negotiate bilateral agreements with the other American republics for the purpose of obtaining for the Service Departments any base rights which might be required in Latin America. He pointed out, however, that the State Department has not yet been informed of the specific needs of the Service Departments for base rights, except in the case of Panama.

Colonel Forney pointed out that that any discussion of the problem by the Inter-American Defense Board would involve the question of cost and maintenance of bases. He stated that the United States might be required to contribute funds for the building and maintenance of bases. Mr. Daniels stated that the problem of obtaining a multilateral agreement for bases through the Inter-American Defense Board was a complicated one which probably would require some time in solving, but that the State Department was ready to act now, on a bilateral basis, by attempting to obtain for the Service Departments any base rights which might be required.

Inter-American Military Cooperation Act

Mr. Daniels stated that the Office of American Republic Affairs in the State Department had submitted the problem of

arms

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arms legislation to the Secretary of State for decision. He indicated that the recommendation submitted to the Secretary was that the needs of the other American republics be covered by any world-wide legislation proposed to Congress, but, in the absence of world-wide legislation, that these needs be covered by separate legislation, such as the IAMCA. Mr. Daniels expressed the fact that Latin American countries should, by law, receive benefits equal to those received by other countries, in short, that legally there should be no distinction made between Latin American and other countries. He stated, however, that in the implementation of any legislation there should be wide latitude with regard to the actual amounts of military equipment supplied the other American republics. He stated that the minimum objective in implementing any legislation should be the objective of providing military equipment to one of the other American republics urgently in need of it. Colonel Kane stated that the Army was giving first priority to legislation for Western Europe and a lesser, but high priority, to the IAMCA.

Military Equipment

Mr. Daniels asked the members of the Service Departments to consider what would be a suitable procedure for the State Department to use in requesting the Service Departments to render assistance to one of the other American republics in urgent need of equipment. As an alternative procedure he suggested:

- (1) Addressing a letter to the Secretary of Defense;
- (2) Addressing a letter to the Secretaries of the respective Service Departments;
- (3) Addressing letters to officials of a lower rank than the Secretary.

Martinique

Mr. Daniels stated that the United States Consulate at Martinique would not be discontinued by the State Department.

Dutch East Indies

Mr. Daniels made an inquiry regarding the proposal to send General Ridgway to the Dutch East Indies for the purpose of discussing with the Dutch measures of defense which might be undertaken in the event of an emergency in that area. Mr. Spencer replied that Colonel Freeman had stated that this proposal was being considered by the Department of the Army and that the State Department would be informed of the decision reached.

ARA:IA:GOSpencer:amw

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DEPARTMENT OF STATE

Memorandum of Conversation

DC/R

DATE: November 3, 1948

SUBJECT: Minutes of SANACC Subcommittee on Latin America Meeting of November 3, 1948.

PARTICIPANTS:

State
ARA - Mr. Daniels
IA - Mr. Dreier
Mr. Spencer

Navy
Captain Deutermann
Lt. Colonel Forney
Commander Gladney

~~COMMISSION~~

Army
Colonel Freeman
Lt. Colonel Folda
Colonel Kane

Air Force
(No member present)

1-1483

Awarding of the Legion of Merit

Mr. Daniels inquired whether the Service Departments used any general criteria in determining what foreign military officials should be awarded the Legion of Merit. Colonel Freeman replied that he was unaware of any general criteria, as such, but that the Department of the Army had been very conservative in the awarding of this honor since the end of the war, and furthermore, that in every case clearance of the State Department was obtained. Captain Deutermann and Commander Gladney stated that the policy of the Navy was the same as that outlined by Colonel Freeman. Mr. Daniels asked whether it would be reasonable to suggest that any future proposals for the awarding of the honor be referred to the Committee for comment. He stated that this procedure should not supplant the procedure already in effect; namely, clearance by each of the Service Departments with the State Department. It was agreed that any future proposal for awarding the honor would be referred to the Committee for comment.

Bases

Mr. Daniels stated that the State Department was interested in being informed of any specific bases or privileges required by the Service Departments in the other American republics and that the State Department was also

interested

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CONFIDENTIAL

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interested in any plans which the Service Departments might have for abandoning military bases or installations in the other American republics. As an example of the latter type of interest, Mr. Daniels referred to a letter which the State Department has received from the Public Health Service, protesting the withdrawal of the Air Force from San José, Guatemala. Mr. Daniels explained that the Public Health Service is using the Air Force facilities in San José in connection with a public health project.

Colonel Folda stated that several SANACC papers setting forth the needs of the Service Departments for bases in the other American republics are available. He stated that the State Department would probably find that these contained adequate information regarding the needs of the Service Departments. Mr. Daniels stated that one of these papers had recently come to his attention and that he would study it carefully and obtain any other SANACC papers available on the subject.

Visits of foreign military officials to the U.S.

Mr. Daniels referred to the present visit of Lieutenant General Bartolomé de la Colina, Argentine Minister of Air, to the United States, pointing out that the Department of the Air Force had taken a position that it was not in a position to pay the hotel bills of General de la Colina. Mr. Daniels stated that, in his opinion, the Department of the Air Force was technically justified in adopting this position, but that in view of the ill will created by the failure of the Air Force to assume the obligation, it was necessary, in the interest of good relations with Argentina, for the bills to be paid by the Air Force. Mr. Daniels suggested that the Service Departments, in making arrangements for the visits of foreign military personnel, allocate sufficient funds to meet contingencies, such as the one now being faced by the Air Force in connection with the visit of General de la Colina.

Proposals for avoiding an arms race in Latin America

Mr. Daniels stated that he was anxious to obtain the views of the Service Departments in regard to the question of how to avoid an arms race from developing among the other American republics. He referred to the alarm expressed by Brazil over recent acquisitions of military equipment by Argentina, and to the alarm of countries in

the

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the Caribbean area over recent acquisitions of military equipment by the Dominican Republic. Mr. Daniels stated that it would be possible, through the use of export control procedures, to limit the amounts of arms the other American republics procured in the United States, but that this would involve a unilateral determination by the United States of what each country should obtain. He stated that such an approach would, in his opinion, be undesirable for the following reasons: (1) it is the sovereign right of governments to determine their own military requirements, and by limiting the export of arms, this Government would be violating this right; (2) limits imposed by this Government on the export of arms would be ineffective as long as arms are available to the other American republics from European sources of supply.

Colonel Forney stated that some of the younger officers appointed by the other American republics to the Inter-American Defense Board had expressed the view that it would be appropriate for the Board to study the problem of what role each of the other American republics is to play in hemisphere defense. In this connection, Mr. Daniels stated that he felt it might be desirable for the Board to consider the problem of hemisphere defense. He expressed the opinion that the Board should not become too involved in the study of concrete measures of defense at this time, since the problem is so complicated that it might provoke intense and undesirable controversy among the delegations to the Board. He stated, however, that the Board might make an approach to the problem and that such an approach might have beneficial results. He asked to be informed of any plans which might be made to raise this problem before the Board. He stated that the Board would be justified in considering the problem for two reasons: (1) the Rio Treaty commits the other American republics to participation in defense of the hemisphere; and (2) the Inter-American Defense Board, at Bogotá, was given the function of rendering advice to the Advisory Defense Committee.

Military equipment for Latin American countries

Colonel Freeman stated that the Department of the Army had under informal consideration the problem of what amounts of military equipment should be made available to the other American republics, in the event legislation is obtained from Congress. He stated that the consideration of this problem was in its preliminary stages, but that it would be referred to the State Department for consideration at an appropriate time.

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