SECRET 498

PAGE 01 BUENOS 0401 271335Z

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ACTION ARA-08

INFO OCT-01 SS-14 NOSR-01 NSC-10 NSCE-00 INR-05 CIAE-00

NSA-01 PM-03 BODE-00 PRS-01 RSC-01 045 W

R: 271140Z AUG 71
FM: AMEMBASSY BUENOS AIRES
TO: SECSTATE WASHDC 4864
INFO: AMEMBASSY BRASILIA
AMEMBASSY MONTEVIDEO
AMEMBASSY RIO DE JANEIRO
USCINCNO.

SE: C: RET BUENOS AIRES 4401

LIMDIS

USCINCNO FOR POLAD.

SUBJECT: URUGUAYAN SITUATION

REF#: STATE 153569 09 14 71

SUMMARY: GOA ACTIVELY CONCERNED OVER SITUATION IN URUGUAY. UNDER PRESENT CIRCUMSTANCES, GOA IS EXPECTED TO SEEK TO AVOID OVERT INTERVENTION, WITH OR WITHOUT BRAZIL, AND INSTEAD TO DEPRIVE FREnte AMPLIO OF FRUITS OF ANY VICTORY BY SUPPORTING AUTOGOLPE BY PACHECO ARECO OR, IN LESSER CONTINGENCIES, BY ENDEAVORING TO STRENGTHEN GOU TO ENABLE IT TO WITHSTAND INCREASED THREAT OF SUBVERSION ARISING FROM ELECTORAL GAINS OR GROWTH IN POPULAR SUPPORT FOR FREnte.

1. GOA AND PARTICULARLY ARGENTINE MILITARY HAVE LONG BEEN PREOCCUPIED OVER SITUATION IN URUGUAY, A CONCERN THAT IS CERTAIN TO DEEPEN AS ELECTIONS APPROACH WITH THREAT OF GAINS BY FREnte AMPLIO, EVIDENCE OF CLOSE CONNECTIONS BETWEEN URUGUAYAN AND ARGENTINE TERRORISTS AUGMENT THIS CONCERN, AND ARGENTINE AUTHORITIES HAVE LONG BEEN DISTRESSED OVER URUGUAYAN INEFFECTIVENESS IN COMBATING SUBVERSION.

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PAGE 02. BUENOS 04401 271335Z.

2. IN PAST FEW YEARS, GOA IN FACE OF DETERIORATING DOMESTIC SITUATION IN URUGUAY, HAS SOUGHT TO STRENGTHEN POSITION OF GOV. THROUGH ECONOMIC ASSISTANCE. MEETINGS BETWEEN PRESIDENTS PACHECO ARCEO AND ONGANIA IN MARCH 1970 (B-4428, 1970) AND PRESIDENT LEVINGTON IN FEBRUARY 1971 (BA-671) RESULTED IN ANNOUNCEMENTS OF SUCH AID. IN ADDITION, GOA HAS SOUGHT TO STRENGTHEN ANTI-SUBVERSIVE CAPABILITIES OF GOV. THROUGH TRAINING AND COUNSEL, AS IN CASE OF INTERROGATION TEAM DISPATCHED TO MONTEVIDEO WHEN TUPAMARO RAUL SENDIC WAS CAPTURED.

3. EMBASSY BELIEVES THAT SITUATION IN URUGUAY ALSO HAS CONSTITUTED IMPORTANT PART OF RECENT CONTACTS BETWEEN BRAZILIAN AND ARGENTINE MILITARY, INCLUDING VISIT TO BRAZIL LATE LAST YEAR BY THIRD CORPS COMMANDER, HARD-LINER MAJOR GENERAL LOPEZ AUFRANC, AND MEETING IN JULY 1971 OF INTELLIGENCE STAFFS OF BOTH ARMIES. GIVEN HISTORIC BUFFER ROLE OF URUGUAY, AND CONSEQUENT CONCERN WITH WHICH OVERT UNILATERAL INTERVENTION BY EITHER COUNTRY WOULD LIKELY BE VIEWED BY OTHERS, JOINT ACTION IN THE WORST OF SITUATIONS THERE MIGHT BE POSSIBILITY, BUT PROSPECTS CURRENTLY FADING.

BRAZILIAN MILITARY HAS TOLD US MILATT THAT IN DAYS OF PRESIDENTS ONGANIA AND COSTA E SILVA, AN AGREEMENT FOR JOINT INTERVENTION IF NECESSARY ACTUALLY EXISTED. HE SAID THAT LOPEZ AUFRANC AND MOST OF ARGENTINE MILITARY FAVOR THIS KIND OF SOLUTION BUT THAT PRESIDENT LANUSSE, BECAUSE OF A DRIFT TO POPULISM IN SUPPORT OF HIS GRAN ACUERDO NACIONAL PLANS, NOW OPPOSES ANY SUCH SOLUTION BECAUSE OF ITS DOMESTIC POLITICAL IMPACT. GRAVITATING ADDITIONALLY AGAINST THIS TYPE OF SOLUTION IS GROWING GOA SUSPICION OF BRAZILIAN ASPIRATIONS TO REGIONAL HEGEMONY ARISING FROM ITS ASSERTIVE FOREIGN POLICY, RAPID RATE OF DEVELOPMENT AND CERTAIN IRITANT IN BILATERAL RELATIONS SUCH AS USE OF PLATE BASIN WATERS. MANNER IN WHICH CHILEAN SITUATION CURRENTLY IS EVOLVING, DESPITE EARLIER EXPECTATION OF WORST ON PART OF ARGENTINE ARMED FORCES, ALSO MAY CAUSE GOA TO REGARD OVERT INTERVENTION AS LESS NECESSARY.

4. THEREFORE, EMBASSY BELIEVES THAT, IN EVENT OF CONTINGENCIES MENTIONED IN REFTEL, GOA UNLIKELY IN PRESENT CIRCUMSTANCES TO OVERTLY INTERVENE WITH OR WITHOUT BRAZIL. CAS. HAS INFORMATION STEMMING FROM HIGHEST GOVERNMENT SOURCES THAT GOA HAS IN FACT MADE THAT DECISION. OUTCOME OF LANUSSE'S MEETING WITH ALLENDE PROBABLY HAS STRENGTHENED WHETHER OR NOT JUSTIFIABLY, THIS DECISION BY GOA.
5. IN EVENT OF CONTINGENCY A IN REFTEL, EMBASSY BELIEVES THAT GOA WOULD WORK THROUGH PACHECO ARECO REGIME TO FORESTALL ACTUAL ASSUMPTION OF POWER BY FREnte AMPLIO THROUGH AUTOBOLPE BY PACHECO ACCORDING TO CAS SOURCES, SUCH CONTINGENCY PLANNING ALREADY IS UNDERWAY WITH GOA PROMISING MATERIAL AND FINANCIAL ASSISTANCE. RECENT EVENTS IN BOLIVIA IN WHICH GOA WAS INVOLVED MAY WELL ENCOURAGE THOSE IN GOA WHO LOOK TO THIS KIND OF SOLUTION.

6. IN CASE OF CONTINGENCIES B AND C, EMBASSY WOULD EXPECT GOA TO DO WHAT IT COULD TO STRENGTHEN GOU IN FACE OF FREnte AMPLIO THREAT THROUGH FINANCIAL, MILITARY AND OTHER TYPES OF ASSISTANCE BUT AGAIN IN A MANNER CALCULATED TO AVOID CHARGES OF OVERT INTERVENTION. SUCH ASSISTANCE DOUBTLESS WOULD BE SCALLED TO THE DEGREE OF STRENGTH ATTRIBUTED TO THE FREnte LODGE.