

Arms Race On: South America Joins the Jet Set

By FRANCIS B. KENT

LIMA, Dec. 3—No one wants to admit it, but much of South America is caught up in an authentic, old-fashioned arms race.

From Venezuela on south, governments are scrambling to buy the newest symbol of military prestige in this part of the world: the jet fighter plane.

That any of the countries involved really needs this sophisticated weapon is at best questionable. But national pride is at stake and in at least two instances the jets are already in the air. More are sure to come.

Military considerations aside, the wisdom of these purchases has been questioned in the major capitals of Latin America, and echoes have been heard from as far away as Washington.

PAPERS AROUSED

In Mexico City, Rio de Janeiro, Buenos Aires and elsewhere, editorials have denounced the jet acquisitions and suggested that the millions of dollars involved could be put to better use.

Nowhere in Latin America, the critics argue, are military aircraft as badly needed as are schools, roads, housing and dietary improvements.

In Washington, Sen. Robert F. Kennedy proposed that Congress deny further aid to any Latin American nation that insists on putting an unjustified slice of its budget into arms.

WAR STEPS IN

Where and how the race will end, no one knows, but the beginning is traced to June, 1965. At that time the Argentine government contracted to buy 50 A-4B Skyhawk fighters from the United States at a cost of \$250,000 each.

Chile, according to sources in Santiago, was then offered the same plane at the same price. Chile was no interested.

Before the 50 Skyhawks could be delivered, however, the war in Viet Nam was

stepped up and additional Skyhawks were needed there. More than a year passed before Washington agreed to release half the 50 planes Argentina had ordered.

The first Skyhawk was delivered late last October, and Chile, possibly thinking of its long-standing frontier dispute with Argentina and probably wary of a new military government in Buenos Aires, let Washington know that it was now interested in buying the Skyhawk.

Sorry, Washington replied. No more Skyhawks were available. Instead, Chile was offered the F-86, an older plane that is described as somewhat slower but equal in many performance aspects to the A-48.

Chile declined and turned to Britain, where 21 Hawker Hunters were purchased at a reported cost of \$17 million.

The reaction was almost spontaneous in Lima. The morning *El Comercio* demanded editorially that Peru raise its force to equality with Chile's.

BRAZIL GETS TANKS

Meanwhile, Venezuela was said to be looking at the Saab Draken, a high-performing Swedish fighter which operates at twice the speed of sound.

As the furor mounted, Brazil took delivery of 50 U.S.-built M-41 tanks.

The government of Ecuador called on Washington to do all it could to avoid touching off a "catastrophic arms race" throughout Latin America. Rene Barrientos, president of Bolivia, said his government could take no comfort from its neighbors' purchases of high-performance aircraft and other modern weapons.

Actually, no nation is really suspected of aggressive intentions. There has not been a genuine war in South America since Bolivia and Paraguay battled from 1932 to 1935 over the Chaco, which has been described as "an uninviting and unpeopled wilderness of scrub land, dense forests and swamps."

TECHNOLOGY WEEK 5 December 1966

MOL Seen Escaping Fund-Trimmers

Air Force's *Manned Orbiting Laboratory* program appears to have evaded the DOD budget axe thus far, and top officials believe the program will still get about \$400 million in the new budget. In other MOL developments, RFP's are expected to be issued in the next few weeks for construction of the *Titan III* launch site at Vandenberg AFB, where the MOL-carrying booster will be fired. Site preparation has been completed, and construction is expected to be finished in 1968.

The Washington Post

THURSDAY, DECEMBER 1, 1966

FOREIGN NEWS

G1

Welfare state's Future Is Uncertain

'New' Uruguay Faces Problems

By Jon M. Goshko

Washington Post Foreign Service

MONTEVIDEO, Nov. 30

Uruguay, Latin America's prime example of a Utopia in trouble, has turned its back on the past and decided to try change as the solution for its many problems.

This is the conclusion to be drawn from the election Sunday that saw Uruguay voters repudiate not only the party in power but also

News Analysis

the system under which the country has been governed for 14 years.

While the majority of Uruguay's 2.6 million people clearly want a change, the election results also indicate that they are uncertain about the degree and direction of this change.

On the one hand, they de-

cisively ended the communal form of government that placed executive power in the hands of a nine-member council acting by majority vote. To replace the council system, which had become the symbol of weakness and indecision in dealing with national problems, they voted to establish a single presidency with greatly strengthened executive powers.

On the other hand, they

chose as the first incumbent of the new office Oscar Gestido, a 65-year-old former air force general and governmental administrator, who was viewed by most Uruguayans as the candidate of his party's more conservative wing.

Although there were many factors involved in Gestido's election, one apparently was a desire to brake the move toward change with a lead-

See URUGUAY, G6, Col. 1

Problems of Change Confront Uruguay

er generally thought to be more cautious and slow-moving than most of the other presidential candidates.

As a result, some observers have concluded that what the Uruguayans really want is to undergo the surgery of reform without suffering any of its pain and internal transformation.

Still, it is easy to understand the reluctance of Uruguayans to break completely with the past. For the very things that have brought Uruguay to its present state of crisis are also the things that made it one of the world's most unusual and pleasant little countries.

A Nebraska-sized nation wedged between Brazil and Argentina, Uruguay long has been known as the most Democratic and tranquil place in Latin America. It is also the area's foremost welfare state—one whose residents long have been accustomed to such things as free education through college and early retirement on full pay.

All this was fine as long as the country could pay for it. For the past decade, however, the wool, meat and hides upon which Uruguay's prosperity were founded have run up against falling prices and shrinking markets.

The result has been an attempt to continue the lavish welfare statism—and the huge government bureaucracy spawned by it—without sufficient means for paying the bill. And this, in turn, has led to a round of deficit financing, inflation, labor unrest and encroaching national insolvency.

By last year, the situation had grown so bad that the normally lethargic Council was forced to institute severe austerity measures. Rammed through at the cost of hardship to much of the population, they did check the trend and pull the country back a little from the edge of financial disaster.

Most outside observers agree the recovery process cannot be continued without

a further and even more drastic tightening of the belt. This means a continued hold-down of wage increases despite increasing unrest in labor ranks and, eventually, some heavy paring of the government's welfare state obligations.

This is the situation that will confront Gestido when he begins his 5-year presidency next March 1. And the big question is whether he will meet it with the full weight of the presidency's expanded powers or shrink back from obviously unpopular decisions.

Many here are frankly pessimistic about the answer. Underlying their attitude is the fact that Gestido's victory was due largely to his alliances with many of the old-line party bosses of the Colorado Party, whose machines brought out the vote and which now will show an understandable reluctance for reforms that curtail patronage and antagonize voters.

The skeptics also view Gestido as a father figure-type who campaigned largely on a platform of platitudes about honesty and integrity in government, but who has yet to offer a comprehensive program. In this, they contrast him with his closest challenger within the Colorado Party, Jorge Batlle, a youthful progressive who built his campaign on a call for hard work and austerity.

Still, there are those who argue that Gestido must be given a chance to prove himself. They point out that the tendency to tag him as conservative is misleading since his party, the Colorado, is to the left of center in a Uruguayan political context and that he is not a rightist of the stripe of Martin Echegoyen, who topped the vote among pres-

idential candidates in the losing party, the Blanco.

Actually, when all factors are taken into consideration, Gestido emerges an unknown quantity more than anything else. Although most of his adult life was spent in the air force, his credentials for the presidency are based on his more recent career, which includes being the administrator of the national railways and airlines and a rather undistinguished Colorado member of the Council.

As to the future, Gestido so far has given no indication of what his general policy line will be. He has expressed himself as squarely

behind a strong presidency and has indicated that his government will attempt to embrace all factions of the Colorado Party—a statement interpreted by some as presaging a prominent role for the Batlle wing.

Eventually, both Gestido and the voters who elected him will have to face the decisions testing whether Uruguay can continue its tradition of solving its problems through peaceful, democratic means or whether it is heading for the same road that sent its two giant neighbors, Argentina and Brazil, careening into military-backed dictatorship.



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