

TELEGRAM

INCOMING

AMEMBASSY BRASILIA

Foreign Service of the
United States of America

DEF-19

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Classification

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RUESUZ/AMEMBASSY BRASILIA 990
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BT

C O N F I D E N T I A L RIO DE JANEIRO 2439

SUBJECT

SUBJ: PGM NEW CONSTRUCTION PROGRAM FOR BRAZIL

1. IT IS MY UNDERSTANDING THAT THE MAP/GRAN PROGRAMS FOR FY-1969-1970 ARE BEING REVIEWED IN OASD/ISA AND A DISTINCT POSSIBILITY EXISTS THAT THE BRAZILIAN NAVAL PATROL CRAFT PROGRAM WILL BE SEVERELY CURTAILED OR ELIMINATED AFTER FY 1968. BY WAY OF REVIEW I SHOULD LIKE TO SAY THAT THE BRAZILIAN NAVY LONG RANGE NEW CONSTRUCTION AND FLEET MODERNIZATION PROGRAM IS THE ONE MILITARY PROGRAM IN BRAZIL TODAY WHICH IS GOING ESSENTIALLY ACCORDING TO PLAN, A PLAN WHICH WAS DEVELOPED IN CLOSE COORDINATION WITH U.S. NAVY PERSONNEL IN-COUNTRY AND WHICH HAS HAD THE FULL SUPPORT OF THE COUNTRY TEAM FROM ITS INCEPTION. THIS OVERALL PLAN IS A SOUND ONE AND, AS YOU KNOW, INCLUDES IN-COUNTRY CONSTRUCTION OF PATROL VESSELS, DESTROYER TYPES, MINESWEEPERS, AUXILIARIES AND OTHERS IN BRAZILIAN SHIPYARDS WITH BRAZILIAN LABOR. SELF-HELP AND EVENTUAL SELF-SUFFICIENCY HAVE BEEN THE BASIC GOALS OF THIS PROGRAM. SELECTIONS OF SHIP DESIGNS HAVE BEEN MADE WITH THE VIEW OF EVENTUAL NATIONALIZATION OF THE MANUFACTURE OF A MAXIMUM NUMBER OF EQUIPMENTS AND COMPONENTS, WITH LIMITED INITIAL INPUTS FROM U.S. RESOURCES.

2. IT IS MY CONSIDERED OPINION THAT PRESENT EFFORTS AIMED AT POSSIBLE REDUCTION OR ELIMINATION OF THE PGM PROGRAM FOR FY 1969-1970 ARE NOT CONSISTENT WITH THE BEST U.S. INTERESTS. THE LONG RANGE FLEET MODERNIZATION PROGRAM HAS NOW BEGUN WITH THE CONSTRUCTION OF A FLEET TANKER ALREADY STARTED, THE PATROL VESSELS ABOUT TO COMMENCE AND THE DESTROYER ESCORTS JUST A FEW MONTHS FURTHER ALONG. THE COOPERATION AND COORDINATION BETWEEN THE BRAZILIAN NAVY AND THE U.S. NAVY IN THESE PROGRAMS HAS BEEN EXEMPLARY FROM THE START. IT IS A GOOD EXAMPLE OF HOW U.S. AID AND ADVISORY PROGRAMS SHOULD GO. THEY HAVE FOLLOWED US RIGHT DOWN THE LINE IN SPITE OF INTENSE AND ATTRACTIVE THIRD COUNTRY INTEREST AND COMPETITION.

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3.
XXM IT IS TRUE THAT THERE ARE NO FORMAL COMMITMENTS TO CONTINUE AID FOR THE PGM PROJECT BEYOND THE CURRENTLY APPROVED BY 1967 PROGRAM, BUT THERE CERTAINLY IS A STRONG MORAL OBLIGATION TO DO SO. THE BRAZILIAN NAVY IS WELL AWARE THAT MOST ASPECTS OF MAP ARE ON THE WAY OUT AND THAT FY 1970 WILL BE ABOUT THE END OF IT. IN ALL OF THEIR LONG TERM PLANNING, THEY, ABOVE ALL OTHERS, HAVE FACED UP TO THIS AND HAVE GONE ABOUT THE PROCESS OF MAKING THEMSELVES ESSENTIALLY INDEPENDENT AND SELF-SUFFICIENT WITHIN COUNTRY. TO CURTAIL THIS MODERATE PROGRAM NOW IS, IN MY OPINION, NOT SOUND FROM EITHER A MILITARY OR A POLITICAL POINT OF VIEW, I RECOMMEND THAT THE PROGRAMS FOR FY 1969 AND FY 1970 WHICH HAVE BEEN SUBMITTED BY USCINCSO AFTER MOST CAREFUL REVIEW BY APPROVED SUBSTANTIALLY AS SUBMITTED. THE SUMS INVOLVED IN THE PGM PROGRAM ARE MODEST AND THE DIVIDENDS CAN BE FAR-REACHING. REDUCTION OF THIS PROGRAM IN ITS EARLY STAGES WOULD AMOUNT TO A MORAL BREACH OF FAITH AND WILL NO DOUBT SHAKE BRAZILIAN CONFIDENCE IN THE U.S. INTENT AND INTEREST. TUTHILL

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