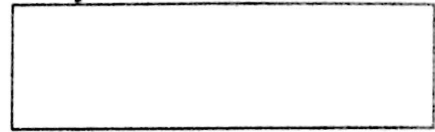
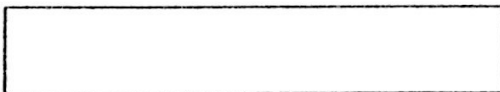


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DIA and DOS review(s) completed.

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SOUTH AMERICA: Chilean junta President Pinochet will seek a stronger Brazilian commitment for assistance in countering the alleged aggressive designs of Peru when he meets with President Geisel tomorrow. Pinochet, in Brasilia for Geisel's inauguration, reportedly will ask for Brazilian aid in acquiring weapons from third countries hesitant about selling to the junta, as well as for more materiel from Brazil itself.

Peru's purchase of Soviet tanks and acceptance of Soviet training personnel have heightened Chilean concern over traditional Peruvian revanchism. Pinochet reportedly will try to convince Geisel that Cuba and the USSR plan to use Peru as the new "bridge for Marxism" in the hemisphere, with the ultimate goal of isolating Brazil.

Geisel, who probably has a more objective perspective on the issue of "Marxist penetration," is unlikely to buy all of Pinochet's thesis. Brazil does, however, want the Chilean junta to succeed and will continue to provide economic aid [redacted]

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Bolivian President Banzer is also attending the Geisel inauguration, and Brazilian officials have helped arrange an informal meeting between the Chilean and Bolivian leaders. This is in line with Brazil's interest in helping the junta patch up Chile's quarrel with Bolivia. Such a rapprochement would be important to Chile in the event of a confrontation with Peru.

Both Pinochet and Banzer have said publicly that they are willing to discuss issues of common concern. Bolivian claims to territory conquered by Chile in the War of the Pacific in the last century have been a source of friction ever since. Diplomatic ties have been suspended for over a decade because of a dispute over Chile's diversion of a river that flows through both countries.

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The Geisel administration would find an improvement in Bolivian-Chilean relations attractive on several counts. Brazil basically wants to see both military regimes strengthened. Even partial reconciliation would earn Brazil prestige as an international arbiter, and the fact that the two presidents are meeting on Brazilian soil will help. Finally, a possible Chilean concession to Bolivia on access to the sea might involve internationalization of a port in northern Chile, a development that Brazil might view as an opportunity for economic gain and increased influence in general. Chile is anxious to attract foreign investment to its northern border region, and the junta probably believes that a Brazilian economic stake in the area would help discourage Peruvian incursions.

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