

THE WHITE HOUSE
WASHINGTON

March 27, 1962

CONFIDENTIAL

NATIONAL SECURITY ACTION MEMORANDUM NO. 141

TO: Director, Agency for International Development
SUBJECT: Analysis of Frontini's Political Reverses

Reference is made to your memorandum for Assistant Secretary Edwin Martin and Assistant Administrator Teodoro Moscoso, dated March 20, 1962, on the above subject, a copy of which is attached to this NSAM.

It is requested that when the Analysis called for by your memorandum is completed that the results thereof be made known to the President through this office.

McGeorge Bundy

Attachment:

Copy of memo from Hamilton to
Martin and Moscoso, 3/20/62.

cc: The Secretary of State
Director of Central Intelligence
Director, U.S. Information Agency

cc: Mrs. Lincoln
Mr. Bundy (3) ✓
C. Johnson
NSC Files

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NSC Comm. For Print (Sect 101X 76-87)	
By 7/25/79	NARS, Date 7/25/79

March 20, 1962

COPY

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**MEMORANDUM FOR: Assistant Secretary Edwin Martin
Assistant Administrator Tedore Moscoso**

The President would like an analysis of the extent to which President Frondini's recent political reverses were due to either:

- a. Exploitation by his opponents of the fact that he arranged to accept United States aid;
- b. Exploitation by his opponents of reforms undertaken or promised by him and associated with the Alliance for Progress.

The President would also like consideration given to the question as to whether it is advisable to channel more Alliance aid through Inter-American agencies.

I assume that Assistant Secretary Martin will wish to handle points (a) and (b) above, and that Assistant Administrator Moscoso will handle the point made in the last paragraph.

I should welcome an opportunity to discuss these matters with you or members of your staff to whom they are assigned.

/s/ F. H.
Fowler Hamilton

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E.O. 11652, SEC. 1.4, (D), (S) & (C) 11

AED (NOK 78-858)

BY BUA NARS, DATE 12/5/78



S/S 5834

DEPARTMENT OF STATE
WASHINGTON

NSAM 141

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Dunagan

April 6, 1962

MEMORANDUM FOR: Mr. McGeorge Bundy
The White House

SUBJECT: Analysis of Frondizi's Political Reverses.

The memorandum of March 20, 1962 from the Administrator, Agency for International Development, to Assistant Secretary Martin and U. S. Coordinator Moscoso requested an analysis of Frondizi's Political Reverses. National Security Action Memorandum No. 141 requested that the analysis be transmitted to the President through your office.

There is enclosed a memorandum from Mr. Fowler Hamilton to the President responsive to NSAM No. 141.

L. D. Battle
L. D. Battle *for*
Executive Secretary

Enclosure

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

APR 6 1962

MEMORANDUM FOR THE PRESIDENT

**Subject: Effect of Alliance for Progress on Argentine
Election Results; NSAM No. 141, March 27, 1962**

1. You requested an analysis be made of the extent to which President Frondizi's recent political reverses were due to (a) exploitation by his opponents of the fact that he arranged to accept United States aid, or (b) exploitation by his opponents of reforms undertaken or promised by him and associated with the Alliance for Progress. After consulting our Embassy in Argentina, we believe the answers are as follows:

President Frondizi's opponents did not attempt to exploit Argentine acceptance of United States aid and his political reverses were not ascribable to such acceptance. An emissary from President Frondizi emphasized, quite to the contrary, that Frondizi's defeat would have been of almost catastrophic proportion if announcement of the \$150 million Alliance for Progress loan had not come when it did.

President Frondizi's election opponents did not openly seek to exploit the reforms he had initiated or promised to initiate in connection with the Alliance for Progress. Frondizi's austerity program designed to bring about the financial stability necessary for sound economic development, which the United States supported, was a factor in the elections, however. An important reason for Frondizi's defeat was that his reforms and development program had not gone far enough or deep enough to reach the common man as yet.

As the Embassy observed, the persistent favorable after-image of Peron in the public mind was a fundamental factor in the election.

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E. O. 11652, SEC. 3(E), 5(D), 8(E) AND 11

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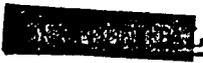
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BY BLA

NARS DATE

12/5/78

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2. You asked the question as to whether it is advisable to channel more Alliance aid through the Inter-American agencies. Until we have obtained more experience with these agencies, I do not believe it advisable to increase the amounts above our current plans for the Inter-American Development Bank and the Organization of American States programs. Under our current plans, these two organizations, in FY 1962, will have utilized slightly more than one-half of the \$400 million portion of the \$500 million appropriation provided by the Congress last year with the remainder available in FY 1963.

Our experience to date with the Inter-American agencies has been rather limited and produced equally both good and bad results. In a number of cases, the agency has been most useful and successful in dealing with the local government to bring about reforms. In other instances, we have found that because of the newness of the task the Inter-American agency's performance has not been adequate in the implementation of projects and in assisting countries to develop sound programs and plans.

Fowler Hamilton
 Fowler Hamilton

DECLASSIFIED

E. O. 11652, SEC. 3(E), (D), 5(E) AND 11



ADD (MK-78-858)
 BY BLA NARS, DATE 12/5/78