

MEMORANDUM

NATIONAL SECURITY COUNCIL

CONFIDENTIAL

September 15, 1978

MEMORANDUM FOR: DAVID AARON
FROM: ROBERT PASTOR
SUBJECT: Argentina

Bob asked for a memo for the VP giving him a status report on Christopher report

After our conversation, I called Denis Clift, and he confirmed my understanding (as related in the Memcon) of the conversation between the Vice President and Videla. Let me excerpt the relevant section of the Memcon:

"Mr. Clift said that in considering the announcement, it is important to remember the timing in the United States. The Ex-Im Bank must take its decision by September 15. The Humphrey-Kennedy Amendment comes into effect on October 1. The Vice President said we would hope the announcement could be taken care of before then. He said this might enable us to move on the Ex-Im letter before the 15th deadline. Videla said this was his intention. He did not think it could be done, however, before September 15.

Sgt 13.

Thus, it was left a little vague on timing. After the conversation, we asked our Ambassador to speak to Videla and get a better sense of the timing. At the same time, we were informed by Allis Chalmers that the deadline for their bid was October 15 not September 15. We learned from the Argentines that they were planning to make the announcement on the Inter-American Commission at the beginning of October and would expect to receive Pete Vaky by the second or third week of October.

Newsom and John Moore of Ex-Im Bank decided that a letter of interest should be issued to Allis Chalmers after October 1. The Argentine Government will be taking a number of steps, including releasing prisoners, before then, and that will make it easier for us to explain to the American public why we have turned around on this issue.

We feel that the issues which the Vice President dealt with in his meeting have been dealt with adequately, but, as I stated to you on the phone, I am concerned about the broader issues of how these individual decisions as well as the many others which have not been made fit into the broad context

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of a strategy to improve relations and promote our interests. To this end, Vaky informed me that Newsom will be chairing a meeting early next week to discuss a paper recently drafted by someone in Vaky's Bureau. The reason that I had suggested the possibility of your chairing such a meeting was because Zbig had suggested that in notes which he wrote on a memo I sent him a while ago.

Since Newsom is apparently on top of the Ex-Im deal, you may want to close the loop--to use Denis Clift's phrase--and get directly in touch with him.

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MEMORANDUM

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NATIONAL SECURITY COUNCIL

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September 15, 1978

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~~Department of State, A/GIS/IPS/SRP~~

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