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FM SECSTATE WASHDC
TO AMEMBASSY BUENOS AIRES FLASH

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~~EXDTS~~ FOR AMBASSADOR CASTRO FROM AMBASSADOR VAKY

E.O. 12065 GDS-1 (3/26/85 -RUSER, CLAUS W.)

TAGS: SHUM, AR

SUBJECT: U.S. VOTE ON RAILWAYS II LOAN IN IBRD

REF: CASTRO-RUSER TELECONS, 3/26

1. (~~SECRET~~ - ENTIRE TEXT)

2. FOLLOWING IS TEXT OF U.S. NON-PAPER PRESENTED TO ARGENTINE CHARGE BY DEPUTY SECRETARY:

BEGIN QUOTE: U.S. VOTES ON LOANS TO ARGENTINA IN THE MULTILATERAL DEVELOPMENT BANKS

1. THE U.S. IS REQUIRED BY LAW TO OPPOSE CERTAIN LOANS IN THE MULTILATERAL BANKS TO COUNTRIES WHERE THERE ARE VERY SERIOUS HUMAN RIGHTS VIOLATIONS.

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2. IN EARLY 1978 THE UNITED STATES CHANGED ITS POSITION FROM VOTING NO TO ABSTAINING ON THESE LOANS, BECAUSE OF SEVERAL INDICATIONS THAT IMPROVEMENTS IN THE HUMAN RIGHTS SITUATION MIGHT BE FORTHCOMING. WE WELCOMED THE DECISION OF THE GOA TO INVITE THE IAHR TO VISIT ARGENTINA, IN THE EXPECTATION THAT THE VISIT WOULD BE PRECEDED BY MAJOR PROGRESS.

3. HOWEVER, AN ASSESSMENT OF THE SITUATION OVER THE PAST YEAR LED TO THE DISCOURAGING CONCLUSION THAT SUBSTANTIAL IMPROVEMENTS HAD NOT OCCURRED. IN PARTICULAR, ARBITRARY ARRESTS AND "DISAPPEARANCES" OF PERSONS ABDUCTED BY OFFICIAL SECURITY UNITS APPARENTLY CONTINUED AT AN AVERAGE RATE OF OVER 50 PER MONTH THROUGHOUT 1978, TORTURE APPARENTLY CONTINUED TO BE USED CONSISTENTLY DURING INTERROGATION, AND THE NUMBER OF POLITICAL PRISONERS REMAINED VERY HIGH.

4. ON THE BASIS OF THIS ASSESSMENT, A DECISION WAS MADE AT THE HIGHEST LEVELS OF THE DEPARTMENT OF STATE THAT THE U.S. POSITION OF ABSTENTION ON THE LOANS IN QUESTION COULD NO LONGER BE MAINTAINED UNLESS SUBSTANTIAL IMPROVEMENTS WERE TO OCCUR RAPIDLY. THE GOVERNMENT

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Date 12-5-16

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OF ARGENTINA WAS INFORMED OF THIS DECISION ON FEBRUARY 28 THROUGH ITS REPRESENTATIVE IN WASHINGTON.

5. THE U.S. HAS BEEN WATCHING THE SITUATION CAREFULLY IN THE HOPE THAT SUFFICIENT PROGRESS WOULD OCCUR SO THAT A NEGATIVE VOTE ON UPCOMING LOANS COULD BE AVOIDED. ALTHOUGH THERE WERE SOME ENCOURAGING SIGNS, SUCH AS PRESIDENT VIDELA'S RESPONSE TO A RECENT SUPREME COURT DECISION AND THE PUBLICLY REPORTED STATEMENTS BY THE FOREIGN MINISTER THAT THE TIMERMAN CASE MIGHT SOON BE

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RESOLVED SATISFACTORILY, THERE WAS INSUFFICIENT EVIDENCE THAT ARBITRARY ARRESTS, DISSAPPEARANCES AND TORTURE OF PRISONERS HAD BEEN STOPPED. . . THUS THE U.S. WAS PREPARED TO VOTE NO ON THE WORLD BANK LOAN TO ARGENTINA ON TUESDAY, MARCH 27.

6. HOWEVER, ON MARCH 22, THE UNITED STATES WAS INFORMED THROUGH AMBASSADOR AJA ESPIL THAT DISAPPEARANCES HAD BEEN STOPPED, THAT THE GOVERNMENT OF ARGENTINA WOULD IMMEDIATELY INVESTIGATE ANY REPORTS OF NEW DISAPPEARANCES, AND THAT THE GOVERNMENT WOULD TAKE ACTION AGAINST ANY SECURITY FORCES RESPONSIBLE FOR SUCH DISAPPEARANCES IN VIOLATION OF OFFICIAL POLICY. IN THIS REGARD, THE AMBASSADOR UNDERTOOK TO REFER TO HIS GOVERNMENT THE REPORT RECENTLY RECEIVED FROM AMNESTY INTERNATIONAL OF A DISAPPEARANCE ON FEBRUARY 9, 1979, IN BUENOS AIRES PROVINCE. THE AMBASSADOR ALSO STATED THAT HE EXPECTED TO RETURN FROM CONSULTATIONS IN ARGENTINA WITH EVIDENCE OF FURTHER IMPROVEMENTS.

7. ON THE BASIS OF THESE AND OTHER REPRESENTATIONS CONCERNING ACTUAL AND IMMINENT IMPROVEMENTS IN HUMAN RIGHTS CONDITIONS, THE U.S. WILL CONTINUE ITS POSTURE OF ABSTENSION ON THE WORLD BANK LOAN MARCH 27. THE U.S. PLACES PARTICULAR IMPORTANCE ON THE VIRTUAL ABSENCE OF REPORTS OF DISAPPEARANCES SINCE JANUARY, AND ON THE WILLINGNESS OF THE GOVERNMENT OF ARGENTINA TO INVESTIGATE ANY REPORTS OF DISAPPEARANCES AND TO TAKE ACTION AGAINST ANY SECURITY FORCES RESPONSIBLE. WE ALSO ANTICIPATE THAT THE GOA WILL BEGIN TO TAKE ACTION IMMEDIATELY ON THE LISTS OF DISAPPEARED PERSONS SUBMITTED BY THE U.S. AND INTERNATIONAL ORGANIZATIONS, TO TRY OR RELEASE POLITICAL PRISONERS, AND TO TAKE THE STEPS NECESSARY TO HALT TORTURE AND MISTREATMENT OF PRISONERS.

8. THE U.S. WILL CONTINUE TO MONITOR THE SITUATION

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CAREFULLY IN THE HOPE THAT IMPROVEMENTS WILL BE CONFIRMED AND CONTINUED. OUR POSITION ON FUTURE LOANS WILL REMAIN SUBJECT TO THIS ONGOING REVIEW. END QUOTE VANCE

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