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2 of 3

PAST. ARGENTINA BELONGS TO THE WEST, AND HE WAS HAPPY THAT THESE FACE-TO-FACE CONSULTATIONS HAD TAKEN PLACE.

4. AT THE SAME TIME, IN DEALING WITH THIS ISSUE, THE GOA COULD NOT IGNORE THE DOMESTIC POLITICAL ASPECTS AND SENSITIVITIES INHERENT IN ANY CHANGE OF ARGENTINA'S POLICY. THERE WOULD BE A STRONG AND FERVENT NATIONALISTIC REACTION IN ARGENTINA IF IT APPEARED THE US HAD SOUGHT TO IMPOSE ITS VIEWS.

5. THE ARGENTINE POSITION, VIDELA SAID, IS WELL KNOWN. FREEDOM IS A BASIC ARGENTINE VALUE. THE GOA UPHOLDS THE PRINCIPLE OF FREE TRADE. PASTOR AND MARTINEZ DE HOZ HAD PROVIDED THE ARGENTINE REASONING IN THE MATTER. THE UNDERSTANDINGS THAT HAD BEEN REACHED IN THESE TALKS WERE A BEGINNING AT MUTUAL COMPREHENSION OF EACH OTHER'S THINKING AND CAPABILITY FOR ACTION. THERE WAS, OF COURSE, A POINT OF DISAGREEMENT: THE US BELIEVES THAT A BOYCOTT CAN BE EFFECTIVE; THE GOA DOES NOT CONSIDER THE EMBARGO AN EFFECTIVE RESPONSE TO THE SOVIETS BECAUSE IT IS NOT POSSIBLE TO DEVISE EFFECTIVE CONTROLS. BUT, VIDELA AGREED, THIS WAS A DISCUSSABLE POINT. ARGENTINA'S VIEW ON THE EFFECTIVENESS OF A BOYCOTT WAS NOT THE REASON FOR ARGENTINA'S APPROACH.

6. THE BASIC POINT, VIDELA SAID, WAS THAT IT WAS NOT IN ARGENTINA'S INTEREST TO DEVIATE FROM ITS NORMAL PATTERN OF TRADE. ARGENTINA WISHED TO MAINTAIN ITS NORMAL LEVEL OF EXPORTS TO THE COUNTRIES THAT NORMALLY BUY ARGENTINA'S

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GRAINS EXPORTS. THIS MEANT NOT JUST HISTORIC LEVELS BUT ALSO SOME GROWTH IN ACCORDANCE WITH THE EXPANSION OF ARGENTINA'S EXPORT MARKETS AND THE GROWTH OF ITS OWN PRODUCTION.

7. VIDELA SAID ARGENTINA COULD, HOWEVER, GIVE NOT GUARANTEES WITH RESPECT TO THE ULTIMATE DESTINATION OF ITS EXPORTS AND WONDERED WHETHER, BEYOND ITS EFFORTS TO MAINTAIN THIS NORMAL PATTERN OF EXPORTS, AN EFFICIENT CONTROL OF THEIR ULTIMATE DESTINATION IS ATTAINABLE. ARGENTINA COULD PROVIDE INFORMATION ON THE DESTINATION AS EXPORTS LEAVE THE COUNTRY. ARGENTINA WAS WILLING TO AGREE IN PRINCIPLE THAT THESE EXPORTS AS THEY LEAVE THE COUNTRY SHOULD NOT EXCEED CERTAIN LEVELS. BUT THE GOA WISHED TO BE SURE THAT THIS GENERAL UNDERSTANDING BE HELD IN STRICT

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2 of 3

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3 of 3.

CONFIDENCE BETWEEN THE TWO GOVERNMENTS IN VIEW OF NATIONALIST SENSITIVITIES IN ARGENTINA. (COMMENT: IN AN EARLIER DISCUSSION MARTINEZ DE HOZ WARNED THAT IF THE UNDERSTANDING ON LIMITING DIRECT EXPORTS TO THE SOVIET UNION WERE TO BECOME KNOWN, THE GOA WOULD DENY IT. HE REITERATED THIS POINT ON THE STRICT CONFIDENTIALITY AFTER THE MEETING WITH VIDELA - SEE SEPTTEL.)

8. VIDELA CONCLUDED THIS PART OF THE DISCUSSION BY NOTING THAT THIS ISSUE OF GRAINS EXPORTS, WHILE VERY IMPORTANT, WAS ONLY ONE OF SEVERAL ISSUES IN OUR BILATERAL RELATIONSHIP. ARGENTINA'S LEADERS DID NOT WISH THAT THEIR PARTICIPATION IN THE GRAINS BOYCOTT BE THE PRICE TO BE PAID FOR BETTER RELATIONS. ARGENTINA WAS NOT PREPARED TO NEGOTIATE ON ITS LEGITIMATE RIGHTS AND INTERESTS.  
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3 of 3

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