

CONFIDENTIAL Department of State

To: ~~FK~~ INCOMING TELEGRAM

MAY

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INFO OCT-01 ADS-00 PH-05 NSC-05 SP-02 SS-15 ACDA-12 CIAE-00 INR-10 NSAE-00 DODE-00 H-01 HA-05 EB-08 OCT-02 SY-05 TRSE-00 EUR-12 /098 W

P 142113Z MAY 80 FM AMEMBASSY BUENOS AIRES TO SECSTATE WASHDC PRIORITY 5367 INFO AMEMBASSY SANTIAGO PRIORITY

CONFIDENTIAL SECTION 1 OF 2 BUENOS AIRES 4024

E.O. 12065: XDS-1 5/14/00 (CASTRO RAUL H.) OR-M

1. (C) ENTIRE TEXT.

2. THROUGH GOOD AUSPICES OF ALUSNA, I WAS ABLE TO ARRANGE LUNCHEON MEETING WITH ADMIRAL ARMANDO LAMBRUSCHINI, NAVAL COMMANDER AND JUNTA MEMBER, AT EMBASSY RESIDENCE. AT THE ADMIRAL'S INSISTENCE, JUST TWO OF US WERE PRESENT.

3. DIRTY WAR AND USG POLICY TOWARDS GOA: ADMIRAL LAMBRUSCHINI CAME TO EMBASSY RESIDENCE ACCOMPANIED BY HIS TWO BODY-GUARDS, WHO REMAINED OUTSIDE. THE ADMIRAL APPEARED TO BE A PERSON CARRYING ALL THE BURDENS OF THE WORLD ON HIS SHOULDERS. HE SEEMED SOMBER BUT FRIENDLY. TWO FAST SCOTCH AND SODAS SEEMED TO RELAX LAMBRUSCHINI. TO BREAK THE ICE, I ASKED THE ADMIRAL "HOW IS YOUR COMMAND DOING?" HIS REPLY WAS NOT RESPONSIVE TO MY QUESTION. INSTEAD LAMBRUSCHINI WENT INTO A LONG DISSERTATION ON THE "DIRTY WAR" AND HOW THE USG FAILED TO UNDERSTAND GOA'S DILEMMA IN FIGHTING MARXISM. HE WAS DEAD SERIOUS--SHOOK HIS HEAD-- AND COMMENTED "FOR THE SAKE OF OUR RELATIONS, I JUST CAN'T UNDERSTAND WHY USG HAS TURNED ITS BACK ON US AND KEEPS DRIVING OUR COUNTRY INTO THE HANDS OF THE SOVIETS." THERE WAS NO QUESTION IN MY MIND HE WAS SINCERE IN WHAT HE WAS SAYING. AS IN A FORGIVING MANNER, LAMBRUSCHINI STATED USG POLICY TOWARDS GOA AND LATIN AMERICA WAS A GROSS ERROR AND TOTALLY MISGUIDED. HE FURTHER EXPLAINED IT WASN'T DONE IN MALICE BUT ONLY IN IGNORANCE. HE KEPT REPEATING PRESIDENT CARTER WAS WELL-INTENTIONED BUT THAT IN HIS OPINION THE PRESIDENT'S ADVISORS ON LATIN AMERICA WERE NOT KNOWLEDGEABLE OF THE AREA. THE ADMIRAL SEEMS TO BE DEEPLY PERTURBED WITH OUR HUMAN RIGHTS POLICY TOWARDS GOA. EVERY TIME I MEET WITH HIM HE GIVES ME A REPEAT PERFORMANCE ON THE "DIRTY WAR." COMMENT: LAMBRUSCHINI'S ATTITUDE IS UNDERSTANDABLE AS HIS SIXTEEN-YEAR OLD DAUGHTER WAS BLOWN TO BITS BY A TERRORIST BOMB WHILE SHE WAS ASLEEP. END COMMENT.

4. UNITAS XXI AND OPERATION OCEAN VENTURE 81: I THEN ASKED THE ADMIRAL OF GOA'S PARTICIPATION IN UNITAS XXI AND OCEAN VENTURE 81. HE REPLIED POSITIVELY TO BOTH OPERATIONS. HE SAID THEIR PARTICIPATION ON THESE NAVAL MANEUVERS VERY MUCH DEPENDED ON THEIR ABILITY TO GET SPARE PARTS. I EXPLAINED TO HIM HUMPHREY-KENNEDY WAS STILL WITH US. HE SMILED AND SAID "WHERE THERE'S A WILL THERE'S A WAY." HE REMINDED ME LAST YEAR WE HAD BEEN ABLE TO COOPERATE TO SOME EXTENT. THE ADMIRAL WAS EAGER TO LET ME KNOW HIS NAVY UNITS WERE IN "TIP TOP" SHAPE AND MORALE WAS GREAT.

5. BEAGLE CHANNEL AFFAIR:

I THEN INQUIRED ABOUT THE STATUS OF THE BEAGLE CHANNEL AFFAIR. A CURTAIN OF GLOOM SEEMED TO FALL ON HIS FACE ON THE MERE MENTION OF THE WORD "BEAGLE." HE HASTENED TO INFORM ME NEGOTIATIONS WEREN'T GOING WELL WITH THE POPE. IN INTERRUPTED THE GOOD ADMIRAL BEFORE HE STRAYED ON ME. I ASKED HIM "WHY DO YOU SAY THINGS AREN'T GOING WELL WITH THE POPE AND WHAT EVIDENCE DO YOU HAVE THAT'S A FACT?" HIS IMMEDIATE REPLY WAS THAT NOTHING HAS HAPPENED WITH THE POPE. I SUGGESTED THAT

DIDN'T NECESSARILY MEAN MATTERS WEREN'T GOING WELL IN THE MEDIATION EFFORT. I EXPLAINED TO LAMBRUSCHINI I HAD JUST RETURNED FROM SANTIAGO AND I WAS GETTING THE SAME FEEDBACK THERE. I STATED THAT IN SANTIAGO I GOT THE SAME FEELING THAT NO ONE COULD DOCUMENT ANY WORSENING OF THE MEDIATION. I TOLD HIM MY GUT REACTION WAS THAT THE SAME RUMOR HAD BEEN CIRCULATING BOTH IN CHILE AND ARGENTINA AND EVERYONE WAS GETTING ON EDGE. LAMBRUSCHINI THEN EXPLAINED THE CHILEAN NAVY COMMANDER HAD RECENTLY MADE SOME IMPRUDENT REMARKS ON THE BEAGLE AFFAIR AS HAD OTHER PROMINENT CHILEANS. HE OPINED CHILE WAS PROVOCATIVE IN ENTERING INTO A TRADE AGREEMENT WITH THE MALVINAS FOR THE PURCHASE OF MEAT, WOOL AND HIDES. HE EXPLAINED TRADING WAS NOT THE ISSUE BUT THE TITING WAS POOR. I BECAME CONCERNED WITH THE ADMIRAL'S ATTITUDE AS HE TOOK A VERY DIM VIEW OF THE PENDING MEDIATION AND HIS CONCLUSION WAS IT APPEARED WAR WITH

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I kept my ARG PAPER & return to me please

NSC Declassification Review [EO 13526] DECLASSIFY IN FULL by John Powers on 2/21/2018

We have made no decision to invite Argentina to participate in Ocean Venture. Why in Amb. Castro raising this. I'll check w/ ARA.

Department of State, A/GIS/IPS/SRP

Change to () Release () Excise () Deny () Declassify Exemptions b () () E.O. 13526 25x () () Declassify after

With concurrence of:

obtained _____ not obt. _____ Date 15-16

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FM AMEMBASSY BUENOS AIRES
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CHILE WAS BECOMING INEVITABLE, HE THEN LOOKED AT ME AND QUITE STERNLY TOLD ME USG HAD AN OBLIGATION TO ATTEMPT TO RESOLVE THIS MATTER BY WORKING WITH BOTH COUNTRIES. I TOLD LAMBRUSCHINI IT WAS USG VIEW MEDIATION WAS IN MOST COMPETENT HANDS. I FURTHER EXPLAINED WE HAD FULL CONFIDENCE IN THE POPE'S ABILITY AND WERE CERTAIN THAT A JUDICIOUS AND EQUITABLE SUGGESTION WOULD BE FORTHCOMING FROM THE POPE. COMMENT: IT'S DOUBTFUL I CONVINCED LAMBRUSCHINI ON THE POPE'S EFFORTS BUT AM CONVINCED THE ADMIRAL OPERATES ON THE BASIS "WAR IS AROUND THE CORNER."

6. TERRORISTS:

THE MORE WE SPOKE THE GLOOMIER MY GOOD FRIEND BECAME. HE APPEARED TO BE IN A DRINKING MOOD AS HE NEVER MISSED A ROUND. LAMBRUSCHINI THEN TOLD ME HE HAD INFORMATION TERRORISTS WERE CONTROLLING THE ARGENTINEAN SHAL RUBBERS AND INFILTRATING ALL UNIVERSITIES PLUS FACTORIES. HE SAID HE WAS CONVINCED THE TERRORISTS WEREN'T STRONG ENOUGH TO MAKE A GENERAL IMPACT BUT WERE IN CONDITION TO CONDUCT ISOLATED OPERATIONS. HE TOLD ME HIS INTELLIGENCE UNITS WERE CLOSELY MONITORING ALL UNIVERSITIES AND SOME OF THE FACTORIES.

7. BANKING CRISIS:

THE ADMIRAL THEN SHIFTED OVER TO DISCUSSING THE FINANCIAL CRISIS. HE EXPLAINED EVERYONE WAS BLAMING THE CENTRAL BANK OVER THE RECENT BANKS CRISIS. LAMBRUSCHINI WAS QUICK TO POINT OUT THAT EVERYONE HAS A "BOSS" AND THAT IN THIS INSTANCE THE "BOSS" WAS THE MINISTER OF ECONOMY AND NOT THE DIRECTOR OF THE CENTRAL BANK. HE STATED IN HIS OPINION THE HANDLING OF THE FINANCIAL CRISIS UP TO NOW WAS POORLY HANDLED AND A GREAT DIS-SERVICE HAD BEEN COMMITTED TO ARGENTINA. HE MADE IT CLEAR THERE WAS MORE THAN MEETS THE EYE IN THE FINANCIAL SCANDAL AND HE IMPLIED MARTINEZ DE HAZ WAS IN THE MIDDLE OF IT WITH AN ATTEMPTED COVER UP.

8. PRESIDENTIAL SUCCESSOR:

I TOLD LAMBRUSCHINI PREVAILING RUMORS WERE THAT NAVY WAS FULLY ANTAGONISTIC TOWARDS VIOLA AND THE GREEN LIGHT WAS OUT TO DUMP VIOLA. THE ADMIRAL REPLIED RUMORS WERE CORRECT. HE EXPLAINED HE PERSONALLY WAS A GOOD FRIEND OF GENERAL VIOLA AND ADMIRED HIM AS A MAN. HE FURTHER EXPLAINED HE, AS NAVY COMMANDER, HAD TO RESPECT AND CONSIDER THE SENTIMENTS OF HIS UNITS. HE AGAIN ADMITTED THE NAVY WAS OPPOSED TO VIOLA. LAMBRUSCHINI STATED HE WAS STILL THE COMMANDER AND HE STILL RAN THE NAVY. HE STATED REGARDLESS OF NAVY FEELINGS AT THIS MOMENT, HE WOULD NOT PERMIT AN ENDORSEMENT OF ANY INDIVIDUAL AT THIS MOMENT FOR PRESIDENT OF ARGENTINA AND NEITHER WOULD HE PERMIT OFFICIAL OPPOSITION TO ANY PRESIDENTIAL CANDIDATE NOW. HE STATED HE WOULD CONTINUE TO STUDY THE PRESIDENTIAL CANDIDATES AND AT THE RIGHT MOMENT DECIDE ON BEHALD OF THE NAVY WHOM TO SUPPORT. HE SAID HE WAS OPERATING ON THE BASIS OF WHAT WAS IN THE BEST INTEREST OF ARGENTINA AND NOT WHAT WOULD BE IN THE BEST INTEREST OF THE NAVY.
COMMENT: LAMBRUSCHINI IS A SERIOUS, PROFESSIONAL NAVAL COMMANDER. HE APPEARS MOODY AT ALL TIMES AND IS NOT THE CHARISMATIC TYPE OF HIS PREDECESSOR--ADMIRAL MASSERA. HE

IS VERY PRO-AMERICAN AND FEELS HURT THAT THE COUNTRY HE ADMIRES AS THE LEADER OF THE FREE WORLD HAS FAILED TO SUPPORT THEM IN THEIR FIGHT AGAINST COMMUNISM. IN OUR CONVERSATION, HE WAS QUITE CRITICAL OF THE EXTEND GOA HAD BEEN PLAYING UP TO THE SOVIETS. HE EXPLAINED THE WHEAT BUSINESS WAS ONLY A SCHEME TO MAKE A FAST BUCK. LAMBRUSCHINI BLAMED MARTINEZ DE HAZ FOR THE ROMANCE WITH THE SOVIETS. THE ADMIRAL'S VIEW WAS THAT THE MINISTER OF ECONOMY WAS ONLY INTERESTED IN BUILDING UP HIS BANK RESERVES AND DIDN'T GIVE A "HOOT" OF THE SECURITY OF THE COUNTRY. THIS IS THE FIRST TIME SINCE MY BEING IN ARGENTINA THAT A MEMBER OF THE JUNTA HAS BEEN WILLING TO COME TO THE EMBASSY RESIDENCE AND MEET WITH THE AMBASSADOR ON A ONE-TO-ONE BASIS. I GET THE FEELING LAMBRUSCHINI WANTS US VERY BADLY TO GET INVOLVED IN THE BEAGLE AFFAIR AND ALSO WANTS RELATIONS BETWEEN USG AND GOA TO PROSPER.
CASTRO

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