

MEMORANDUM

NATIONAL SECURITY COUNCIL

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INFORMATIONPOLICY REVIEW COMMITTEE MEETING
May 14, 1980

TIME AND PLACE: 10:30-11:15 a.m.; White House Situation Room

SUBJECT: Summary of Conclusions -- PRC Meeting
on Argentina (C)PARTICIPANTSStateWarren Christopher, Dep.
Secretary
John Bushnell, Dep. Ass't.
SecretaryDefenseW. Graham Claytor, Jr.,
Dep. Secretary
Frank Kramer, Principal
Dep. Ass't. SecretaryAgricultureJames Starkey, Dep.
Under SecretaryCommerceLuther Hodges, Dep. Secretary
Abraham Katz, Ass't. Secretary
for Internat. Economic Policy
and ResearchEnergyWoody Cunningham, Ass't.
Secretary for Nuclear EnergyArms Control and Disarmament
Spurgeon Keeny, Dep. Director
Richard Williamson, Nuclear
Exports Div. Chief, Bureau
of NonproliferationJoint Chiefs of Staff

Lt. General John Pustay

FOIA(b) (3) - 50 USC 403g - CIA

Central IntelligenceWhite HouseDavid Aaron
Henry OwenNational Security CouncilThomas P. Thornton
Robert Pastor

The PRC met to discuss US-Argentine relations in light of your concern about the development of closer ties between Argentina and the Soviet Union. It was agreed that we should continue to seek improvement in our relations with Argentina, recognizing

SECRETReview on May 14, 2000
Extended by Zbigniew Brzezinski
Reason for Extension: NSC 1.13(e)~~Department of State, A/GIS/IPS/SRP~~

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that probably no dramatic progress (or, for that matter, deterioration) is likely until there is a new government in Buenos Aires in early 1981. In the next few weeks we may have to show our displeasure over Argentina's likely failure to be cooperative on the grain embargo; on the other hand, we can justify some positive steps in the relationship by the improving trend of Argentina's human rights performance. (S)

Looking to the longer-term, and assuming continuing improvement in human rights matters, we would propose a systematic effort to strengthen our ties with Argentina. This could ultimately lead to full normalization and perhaps repeal of legislative restrictions on military supply. (S)

This timetable should help deflect the Argentinians from too close a relationship with the Soviets -- a relationship that is in any event probably self-limiting due to the nature of the Argentine regime. (S)

All agencies supported this consensus; both Commerce and Defense however, made clear in the course of the discussions that they want to press for more rapid improvement in the relationship than do the other agencies. Defense was particularly concerned that our human rights and nuclear policies were forcing Argentina to draw close to the USSR. An interdepartmental Group will be set up to provide an opportunity to fine-tune our policies to meet the needs and concerns of individual agencies in line with the broad policy structure agreed upon. (S)

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to move faster*
J

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ARGENTINA 5/14/80

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SUBJECT: Minutes -- PRC Meeting on Argentina (C)

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Bushnell began the meeting by discussing Argentinian relations with the Soviet Union. He pointed out that the current government is unlikely to get close to the Soviets and this provides a certain implicit limitation on the process of Soviet/Argentinian ties. The Argentine Government is playing a short-term game in the grain, trade and perhaps nuclear area. The only point of contact between the Soviet Union and Argentina that raises longer term concerns is a possible fishing agreement although

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even here the Argentine Government is moving to limit its impact on their people. In addition we are very much concerned about Argentinian/Soviet cooperation in United Nations organs. Originally the Argentinians only wanted to prevent the Montaneros from mobilizing Soviet and Cuban support against the GOA. Over time however this has developed into a cooperative vote trade-off between the two sides. In the coming months, Bushnell continued, Argentina will have a hard time taking any positive actions whatsoever due to the imminent retirement of President Videla. This is certainly true until the decision on a successor is made in September and probably the period of inaction will continue until early next year when a new government is in place. We will not be able to force major decisions on them in this time. In the shorter term the main issue is the Argentine fear of condemnation as a result of the report of the Inter-American Human Rights Commission. They might make some minor steps on the human rights front to avert condemnation. The other important short term consideration is the question of the grain embargo where they have not been supportive of our interests.

Hodges asked whether Argentine human rights performance has improved.

Bushnell replied that there has been a major improvement but there are still gross violations and the system of repression remains in place. One could say that they have probably killed most of the people that they wanted to kill, but there are now fewer political prisoners and in some instances the rule of law is being followed better.

Hodges reported that the Argentine Economics Minister had assured him that the current economic policies would continue under a new government next year. Hodges pointed out that we have a great economic potential in relations with Argentina and we should do everything we can to maximize that.

Owen, speaking of the grain situation, said that the Argentinians have undoubtedly made their decision and will follow the same policy next year as they did this year. They have almost certainly reached an agreement with the Soviets which would provide only a floor, not a ceiling, on Soviet purchases. This in effect will mean no limit on Argentine sales to the Soviet Union other than that provided by crop conditions.

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Starkey agreed with this conclusion.

Aaron said it was not clear from the paper what the issue is -- are we seeking a decision on overall tone or individual policy decisions? He asked whether the wheat embargo will be circumvented.

Owen replied that once Argentinian policy is clear, and no doubt the Canadians will be equally uncooperative, other countries will not support us.

Christopher agreed and said that in any event the whole question is irrelevant if the Soviets have a good crop. We may have to find a way to announce a one-year policy success.

Aaron. Do we want to take some move against Argentina because of this or simply forget it? Bear in mind that Martinez was lectured at the highest levels of government here about the need for Argentine cooperation.

Owen said that we should certainly take a tough line on Argentina to match the warnings that were given to Martinez.

Aaron observed that it is clear that Argentina doesn't care very much about its relations with the United States.

Christopher, discussing the purpose of the meeting, said that the real decision to be addressed is one of tone. The paper should then be submitted to an Interagency Group which could work out the individual implementing decisions in line with the broad decision on tone to be made by the PRC. Mr. Christopher also observed that the Argentinians are not going to do anything to court us.

Claytor said he did not blame them; our policies are forcing them to the Soviets.

Owen said that they are sensitive to our concern about being a major supplier for their hydroelectric project. Martinez had said that he would favor the United States if all other factors were equal.

Hodges noted that OPIC insurance would be important in this regard.

Owen agreed and said this would be discussed with Deputy Secretary Christopher tomorrow.

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Keeny, discussing nuclear matters, said it is not clear what the options are. The Soviets are interested in some nuclear cooperation with the Argentinians but there has been minimal activity to date. Thus there does not seem much to preempt there. Our own relations with Argentina are another question. We do not want to (indeed legally we cannot) expand these relations unless they accept full-scope safeguards and ratify the Tlatelolco Treaty. We do have some flexibility though on whether we should continue to cooperate in marginal ways within the law. The question is whether we are willing to supply things that at some future date might be related to a nuclear weapons program.

Bushnell said there is no problem because what we are supplying is for their research program. The issue is whether we want to break a nuclear dialogue with them completely and perhaps turn them to the Soviets. He hopes that we might be able to make greater progress next year when there will be a new administration and leadership on nuclear matters. Thus he asked, should we break the dialogue now or continue to do "minor" things.

Keeny said it depended on which items were involved.

Claytor said that the nuclear non-proliferation policy is bankrupt in general and that we should do absolutely everything we can under the law to cooperate with Argentina.

Keeny inquired whether that would include the provision of tritium. Perhaps the only thing the Argentinians want are things that cause no problem for us. We should look at the specifics.

Christopher pointed out that the President has certainly not abandoned the nuclear non-proliferation policy.

Claytor countered that the policy had been ineffective and that the Soviets are always ready to jump in where we are unable to extend cooperation.

Bushnell observed that there were very few license requests pending from the Argentinians and there probably would be no problem over the next six months or so.

Christopher, returning to the general topic, said he believed that the group should support the middle option. We should give due weight to positive trends in the human rights area but should not try to repeal the Humphrey-Kennedy Amendment

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at this time since that would be impossible with the present Congress and politically unwise. This Option B needs fine tuning from the Interdepartmental Group; what we should do in the coming months is to warm up our relationship with Argentina. Perhaps in 1981 we will be able to have an initiative on the military side, including training at least.

Hodges said he was encouraged by Christopher's summation, for the trends in human rights are important. The Commerce Department also supports Option B.

Aaron said that we needed a specific program to improve our relations. The options as stated in the paper are too static. Our goals should be first, to maintain a nuclear relationship that will result in Argentine accession to the Tlatelolco Treaty; secondly, a commercial policy that makes clear that we want the hydroelectric contract and will pursue it; third, there is no possibility of changing the military legislation now; fourth, there is a major OAS vote coming up and how we react will be a signal to them. We should relate that to the policy issues. Overall, we should have a tone that rests somewhere between Options B and C, leaving out for the time being any change in our military supply policy. The Interdepartmental Group should set up an 18-month program with benchmarks for our progress and for Argentine performance.

At the same time Aaron noted that there is no reason to improve relations dramatically with Argentina now directly after they have stuck their finger in our eye on the grain issue. We should make clear our irritation with them at this time and then pick up the pieces with a new administration when it comes into office. We will not be able to get very far with Videla. We should take the opportunity of the new administration, however, for turning a new page. If we move to improve our relations with them now we will simply not have the respect of the Argentinians.

Claytor said that he saw Option C as the desirable goal, less the repeal of the Humphrey-Kennedy Amendment which would be impossible. We should do all that we can with the Argentine military to restore relations between our two armed services. At the moment we are driving them to the Soviets. The Soviets are our greatest global problem and we are simply letting small things interfere with our dealing with this problem.

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Pustay supported Claytor's statement and noted that we now have a number of opportunities to increase contacts with the Argentine military and JCS would like to pursue them. He noted for instance the Galtieri (sic) invitation which is being held up in State Department. Pustay said that Galtieri is prepared to come.

Bushnell said we had received mixed signals. Galtieri, for his own political purposes, would like to receive the invitation but not actually accept it until after the Presidential decision is made in September in Argentina. Whatever we do we are likely to become involved in Argentine politics. He also asked whether, following so close on their poor performance on grain, we want to give this signal of reward to them.

Owen cautioned that we should be careful about assuming that the Argentinians will do the worst possible things on grain. It is conceivable that even if they have signed an agreement with the Soviets they may have some marginal flexibility. We should not take reprisals against them until they publicly announce the content of their agreement with the Soviets.

Bushnell said that the announcement will not tell us very much in all likelihood. In any event the reality will depend on the Argentine harvest levels and we will not know that for some six months.

Aaron pointed out that we had pushed the Argentines very hard on the grain issue and wondered whether we are now going to let them undermine us.

Owen pointed out that nobody else is likely to cooperate with us either next year.

Pustay, returning to the question of General Galtieri's visit, said that it should be borne in mind that Galtieri had been instrumental in the positive decision that Argentina made on the Olympics.

Keeny observed that we should maintain a nuclear relationship but we should not push it to the brink of what the law permits if this would undercut our non-proliferation efforts elsewhere.

Christopher summarized the meeting by pointing out that there seemed to be no stark alternatives that need to be put to the President. It was generally agreed that:

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1. There is enough human rights progress to justify movement towards improvement in our relationship.
2. Over the next six months events will be conditioned by the electoral situation in Argentina.
3. We will also have to see whether we need to react to the Argentinian decision on grain.

These are short-term items which the Interdepartmental Group can review as it goes along. On the longer term:

4. If there is continued improvement in the human rights situation in Argentina we should seek improvement in our relations with the new regime.

The Interdepartmental Group will work out in detail what this improvement might involve.

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