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DEPARTMENT OF STATE

Washington, D.C. 20520

Department of State, A/GIS/IPS/SRP

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MEMORANDUM

TO: See Distribution
FROM: Luigi R. Einaudi, ^{LE} Executive Director, NSC/IG-ARA
SUBJECT: Interagency Group Meeting on Argentina

On May 29 the Interagency Group for Latin America developed a strategy, subsequently approved by the President, to achieve better balance in our relations with Argentina. We have had to reassess the timing of initiatives planned for 1980 because of Argentine sympathy and support for the Bolivia coup and because Argentina thus far has not agreed to continue cooperation on grains exports to the Soviet Union. We face a potentially serious confrontation with Argentina at the OASGA beginning November 19 on the issue of the IAHRC's human rights report. In addition, we need to coordinate regarding President-select Viola's possible December visit to Washington, particularly with regard to the GOA's interest in resuming arms purchases and to the Kennedy-Humphrey amendment barring such sales.

Accordingly, I am calling a meeting of the Interagency Group for November 14 at 11:00 a.m. in Room 6909 Department of State to discuss:

- outstanding policy initiatives involving Argentina;
- the U.S. position on the Argentina human rights report at the OASGA;
- President-select Viola's visit to the U.S.;
- the Kennedy-Humphrey Amendment; and
- any additional initiatives or steps that you may wish to have included in the Action Plan.

ARA/PPC will circulate an issues paper before the meeting.

Drafted: ARA/SC: GJWhitman:mas
11-5-80 Ext. 29166

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GDS 11-5-86

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~~SECRET~~ARGENTINA1980/1981 PLAN OF ACTION AND OTHER ISSUESI. INTRODUCTION

On May 29 the Interagency Group for Latin America developed a strategy, subsequently approved by the President, to achieve better balance in our relations with Argentina. Before the strategy could be fully implemented, Argentina became heavily involved in supporting the new Bolivian regime. Imminent GOA recognition of the Bolivian regime and continuing reports of Argentine involvement led to the postponement of Assistant Secretary Bowdler's visit. The visit was to have been the major vehicle for implementing most of the initiatives to improve U.S.-Argentine relations in 1980.

Argentina continues to be heavily involved in supporting financially and militarily the Bolivian regime. There is some indication that because of the strong USG reaction and the effect on our bilateral relations, Argentine leaders are willing to counsel moderation to the Bolivians, but there is no clear indication as yet the GOA is in fact exerting needed pressure to end the more repressive and corrupt practices of the Garcia Meza regime. Over the longer term, we would hope that Argentina would encourage a return to civilian rule and avoid a polarization in Bolivian society.

Argentina is unlikely to cooperate further in the West's partial grains embargo on the Soviet Union. Although we had been told earlier that cooperation was possible and depended on the size of the 1980/1981 harvests, our Embassy was informed last week that Argentina would sell as much grain to the USSR as is available.

The U.S. continues to have a significant stake in maintaining and furthering improved bilateral relations. We continue to seek Argentine support on East-West and Hemispheric issues, in international fora and on non-proliferation. We also seek to influence Argentine internal developments on human rights and on an eventual return to democracy, as well as to limit the potential increase of Soviet influence there. Other strategic interests include its size, geographic location, natural resources, and relatively advanced economic, scientific,

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and cultural development. Argentina has the most advanced nuclear program in Latin America and potentially one of the world's richest oil-bearing areas in its vast continental shelf. Argentina's port facilities and coastline could play an important role in the protection of critical sea lanes.

The U.S. also has major commercial interests in Argentina. U.S. exports to Argentina more than doubled in 1979 over 1978 (from \$704 million to \$1.5 billion). In the first nine months of 1980 exports increased 59.3% over the same period in 1979 to \$1.8 billion. Of particular interest to U.S. industry are the potentially large exports related to the huge hydroelectric projects being undertaken by the GOA with Paraguay. Potential sales in one project alone could total up to \$350 million. The U.S. Government has been actively supporting the bids of U.S. firms in these projects.

The U.S. faces a potentially serious confrontation with Argentina at the OASGA beginning November 19 on the issue of the IAHRG's human rights report. Failure to reach agreement could affect our other national interests. In addition, we need to consider the U.S. approach to President Viola during his planned visit to Washington, particularly with regard to the GOA's interest in resuming arms purchases and the Humphrey-Kennedy Amendment barring such sales.

II. STATUS OF 1980 ACTION PLAN

A. Continuing or Early-Action Initiatives:

-- Meeting of the U.S./Argentine Mixed Economic Commission. The meeting has been scheduled for April 1981 (the earliest mutually convenient time frame). The agenda will include discussion of bilateral trade issues and seek to expand commercial relations.

-- Bilateral Income Tax Treaty. Conclusion of the Treaty is in the final stages.

-- Consular Convention. Both parties are reviewing a proposed text.

-- Human Rights. We have continued the dialogue, most recently through high level bilateral discussions at the UNGA. We are continuing discussions at the OASGA.

- 1) Need for family members
- 2) Can this chain. usefully be
forward. improved

-- Nuclear Relations. We are continuing negotiations aimed at resolving the remaining safeguards issues to permit the delivery of highly and moderately enriched uranium for Argentina's nuclear research program as well as components for its power program. We hope negotiations will be completed this year. We continue to urge the Argentines to ratify the Treaty of Tlatelolco, most recently during bilateral talks at the UNGA.

B. Initiatives where the Timing is Undecided:

-- Visit by the Assistant Secretary for Inter-American Affairs to Buenos Aires. Assistant Secretary Bowdler's visit to Argentina was postponed following Argentina's support of the Bolivia coup and recognition of the new Bolivian regime. No

-- The first round of periodic security consultations focusing on security of the South Atlantic. These talks will highlight the critical strategic implications of the South Atlantic and create interest in cooperation for its defense.

-- Periodic policy talks on global and hemispheric issues. We would exchange views on global issues and explore ways to promote mutually beneficial policies. The agenda would include an exchange of views on human rights policies and Argentina's evolution toward democracy, East-West and Hemispheric cooperation, and international issues such as law of the sea and the transfer of arms and technology.

-- Signing the Agricultural Cooperation Agreement. We have withheld signing the agreement until GOA participation in the partial grains embargo on the Soviet Union is resolved.

-- An invitation to an Argentine guest instructor to the U.S. Army School of the Americas. H reports that consultations with the Congress are completed and have been favorable. HA disagrees as to the scope of the consultations.

-- A high-level military visit. We told the President we will keep under review the desirability of an invitation to a senior Argentine military leader, such as the Argentine Army CINC or Chief of Staff.

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A final decision, including timing, would take into account continued improvements in the observance of human rights and developments in U.S.-Argentine relations.

C. Issues To Be Discussed:

1. In view of the GOA's continuing involvement in Bolivia and its policy of non-cooperation on grains restriction, which initiatives should be rescheduled and which should be deferred for later decision?

III. ARGENTINA AT THE OASGA

A. Background:

One of the most controversial issues at the OASGA will be how to handle the IAHRC's human rights report on Argentina. If Argentina perceives it is unjustly or harshly treated by the OAS in general or the U.S. in particular, it may make good on its threat to walk out of the OAS. GOA officials have also implied that the U.S. position at the OAS will be taken into account in considering the award of contracts for hydroelectric projects such as Yacyreta.

Following USG representations, Argentina allowed the visit of the Inter-American Human Rights Commission (IAHRC) in September 1979. The Commission's special report was severely critical of Argentina, calling on the GOA to inter alia account for the disappeared and bring to trial and punish those responsible, lift the state of siege, release or grant the right of option to depart Argentina to those persons held under Executive detention, investigate and punish those responsible for torture, and restore due process guarantees.

Consideration of the IAHRC's report on Argentina may be the most divisive issue in this year's OASGA. Many human rights groups and representatives from the Argentine exile community plan to visit Washington during the meeting and will push for Assembly condemnation. Argentine Nobel laureate Perez Esquivel also plans to be in Washington during the meeting. While these activities will heighten publicity over Argentina's case in the U.S., they will serve even more to focus public attention on the Commission's activities in Argentina. The Argentine Government believes harsh action by the OAS will establish precedent for similar treatment in other international fora, and it is seeking

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an omnibus resolution which would not name specific countries. Mexico, Venezuela and Peru are strong supporters of the Inter-American Human Rights Commission (IAHRC) and, in varying degrees, favor an activist stance by the OAS in the human rights field.

U.S.-Argentine bilateral discussions could be crucial to achieving a satisfactory outcome. We are working informally with Argentina and other interested countries to develop an OAS resolution which, while not calling for condemnation of Argentina, will recognize the work of the Commission, take note of the human rights situation at the time of the report, note the improvements since, and call on the GOA to take into account the report's recommendations for improved human rights observance.

B. Issues To Be Discussed:

1. Should the U.S. back off on its position calling for a country-specific resolution and accept an omnibus resolution which would make some specific mention of Argentina, if that is the consensus of the other OAS members?

2. Should we accept an omnibus resolution not mentioning Argentina?

V. U.S. MILITARY SALES TO ARGENTINA

A. Background:

At the May 14 Policy Review Committee meeting on Argentina, it was decided that it would be premature to consider rescission or modification of legislative restrictions on military supply to Argentina this year. In 1981, legislative modifications to permit training and perhaps other actions concerning military supply might be considered if the human rights situation in Argentina continued favorably. The current human rights situation is described in the attached summary.

IMET Training Programs, the sale of training under FMS and military supplies to the GOA (FMS and Munitions List items) are prohibited by the Humphrey-Kennedy Amendment. In addition, under current policy, the U.S. Executive limits sales of non-Munitions List items to the Argentine military and the police through the Commerce export control licensing system. In

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order to permit the sale of these items, either:

-- the Humphrey-Kennedy Amendment would have to be rescinded or modified;

-- a Presidential determination that a proposed sale was in the U.S. national interest would have to be evoked (At present, the President has no such leeway for Humphrey-Kennedy; however, legislation is pending in this year's FAA which would give the President this authority); or

-- the Congress would need to pass specific legislation permitting a particular sale.

DOD has identified strategic and economic interests which support the sale of military aircraft in the near term:

-- There is a strategic need for the sale of ocean surveillance P-3 aircraft to the GOA to counter the Soviet buildup in the South Atlantic.

-- Argentina plans to embark next year on a \$3 billion modernization program for its Air Force. The GOA has told us that it prefers U.S. equipment and that it is committed to making a decision by June 1981. If the U.S. is unable to respond by that date, Argentina will turn toward European suppliers.

The U.S. proscription of military sales toward Argentina, while not affecting the availability of military equipment to the GOA (European suppliers have been more than willing to fill the gap), have considerable political significance as a tangible expression of disapproval of Argentine human rights violations. Modification of our posture must take into account the implications for our stance toward other countries with human rights violations, as well as the message this would send to human rights groups in Argentina and internationally who have joined us in criticizing human rights violations in Argentina.

U.S. arms sales policies toward Argentina must also take into account the strategic balance in the Southern Cone. Chile already sees our improving relationship with Argentina as threatening in the context of the Beagle Channel dispute. Major U.S. arms sales to Argentina while we maintain our present cool and distant relationship with Chile would further tip the balance

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of power in favor of Argentina; this plus the political signal renewed arms sales would convey to both parties could encourage Argentina to seek a military solution to the Beagle Channel dispute, if the current mediation fails.

B. Issues To Be Discussed:

1. Has there been sufficient improvement in the human rights situation to change our position on military sales?

2. What specific human rights improvements would be required for us to change our position?

3. Are there strategic or economic consideration which would cause us to seek approval of specific sales?

4. What are the ramifications of a resumption of sales to Argentina on the military balance in the Southern Cone? On our stance toward other countries with human rights violations?

IV. PRESIDENT-DESIGNATE VIOLA'S VISIT TO THE U.S.

A. Background:

Argentine President-designate Roberto Viola tentatively plans to travel to New York December 5 to address the Council on Foreign Relations and U.S.-Argentine Chamber of Commerce. According to the Argentine Embassy here, he may also visit Washington December 6-7.

Viola is a moderate within the Argentine military hierarchy, friendly to the United States, and sympathetic to U.S. views. His visit would provide an opportunity to influence future Argentine policies on Bolivia, grains, human rights, and Tlatelolco. On the other hand, coming to Washington in the middle of a Presidential transition is awkward. The Carter administration will not be in a position to discuss policy beyond January 20. Whether the President-elect or his advisors would want to see him to review U.S.-Argentine relations is problematical.

B. Issues To Be Discussed:

1. Whether Viola should be encouraged to come to Washington.

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2. In the event of an affirmative answer, who should see him?

Attachment:

Status of Human Rights in Argentina.

Drafted: ARA/SC: GJWhitman:mas
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STATUS OF HUMAN RIGHTS IN ARGENTINA

The human rights situation in Argentina has improved over previous years, but remains serious. Most seriously, fundamental, internationally recognized rights of the integrity of the person have been violated through the application by the security forces of the tactic of disappearance. The number of confirmed disappearances registered in Argentina this year total 11, but there are unconfirmed reports of 22 or more. This total is in contrast to the many thousands who disappeared in 1976 and 1977, more than 600 in 1978 and 44 in 1979. There continue to be reliable indications that individuals detained as suspected terrorists or subversives are subject to torture. There has been no accounting for past disappearances.

The number of detainees on other than common criminal charges has been reduced, although the numbers remaining are still significant. Since 1974, 8200 people accused of terrorism or subversion have been detained under the special executive powers of the President. By September 1980, prisoners accused of other than common crimes totaled 1,700 to 1,800. Of these about 750 were being held without trial, some for many years or after having served their sentences. About 600 had been tried and convicted in military or civilian courts and another 400 were in trial status. The right of option program, which allows qualified prisoners to choose self-exile in lieu of detention, has been greatly restricted by Argentine Government regulations. As a result, of the 277 prisoners who have qualified for the U.S. Hemispheric Parole Program, only 82 persons have been able to travel to the United States.

Prison conditions have improved, although there is still concern over psychological conditions which may have been a factor in a number of suicides. Earlier complaints regarding overcrowding, lack of medical treatment, improper food, and restrictions on visits have been largely resolved.

The opportunities for the exercise of political freedoms remain circumscribed by the prohibition on political activities and de facto limits on the freedom of expression. Within uncertain limits, politicians and the press increasingly voiced criticism of the Government's actions and plans. Occasionally politicians were detained on the grounds that they had overstepped the limits of the law. The military designated the

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President for the period 1981-1984, while reiterating its ultimate commitment to return the country to civilian rule. However, no date has been fixed for that devolution.

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