

9/28/77

DEPARTMENT OF STATE

BRIEFING PAPER

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Ms. Bond 7208  
AL165  
July August  
001-4  
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ARGENTINA PROJECT (S200000044)

U.S. DEPT. OF STATE, A/RPS/IPS

Margaret P. Grafeld, Director

(X) Release ( ) Excise ( ) Deny

Exemption(s):

Declassify ( ) In Part (X) In Full

( ) Classify as ( ) Extend as ( ) Downgrade to

Date Declassify on Reason

BILATERAL TALKS DURING UNGA:

ARGENTINA - Foreign Minister Oscar Montes

KEY ISSUES

1. Issue - Your Visit to Argentina

U.S. Objective: We want to strengthen the hand of the Argentine moderates by demonstrating that we are deeply interested in events there. We also want to use the visit to move the Argentines on human rights and nuclear proliferation questions.

Argentina's Objective: To strengthen the hand of the moderates, led by President Videla, by demonstrating Argentina's ties to the United States.

Essential Factors: During President Videla's bilateral conversation with President Carter, a visit by you to Argentina was discussed. The Argentines believed this to be a firm commitment. President Videla and the Foreign Minister publicly stated that your visit to Argentina was one of the major accomplishments of their visit to Washington. When the Argentines heard that President Carter's worldwide visit might force cancellation of your trip to Argentina, they were highly disappointed and concerned about the negative political impact for Videla.

Points to be Made:

-- You are committed to visiting Argentina, but circumstances beyond your control may make it necessary to postpone your October trip for a few months.

2. Issue - Human Rights

U.S. Objective: To encourage the Argentine government to improve its position on human rights. We fully accept the premise that the Argentine government inherited an impossible situation in March 1976. Now, 19 months later, the military have largely accomplished their security goals but are not moving appreciably to restore legal forms and political peace. The government countenanced anti-terrorist violence should be brought under control.

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Argentina's Objective: To convince the United States that it is fighting a war of survival which pits terrorists who have no respect for human rights, against the government. The Argentines will contend that human rights violations are occurring less frequently and will soon be brought firmly under control.

Essential Factors: Since your discussion with Montes in Grenada the human rights situation has improved, but only marginally. Disappearances and torture have decreased in frequency but still occur. However, we do have a promise made to President Carter by President Videla during their recent bilateral that the Argentine government will have restored most human rights before this Christmas. And on September 27 Argentina announced restoration of the right for political prisoners to opt for voluntary exile as well as a form of parole for prisoners, whereby they would report periodically to the police rather than stay in prison. We are encouraged by these developments but uncertain that President Videla can force his hard-line military opponents to curb counterterrorist violence.

Points to be Made:

-- We are encouraged by the restoration of the "right of option" and announcement of a parole program for prisoners.

-- We very much hope that this will lead to many prisoner releases.

-- These steps demonstrate Argentina's confidence that the war against terrorism has been won and we hope signal Argentine resolve to return the country to the rule of law.

-- The quality of our relations depend on the ability of the Argentine government to guarantee basic human rights.

3. Issue - Nuclear Proliferation and the Treaty of Tlatelolco

U. S. Objective: To convince the Argentines to forego reprocessing and ratify the Treaty of Tlatelolco.

Argentina's Objective: To obtain nuclear technology and fuel for its reactors.

Essential Factors: Argentina has the most advanced nuclear capability of any Latin American state and the greatest potential for an independent fuel cycle. It is believed to be proceeding apace to acquire an independent unsafeguarded reprocessing capacity. We believe this is a sufficiently

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dangerous possibility to warrant our consideration of the transfer of sensitive heavy water technology to the Argentines if they will forego reprocessing. We also realize that any approach to the Argentines must be made in tandem with approaches to Brazil. Both watch each other warily. For this reason, we have decided not to raise this aspect with Argentina until we have had an opportunity to present the package approved by the President to both West Germany and Brazil.

Argentina has signed the Treaty of Tlatelolco, but it has not ratified it; Argentina's ratification is one of the steps necessary before the treaty can come into force.

President Videla told President Carter that Argentina would ratify Tlatelolco, but did not say when.

Points to be Made:

-- We are very encouraged by the personal consideration President Videla is giving to implementation of the Treaty of Tlatelolco.

-- We appreciate Argentina's commitment to the peaceful use of atomic energy and very much hope for early action by Argentina to ratify and bring into force the Treaty.

-- Such action would convey dramatically Argentina's commitment to non-proliferation.

-- If asked about the transfer of nuclear material or heavy water technology, we should indicate we are looking forward to talks on these subjects later this month.

4. Issue - U.S.-Argentine Mixed Economic Commission (If raised by Argentina)

U. S. Objective: We want to expand our economic ties to Argentina; the Commission may be one way to accomplish this end.

Argentina's Objective: To balance trade with the U.S. by increasing Argentine exports to us.

Essential Factors: The Argentines have formally requested the reactivation of the Economic Commission which held two meetings in 1968, then faded away. The Argentines

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hope to use the rejuvenated Commission to redress their unfavorable trade balance with the U.S., which reached \$250 million in 1976.

Points to be Made:

-- We feel that discussion with Argentine officials of economic questions are valuable.

-- We are now studying the Argentine request for the reactivation of the Mixed Commission.

5. Issue - Military Relations (If raised by Argentina)

U. S. Objective: To maintain ties to the Argentine military in the face of our policy of limiting arms sales.

Argentina's Objective: To obtain necessary military supplies to maintain the readiness of the Argentine Armed Forces.

Essential Factors: The military are the dominant factor in Argentine politics. We have built close ties to them through our arms sales and military advisers. These ties are weakening as we reduce the size of our military advisory group and severely limit arms sales because of the human rights situation. We will have no FY 1978 FMS credit program to Argentina, and all military sales will be prohibited after October 1, 1978 by the Kennedy/Humphrey Amendment. In addition, our approval of cash sales to the Argentine military has been slow, much to the dissatisfaction of the Argentines.

Points to be Made:

-- We wish to retain close ties to the Argentine military, but our policy on sale of military equipment is contingent on the human right situation there.

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9/28/77:x29166

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