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22 July 1993

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TITLE: CONDOR II ACCOUNTING

SUMMARY:

Despite significant progress made by Argentina in accounting for missing Condor II-related components in the days before President Menem's visit to Washington, there are still items listed in a February 1993, Non-paper presented to Argentina, and agreed to by the MTCR partners in March, that have not been accounted for, destroyed or moved as required. The MTCR partners voted to make Argentine membership in the MTCR effective when these issues are resolved. While Buenos Aires is making unprecedented strides in locating or accounting for all of the Condor II components, there are ongoing bilateral discussions with Washington on what constitutes a satisfactory resolution. For example, Argentine officials continue to press for retention of and alternate use of some Condor II missile related equipment and production equipment that was acquired specifically for the Condor II program. [REDACTED]

The following is a detailed discussion of the issues related to this topic using information available as of 20 July 1993. More information will be needed, and Buenos Aires has promised to provide detailed information which may help resolve this issue. [REDACTED]

BACKGROUND:

1. During January 1993, Argentina shipped to Spain and the US numerous Condor II components. An evaluation of the shipped components against known holdings revealed that the Argentine Air Force (FAA) still held--at that time--key components and technology that it could try to use to either restart the Condor II program in Argentina or sell elsewhere. [REDACTED]

2. In February 1993, the US presented to Buenos Aires a non-paper listing the remaining key Condor II related components, production equipment, and production documents that had to be destroyed or otherwise accounted for in order to gain US support for Argentine membership in the MTCR. President Menem ordered that this task be accomplished. [REDACTED]

3. The MTCR partners voted during the MTCR plenary in Canberra, 8-11 March 1993, for membership in the MTCR for Argentina. However, membership would become effective only when Buenos Aires satisfactorily resolved the issues listed in the non-paper (sent to all MTCR partners on 2 March -- STATE 061678). An MTCR Quad-team was to assist in the verification process. [REDACTED]

~~SECRET~~ [redacted]

4. Since the plenary, President Menem has pushed hard to comply with the conditions of the non-paper. He has recently purged high-ranking Air Force officers, including the Chief of Staff, who were obstructing the full dismantlement of the Condor II program. By late June, the Ministry of Defense was able to recover or account for many of the missing parts listed in the non-paper, apparently as a result of an extensive inventory of Air Force components. Additionally, Buenos Aires officially declassified the Condor II missile project on 30 June, in an effort to ensure that all measures to terminate the project be carried out in the open and to remove the pretext most often used by Condor II supporters to avoid disclosing additional information. [redacted]

5. On June 25, the US Science Counselor in Buenos Aires was able to inspect some of the previously missing Condor II equipment at an air base near Buenos Aires. On 8 July, he inspected additional equipment at two facilities near Cordoba. Most of the inspected equipment is listed in the non-paper, however, some is not listed and may not be Condor II related. Some of the components require further analysis to determine if they are related to the Condor II or other systems such as Alacran or Condor I. In spite of significant progress in finding components, primarily still outstanding is the resolution of the issues related to the production equipment and production related documents. [redacted]

6. The following is a detailed discussion of the status of the Condor II related equipment: [redacted]

[redacted]

[redacted]

~~SECRET~~ [redacted]