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*Directorate
of Intelligence*Intelligence Memorandum
Office of African and Latin American Analysis
29 October 1993**Argentina: Expectations for
Membership in the Missile
Technology Control Regime***Summary*

Over the past few months, Buenos Aires has made dramatic progress in meeting the conditions that were set for its accession to the Missile Technology Control Regime (MTCR). The Menem government has accounted for almost all of the missing Condor II missile components and has taken interim steps to dismantle the Condor II production infrastructure. Nevertheless, fearing criticism from domestic political opponents, Menem is wary of destroying production equipment that has potential commercial applications; he is hoping for assistance from the United States in redirecting it to peaceful uses. Buenos Aires expects Washington to push for Argentina's full membership at the MTCR plenary in late November and would consider Washington's failure to do so a significant blow to bilateral relations and to President Menem's personal credibility.

This memorandum was prepared by [redacted] Office of African and Latin American Analysis and [redacted] Office of Scientific and Weapons Research. Comments and queries are welcome and may be directed to the Chief, [redacted]

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CL BY: [redacted]
DECL: OADR
DRV FR: MULTIPLE

Background

In March 1993, Missile Technology Control Regime (MTCR) countries granted Argentina membership in the Regime to become effective when Buenos Aires met certain conditions related to its dismantlement of the Condor II ballistic missile project. According to the MTCR's terms, Argentina had to dismantle the Condor II production infrastructure and account for several missing components, including missile guidance systems [redacted]

[redacted] Moreover, MTCR members demanded that Argentina destroy design documentation and computer software associated with Condor II production. [redacted]

The Condor II Balance Sheet

Since March, Argentina has made considerable strides toward fulfilling the terms for bringing its MTCR membership into effect.

Air Force officers [redacted]

[redacted] the government has:

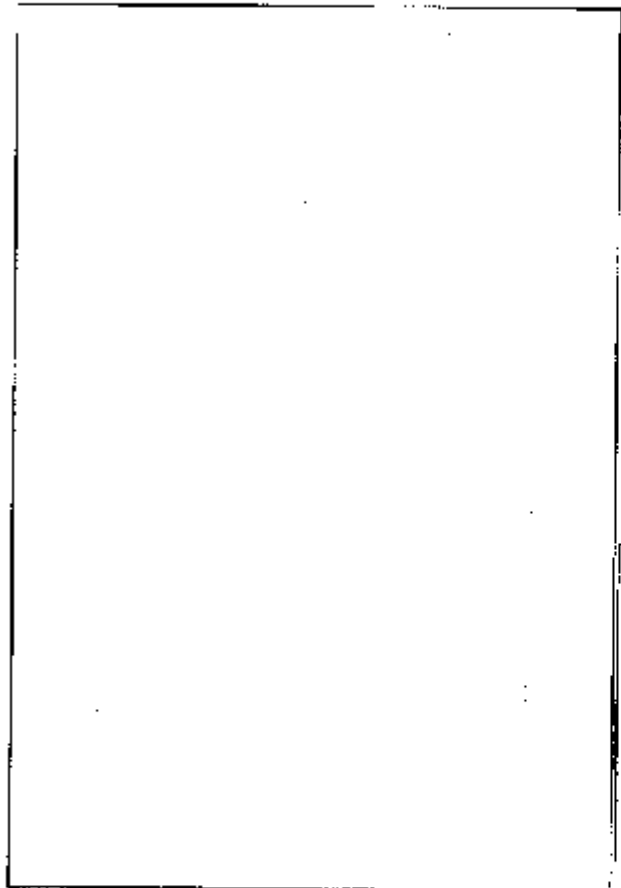
- Accounted for the three remaining SAGEM guidance systems, 3 MBB flight computers, and 15 flexible nozzle joints. [redacted]

- Removed gears from the 200-gallon propellant mixer.
- Shipped tools and fixtures used in connection with casting Condor II rocket motors [redacted] for destruction.
- Ordered a thorough investigation to locate the last of the missing components [redacted]

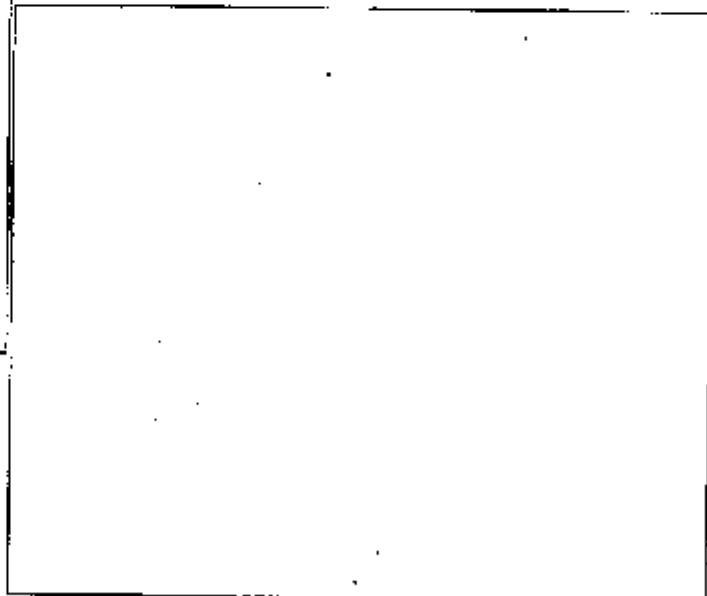


Status of Argentine Golden F-16 Components

Components accounted for and/or destroyed to date

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Components unaccounted for

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Heading Off Political Opposition

[redacted] the Menem government in recent months has successfully headed off efforts by the opposition Radical Party to exploit the Condor II issue for political gain, most recently in legislative elections held in October. To strengthen his hand, Menem declassified details of the Condor II project, arranged a tour of Condor II production facilities for journalists, and obtained photographs of Argentine and Iraqi missile installations for possible public release. He evidently calculated that exposing the Radical Party's role during the Alfonsín administration in transferring Condor II missile technology to Egypt and Iraq would dissuade his opponents from trying to foment broader opposition to his dismantlement of the program.¹ Indeed, shortly after a visit to Argentina in August by United Nation's officials to investigate the past Argentine-Iraqi missile connection, senior government officials' public comments about the connection put Radical Party leaders on the defensive and prompted them to downplay the Condor II issue. [redacted]

Nevertheless, we believe Menem is reluctant to take the remaining steps demanded by MTCR members because he wants to avoid any action that might give his political opponents ammunition with which to turn public opinion against his decision to dismantle the Condor II program. Menem is especially sensitive to criticism now because he needs support from the public and the Radical Party to revise the Constitution to allow him to run for reelection in 1995; he has called for a plebescite for late November or early December to vote on the issue. [redacted]

For these reasons, the government has not destroyed some missile production equipment that could be used for commercial purposes, [redacted] but it did put the X-ray machine formerly used for quality control to use in inspecting automobile engines. Senior Argentine officials [redacted] are hopeful that representatives from the US Trade Development Agency, who visited Argentina in August to assess the commercial potential of Condor II facilities, will help find alternative uses for other equipment, such as the ammonium perchlorate dryer/grinder. The Argentine officials probably calculate, however, that if the assessment concludes that little of the Condor II infrastructure can be applied commercially, they can use the report to defend a decision to destroy the equipment. [redacted]

To assuage international concerns about retention of Condor II installations even for peaceful means, Buenos Aires has offered to keep the Falda del Carmen rocket motor production plant open to inspection by MTCR members and to subject the plant to "other measures the Regime considers necessary" to certify that no missiles are being produced. [redacted]

[redacted] The government almost certainly calculates that inspections by MTCR members are inherently preferable to unilateral US inspections because they are less likely to provoke a nationalistic backlash. [redacted]

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Could the Condor II Project Be Revived by Menem's Successor?

Attempts by Menem's opponents to portray termination of the Condor II program as a waste of high technology have thus far had little impact on public opinion; we see no indication that they have generated any sentiment for getting Argentina back in the missile business. Indeed, polls show that most Argentines support Menem's pro-Western foreign policy and his efforts to stem the proliferation of weapons of mass destruction.

Nevertheless, if the government does not take any further steps to destroy the Condor II infrastructure or redirect it to other uses, Argentina will retain the capability to produce major components such as the missile's rocket motors.

relatively large stocks of raw material remain in various storage buildings. Other equipment has been mothballed, however, and probably would require some maintenance before use. In addition, the government would have to rehire Condor II engineers, who have left to work in other areas. In any event, Argentina could not produce complete Condor II missiles; even at the project's zenith Argentina produced only parts of the missile.

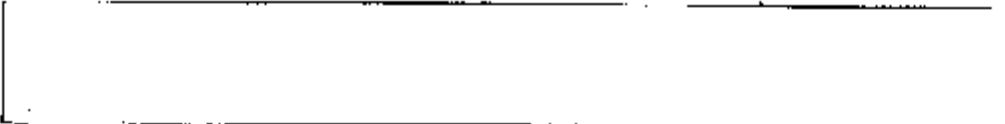
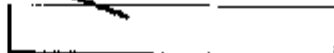
We have a high degree of confidence that the US Intelligence Community could detect resumed Condor II production activity, especially if MTCR members agree to an inspection regime for the Falda del Carmen facility. In addition, continued missile production probably would not escape public scrutiny, given the high profile--both domestically and abroad--of the Condor II issue over the past few years.

Expecting US Support for Argentina's MTCR Membership


Senior Argentine officials have made clear that, in light of their efforts to dismantle the Condor II project, they expect Washington to push for Argentina's full membership in the MTCR at the Regime's plenary in late November. In the meantime, these officials want Washington to certify to other MTCR members that the Condor II issue is now closed. Buenos Aires probably realizes that, even though most MTCR members are prepared to approve Argentina's formal accession to the Regime, these countries will look to the United States for guidance on whether Argentina has met MTCR members' terms for membership.²


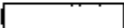
Meanwhile, Buenos Aires is likely to lobby other MTCR members actively in the coming weeks to improve its chances of persuading the United States to support Argentina's bid.

² MTCR decisions are made only by unanimous vote.



Impact of Membership Denial

Menem places a great deal of importance in securing Argentina's MTCR membership in November and would consider a rejection to be a significant blow to his foreign policy as well as his personal credibility. He has built up the Argentine public's expectations that membership is forthcoming and that joining the Regime would not only be an appropriate response to its cancellation of the Condor II program but would greatly enhance the country's standing abroad. If Argentina comes away from the plenary next month empty handed, Menem's political opponents probably will renew their charges that he has nothing to show for his termination of the Condor II project. They may also point to NASA's proposal to launch sounding rockets from Brazil, which continues to develop missile-related technology for its space launch vehicle, as evidence that Argentina gave up its missile development needlessly (See appendix). Moreover, if turned down for membership after taking forceful actions to dismantle the program, Menem might have difficulty justifying to his political opponents, the military and the public that Argentina take further action to meet MTCR requirements. 

In our view, the Menem government would also view Washington's refusal to push for Argentine membership as a significant setback for bilateral relations. Senior Argentine policymakers already are upset over their inability to persuade US officials to include a more advanced avionics package in the A-4 fighter aircraft they plan to purchase from the United States and have expressed concern that this reflects lingering Western suspicions about Argentina's reliability as a security partner . Against this backdrop, US reluctance to endorse Argentina's membership in the MTCR may prompt Buenos Aires to reevaluate the merits of aligning its foreign policy closely with Washington's. 

[redacted]

Appendix

Argentina's Views on NASA Launches from Brazil

Although [redacted] Argentina was briefed last year on NASA's proposal to launch sounding rockets from Brazil and posed no objections to it, Buenos Aires has become increasingly concerned that the United States may be holding it to a higher standard than Brasilia on missile proliferation issues. [redacted]

[redacted] Senior Argentine officials charge that, while Washington has pressed Argentina to dismantle fully the Condor II program, it has been lenient toward Brazil's pursuit of a space launch vehicle capability. [redacted]

We judge that Argentina's misgivings about US launches have grown and probably will intensify as the launch date approaches. Senior Argentine officials probably are not concerned that the United States ruled out Argentina as an option to host the sounding rocket campaign; they almost certainly realize that Argentina's launch sites would not meet NASA's requirement to launch near the Dip Equator. Rather, the Menem government probably is worried that political opponents and senior military officers will view NASA's launches as evidence that Argentina gave up its missile development needlessly. [redacted]

[redacted] Although such views almost certainly would not persuade Menem to reverse his decision to dismantle the Condor II project, they risk fanning domestic controversy surrounding his handling of the Condor II issue. [redacted]