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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: November 19, 1976

SUBJECT: U.S.-Argentine Relations

PARTICIPANTS: Gaston Prat Guy, Argentine Charge
Victor Beauge, Political Counselor, Argentine Embassy
Charles W. Bray, Deputy Assistant Secretary for Inter-American Affairs
Robert W. Zimmermann, Director, ARA/ECA
Fernando E. Rondon, Alternate Director, ARA/ECA

COPIES TO: ARA - Mr. Shlaudeman, Mr. Grunwald, Mr. Lister
ARA/ECP - Mr. Rogers H - Mr. Black
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Embassy, Buenos Aires

This was a courtesy call by the new Argentine Charge on Mr. Bray. The conversation lasted over an hour and was very frank and cordial.

After an initial exchange of amenities, Prat said he would like to mention a couple of inherited problems in his basket. He said Argentina hopes to present two projects to the IDB within the current IDB fiscal year in order to take full advantage of its allotted share of bank credits. He said that one project was a \$50 million paper mill project, which would provide many needed jobs in Misiones province and presumably meets the social criteria (needy exception) of the Harkin Amendment. (This is apparently the \$100 million Alto Parana Pulp and Paper Project.) The other loan, the Charge continued, is a \$30 million global industries credit, similar to one approved recently for Nicaragua. Prat noted that Argentina had agreed to hold off on the \$30 million loan until the end of November because of possible Harkin problems. The Ministry of Economy, Prat went on, now wants to move ahead with the loan and needs to know how we will vote. Mr. Bray said he could not reply but would try to obtain the answer.

The Charge then referred jokingly to the second skeleton in his closet, that of the FMS credits. He noted that an Aide Memoire had been presented on November 18 to ARA/ECA requesting that Argentina be allowed to use its FY 1976 FMS credits to purchase spare

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- 2 -

parts. He acknowledged that we had been partially responsive when \$627,000 in FMS orders had been approved but that there are other pending bills for orders that have been already placed. These orders total approximately \$7 million. Prat Guy emphasized that the GOA had committed itself to make these purchases fully expecting that FMS credits could be used. The Argentine government understands that our policy has changed but needs time (and credits) to adjust. Bray promised to look into this question also.

Mr. Bray requested the Charge's assessment of Congressman Drinan's visit to Argentina. Prat Guy referred to mixed press reviews. Mr. Bray raised the disappearance of Josefa Martinez in Cordoba, which Prat Guy promised to look into at once. (Reported by separate cable.)

Mr. Bray noted that the Foreign Ministry's Human Rights Working Group has been very helpful to the Embassy in several cases. He remarked that we both have human rights units in our Ministries now.

The Charge mentioned a recent favorable comment by the UN High Commissioner for Refugees, Prince Sadruddin Aga Khan, to the effect that Argentina and the UNHCR are working well together now. Prat Guy contrasted this comment with the Prince's appeal to resettle refugees whose lives were endangered in Argentina, made in June. (Mr. Beauge later promised to provide ARA/ECA with a copy of the Prince's recent comments.)

Mr. Bray sought to put into historical context the current United States concern for an assertion of traditional values in our foreign policy. After the traumas of the Sixties, which the United States had endured amazingly well, moralistic-idealistic strains were coming to the fore. He mentioned the Town Hall meetings held throughout the United States, where citizens repeatedly raised human rights concerns with Department of State officials. Bray explained that the wish to inject democratic values into foreign policy is peculiarly American, very deep seated and not simply the reflection of a few voices in the Congress.

Prat Guy commented that he had experienced part of the Sixties in the United States, at Berkeley. He asked, what would have happened if the students had thrown bombs. Bray responded that there were qualitative differences in how our security forces responded to these problems and the Argentine situation, where right wing terrorism has a quasi-legal status. He noted that governments inevitably operated at a handicap in responding to such situations, since they were by definition compelled to honor certain constraints on their behavior or risk forfeiting their legitimacy and authority.

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- 3 -

Prat Guy made no attempt to justify the security practices of the GOA. He did ask that we try to understand the Argentines, quoting the title of a book, "Those Perplexing Argentines."

Mr. Bray stated that we had recently been required to submit human rights compliance reports to Congress. We had no choice, he explained, if a military assistance suspension was to be averted. These are factual reports, with information that is generally available in the public domain. The report is classified, however, because of its nature rather than content. In response to the Charge's question, Mr. Bray said he could not predict whether the report would be released or not. Bray also mentioned the false rumors that Ambassador Hill was somehow responsible for the report or had communicated with the Congress. This is not so, Bray said. The Department of State is totally responsible for the report. Prat Guy said that he appreciated these comments and would report them to his Ministry.

The Charge was reminded by Mr. Bray of the Department's protest note over the treatment of Gwenda Mae Loken Lopez and our request that (a) we have a report from the GOA and (b) that disciplinary action be taken against those responsible for her mistreatment. Prat Guy said he would look into this matter. (The note was handed to Argentine Ambassador Musich by Mr. Bray on October 27.)

Mr. Bray discussed the probability that he would be called upon to testify on Argentina at expected hearings by Congressman Fraser's Subcommittee, and the subcommittee which will consider military assistance. As a result, Mr. Bray said he is trying to learn as much as possible about Argentina, and hopes to visit Buenos Aires in December. Bray expressed a desire to meet with a cross-section of Argentines in order to understand as wide a spectrum of Argentine opinion as possible when he testifies. Mr. Bray said he excludes extremists, of course. Victor Beauge urged that labor representatives be included. Bray said he raised this point so that the Foreign Ministry may understand the objectives of his trip to Argentina. The Charge said he would report this to his government.

The Charge invited the whole group to have lunch soon at the Argentine Embassy so that Mr. Bray could meet other Argentines, including the military attaches, and get used to Argentine faces and attitudes. Mr. Bray accepted.

Biographic notes: Prat Guy said that he neither eats meat nor drinks coffee. He served in Uruguay during the Tupamaro period. He said he greatly admired Adlai Stevenson, as well as Senator Humphrey, John and Robert Kennedy.

Concurrences: ARA/ECA - Mr. Zimmermann/RR ARA - Mr. Bray/RR

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