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MEMORANDUM OF CONVERSATION

DATE: May 9, 1978

PARTICIPANTS: Col. (Ret.) Francisco Basaldua, Interventor at La Opinion and John Corr, Information Officer

SUBJECT: Timerman, Army Views on Human Rights Violations by Security Forces, and Bernardo Neustadt

PLACE: American Club, Buenos Aires

Basaldua was optimistic on Timerman's chances of being able to leave Argentina fairly soon. He said the principal matter to be cleared up was whether Graiver money was involved in the construction of La Opinion's modern plant-editorial offices building in 1974. Basaldua said he did not think the Government would want Timerman in Buenos Aires during the Copa because Timerman would be much sought after by visiting newsmen.

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On another matter, he said that General Viola had long been concerned with the "bad habits" picked up by young officers involved in the war on terrorism. He said Viola felt much like General Harguindeguy, who said recently that terrorist tactics had rubbed off on some members of the security forces. Before assuming his present post as interventor, said Basaldua, he was No. 2 in the Army finance division and many times represented his division in staff meetings with Viola. He said Viola had decreed that, to avoid corrupting influences, lieutenants fighting subversion would be rotated to more traditional posts after three months with the security forces. Viola said, according to Basaldua, that some young officers, as a result of becoming involved in anti-terrorist operations, had become disrespectful of military discipline, had not properly accounted for funds used in operations and had departed from the San Martin code of honor observed by all the armed services.

Regarding the recent break-in at Bernardo Neustadt's offices, Basaldua said Neustadt had told the Army that he believed that the Navy was responsible.

Observation: As already reported, Basaldua has resigned as interventor and will leave La Opinion as soon as a replacement is named. It is worth noting that during his stay at the newspaper, he permitted a number of reporters to publish prominently signed commentaries supporting U.S. human rights policy. He would not have been able to do this without at least tacit approval from the Presidencia.

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