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Department of State

INCOMING TELEGRAM A1085

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ACTION AREA-15

INFO OCT-01 ADS-00 SAS-02 CIAE-00 DODE-00 PH-05 H-01
INR-10 L-03 NSAE-00 PA-01 SP-02 SS-15 ACDA-12
10-14 EB-00 NRC-02 OES-09 DOE-17 CEQ-01 HA-05
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O R 211614Z MAR 80
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC NIACI IMMEDIATE 4743
INFO AMEMBASSY ASUNCION
AMEMBASSY BRASILIA
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MONTEVIDEO
AMEMBASSY SANTIAGO
USCINCSO GUARRY HTS

SECTION 1 OF 2 BUENOS AIRES 2469
DEPT. PLS. INCLUDE AMB. GERARD C. SMITH IN DISTRIBUTION

E.O. 12065: GDS 3/20/86 (FRIEDMAN, TOWNSEND B) OR-P
TAGS: OTRA AR US SHUM PEPR EAGR PARM
SUBJ: (C) US-ARGENTINE RELATIONS: A ROCKY ROAD

1. ENTIRE TEXT.

2. INTRODUCTION AND SUMMARY: AMBASSADOR SMITH'S MISSION
WILL BE SEEN BY ARGENTINES AS ONE MORE IMPORTANT EVENT IN
WHAT IS VIEWED HERE AS A US "COURTSHIP". LONG OFFENDED
BY WHAT THEY THOUGHT WAS OUR REFUSAL TO TAKE THEM SERIOUSLY
AS ANYTHING BUT VIOLATORS OF HUMAN RIGHTS, THE ARGENTINES
HAVE READ THE SERIES OF HIGH LEVEL AMERICAN VISITORS THAT
BEGAN WITH GENERAL GOODPASTER AS A SIGN THAT TIMES HAVE
CHANGED. THE GOVERNMENT, WHICH NO LONGER FEELS ITSELF
UNDER GLOBAL SIEGE AS A HUMAN RIGHTS PARIAH, HAS FACED THE
PROSPECT OF BETTER ARGENTINE-US RELATIONS WITH A COM-
BINATION OF HOPE AND RISING SELF-CONFIDENCE.

3. HOPES ASIDE, THE DOMINANT THEME IN OUR BILATERAL
RELATIONS IS UNCERTAINTY. THIS QUALITY OF CONTINGENCY
IS ROOTED IN TWO FACTORS. ON THE ONE HAND, THE
ARGENTINE GOVERNMENT HAS NURTURED EASILY FRACTURED
EXPECTATIONS OF A POSSIBLE ENTENTE WITH THE UNITED
STATES. ON THE OTHER HAND, BOTH ARGENTINA AND THE
UNITED STATES QUESTION THE DEGREE TO WHICH THE REAL INTEN-
TIONS AND THE INTERESTS OF THE OTHER NATION ARE COM-
PATIBLE WITH ITS OWN. END INTRODUCTION AND SUMMARY.

4. ARGENTINE ADVOCACY OF THE POSSIBLE DAWNING OF A
NEW AND PRODUCTIVE ERA IN US-ARGENTINE RELATIONS IS
CAPTURED IN THEIR WARM REFERENCES TO "THE SPIRIT OF
GOODPASTER". THE GOVERNMENT HAS INFLUENCED THE PRESS
TO PLAY ON THIS THEME, PARTICULARLY THE POSSIBILITY
THAT THE VISIT OF AMBASSADOR SMITH WILL CARRY THE
TWO NATIONS FORWARD TO COOPERATIVE RATHER THAN CON-
FRONTATIONAL RELATIONS. IN SOME QUARTERS, THESE
HOPES HAVE BECOME SO UNREALISTIC AS TO CAUSE SERIOUS
SPECULATION (WHICH THE AMBASSADOR SOUGHT TO DISARM
AT A PRESS CONFERENCE DURING THE HODGES VISIT) THAT
THE HUMPHREY-KENNEDY AMENDMENT MAY SOON BE REPEALED.
EVEN THE VERY REAL RESENTMENTS THAT AROSE HERE IN
THE WAKE OF THE DIFFERENCES BETWEEN THE ARGENTINE AND
US DELEGATIONS TO THE GENEVA UNHRC MEETING HAVE BEEN
RELUCTANTLY BUT FIRMLY HLTED IN DEFERENCE TO THIS
OPTIMISTIC MOOD.

5. THE GOA HAS VERY SOUND REASONS FOR WANTING TO CONVEY

THE IMPRESSION OF AN UPWARD TREND IN ITS RELATIONS WITH
THE UNITED STATES. THIS GOVERNMENT IS DOMINATED BY MEN
--THE RULING MILITARY GROUP, MARTINEZ DE HOZ--WHO WOULD
SINCERELY PREFER A COOPERATIVE RELATIONSHIP WITH THE
UNITED STATES. IDEOLOGICALLY, THEY ARE COMMITTED TO THE
"LEFT" AND STILL EXPECT THE UNITED STATES TO BE THE
LEADER OF THE CAMP THEY HAVE CHOSEN. COARSER POLITICAL
JUDGMENTS ALSO PLAY A ROLE. THE GOA CLEARLY GAINS IF
IT APPEARS BEFORE ITS PUBLIC AS AN EQUAL PARTNER IN THE
CONSTRUCTION OF A NEW RELATIONSHIP WITH THE UNITED
STATES. MOREOVER, THE GOA'S HAWKING OF THE "SPIRIT OF
GOODPASTER" HELPS DEFLECT CRITICISM THAT MIGHT ARISE
FROM FUNDAMENTALIST ANTI-COMMUNISTS WHO LOOK ASHANCE
AT THE GOA'S BUDDING RELATIONSHIP WITH THE SOVIET UNION.

6. ATMOSPHERICS ARE FINE, BUT ON HARD ISSUES OF SUB-
STANCE THERE ARE SERIOUS DIFFERENCES BETWEEN THE TWO
GOVERNMENTS:

A. NUCLEAR MATTERS: THE ARGENTINES ARE CONVINCED THAT
WE ARE PURPOSEFULLY SEEKING TO OBSTRUCT THEIR NUCLEAR
DEVELOPMENT. THE UNITED STATES IS CONCERNED ABOUT THE
ARGENTINE DECISION TO AVOID TREATY AND OTHER COMMIT-
MENTS WHICH WOULD FIRMLY SET THE GOA POLICY AGAINST THE
ACQUISITION OF NUCLEAR WEAPONS.

Argentina

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

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B. HUMAN RIGHTS: THOUGH STUNG BY WHAT TOOK PLACE IN GENEVA BETWEEN THE AMERICAN AND ARGENTINE DELEGATIONS TO THE UNHRC, THE GOA BELIEVES THAT THE USG, IN ITS EFFORTS TO COURT ARGENTINA, IS IN RETREAT FROM ITS HUMAN RIGHTS CONCERNS. IT EXPECTS THAT WE WILL INCREASINGLY ACCOMMODATE TO THE PAST RECORD HERE AND RAISE FEW QUESTIONS ABOUT CURRENT SHORTCOMINGS. IT MAY LOOK FORWARD TO THE TIMELY LIFTING OF THE HUMPHREY-KENNEDY AMENDMENT. FOR OUR PART, THE HUMAN RIGHTS RECORD IS MUCH IMPROVED AND WE ARE AWARE OF NO DISAPPEARANCES IN THE PAST SEVERAL MONTHS. HOWEVER, THE AMBASSADOR RECENTLY RAISED WITH JUNTA MEMBER GENERAL GALTIERI THE CURRENT STATUS OF A HALF DOZEN YOUNG PEOPLE WHO HAD BEEN HELD CLANDESTINELY SINCE LAST AUGUST. ELEVEN DAYS HAVE PASSED WITHOUT A REPLY TO HIS INQUIRY AND CIRCUMSTANTIAL EVIDENCE LEADS US TO SUSPECT THAT THE SECURITY SERVICES MAY HAVE EXECUTED THESE DETAINEES. THE OPTION PROGRAM IS NOT GOING WELL AND PRISON POPULATION IS ONLY FALLING SLOWLY.

C. THE GRAIN EMBARGO: THE GOA HAS PUBLICLY REFUSED TO PARTICIPATE IN THE GRAIN EMBARGO WHILE PRIVATELY PROMISING US THAT IT WILL LIMIT SHIPMENTS TO THE SOVIETS. TO SOME EXTENT, THIS ISSUE WITH THE US HAS BECOME MOOT DUE TO A DROUGHT WHICH HAS LIMITED THE GRAIN ARGENTINA WILL HAVE AVAILABLE FOR EXPORT. NEVERTHELESS, EXPORTS THIS YEAR WILL SUBSTANTIALLY EXCEED THOSE IN THE RECENT PAST, CREATING A PUBLIC IMPRESSION--IN THE US AS WELL AS IN ARGENTINA--THAT THE GOA DID NOT COOPERATE BUT INSTEAD OPTED FOR THE SOVIETS.

D. US LEADERSHIP AND THE SOVIET CONNECTION: THE GOA AVERS THAT IT HAS DOUBTS ABOUT THE CONSISTENCY AND PURPOSE OF THE US IN MEETING THE "WORLD COMMUNIST CHALLENGE". IT MAY BE UNBECOMING FOR A GOVERNMENT WHICH LONG QUESTIONED THE USG'S ALLEGED FAILURE TO LEAD THE WEST TO LOOK THE OTHER WAY WHEN WE OFFER LEADERSHIP, BUT THE ARGENTINES ARE NOT DETERRED. THEY SAY THAT BEFORE JOINING US THEY MUST BE CONVINCED THAT WE WILL NOT SUDDENLY "LURCH TOWARDS DETENTE". FROM OUR PERSPECTIVE--FOR ALL THE GOA'S VAUNTED ANTI-COMMUNIST WORDS--ITS ACTS IN DEALING WITH MOSCOW TELL A DIFFERENT, TROUBLING STORY. THE ARGENTINES REFUSED TO PARTICIPATE PUBLICLY AND STRINGENTLY IN THE GRAIN EMBARGO. THEY HAVE KEPT THEIR OPTIONS OPEN ON OLYMPIC PARTICIPATION. THEY OFTEN VOTE WITH THE SOVIET UNION IN INTERNATIONAL FORA ON SOME IMPORTANT ISSUES. THEY ARE DEVELOPING THEIR NUCLEAR COOPERATION WITH MOSCOW. THEY ARE DISCUSSING THE POSSIBILITY OF FISHERIES AGREEMENT WITH THE SOVIETS. THEY BELIEVE THEY HAVE THE SOVIETS IN THEIR CORNER IN THEIR DISPUTE WITH CHILE OVER THE BEAGLE CHANNEL.

E. THE TRADE DEFICIT: THE TRADE BALANCE BETWEEN

ARGENTINA AND THE UNITED STATES IS PERSISTENTLY OUT OF BALANCE IN OUR FAVOR--US\$1,829.9 MILLION 1979 EXPORTS TO ARGENTINA COMPARED TO US\$535.6 MILLION 1979 IMPORTS FROM ARGENTINA. THE GOA ECONOMIC TEAM UNDERSTANDS AND ACCEPTS THAT THIS SITUATION IS LOGICAL AND EVEN NECESSARY. HOWEVER, THEY ARE UNDER POLITICAL PRESSURE FROM LESS SOPHISTICATED ELEMENTS TO "RIGHT THE BALANCE", OR TO APPEAR TO BE TAKING STEPS IN THAT DIRECTION. FOR OUR PART, WE ARE ANXIOUS TO GAIN LUCRATIVE PARTICIPATION IN MAJOR ARGENTINE PROJECTS--WHICH IN THE EVENT COULD ONLY TILT THE BALANCE FURTHER IN OUR DIRECTION.

7. IN SUM, ARGENTINE-US RELATIONS ARE PRESENTLY PROCEEDING ON TWO TRACKS. THE ATMOSPHERE IS WARM. BUT THERE ARE MAJOR DIFFERENCES ON MATTERS OF SUBSTANCE. THE ARGENTINES HAVE PLAYED A MAJOR ROLE IN PRODUCING THE HAPPY ATMOSPHERICS. THEY WOULD PREFER TO ALLOW THE HAPPY MOOD TO CONTINUE, EVEN IF THEY ARE PREPARED TO BLAME US FOR ITS BREAKDOWN. FOR THE UNITED STATES, WE LOSE NOTHING IN ACCEPTING THIS TWO-TIERED APPROACH --SO LONG AS WE MAKE SURE THAT THE GOA UNDERSTANDS THAT WE WILL NOT SACRIFICE OUR INTERESTS AND OUR CONCERNS SIMPLY TO KEEP A DIAPHANOUS SPIRIT OF FRIENDSHIP ALIVE.

CASTRO

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