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Argentina

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PRC Meeting, 14 May 1980

Talking Paper for the Secretary of Defense and the Chairman, Joint Chiefs of Staff

Subject: Argentina

Purpose: The PRC will examine the implications of the recent expansion of Soviet-Argentine relationships and possible US actions to counter the growing Soviet influence.

Background: Argentine-Soviet relations have been growing stronger in recent months principally as a result of increasingly common interests and because of a cooling in US-Argentine relations caused by differing policies involving human rights, arms transfers, and nuclear nonproliferation. Soviet exploitation of the new relationship is working against US global interests and our strategic concerns in the Southern Cone. The NSC paper provides a basis for discussion of the subject and related issues (Tab A). Background on the significance of and prospects for Argentine-Soviet cooperation and its impact on US interests is at Tab B. An SCC on grain was held on 1 May 1980. It was decided to continue US restrictions on grain sales to Russia and to encourage other countries to do likewise. The key to success is Argentina's cooperation which lies in resolving our major policy differences with them.

US Strategic Interests. Argentina is of important interest to the United States because of its size, geographic location; and relatively advanced economic, scientific, and cultural development. With the most advanced nuclear program in Latin America, Argentina's sale of a research reactor to Peru makes it the second Third World state, after India, to export such technology. The US Geological Survey has estimated that Argentina's vast continental shelf--four times larger than the US Atlantic shelf--is potentially one of the world's richest oil-bearing areas. Argentina has 1,000 miles of coastline on the South Atlantic and could play an important naval defense role in the protection of critical sea lanes in the South Atlantic. In addition, Argentina has one of the most powerful armed forces in Latin America.

Issue: Argentine-Soviet Relationship. The growing GOA-USSR relationship will be difficult to impede, especially so long as we pursue our current human rights and nonproliferation policies. The Soviets have become an increasingly important trading partner to Argentina, an ally in international fora where the two are under attack for human rights violations, the supplier for the Argentine nuclear development program, and a potential source of military equipment training. While Argentina and the USSR pursue divergent political systems and, theoretically, should not be "allies," Realpolitik is overcoming this divergence (similar to the US-PRC accommodation) and we can expect greater cooperation in the future absent some significant change in US policy. In pure military terms, it would be to our advantage to have Argentina firmly in the western camp; likewise, in politico-military terms it is disadvantageous to us for the Soviets to establish a beachhead in Argentina. While these effects should not be overestimated, they are significant, and, if our other policies, e.g., nonproliferation, are not successfully being implemented given our current course of action, simple

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DOD Position: That we pursue a series of concrete steps toward improving relations with Argentina while it is still possible. Suggested policies are discussed in the sub-issues that follow. Any improvement in US-GOA relations will counter the growth of Soviet influence in that country.

Sub-Issue: Grain and Argentine Cooperation in the Embargo. Argentina, the fourth largest grain exporter in the world, has publicly refused to participate in the grain embargo while privately promising us they will limit shipments to the Soviets. The Argentines have a gentlemen's agreement with the official Soviet grain agency that no abnormal growth in direct grain trade would occur. But, they could not expect to control indirect grain shipments by private firms (Tab D).

DOD Position: If we want the grain embargo to work, we have to have the cooperation of Argentina. Not only do we need it to agree to a ceiling on direct sales, but it has to work with us to control indirect sales. Because refusal to participate in the grain embargo is domestically popular in Argentina, we probably will not be able to get a public commitment or even significant private cooperation without a substantial change in some of our policies. The critical barriers to such change are the human rights and nonproliferation issues discussed below.

Sub-Issue: Human Rights. There has been continued progress in human rights in Argentina in the past year. Torture has ceased, unexplained disappearances have virtually stopped and the GOA has developed a plan to return to a civilian government by the late 1980s (Tab E). On the other hand, 1300 political prisoners are still being held, and a state of siege and lack of due process continue. Moreover, the Argentines refuse to respond to requests for an accounting of past disappearances.

DOD Position: This is the gut issue. In analyzing it, one needs to consider Congressional and public reaction as well as "pure" national security concerns. Generally, we should be more forthcoming on this highly emotional and very important issue for the Argentines. We stand to gain more cooperation in all areas if we use more "carrot" than stick from now on. We should use quiet diplomacy and reduce our public criticism on their performance.

- Bilaterally: I favor strong but private emphasis on both an accounting concerning the fate of disappeared persons and on reform of current security and judicial practices. The critical issue is not whether to press, but whether we do so publicly or privately. Based on past performance and given the degree of Argentine movement thus far, I think a good case can be made for utilizing private demarches.

- In the OAS and UN: In these fora, our approach should be similar to the approach we took with respect to the US report on human rights in Argentina. This report was exhaustive, but balanced, and, accordingly, was well received in Argentina. We should encourage the same type of reports from other organizations. We particularly want to avoid Argentine withdrawal from the OAS.

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- With regard to NATO allies: Most of our allies will leave Argentina to us (Latin America being our preserve), but it cannot hurt to discuss Argentine-Soviet relations.

- With regard to sanctions: Votes in the international financial institutions (where we now abstain) have not prevented capital loans to Argentina. We should look to the possibility of some approvals as a carrot to Argentina including human rights performance. However, for those who have decided that Argentina should be punished for its human rights stance, this will be a highly controversial issue.

Sub-Issue: Military Relations. Bilateral military relations have been increasingly strained since 1977 and particularly after the Humphrey-Kennedy Amendment (Sec. 620B, Foreign Assistance Act--1977) took effect September 30, 1978. There is great bitterness on the part of Argentine military leaders about the failure of the United States to sell the necessary support items to keep their US-made equipment functioning. Except for IMET, there currently is no waiver for FMS and little prospect of getting the amendment repealed. (IMET can be authorized under Sec. 614A, FAA).

The Argentines, as a result, turned to Europe and Israel for arms, purchasing an estimated \$3.5 billion since 1977. Although their arms modernization program is largely complete, the GOA is seeking antisubmarine aircraft and heavy-lift helicopters. They would prefer to buy US-made P-3s and CH-47 helicopters were it not for the Humphrey-Kennedy Amendment. Instead, they are expected to decide between offers from Europe and the Soviet Union. Keying on their desires for P-3s and CH-47s, there are two possible approaches:

Option 1: Work out an "agreement" that in return for Argentina's support on current issues, we would send special legislation to Congress that would essentially say "notwithstanding Sec. 620B of the FAA, Congress authorizes the sale of P-3s and CH-47s to Argentina." Congress would be acting in our national interest and the Humphrey-Kennedy Amendment would not have to be repealed. There is support for this in the lower levels at State.

Option 2: Another possibility is the "national security interest waiver" (Sec. 614A, FAA) contained in the FY81 security assistance legislation currently on the Hill. If passed, the President would then have the authority to authorize FMS for a specific country the way he can for IMET and ESF funds.

While traditional US-GOA relations that are mutually beneficial (visits, exchange of personnel, joint exercises, etc) should be encouraged, they have little impact without an end to the embargo of military equipment. Resuming the military supply relationship with the US is a high Argentine priority, and if resumed, would pay dividends for us in other areas.

DOD Position: Pending outcome of expanded waiver authority in FY81 legislation, pursue Option 1. Meanwhile, offer to exchange visits and PEP personnel. In addition to continuing joint exercises, pursue talks with GOA and Brazil on South Atlantic security. In the Long term, we should strive to repeal the Humphrey-Kennedy Amendment.

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Sub-Issue: Nuclear nonproliferation. Argentina has the most advanced nuclear program in Latin America, a source of great national pride. They want to maintain this leadership and have shrewdly played the world nuclear leaders off against each other to advance their cause (Tab C).

DOD Position: In nuclear matters, Argentina has proven that it will move ahead with or without our cooperation. As with India, if we hope to gain any influence in nuclear matters and safeguard issues, it will only be accomplished by cooperating where we can. We should be more flexible in trying to reach a compromise with Argentina on FSS and continue shipments of enriched fuel as long as they meet the requirements of the NNPA-1978.

This will be
hard to do
unless Argentina
safeguards is
reached.

Sub-Issue: The Impact of Closer US-GOA Ties on Southern Cone Stability. There are arguments presented to the effect that we should not increase our bilateral relations with Argentina because it would upset the balanced stability in the region (especially in view of the Beagle Channel dispute between Argentina and Chile). In November of 1979, the President directed that we take sanctions against Chile as a result of their denial of our extradition request in the Letelier case. At that time, our relations with both of these countries were on about the same level and resulted in a balanced approach in the Southern Cone. Since overriding reasons now argue for us to improve our relations with Argentina, it makes sense that we should, in the interest of maintaining balance in the region, avoid isolating Chile and move them up a notch also. The most viable issue, of course, is UNITAS. While Vance personally reaffirmed Chile's exclusion, Muskie could reverse this if he so chose, but it would be politically difficult. I favor letting the UNITAS decision stand, but having Muskie direct an opening to Chile with an intent to get our relations "moving again."

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Asst Secretary of Defense (ISA)

Director, Joint Staff

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