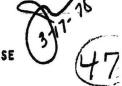


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Authority: EO 13526 Chief, Records & Declass Div. WHS

Date: SEP 0 1 2017

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17 MAR 1978

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Military Relations with Argentina -- ACTION MEMORANDUM

Over the past year because of the human rights practices of the present Argentine military government, State has withheld virtually all types of security assistance:

- Grant training (IMET) has been stopped pursuant to PL 95-148;
- A very significant backlog of FMS and commercial cases has accumulated at the Department of State--munitions, aircraft, spare parts for a variety of U.S. origin equipment, and training for all of the Argentine armed services. (Training request, TAB A; other pending requests, TAB B.) All such forms of security assistance, including exports for new commercial sales, will be legally prohibited after September 30, 1978 (PL 95-92).

Argentina has taken some positive human rights steps; their significance is subject to debate. Our Ambassador says that U.S. sanctions policy has created significant costs to the U.S. in terms of important objectives such as nuclear non-proliferation and bilateral security relationships.

Since the total embargo mandated by PL 95-92 does not go into effect until September 30, 1978, I believe we should move away from our current tack and use the remaining time to try to make progress on human rights by appealing to the Argentine military's interest in keeping their equipment operable and obtaining good training.

- The selective approval of some Argentine requests should serve as a signal to Argentina that we are acting in good faith and will be prepared to make further concessions as they institute meaningful human rights reforms.



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- The provision of spare parts for the U.S. origin equipment would also delay the time when Argentina would have to purchase replacement equipment from other sources, thus serving the Administration objective of conventional arms restraint. The spares would be primarily for aircraft and ships, not used in relation to internal security.
- Such a demonstration of flexibility on our part, while the law still permits, might well promote a more forthcoming attitude on the part of the Argentines in such important areas as nuclear non-proliferation.

As the letter to Secretary Vance points out, explanation of our actions to the Congress would not be difficult, in that we would be using the flexibility which the Congress granted by establishing the delayed effective date for the manadatory imposition of sanctions. Impact on the ceiling would be minimal (slightly over \$2 million for the spare parts cases). I do not believe this course of action, since it is selective, could justifiably be interpreted as an effort to transfer all that we can before the law goes into effect. To the contray, I believe it would be seen for what it is—an effort to use what remaining leverage we have with the Argentine military to encourage meaningful reforms in their human rights practices.

The attached proposed letter recommends that the Secretary of State approve the sale of training and spare parts currently on request by the military services of Argentina as part of an intensified effort to get Argentina to improve its human rights practices. It proposes that, after the initial demarche by our Ambassador, the message also be delivered by senior U.S. military people.

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Office of the Secretary of Defense

Chief, RDD, ESD, WHS

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