# SECRET WOFGRAL

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INTERNATIONAL SECURITY AFFAIRS OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

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SECRETARY OF DEFENSE

18 June 1982

In Reply Refer to: I-20448/82

22 JUN 1982 14

MEMORANDUM OF CONVERSATION

SUBJECT: DepSecDef Meeting with Chilean Foreign Minister (U)

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### Chilean Participants (U)

Foreign Minister Rojas
Ambassador to the US Valenzuela
LTG Canessa, Army Vice Chief
BG Ackerknecht, Army Attache
CCL Lucas, Secretary to the Vice Chief
Mr. Erasugir, Foreign Office

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JAN 0 2 2018

## U.S. Participants (U)

The	Deputy Secretary of Defense
	Sanchez, DASD/IA
	Ambassador to Chile Theberge
	Brintmall, IA Region
	Fernandez, Interpreter

(U) Time: 1630-1715, 16 June 1982

(U) Place: Room 3E912, Pentagon

Office of the Secretary of Defense 5 V.S.C. § 552. Chief, RDD, ESD, WHS + Date: 02.JAN 2018 Authority: EO 13526

Declassify: X Deny in Full: Declassify in Part: Reason:

MDR: 17 -M- 2070

#### (C/M) Rojas' main points were:

- The Falkland/Malvinas crisis has created a perilous situation for Chile and the Southern Cone. Argentina will rearm, and with the help of Peru and Bolivia, may attack Chile. The Soviets and Cubans are being presented opportunities to expland their influence. We are on the eve of a continental conflict. Chile atrongly supports a Latin America nuclear free zone (read fear of Argentine nuclear capabilities).
- Chile is a country of democratic traditions, but it will not compromise its stand against communism.
- Chile is a good friend of the US and would like to cooperate with us, to include entering into a broadly based reciprocal agreement. Reestablishing close military ties is essential.

CECOLT HOLON Sec Def Cont No. X20365



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WASHINGTON, D.C. 20301

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Date: JAN 0 2 2018

15 JUN 1982

In Reply Refer to I-20447/82

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

SUBJECT: Chilean Minister of Foreign Relations Rojas' Visit (U)

The Chilean Minister of Foreign Relations Rene' Rojas Galdames, will meet with you to discuss US-Chilean and Latin American relations and issues.

Time: 1630-1700, Wednesday, 16 June.

Place: Room 3E928, DepSecDef conference room.

Setting: Minister Rojas is consulting USG officials for a broad review of the problems that both governments must confront in the aftermath of the Argentine-UK dispute.

#### US Participants:

Deputy Secretary of Defense Mr. West, ASD/ISA Mr. Sanchez, DASD/IA Ambassador James Theberge Interpretor

### Chilean Participants:

Minister Rene' Rojas Galdames Ambassador Enrique Valenzuela LtGen Julio Canessa Robert, Vice C in C of Chilean Army

Additional Meetings:

Tuesday, 1630 - Secretary of State

(Attempting to schedule) - Assistant to the President for National Security Affairs Judge Clark

NOTE: LTG Canessa scheduled meeting with Gen Vessey, 16 June.

Noel C. Koch Principal Deputy Assistant Secretary International Security Affairs

USD/P

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Date: JAN 0 2 2018



#### TABLE OF CONTENTS AND ISSUES FOR DISCUSSION

Theme/Goal: To discuss Chilean and US views of political-military trends and their significance on hemispheric relations after Falklands/Malvinas crisis.

#### Topics You Should Raise:

### US remains committed to hemispheric peace and stability

TAB A

- Rule of law, cooperation on security matters essential.

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US Administration will continue positive initiatives.
 Appreciate Chile's support in OAS (mutuality of interests).

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## Negative impacts of Argentine-UK dispute recognized (6/17)

TAB B

- US credibility and reliability as partner again questioned.
- US commitment to hemispheric peace and stability questioned.
- Increased instability to threatened hemispheric cooperation.
- Soviet/Cuban opportunities to advance in hemisphere.

## Critical period for Inter-American relations

TAB C

- Rule of law vital (border dispute).

- Need to prevent western isolation of Argentina, maintain regional balance.

- USG is currently reviewing position and possible actions.

- Solicit Chilean views.

#### Topics Visitor May Raise:

## Consequences of UK-Argentine dispute

TAB D

- Mutuality of rule of law interests.

- Disrupted weak cohesion of Inter-American system.

- Chilean position created additional strains on relations with Argentina.

- Argentine instability increased.

- Negative impact on Beagle Channel issue.

## Chile (and Colombia) can become window to Latin America

TAB E

- Reforms needed to re-establish cohesion of system.
  - -- Strengthen Rio Treaty.
  - -- Presidential summit.
- Will offer full cooperation (believes alignment with US essential).
- Need to renew US-Chilean military cooperation to restore regional balance.

## Argentine-Chilean Beagle Channel Dispute (5/11)

TAB F

- No real progress in mediation.

- Hopes US can assist in settlement based on Papal proposal.

- Conflict potential has increased.

#### Biography.

TAB G





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#### BACKGROUND PAPER

#### US COMMITMENT TO PEACE AND STABILITY

Objective: To reassure Chilean Government of US resolve in developing and maintaining hemispheric security and settling disputes peacefully.

US realizes the importance of peaceful resolution of disputes such as the Beagle Channel (prime Chilean interest), rule of law rather than force is critical to hemisphere.

- Detracts from cooperative security efforts (Southern Cone).
- Provides opportunity for exploitation by other parties.
- Detracts from efforts to achieve socio-political-economic development.
- Particularly in the strategic Southern Cone region, cooperation on security matters is needed and will be more so in future.
  - -- Negative impact of Falkland/Malvinas Island (Argentina-UK) and Beagle Channel (Argentine-Chile) on development of needed cooperation.
  - -- US Administration pushing for peaceful resolution so we can begin to deal with other serious matters.

US Administration has initiated several actions to improve relations with hemisphere and meet threats to security interests.

- Caribbean Basin Initiatives.
- High level discussions and exchanges.
- Increased military discussions.
- US Administration recognizes mutuality of Chilean and US interests.
- We would like to continue to move forward with full normalization of relations for our mutual benefit. (see Attachment 1)
  - -- However, Presidential certification hung up over Letelier-Moffitt
  - -- Do not know when climate or legal review will permit.
  - -- Continued Chilean progress on human rights issues would be helpful (Chile has limited ability to react positively to Letelier-Moffitt requirements).

Attachment a/s



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Date: JAN 0 2 2018

### BACKGROUND PAPER

#### DOD INITIATIVES TO IMPROVE COOPERATION

#### (U) DISCUSSION

US-Chilean relations continues to improve after low point in the 1978-1980 period. Restrictions on security assistance (Humphrey-Kennedy Amendment) will limit the level of cooperation which can be achieved.

- US and Chile are attempting to overcome friction.
- Chile has been supportive of US positions in World fora.
- Current military relations encompass operations, consultations, personnel exchange programs and representation.
- Until Presidential certification allows resumption of normal relations, DOD initiatives will emphasize other areas of cooperation.

#### Exercises/Operations:

- Chilean Navy has traditionally been a player in annual UNITAS exercise.
  - -- Excluded in 1980 (Letelier-Moffitt sanctions): Resumed participation in 1981.
  - -- Has accepted invitation to participate in 1982 UNITAS.
  - -- CHILNAY performance has historically been excellent.
- Chilean Navy accepted CINCLANTFLT invitation to send an observer to READEX 1-82.
  - -- At expense of CHILNAV.
  - -- Signify CHILNAV interest in rebuilding former close ties.
  - -- CHILNAV participated in Naval Control of Shipping exercise.
- Chilean Navy would welcome enlarging the framework of combined operations (somewhat dependent on budget, Beagle Channel).

#### Personnel Exchange Programs:

- US Air Force and Army are currently developing MOUs for an exchange of personnel for one/two year tours.
  - -- Approximately six positions.
  - -- Awaiting certification.
- US Navy has an ongoing program for the exchange of one officer.

## CONTIDENTIAL

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- -- Positions currently vacant (Letelier-Moffitt sanction).
- -- Both navies are working personnel actions to fill slots.
- Chilean Army has assigned, at US invitation, a Guest Instructor at USARSA in Panama.
- Chilean Navy and US Navy conduct a Midshipman Exchange Program each summer.
- Chilean Navy has expressed interest in establishing a liaison officer billet with CINCLANTELT.

## Consultations/Representation:

- First Chilean-US Joint Staff Consultations were held in Washington, 15-17 March 1982.
  - -- VADM McIntyre headed Chilean delegation.
  - -- For first go, some posturing by Chileans, but talks deemed successful.
  - -- Next talks probably in Santiago in Spring of 1983.
- Numerous high level visits have resulted in exchanges, closer coordination.
  - -- State (Walters, Kirkpatrick, Enders).
  - -- DOD (DepSecDef would have seen first high-ranked civilian in recent history).
  - -- US Air Force represented at international airshow FIDA 82.

Major purpose of increased contacts is to maintain knowledge of tactics and procedures to facilitate interoperability, to develop support capability for US forces if needed, and increase coordination on critical issues.



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#### BACKGROUND PAPER

#### NEGATIVE IMPACT OF ARGENTINE-UK DISPUTE

#### BACKGROUND

Although Latin American reaction to US policy in the Argentine-UK dispute varies, the ability of the US to attain its strategic objectives in Latin America has been damaged as a result of the Falkland/Malvinas Island crisis. Ranging from the hardline Venezuelan and Peruvian diplomatic and materiel support for Argentina to the Chilean and Colombian diplomatic support in the OAS for the US, Latin American reactions argue for bilateral approaches with the major Latin American countries. From the NATO standpoint, the conflict could create difficulties by undermining nascent cooperative efforts to protect the Caribbean and South Atlantic Sea Lines of Communication (SLOCs) and adversely impacting on the UK forces committed to the Northern Flank. A prolonged dispute could also require a review of US force structure assigned to the region which has, until now, been an economy of force area. The attitudes and problems generated or reinforced by the conflict could lead to Soviet/Guban gains which could pose new strategic problems for the US and reduce hemispheric cooperation on security, economic and political issues.

#### DISCUSSION:

To this point, US support for the UK has already resulted in some policy losses:

- Because of US provided materiel support and through psychological displacement, the US -- not the UK -- is seen by some as the reason for Argentina's defeat and the UK's hardline negotiation strategy over the sovereignty issue.
- Our credibility as a partner and commitment to hemispheric peace and stability within Latin America have been called into question.

(6/11) While an early truce and negotiations are possibilities, a prolonged conflict appears more likely.

- The British will likely regain full control over the Islands, but neither a formal cease-fire nor effective negotiations will necessarily ensue.
  - Argentina will maintain its sovereignty claim and rearm.
- An Argentine military defeat is likely to lead to a sporadic and drawn out state of low level conflict with the UK.
  - -- There is a possibility of British attacks against Argentine mainland bases.
  - -- The UK will probably maintain a garrison on the islands.



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There will be no US gains in a prolonged conflict, and there could be severe losses in addition to those cited above:

- The policy initiatives undertaken by this Administration to nurture political and military cooperation with Latin America to meet US security objectives are jeopardized.
- In Central America, our carefully developed multilateral cooperation may be undercut. This would adversely affect the President's Caribbean Basin Initiative and cooperation with the key countries of Venezuela and Argentina.
- In the Caribbean, the vociferous reaction by the Venezuelans bodes ill for our attempts to engage them in combined defense of the SLOCs.
- In South America, cooperative efforts by Brazil and Argentina to share in defense of the South Atlantic SLOCs will be jeopardized. Both have declined to participate in UNITAS.
- Argentina may seek to build a nuclear device as rapidly as possible, probably before the end of 1985.
  - -- Denial of external inputs might delay, but would not stop its development.
  - -- A decision to test a device, however, might hinge on Argentina's assessment that Brazil would likely follow.
- NATO readiness has been and will continue to be adversely affected by the diversion of UK forces. However, the crisis might have the positive effect of forcing the UK to reassess its earlier decision to make cuts in the surface fleet.
- The Soviet Union's initial opportunity will come through arms sales to Argentina.
  - -- The USSR subsidized military sales to Peru, and the latter's ability to make heavy purchases from the Soviets without losing internal or foreign policy flexibility has established a precedent implying that Soviet political influence -- and the cost to US ties -- can be managed.
  - -- Soviet interest in gaining a military supply position in Argentina is substantial: it would consolidate its Peruvian foothold, threaten Chile, and assure access to Argentine grains and could provide Soviet access to Argentine facilities and ports.
  - Cuba and possibly Peru could become a key stimulus, conduit, and/or beneficiary of Soviet-Argentine military ties.



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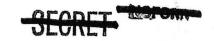
#### BACKGROUND PAPER

#### INTER-AMERICAN RELATIONS: POST FALKLANDS/MALVINAS

- The invocation of Latin American solidarity over the Malvinas issue has tapped the pervasive and persistent strain of anti-Americanism in Latin American nationalism.
  - Uneasy over conflict's implications for other border disputes.
  - US "rule of law" position may become more recognized as emotionalism dies.
    - -- General dislike of Argentina and Argentine first use of force may help sway other countries.
    - -- Fears of arms races, revanchism may also help.
- Peace among the states of the region could be jeopardized unless US and others can strengthen OAS/Rio Treaty/Inter-American system.
- The highly emotional issue has affected all aspects of the US-Latin American relations.
- Revisions to OAS and Rio Treaty have been mentioned (Venezuela and Peru particularly).
- The creation of a purely Latin American political organization has also been proposed (eight nations).
- Affects will range from minor in Mexico, Central America, and the Caribbean to significant, longer-term implications in Argentina, Peru, Venezuela.
- As emotions cool, region's need for foreign funds and skills should help develop a more pragmatic approach.
- To prevent exploitation of the situation by the Soviet Union/Cuba, US and Latin America must prevent the isolation of Argentine from the western world.
- Argentine instability (politically and economically) resulting from the war could create openings for renewed subversion, Soviet arms sales, isolationist/third world nationalism contrary to regional interests.
  - Regional states, however, view US as injecting east-west issues into hemisphere.
- US is currently reviewing policy to regain momentum necessary to develop hemispheric cooperation on issues of mutual interest to include:
- An extraordinary effort must be made to establish a cease fire and begin negotiations while distancing ourselves from the UK position on the Falklands/Malvinas.
  - -- US recognize both Argentina and UK have claims to Islands.







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-- Condition continued US support of the UK in the Falklands.

- Once negotiations begin, press equally hard for a Beagle Channel settlement. Only then should we undertake specific initiatives for Argentina to include:

- -- Presidential certification for Argentina.
- -- Facilitating Argentine reconstruction with international lending agencies.
- Before negotiations, US should initiate bilateral actions with remainder of Latin America which could include:
  - -- Make clear we have major interest in region, but we are neither guilty of adverse action nor trying to buy friendship.
  - -- Develop with Brazil a relationship in which both countries act to contain and hopefully resolve potential conflicts.
    - --- Brazil, perhaps against its will, will emerge as the new balance wheel.
    - --- US must overcome Brazilian sensitivities while overcoming Argentine insecurities.
    - --- Pursue coproduction arrangements with Brazil.
    - --- Develop a closer relationship to the Brazilian nuclear program.
  - -- Undertake a full review of our arms transfer policies, with particular emphasis on modern systems, communications and technology so that we can regain a position of influence in the post-Falkland arms modernization efforts throughout South America.
  - -- Push for increased grant aid for economically pressed nations.
  - -- Reexamine policy to permit US industry to develop and produce US arms and equipment for export.
  - -- Following through on the CBI is more vital than ever and will provide a point of contact with Venezuela and Colombia.
  - -- Push for Presidential certification for Chile.
  - -- Increase cooperation in science and technology with Andean Pact, Argentina, Brazil, and Chile.

Most important, an early settlement of the Falklands/Malvinas conflict is important both to the NATO Alliance and to the Inter-American System. As a leader in both, the US must attempt to avoid a prolonged conflict which would damage our security interests in both areas.

BACKGROUND PAPER

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ARGENTINE-UK DISPUTE

Date: JAN 0 2 2018

Objective: To exchange views on the Falkland/Malvinas Island dispute and

to provide US position (as available) on the conflict.

#### BACKGROUND:

The Chileans are definitely worried about the consequences of Argentine military action in the Malvinas Islands on the Beagle Channel issue. If the Argentines are successful in maintaining sovereignty over the Islands after attempting to take them by force, then the Chileans believe the Argentines will use the same tactics in the Beagle Channel. Consequently, the Chileans are maintaining an official stance close to neutrality while privately hoping the Argentines are defeated in their efforts. Chileans have supported US "rule of law" arguments in the OAS.

(b/M) However, the "neutral" position taken will not alienate them from the rest of Latin America. The Chileans still support Argentine claims to the Malvinas Islands, but do not agree with the use of force. Such use of force could set a bad precedent for the solution of disputes over boundaries, off-shore islands, or other territory. The Chileans also have not provided facilities for UK use (Punta Arenas) because of the negative impact on Chilean-Argentine relations. The crash-landing of a UK helicopter in the Punta Arenas region has furthered Argentine suspicions.

Forces have been quietly moved south and specific points reinforced. They have publicly announced their submarines remain in port. Chileans did support search and rescue operations after the General Belgrano was sunk.

Expect the Chileans to tie together the Beagle Channel, Argentine-UK dispute, and need for closer US Chilean cooperation, particularly in maintaining a military balance.

#### (U) Points for Discussion

- US position is that law must prevail and we fully support the UN Resolution.
  - -- Law must be basis of Inter-American System.
  - -- Numerous border disputes could erupt into serious conflicts, such as Argentine-UK.
- We remain opposed to use of force.
  - -- This would include Beagle Channel issue.
  - -- Peaceful resolution is imperative or all suffer (UN, OAS, NATO, neighboring countries).
  - -- Possible that as emotionalism is replaced by rationality, cohesion of system may be regained.
  - -- Other countries may then join Chile, Colombia and US position.
- Possible instability in Argentina could have adverse impact on Beagle Channel.
  - -- Understand Chilean concerns.
  - -- Hopefully, Pope's visit may help break deadlock.

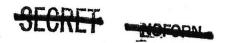
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#### BACKGROUND PAPER

#### CHILEAN OFFER OF WINDOW TO LATAM

- The Chileans are extremely interested in increasing ties with the US and look to the US as military guarantor of their sovereignty in case of Argentine military actions.
  - Chileans feel they can be a window, middle ground player (with Colombia) in OAS.
  - Closer ties to US necessary, but must be carefully watched.
    - -- Crisis has given new impetus to arms purchases in region.
    - -- Could increase use of force in border disputes such as Beagle Channel.
  - Argentine instability will also increase pressure on Chile on Beagle Channel.
- Chileans see a need to consider reforms to reestablish cohesion of the Inter-American system.
  - May raise possibility of strengthening Rio Treaty to become a more definitive organization (similar to NATO).
  - US economic and military assistance will be helpful.
  - Most importantly, Chileans will push for reestablishment of military balance in the Southern Cone.
    - -- Must be permitted to defend themselves in dangerous situation.
    - -- Need access to US arms; has purchased little in comparison to Peru and Argentina.
    - -- US-Chilean military cooperation is needed.
    - -- Within this context, role of OAS becomes more important.
- Chile may offer other options to increase their security (and ties to US):
  - Continued support for US actions in El Salvador.
  - Desires greater US presence.
    - -- May offer use of Easter or San Felix Islands in a joint venture for protection/patrol of South-East Pacific (possible in future for US)
    - Possible interest in NASA landing site in Chile.
  - May discuss restoring MTLGP (depends on reinitiating security assistance).



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## BACKGROUND PAPER

### BEAGLE CHANNEL DISPUTE

### Background

under the terms of an 1881 Treaty, confirmed by a 1977 arbitration decision, Chile holds the islands south of the Beagle Channel including the Cape Horn archipelago. The equidistant principle would give it a sizeable piece of territorial sea east of Cape Horn. With less legal basis, Argentina has long sustained a "separate oceans principle" (the Pacific for Chile and the Atlantic for Argentina). At a minimum it wants one or more land points on the disputed islands and full sovereignty over waters to the east of the Cape Horn meridian. Argentina rejected the 1977 arbitration decision.

## Discussion

- (Ú) In December 1980, following more than a year of delicate negotiations held in Rome, a formal Papal mediation proposal to resolve the dispute was presented to both governments by Pope John Paul II. Essentially, the Vatican proposals designed as a preliminary step to the drafting of a final Beagle Channel Treaty specify the following points:
  - Beagle Islands to essentially remain under Chilean sovereignty.
  - Argentina would benefit from a nine-mile territorial sea limit east of islands.
  - Both countries would share 200 mile Zone of Economic Exploitation.
- (U) The Papal proposals, however, provoked a mixed reaction. President Pinochet of Chile quickly indicated Chile would accept the proposals. However, the Argentine Government continues to delay in accepting them -- probably out of concern that the proposals are inclined to favor the Chilean position.

contact An Argentine decision regarding acceptance of the Pope's proposals may drag on, especially if Buenos Aires attempts to propose face-saving modifications. The tremendous prestige of the Pope within Argentine society and the enormous domestic and international political cost to the Galtieri government, should it defeat the mediation, serve to tip the balance in favor of at least some sort of preliminary agreement by Argentina which would prolong the already reduced threat of armed conflict



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in the region. There is no reason to believe the Chileans are willing to make additional concessions that the GOC will also attempt to avoid the onus of ending the Papal mediation effort.

#### Outlook:

(S/NT) Currently, the Argentines want a sovereign land point, reaffirmation of the bioceanic principle, and a defined access to Antarctica. The Chileans have stated they will not accept concessions or changes to the original proposals of Pope John Paul II. To the extreme concern of the Vatican, which issued a special message to both countries in May and again in December 1981, the negotiations remain stalemated with neither side willing to concede to the other.

The Argentines have announced they will not renew the Treaty for the Solution of Juridical Controversy with Chile. This action has prompted Chilean threats to take the Beagle Channel issue to the International Court of Justice before the Treaty terminates in December 1982. The Argentines have stated such action would be considered an act of war. To bring additional pressure on Chile and to maintain their claims in the area, the Argentines have increased air and sea incursions. However, any long-term continuation of the Argentine-UK dispute over the Falkland/Malvinas Islands may also increase pressure on the Argentines to peacefully settle the Beagle Channel issue.

Talks, in some form, will continue in Rome. However, there is no assurance at this time the Chileans will be willing to make additional concessions. If not, and the issue seems to be no nearer solution later this year, the Chileans will probably take the matter to the International Court. That would probably end the mediation, to the detriment of the Pope's prestige, and could intensify the threat of armed action — by Argentina to establish its claimed rights, by Chile to discourage incursions.

(6,413) No indications have yet been received on whether or not the Pope successfully addressed this issue during his recent visit to Argentina.

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United States Department of State
SECRETARY OF LEFERGE
Washington, D.C. 20520

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

Date: JAN 0 2 2018

October 8, 1982

The Honorable
Frank C. Carlucci
Deputy Secretary of Defense
Room 3E944
The Pentagon
Washington, D.C. 20301

OFFICIAL-INFORMAL

Dear Frank:

I very much enjoyed our talk the other day.

I would like to expand on what I said at that time. Clearly, there has been an inordinate delay in certifying Chile (and Argentina). Nearly two years (21 months) have passed since we committed ourselves to restoring normal military ties. My own personal view is that it may require an NSC meeting and Presidential decision to certify before the Christmas Congressional recess to move the process forward.

After talking to a half dozen moderate Congressmen, I am convinced that the best time for sending the certification report to the Congress is late November or early December. We have a strong case on national interest grounds (maintaining peace and security in the southern cone), and can demonstrate significant progress on human rights since 1976. With respect to the Letelier-Moffitt case, the USG has exhausted its legal remedies, and the Chilean government "did provide a measure of cooperation in the case".

With adequate and timely explanation of our position to the media and the Congress we can prevent new restrictive legislation against Chile. There will be the usual outcry, but certification should not have any significant adverse impact on U.S. foreign policy pursuits elsewhere (e.g., El Salvador).

Warmest regards and best wishes,

Sincerely,

James D. Theberge

Ambassador to Chile

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