[Image content]
Yugoslavia. Overtures to China have resulted in an expected significant increase in trade between Argentina and China. Cultural exchanges have increased, and some exchange in the scientific area (primarily medical) has taken place already, with reciprocal visits by leading doctors of both nations.

22. (U) DETAILS: 1. Amembassy Telegram 9579 is a detailed summary of political and economic relations between Argentina and the U.S.S.R., Communist Bloc nations and China.

2. Concerning Argentine-Soviet trade relations, the following press items provide additional information on the arrival of Soviet equipment and technicians:

A. From a 781221 "La Nacion" press extract: "A Soviet made alternator, key component of the No. 7 generator, is being installed in the Segba Costanera power plant in Buenos Aires. The alternator, built in Lenin-grad by Electrosila, has a capacity of 364.7 MWA, at 3,000 revolutions per minute. It weighs 201 tons, and was unloaded by crane ship 151 of the General Port Administration; this same crane ship is capable of lifting 350 tons. The alternator had been inspected and tested by a Segba technical mission, which visited the U.S.S.R. The No. 7 generator is capable of generating 310 MW and, once in operation, it will increase the plant's power to 1,260 MW, which will make it one of the largest thermoelectrical plants in the Southern Hemisphere. In effect, it will produce enough energy to light 1,040,000 homes, or to supply various industries in Buenos Aires. Segba has coordinated all engineering, supplying and contracting for the generator. The value of the effort, according to the contract, is approximately US$150 million. It is expected to be operating in early 1982."

B. From a 790110 "Mendoza" extract: Soviet technicians are conducting feasibility studies for hydroelectric projects on the Medium Paraná, on the northern Santa Fe province border with the province of Entre Ríos.

C. From a 790131 "Clarín" extract: "The Argentine-Soviet Mixed Commission, which implements commercial agreements between both nations, may meet again in April, 1979, in Buenos Aires.

There are other indications of strengthening trade relations between the 2 countries, both on state and private enterprise levels. Recently, a group from the Argentine-Uruguayan Mixed Commission on the Salto Grande Dam visited Moscow. Some time during the next few months, the vice president of the Soviet Industrial and Trade Board will visit Buenos Aires, at the invitation of the Soviet-Argentine Chamber of Commerce, a non-official organization of Argentine exporters and importers.

The representatives of the Salto Grande Mixed Commission traveled to
Leningrad and to Karkov (Ukraine) where they examined turbines and equipment for generators.

It has been learned that, following a visit of Soviet technicians to Buenos Aires in early 1979, the U.S.S.R. is studying the purchase of US$26 million of beef.

COMMENT: (C) While Argentina appears to be aligned, both politically and ideologically, with the West, it nonetheless is exploiting trade with Communist nations, which the latter are eager to maintain, with the hope that exchanges in the future may include military equipment, along with accompanying geopolitical influence.
1. Appraisal of Political/Economic/Military Relations

Political/Economic Relations:

The major change in Argentine relations with Communist countries during 1978 has been a Soviet effort to enhance bilateral relations through increased trade and to capitalize on deteriorating US/Argentine relations. This effort became increasingly apparent following the announcement, since modified, that the US/Export Import Bank would not provide assistance to a US company seeking to bid on the Yacyreta hydroelectric power project.

Some examples of the Soviet effort are its plan to increase the export of chemical and medical products such
as vaccines and medical instruments to Argentina.

Furthermore, as a gesture of good will, the Soviets offered to provide, at no extra cost, two additional turbines for the Salto Grande hydroelectric power project, one for Uruguay and one for Argentina. The Soviets have also asked the Soviet-Argentine Chamber of Commerce to expand its propaganda activities and to expand contacts with important figures in Argentine economic and political circles.

Politically Argentina remains ideologically opposed to communism and Marxism. The anti-terrorism campaign, although largely winding down, continues to target leftist activists and ideologues and leftist literature and teaching remains firmly proscribed. Argentine security forces, modifying past practice, moved more directly against members of the Argentine Communist Party (PCA) in the past year and PCA confidentially reports some 100 PCA members are currently under arrest and another 100 have disappeared.

On the other hand, differences with the United States over human rights and Argentina's more pragmatic economic and commercial policies have tended to enhance bilateral relations with the Soviet Union and other Eastern bloc countries. Admiral Massera visited Romania as a member of the Argentina Junta in mid-1978, closely followed by
Vice Admiral Montes in his then capacity as Foreign Minister. Montes and a sizeable Argentine delegation participated in the Non-Aligned Foreign Ministers conference in Belgrade in July, at a time when Argentine overtures to communist and leftist Third World nations appeared to be on the rise. Since then the Argentine flirtation with the Eastern bloc has subsided and recent indications are that Argentina again considers herself firmly aligned with the Western world.

CUBA

Argentina maintains cool and correct relations with Cuba despite several unpleasant incidents including public criticism of the Argentine military regime and Cuba's inviting the Montoneros to the World Youth Festival in Havana. Argentina apparently proposed a bilateral commercial agreement to be signed in late October, but preliminary talks were inconclusive and no accord was signed. (See Havana 2943, dated September 25, 1978.) Argentina has sought to maintain its favorable trade surplus with Cuba; however, Cuba's criticism of Argentina and recent commercial policies are expected to adversely affect adversely bilateral trade relations.

ECONOMIC/COMMERCIAL RELATIONS

The Soviet Union continues to pursue actively commercial contracts, particularly on hydro-
thermoelectric power projects including Yacyreta. The new Soviet Ambassador told the Soviet-Argentine Chamber of Commerce in late October that he had specific instructions to obtain contracts for Yacyreta and Middle Parana hydroelectric projects. There are reports that the Soviets plan to add 45 new technicians and engineers to the Salto Grande hydroelectric power project in coming months. END CONFIDENTIAL

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Commercial relations with the Soviet Union got increased public attention this year. Speculation that the Soviet Union would win major contracts and corresponding influence in Yacyreta and other projects soared when the US EXIM Bank announced it was postponing action on a financing request from an American firm interested in bidding on Yacyreta on human rights grounds. Later EXIM granted provisional approval. (There has also been unclassified press commentary indicating that the Argentines are dissatisfied with the limited exchange of technology provided by the Soviets, which may affect Soviet chances for major contracts on Yacyreta.)

In November representatives of the Argentine state Water and Power utility visited the Soviet Union to sign a $4.5 million technical assistance agreement for studies of the Middle Parana power project. END UNCLASSIFIED
310 MW
Two Soviet turbogenerators were purchased for a thermo-electric power plant in Bahia Blanca and another for installation in Buenos Aires. The People's Republic of China

Relations with the People's Republic of China continued to grow according to the charted policy of Economy Minister Martinez de Hoz. Martinez de Hoz visited China in May and signed a long term grain agreement. Exchanges of media, trade, medical, sports and technical specialists are increasing, with more visitors from China to Argentina than Argentina to China at present.

Trade with Communist Countries

Argentine trade with communist countries rose by nearly half in 1977, almost exclusively on the strength of increased exports. While imports rose only 1.2 per cent over 1976, exports increased by 55.9 per cent, recovering vigorously from a 7.2 per cent drop the previous year. The latest figures for 1978, covering the first three months of the year, show decrease in both Argentine exports (-6.9 per cent) and imports (-22.3 per cent) in the January-March period of 1978 as compared to that of 1977, probably reflecting the Argentine recession and seasonal factors.

The Soviet Union remained Argentina's principal communist market and her most important overall trading partner.
partner, followed closely by Cuba and finally Poland, Argentina's principal communist supplier. (Statistical table of Argentine trade with Communist countries is being pouch.)

Argentina's overall trade with all communist countries continued throughout 1977 and during January-March 1978 to show an overwhelming surplus, with an almost nine to one advantage in exports over imports.

According to the local Argentine-Soviet Chamber of Commerce, Argentine-Soviet trade will total more than $500 million in 1978. Argentine exports through July, 1978 amounted to $424.6 million, principally in grain, wool, edible oils, leather and wine. During the same period, Argentine imports from the Soviet Union totaled roughly $10 million, mainly in power generating and oil industry equipment. END UNCLASSIFIED

Economic Assistance

There are no economic assistance agreements between Argentina and communist countries. At least eight or nine Soviet technicians are working on the Salto Grande hydroelectric project and there are indications more Soviet engineers and technicians will come on service contracts connected to the delivery of commercially-purchased Soviet hydroelectric studies and equipment.
Military Assistance

There are currently no military assistance agreements, no Communist military personnel and no purchases of Soviet or other Communist military equipment. Faced with the US embargo of commercial and military sales to Argentina, however, members of the Argentine military demonstrated some interest in Soviet equipment and the Soviets have shown their eagerness to replace US firms in arms sales. The Argentine Air Force Chief of Staff reportedly looked into Soviet weapons arrangements with Peru on a visit to that country in 1978. Reportedly there was some interest in the Soviet SU-22 jet fighter-bomber; however, the Argentine Air Force eventually bought Israeli Mirages instead.

II. Local Communist Party

The size of the local Communist Party (PCA) remains unknown but it is probably no more than in recent years. The PCA claims 100,000 members but the Embassy believes the actual number is around 45,000: 20,000 regular members and 25,000 in the youth group. A PCA official recently remarked that the membership is overwhelmingly composed of workers and that there is relatively little participation among groups such as students, intellectuals and
cultural types.

The PCA remains legal but its activities, like those of all legal political parties, are currently banned by the military Junta. The Party has carefully cultivated a non-violent stance and refrained from active criticism of the government. However, the Argentine security forces have moved more directly against members of the PCA and PCA officials claim some 100 PCA members are currently under arrest, most without charge, and that another 100 have disappeared.

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III. Diplomatic, Consular and Trade Mission Relations with Communist Countries.

Argentine relations with Communist countries in these areas remains unchanged from last year's report.

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IV. Cultural and Educational Exchange

POST COMMENT

In response to USICA CM 544 request for additional analysis and interpretation for ICA in this year's report, Post submits the following observations:

Human rights was the key local issue exploited by
Communist countries during this reporting period. Radio Moscow and members of the Soviet Mission have tried to present the USSR as "realistic" and "flexible" on the issue, backing the GOA against what they characterized as U.S. intransigence and noncomprehension of Argentine difficulties. However, the activities of the seven Soviet Bloc/Cuban press representatives assigned to Argentina are minimal, owing to the GOA's avowed position to curtail Marxist propaganda in print. (See list following this report.) Themes in the press are almost entirely limited to scientific and technological advances by communist countries, or the occasional article on cultural activities. Human-rights material supplied by communist sources appears infrequently, and is usually supplied by DAN (Distribuidora Argentina de Noticias). The only other source of communist propaganda is the monthly Novedades de la Union Sovietica, a fairly well-written publication which the Soviet Union distributes to the general public for 300 pesos (about $.40).

Cultural presentations by the Soviets are increasing notably. The Soviet Ambassador announced to members of the Argentine-USSR Chamber of Commerce that his Embassy would be sponsoring more performing artists. The Soviet cultural center, SARCU, is reportedly looking for new
premises (to include multimedia rooms and conference halls) and funds in anticipation of increased activity.

The impact of Communist country-sponsored cultural activities in Argentina is growing with the number and quality of presentations being offered. Audience familiarity with and acceptance of such events is apparently also growing.

The implications of increasing communist information activities in Argentina for ICA programming are clear: we must continue to bring the highest quality speakers and performing artists available to compete for the attention of a sophisticated and demanding audience.

Our programming should show that respect for human rights will help Argentina create a stable society. We must also discreetly illustrate where Argentine and Soviet foreign policy objectives and basic social values are in conflict.

Communist Country Press Representatives in Argentina

To our best knowledge, the following Soviet Bloc/Cuban press representatives are assigned to Argentina. There are no PRC (NCNA) representatives:

1. Cuba - Prensa Latina (PL), the Cuban news agency, is represented in Argentina by Modesto Abel Sardiña Escalona. He has been the PL representative since December 1977.
2. Soviet Union - TASS is represented by local Argentine reporters working out of the Soviet Cultural office.
There is no official Soviet representing TASS.

3. East Germany - As of 1974 Neus Deutschland has been represented by correspondent Hans Preussler.

4. Romania - AGERPRES, since 1974, has been represented by Eugen Pop in Argentina.

5. Yugoslavia - The TANJUG representative, Slobodan Vukmirovic, has been the representative since 1976.


7. Poland - The Polish Press Representative is Ryszard Ginalska; he arrived in June, 1977.

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SOVIET UNION

Cultural and Educational Exchange

The 1974 Scientific and Technological Cooperation Agreement between the USSR and Argentina, ratified by both countries in July, 1977, was expanded by mutual agreement in July, 1978 (GOA Law 21.847). Cooperation is to include "the exchange of scientists and technicians, the awarding of scholarships for studies and training, exchange of information, organization of seminars and meetings on subjects of mutual interest, and joint formulation of
technological procedures for industry, agriculture, and other productive activities."

Two programs are presently being carried out under the Agreement: 1) A joint research project between the School of Medicine, University of Buenos Aires and the Soviet Academy of Medicine on the Soviet cancer drug "Floratur."

The project began in 1975, when eight Argentine researchers visited the USSR for 6 months. Two Argentines departed with 1-year grants in July, 1978. 2) A new program to award an unspecified number of scholarships for study in the USSR to graduates of the School of Agronomy, University of Buenos Aires in the field of veterinary medicine was announced this year.

Activities under the 1975 Cultural Cooperation Agreement between the USSR and Argentina continued during 1978. La Opinion music critic Pompeyo Camps travelled to the USSR in June, 1978 to serve on the jury for the IV International Tchaikovsky Competition (Camps was a USG International Visitor grantee in 1973). While in Moscow Camps met with four Argentines studying at the Moscow School of Music with scholarships granted as part of the Agreement (Cellist Claudio Baraviera, pianist Emilio Kauderer, Olga Szupik, and violinist Daniel Zisman).

Information and Cultural Activities Other Than Exchanges

The Soviet cultural center (SARCU) and the Argentine
Writers' Association (SADE) announced the first SARCU-sponsored literary competition. The jury was composed of Argentine writers, three chosen by SADE (Hilda Guerra, Marcela Righini, and Duilio Ferraro) and two by SARCU (Jose Armagno Cosentino and Jose Marial). The competition closed September 15, 1978. Neither the winners nor the prize had been announced as of the close of October, although it had been publicized that winners might participate in writers' workshops in the USSR.


The Soviet impresario DAIFA brought several major cultural presentations to Argentina this year: 1) the Buenos Aires premiere of the Russian opera, "Eugene Onegin" at the Teatro Colon, November 15-30, 1977; 2) Bolshoi dancers Maximova and Vassiliev in "Giselle" at the Colon, December, 1977; 3) the Siberian folk ballet "Krasnoiarski" with 85 dancers which appeared in five performances at the Colon and two at Luna Park in April 1978, and was televised on TV Channel 7; 4) The Caucasian folk ballet

Renowned Bolshoi ballerina Maia Plissetskaia and a supporting troupe of dancers twice cancelled performances at the Colon in July and September 1978, due to Plissetskaia's suffering a severely pinched nerve. The on-again, off-again behavior of the famous prima generated a fair amount of adverse publicity; the Colon finally refused to accept any performance without her. Plissetskaia and company did give performances in the interior cities of Cordoba, Tucuman, and Corrientes: a videotape of one of these was shown on Channel 7.

Local impresarios also brought the following Soviet performers: 1) the String Quartet of the Moscow Philharmonic Orchestra, for four concerts at the Colon, August 1978; 2) Soviet bass Alexander Vedernikov for the title role in "Boris Godunov" at the Colon, May 1978; and 3) Bolshoi dancer Radchenko, for the "Carmen Suite," at the Colon, August, 1978.

Soviet publishers were well represented at the Fourth International Book Fair held in Buenos Aires March, 1978. The books, chiefly children's books and high school level science textbooks, were well presented and sold at very low prices.

Czechoslovakia
Cultural and Educational Exchange

The GOA announced on May 7, 1978 through Law No. 21.789 the promulgation of a "basic agreement of scientific and technological cooperation between the Government of the Argentine Republic and the Government of the Socialist Republic of Czechoslovakia, approving the agreement signed in Prague on May 12, 1974." Programs of cooperation are to include the exchange of scientists, information, scholarships, joint studies, and the establishment of centers of training and documentation.

Information and Cultural Activities Other than Exchange


POLAND

Cultural and Educational Exchange

The Agreement on Technical and Industrial Cooperation between the Government of Argentina and the Government of the Polish Socialist Republic was ratified in August, 1978. Under this agreement, the "First Exhibit of Polish Technology" was held at the Argentine Industrial Union in Buenos Aires, October 30-November 5, 1978, which featured lectures by Polish technicians.

Activities Other than Information and Cultural Exchange

RUMANIA

Geriatrist Ana Aslan visited Buenos Aires October 25-30, 1978 to attend the Seminar on Geriatrics at the Charcas Hospital and Hotel Igazu. She received extensive media coverage.

BULGARIA


PEOPLE'S REPUBLIC OF CHINA

Cultural and Educational Exchange

(Reporting period: April 1-October 30, 1978)

Medical Fields

Eminent Argentine cardiologist Dr. Domingo S. Liotta was one of a group of Argentine doctors which attended the World Congress of Cardiology in Peking in April. Dr. Liotta was apparently instrumental in arranging for a previous visit by a PRC heart specialist team to the Hospital Italiano, and on the basis of the April Congress, a 7-member PRC medical delegation arrived October 19 for what appears to be a long working
stay.

A 10-member PRC delegation attended the XII International Cancer Congress in Buenos Aires October 5-11. Several cardiovascular specialists attended during November.

Trade

Economic Minister Martinez de Hoz headed a high-level delegation to the PRC in May. A fair number of Argentine business people attended the yearly Canton Fair in April. A PRC commercial delegation arrived in June, and a PRC heavy machinery trade mission came in May for the International Light Machinery and Tools Fair. In May and stayed to do business through July. Anticipated for November are commercial (for the November 9 Feria de las Naciones) textile and drug/medical instrument missions.

Sports

A PRC Athletic Federation delegation arrived in June for the World Cup soccer matches and a PRC newsman covered the International Soccer Federation (FIFA) Congress. In September, coincident with the UN TCDC Conference in Buenos Aires, PRC men's and women's volleyball teams played at various cities in the interior. In October an 8-member team arrived for the XXIII Chess Olympiad; October also saw the arrival of..
a basketball team. There had been mention earlier in the year of the Argentines reciprocating with a basketball team visit to the PRC, but there is no definite news on this year.

Media

An Argentine press delegation travelled to the PRC in October.

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Alternador para la central Costanera

Procedente de la Unión Soviética, llegó al puerto de Buenos Aires a bordo del buque de bandera argentina Marbella uno de los componentes más importantes de la máquina número 7 que se está instalando en la usina Costanera de SEGBA. Se trata de un alternador de 66,47 MVA (megavoltamperes) a 9000 revoluciones por minuto, su peso es de 350 toneladas. El uso de esta máquina con posterior transmisión a la usina implicó la operación de un operativo núm. 131 de la Unidad General de Trabajos que tiene hasta 100 trabajadores. El alternaador es un tipo de máquina eléctrica que se trasladó a la Unión Soviética, la máquina número 7 (usina Costanera) tiene una potencia de 318 MW (megavatios), con lo cual una vez en funcionamiento aumentará la potencia de la usina a 300 MW, lo que hará de esta una de las mayores centrales de muelaéctricas del Hemisferio Sur. En este proyecto, la empresa trabajó con participación de diversas industrias de Gran Buenos Aires. SEGBA ha tomado a su cargo la coordinación de la ingeniería, suministros, contrataciones y otras operaciones correspondientes a la instalación de la unidad número 7. El montaje total de la obra ascendió a valores de contratación aproximadamente a 150 millones de dólares. Esta prevista su puesta en marcha para principios de 1982.

Técnicos soviéticos detectan un tiburón en el río Paraná

SANTA FE, 9 (NA) Per- sonal de la empresa soviética que realiza estudios de prefri- cobrcbci...
Argentina y la URSS consolidan acuerdos

MOSCU, 30 (DAN). — Muy posiblemente en el próximo mes de abril se llevará a cabo en Buenos Aires una nueva reunión de la Comisión Mixta Intergubernamental Argentino-Soviética, que desarrolla sus actividades en el marco de los convenios comerciales vigentes entre ambos países.

Asimismo, se conocen nuevos elementos que reflejan un fortalecimiento de los vínculos comerciales entre las dos naciones, tanto a nivel estatal como privado. Hace pocos días arribó a Moscú una misión de la Comisión Mixta Argentino-Uruguaya para la represa de Salto Grande, encabezada por sus titulares. Para los próximos meses se anuncia la visita a Buenos Aires del vicepresidente de la Cámara de Industria y Comercio de la URSS, invitado por la Cámara de Comercio Argentino-Soviética, institución privada de importadores y exportadores argentinos.

Los representantes de la Comisión Mixta de Salto Grande viajaron en estos días a Leningrado y a Jarkov (en Ucrania) donde se elaboran turbinas y partes de los equipos generadores.

Ha transcendido, por otra parte, que tras un viaje de técnicos soviéticos a Buenos Aires en las primeras semanas de 1979, la Unión Soviética analiza compras de carne vacuna para su consumo interno.