

DEPARTMENT OF DEFENSE INTELLIGENCE INFORMATION REPORT

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1. Part I. Basic U.S. Interests

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Argentina's importance to the United States derives from its size and location, agricultural and economic capacity and potential, advanced nuclear technology, and relative influence in regional and multilateral affairs. Blessed with a comparatively well educated and technologically advanced population of 25 million people, vast agricultural resources and sizable industrial capacity, Argentina ranks with the upper tier of LDCs. The Argentine GNP is \$50 billion. U.S. investment in Argentina is \$1.8 billion and last year's US exports to Argentina reached \$738 million. Argentina's strategic

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location in the southern Atlantic, increasingly important role as a world food producer and exporter and budding role as a producer and exporter of arms and nuclear technology all directly intersect with US security and other interests.

2. Argentine aspirations to an enlarged role in regional and multilateral affairs carry important implications for US interests in these fora. Argentina is politically identified with the West but is expanding trade, scientific and cultural relations with the Eastern bloc. Domestically, Argentina has set goals to eradicate terrorism, and to restore a viable economy and effective democracy. Human rights violations stemming from the anti-subversive campaign have strained current bilateral US relations and future relations will depend on improvements in that critical area. In sum, Argentina is a middle-level power significant to basic US interests in the areas of nuclear non-proliferation and arms control, human rights, world food policy, trade, regional stability and security, and effective North-South dialogue.

3. Part II. Report on Implementation of current goals and objectives: Degree of accomplishment and what remains to be done

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A. Our current goals and objectives statement gave priority to human rights, including respect for integrity of the person, return to the rule of law and restoration of political rights leading to civilian democratic rule. At the time these were prepared, we acknowledged the difficulty of directly modifying the human rights performance of a military regime committed to wiping out terrorism and beset by powerful internal factions not amenable to US pressures and attitudes on human rights. We also acknowledged the risk of imposing pressures which could lead to a "hard-line" backlash, weakening potentially more responsive democratically-inclined elements and tempting a takeover by forces inimical to our human rights and other interests. Then, too, US legislation was pending to cut off all commercial and FMS arms sales and credits to Argentina, the threat of which was our strongest "stick" to encourage improvement in human rights areas.

4. Since that time, the major new factor has been the intensifying dispute with Chile over the Beagle Channel. The dispute, in which Argentina lost three islands and potential claim to vast maritime areas in the south Atlantic to Chile, has brought Argentina to the verge of military action and a breakdown in

relations with Chile. This crisis has absorbed Argentine energies, increased arms purchases, and stiffened military ~~a~~ backs, intensifying local insecurities and retarding political liberalization. In another sense, however, it may portend at least temporary improvements on the human rights front as security forces have turned their attention from counter-subversive activities to military mobilization against Chile.

5. Our implementation program in the human rights area focused on the practical and the possible. We recommended efforts to maintain as cooperative a relationship as possible in other areas (economic, nuclear, etc.) while engaging in persuasive diplomacy, both public and private, ~~and~~ increasing exchanges, improving our human rights information gathering, and establishing a parole program for refugees and state of siege detainees.

6. On these specific objectives, we can point to measurable success. The Embassy has developed extensive records on human rights case histories and statistics, has established itself as a place where people can come to discuss concerns and share information, has developed extensive contacts with Argentine officials at both the working and ambassadorial level, and has intensified relations with international

humanitarian organizations and other foreign missions on human rights issues. The consistency, forcefulness, and openness of our efforts have given a clear signal of the US government's dedication to human rights and has deflected earlier charges of US intervention and political opportunism.

7. Human rights exchanges were increased to include five grants, four of which have been approved. The candidates approved include a bishop, a lawyer, a journalist and a labor leader. We also contributed AMPARTS Mark Cannon (US Supreme Court) and Howard Ebersole (Federal Judicial Center) to the second judicial reform conference in Mar Del Plata in October, also attended by the Ambassador. This conference helped to stimulate a national judicial reform movement with which we maintain close contact, directing a constant flow of print and audiovisual materials to key movement leaders. The reform movement, which has important human rights overtones, seeks to modernize, adequately fund and make fully operational the national judicial system. In another development, we found that we were able to reinforce, through personal contact and information programming, press sentiment for a return to a rule of law. This sentiment is expressed increasingly in columns and editorials.

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8. By the time approval for the Latin America 500 parole program was given by the USG in June 1978, the Embassy had already initiated preliminary screening on 242 cases of state of siege detainees requesting certificates for the right of option program. The number of cases in December 1978 was 358.

9. After months of putting very direct pressure at the highest level^{of the GOA,} and coordinated efforts with like-minded Western embassies, the Embassy obtained GOA authorization to visit 82 right of option candidates in jail. By early December, we personally interviewed 28 right of option candidates in jail and have granted a total of 23 certificates.

10. While there have been some improvements in the human rights area, problems still exist. The number of disappearances is reduced from last year. A few people are "reappearing." The number of detainees being held without charge is slowly decreasing. ~~Some~~ ^{increasingly} cases involving subversive suspects are/being tried. Sentences for the repentant are being reduced. Nevertheless reports of ^{occasional} new disappearances, torture and prison mistreatment are still common. 3,100 people remain detained under executive detention (PEN), almost all held without charges. Repression of religious groups, most

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particularly the Jehovahs Witnesses, still occurs.

11. The Kennedy-Humphrey amendment banning arms sales and credits to Argentina went into effect October 1. The threat of that impending legislation, negative US votes in international financial institutions and the withholding of EXIM bank credits provoked large outcry from indignant Argentines, prior to October 1, 1978. The GOA invitation to the Inter-American Human Rights Commission, which is scheduled to visit Argentina in mid-1979, the right to interview PEN detainees^{in prison,} and some successes on individual human rights cases are several major visible GOA responses to US pressure & besides the gradual improvements noted above.^{In the meantime, the} The Argentine military has encountered no problem obtaining significant amounts of arms from other suppliers, including France, West Germany, Great Britain, Italy, Israel and others. The adverse Argentine reaction probably would have been ~~gxax~~ greater had it not been for more pressing issues such as the Beagle dispute with Chile, the water resources problem with Brazil, and the struggle for power within the regime. Hostility over our sanctions policy is still festering and could re-emerge as a major Argentine issue.

12. The Embassy and most particularly the Ambassador

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have sought to capitalize on personal relationships to encourage specific steps, e.g. prison visits to parole candidates, ~~xx~~ release of US citizens, some limited movement on high US interest cases. This technique is one of frank and forceful discussion, with a carefully measuring out of suitable warnings and encouragements within the constraints of current legislation.

13. Far more needs to be done toward the goal of full observance of human rights. Building on the present base, the Embassy can continue to aim for return to rule of law, resolution of the cases of persons being held under executive detention, a strengthening of the judicial system, prison reform, and responsiveness on the question of disappeared persons. The upcoming visit of the Inter-American Human Rights Commission should provide a key short term target date for encouraging improvement in human rights practices. In the medium and longer term, we can continue to make clear that full restoration of optimal bilateral military relations depends on human rights improvements.

14. B. In the political realm, we recommended assistance in strengthening democratic institutions and encouragement for the government's redemocratization process. The Embassy has maintained personal contacts with the sidelined political and trade union leaders, as

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well as with other potentially influential political figures in both the civilian and military sectors. We have also cultivated those persons both inside and outside the government who demonstrated the most commitment to the restoration of an effective democracy. There is now a fulltime AIFLD representative in the country who maintains contact with, and provides some assistance to, the Argentine labor movement.

15. The government has not shown meaningful progress in the return to democracy. Neither General Videla's retirement from the Army and assumption of the presidency full-time in August, nor the recent messy ministerial and gubernatorial changes provided a significant opening to the civilian sector. Videla appears to have been weakened by the change and is under attack by powerful "hard-line" generals who appear to be less amenable to a quick democratic opening. Videla has, however, just recently begun to cultivate publicly ties to former politicians and groups and stresses in public statements his commitment to civilian dialogue and gradual redemocratization.

16. We cautioned against tying ourselves too closely to Videla the man and, without showing favoritism, have maintained open channels to other political "options." We did not anticipate full liberalization

of labor or political restrictions and none were forthcoming. Much remains to be done. Our objective remains to encourage progress in democratic normalization without precipitating internecine conflicts or a hard-line backlash.

17. Regarding our recommendation for increased cooperation with the Argentine War Colleges, we programmed AMPART John Redick at the National Defense School, where he spoke on US nuclear nonproliferation policy. The Army War College has agreed to consider programming future AMPARTS. Both institutions receive USICA books and policy information materials. We are processing IV grant nominations of two officers who are professors at the Army War College.

18. A media seminar on the relationship of press freedom to the functioning of democratic institutions has been scheduled. Other seminars and conferences on democracy have proliferated in Argentina. Our programming and contacts with the judicial reform movement, lawyers, and the press, have paid off not only in the human rights area but also in the closely linked area of promotion of democracy.

19. C(A). In the area of nuclear nonproliferation, we have sought progress on the three-stage nuclear cooperation plan contained in the joint communique of

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November, 1977. We have also intensified both intelligence-gathering efforts and exchange of experts and information in nuclear affairs. Contacts with Argentine nuclear officials have grown and cordial bilateral talks on the new US nuclear legislation were held in Argentina in October. The Argentines have been made well aware of US statutory limitations on continued export cooperation in nuclear affairs without progress on safeguards. We have emphasized our interest in expanding cooperation in the development of nuclear energy for peaceful uses and assisting Argentina in her own goal of becoming an exporter of nuclear technology.

20. The US Nonproliferation Policy is a program objective of the USICA which sent the President and the Director of Projects of the Argentine Atomic Energy Commission as well as other nuclear leaders to the US last year. The Mission also provided for the visits of several US nuclear specialists to Argentina to participate in conferences and meet with their counterparts in Argentina. ICA provides assistance and information to policy makers and ^{media commentators} ~~policy influencers~~ on the continuing US/GOA nuclear discussions.

21. Argentina however has not yet ratified the Treaty of Tlatelolco, nor shown readiness to defer reprocessing in accordance with US wishes. GOA is negotiating a

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safeguards agreement with ~~XX~~ IAEA which is bogged down because of the PNE issue. However they have promised interim assurances on safeguards and use of US-origin materials in order to continue bilateral cooperation pending renegotiation of the bilateral agreement as required by the new US legislation.

22. Our nuclear relations with Argentina are very delicate.
~~delicate/~~ The new legislation provides for a specific cut-off of US exports by March 1980 if the necessary safeguards agreements are not concluded by Argentina with IAEA. Our objectives remain to be Argentine ratification of Tlatelco and immediate entry into force, acceptance of IAEA full scope safeguards precluding ~~PNE's~~ PNE's, and indefinite deferral of reprocessing, as well as the renegotiation of our bilateral nuclear agreement in accordance with our new legislation. In exchange, the US would enter into discussions for the provision of heavy water technology and other technologies, materials and supplies needed by Argentina. The US would also be willing to nominate Argentina as a Member of the London Suppliers Club if desired. We recognize these aims will require care, flexibility and understanding to reach agreement.

23. C(B). We have discussed arms control and regional initiatives for arms limitation with Argentine

officials on a number of occasions. Argentine disarmament expert Ortiz de Rozas has considerable prestige in these areas and our objective will continue to be to encourage and promote Argentine participation, if not leadership, in arms control efforts. The Beagle Channel crisis, military make-up of the present government, Argentine goal of becoming an arms exporter, and reduced US influence on arms purchases may all, however, frustrate significant near-term advance in this goal.

24. D. Trade relations with the US continued to expand: US exports to Argentina increased slightly in the first semester and US imports from Argentina rose sharply during the same period. This occurred despite an Argentine recession, the withholding of EXIM credits and guarantees, and punitive US votes in IFIs for human rights reasons. Successful and well-publicized bilateral economic talks were held in Washington in October, where a number of outstanding problems were resolved.

25. E. Our military relations have been strained but not sacrificed by the Kennedy-Humphrey arms ban. The Argentine military continues to prize close relations with the US military and the release of some crucial spare parts and aircraft and 30 training slots for

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FY78 was greatly appreciated. Continued military-to-military communication provides a direct channel to key Argentines to bring US policy messages home. The Argentine Navy suddenly cancelled participation in UNITAS after an August flap over EXIM's denial of a letter of interest for an Argentine hydroelectric project (later reversed) and public criticism from a high US government official. The Argentines, however, warmly received and serviced the US fleet on its way around Argentina to Chile.

26. F. In the areas of multilateral and scientific cooperation, we successfully participated in several major international scientific congresses held in Argentina in such fields as cancer research, heart research and the Exchange of Technology Among Developing Countries. Under NSF and CONICET sponsorship, workshops were held in drought and arid zone research, electro-chemistry and solar energy. Under the joint US Argentine agreement for Science and Technology we developed 12 new research projects and expanded cooperation in the fields of oceanography, remote sensing, meteorology and biology and medicine. After a successful Mixed Commission meeting in Washington, we are moving ahead with intensified mutual activities in nonconventional energy, environmental pollution,

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mining and minerals, electronics and agricultural research.

27. Scientific cooperation with Argentina on the Antarctic has continued at an increased pace and 5 cruises have been scheduled during the austral summer of 1978-79. There were also a number of oceanographic cruises on the Argentine shelf with joint US/Argentine participation during the year.

28. G. Enhanced bilateral communication is an overall objective as well as a means of sharing and clarifying US positions and goals. USICA resources have been used to increase the number of leader grants in the selected ~~fix~~ fields of ~~ky~~ human rights and nuclear energy to foster bilateral communication and institutional contact. Seminars have served the same purpose in the areas of judicial reform, educational innovation and nuclear nonproliferation. Seminars have been scheduled on university administration and educational modernization, and on the media and society. Bilateral institutional contacts in a variety of fields are in great demand and produce valuable results. For example, an influential rural political leader and former leader grantee established contact with US farm organizations and is now attempting to establish a program to bring US farmers to Argentina.

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29. H. Our efforts in the narcotics field have continued to involve Argentina's government in ~~ix~~ improving narcotics control and the effective prosecution of traffickers. During June the ~~ix~~ binational Commission formed in 1972 to address narcotics problems jointly was re-instituted. Argentina's agreement was sought and obtained--albeit too late for implementation during the 1978 fiscal year--for linking its police force with the Interpol narcotics information network. An international narcotics offender became during late October the first person formally extradited under our treaty with Argentina signed in 1972. The government's 1977 ban against cultivation of the coca plant appeared well maintained through the effective action of the Gendarmerie.

30. I. A draft of a proposed consular convention has been reviewed and returned to the Department for action (Buenos Aires 8475). We plan to conclude negotiations on the new convention in the near future.

31. Part III. Key Policy-Level Issues

The key policy-level issues of importance to the United ~~ixxxxx~~ States in the next two years remain human rights, nuclear nonproliferation and democratic normalization. The major addition to last year's report could derive from possible hostilities between Chile

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and Argentina over the Beagle Channel. An Argentine occupation of islands in the disputed zone, the breaking of diplomatic and trade relations between Argentina and Chile, or, in the worst case, war would lead to instability in the southern cone. Tense Chile-Argentine relations could have serious implications beyond their borders if Peru and/or Bolivia try to take advantage of the situation by exploiting their revanchist claims against Chile on the centenary of the 1879 War of the Pacific or if Chile's traditional ally Brazil takes a more openly hostile position towards Argentina. The issue could also put additional strains on the OAS, if that body proves unsuccessful in helping to control or resolve the dispute or if member states become polarized over the issue.

32. Tension and hostility in the southern cone would adversely affect hemispheric security interests, as well as other US interests, such as democratic normalization, human rights, arms control, nuclear cooperation, and trade. US ability to influence the peaceful resolution of ~~hemispheric~~ hemispheric disputes might prove illusory or diminished, given our distancing from southern cone countries for human rights reasons and replacement as principal arms supplier in the region by Western European countries.

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33. These last factors will also affect the success of our arms control policies. The curtailment of bilateral US military relations and undisguised eagerness of Western governments to supply arms, coupled with a potentially tense southern cone ruled by instable and/or nationalistic military governments, would seriously undermine regional arms limitations efforts.

34. Human rights and democratic normalization will continue to be major bilateral issues. A stable, sure ~~xxx~~ central government honoring its stated commitment to human rights and democracy could move more quickly to end repression and restore political liberties. Internecine quarrels, hostilities with Chile, and continued economic troubles would ~~probably~~ retard progress. Insofar as real progress is made in respect for human rights and restoration of political freedoms, the US must be ready to signal acknowledgement and encouragement. Depending on how quickly this may occur, the US government may be in a position within the two-year timeframe to consider steps toward repeal of the Kennedy-Humphrey amendment and restoration of military sales and credits (although we may find by that time the Argentine military may no longer look to the US as a reliable arms supplier).

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35. The nuclear nonproliferation issue will become more acute as the legislated deadline for continued US cooperation on exports of US technologies and supplies approaches. Argentina has been dragging its feet on ratification of Tlatelolco, and negotiation of a full-scope safeguards agreement precluding peaceful nuclear explosives, and deferral of reprocessing, issues which must be resolved successfully for continued bilateral nuclear cooperation.

36. Economic relations will suffer major change to the extent our human rights sanctions policy of banning arms, withholding EXIM credits and voting negatively in the ISIs provokes Argentina to take its business elsewhere.

37. Part IV. Assessments and Recommendations

As indicated, our previous goals and objectives remain valid. The Embassy's programs and priorities would essentially follow those outlined above. Considering the gravity and potential consequences of tension between Argentina and Chile, we might have to upgrade our goal of regional stability and hemispheric security. In this case, our recommendations would include:

--readiness to provide good offices to help resolve the dispute between Argentina and Chile.

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--timely and effective action in possible OAS
peacekeeping efforts, including urging consensus
among member states on appropriate steps and encourag-
ing a respected South American nation to spearhead
peacekeeping efforts.

--encouragement to supplier nations to cease supplying arms to
either or both nations in case of hostilities or
tension.

--efforts to keep possible tension from spreading else-
where in the region.

38. In the area of human rights, we have bitten the
bullet to the extent of imposing an arms embargo,
denying and withholding EXIM financing, administratively
denying military and commercial arms licenses, ^{prior to the legislated ban, and} signal-
ing displeasure by our voice and votes in the IFIs.
Our actions have ^{unequivocally} ~~undeniably~~ substantiated our commit-
ment and clarified our intentions and expectations in
the area of human rights. Although our military relations
have been seriously strained, fears that the GOA would
retaliate for the US arms ban by ousting the US military
mission have proved groundless to date. Unfortunately,
hopes that our actions would fundamentally modify
Argentina's human rights practices were also not
substantiated. Human rights statistics show improve-
^{in several areas}
ment, but repressive tactics remain the same. For

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the US, consistent application of pressure, and public underscored by personal representations at the ambassadorial and working level diplomacy, on specific issues appear to be the only effective tools available. Changes in the human rights situation should bring corresponding adjustments in US pressures.

39. An expanded objective in the human rights area will be effective and rapid implementation of the Latin America 500 Parole Program. Consular access to eligible right of option candidates should permit prompt Embassy action on the granting of certificates and processing of candidates.

40. Our immediate nonproliferation objectives should be largely clarified in the two year time frame by Argentina concurrence or rejection of a revised bilateral nuclear agreement incorporating US insistence on full scope safeguards, precluding PNEs and deferral of reprocessing in exchange for entering into discussions on the provision of heavy water technology and other technologies and materials. The USG has and must continue to demonstrate understanding and flexibility in seeking to guide Argentina toward a satisfactory agreement on these issues. Our approach of emphasizing the benefits of cooperation and recognition for Argentine accomplishments and potential as an exporter of nuclear technology should continue.

41. Our objectives in the field of democratic

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normalization will become more critical in the two year time frame. A population restive after almost three years of anti-terrorism campaign, political and labor activity bans and a restrictive economic policy will increasingly demand meaningful steps toward political normalization, or the military may find its support waning and challenges by democratic-appearing alternatives more ~~convincing~~ compelling. The Argentine military government will begin during the time frame to implement plans for a gradual political opening, which will provide us with increased opportunities for encouraging a return to civilian rule. On the trade union front, the Embassy will continue to work closely with the AIFLD representative, seeking ways to encourage the restoration of trade union liberties and the development of a democratic-oriented Argentine labor movement friendly to and associated with the US and the international democratic labor movement.

42. Our objectives in economic, trade, arms control, scientific and multilateral economic and political issues, narcotics control, bilateral communications and consular relations remain valid and important to our overall relations.

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