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FROM

FM DIA WASHINGTON DC (b)(3):10 USC 424

TO

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SERIAL: (U) IIR (b)(3):10 USC 424

MODIFIED COPY (IIR NUMBER)

BODY

COUNTRY: (U) **ARGENTINA (AR)**.

SUBJ: IIR (b)(3):10 USC 424 DISPOSITION OF ARGENTINE ARMY
REAL PROPERTY PURSUANT TO MILITARY RESTRUCTURING--MODIFIED
COPY (U)

WARNING: (U) THIS IS AN INFORMATION REPORT, NOT
FINALLY EVALUATED INTELLIGENCE. REPORT CLASSIFIED

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DEPARTMENT OF DEFENSE

DOI: (U) 941005.

REQS: (U) (b)(3):10 USC 424

SOURCE: (U) DAILY NEWSPAPER, "LA NACION," BUENOS
AIRES, ARGENTINA, 941005 (U), IN SPANISH. INDEPENDENT
MODERATE NEWSPAPER WHICH APPEALS TO THE UPPER CLASS AND
INTELLECTUALS. TENDS TO REPORT U.S. ISSUES
OBJECTIVELY. INFLUENTIAL WITH TOP POLICY MAKERS,
GOVERNMENT OFFICIALS, POLITICIANS, AND THE MILITARY.

SUMMARY: (U) IN COMPLIANCE WITH A PRESIDENTIAL ORDER,
THE ARGENTINE ARMY IS SELLING 145 PIECES OF REAL ESTATE
WORTH \$107 MILLION TO OFFSET COSTS ASSOCIATED WITH THE
CURRENT MILITARY MODERNIZATION AND RESTRUCTURING
PROCESS.

TEXT: 1. (U) AT THE DIRECTION OF PRESIDENT CARLOS
((MENEM)), THE ARGENTINE ARMY (ARGARM) IS DISPOSING OF
145 PIECES OF REAL ESTATE TO OFFSET COSTS ASSOCIATED
WITH THE RESTRUCTURING AND MODERNIZATION OF THE ARMED
FORCES. CONSISTENT WITH ARGENTINE LAW 23985, SALE OF
LAND AND FACILITIES FORMERLY USED AS INSTALLATIONS OF
THE ARGARM IS EXPECTED TO GENERATE \$107 MILLION IN

REVENUE. THIS MONEY WILL PAY FOR THE CONSTRUCTION AND/OR ACQUISITION OF SUITABLE HOUSING FOR OFFICERS AND NON-COMMISSIONED OFFICERS WHO HAVE BEEN (OR SOON WILL BE) TRANSFERRED AS A CONSEQUENCE OF THE RELOCATION OF SOME UNITS AND SERVICE SCHOOLS FROM BUENOS AIRES TO THE INTERIOR OF THE COUNTRY.

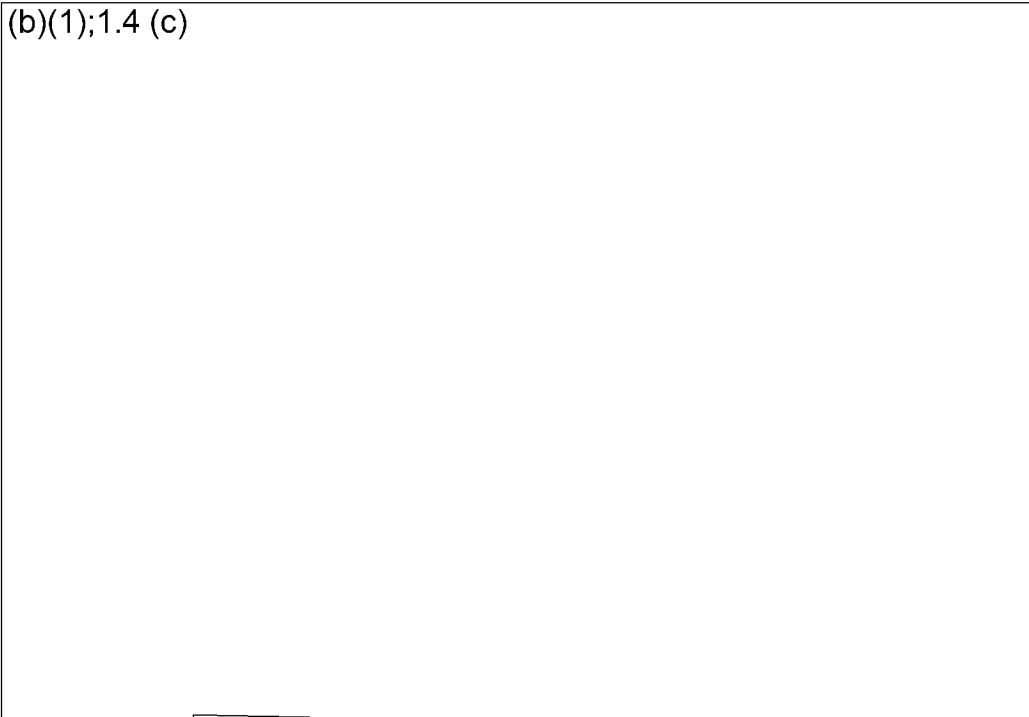
2. (U) THE ARGARM LEADERSHIP EMPHASIZES THAT REVENUE DERIVED FROM THE SALE OF MILITARY PROPERTY CANNOT BE APPLIED TO BALANCING THE MILITARY BUDGET OR TO PAYING MILITARY SALARIES, SUCH AS HAD BEEN SUGGESTED BY THE ARGENTINE MINISTRY OF ECONOMY. NEVERTHELESS, THE MINISTRY OF ECONOMY IS URGING AN ACCELERATION OF ARGARM PROPERTY LIQUIDATION, WHICH HAS SO FAR YIELDED A TOTAL OF \$21,150,000 FROM THE SALE OF 23 PROPERTIES. AMONG THE PROPERTIES DISPOSED OF TO DATE ARE THE APARTMENT FORMERLY PROVIDED TO THE ARGARM CHIEF OF STAFF (SALE PRICE, \$350,000); THE DEACTIVATED DIRECTORATE OF ARMY DEPOTS, BUENOS AIRES; THE DEACTIVATED QUARTERMASTER DIRECTORATE, BUENOS AIRES; THE POLO CLUB, NEUQUEN; AND THE DEACTIVATED MILITARY DISTRICT OF LA PLATA, BUENOS AIRES PROVINCE.

3. (U) PERHAPS THE MOST IMPORTANT OF THE PROPERTIES CURRENTLY FOR SALE BY THE ARGARM IS 980 OF THE NEARLY 3500 HECTARES OF LAND WHICH COMPRISE THE PRINCIPAL ARMY TRAINING FACILITY NEAR BUENOS AIRES, CAMPO DE MAYO. OTHER PROPERTIES YET TO BE SOLD BY THE ARGARM ARE: PARQUE SARMIENTO, CORDOBA (31 HECTARES); THE 602ND DEPOT BATTALION, VILLA MARTELLI, BUENOS AIRES PROVINCE (50 HECTARES); THE 601ST DEPOT BATTALION, QUILMES, BUENOS AIRES PROVINCE (173 HECTARES); THE GENERAL NECOCHEA TRAINING CAMP, BUENOS AIRES PROVINCE (390 HECTARES); THE CUARTEL OF THE DEACTIVATED 10TH ENGINEER COMPANY, PALOMAR, BUENOS AIRES PROVINCE (71 HECTARES); THE CUARTEL OF THE DEACTIVATED 19TH INFANTRY REGIMENT, TUCUMAN (14.26 HECTARES); THE GENERAL LAS HERAS BARRACKS, MENDOZA (80.2 HECTARES); THE CUARTEL OF THE DEACTIVATED 141ST ENGINEER BATTALION, SANTIAGO DEL ESTERO (12.23 HECTARES); THE INSTALLATION OF THE DEACTIVATED MILITARY DISTRICT OF NEUQUEN (9,900 SQUARE METERS); A SECTOR OF THE CAMPO DE MAYO INSTALLATION KNOWN AS LOT 274 (22.28 HECTARES); THE LOS TALAS MILITARY DETACHMENT, PALOMAR, BUENOS AIRES PROVINCE

(14.25 HECTARES); AND CAMP NORTH, TUCUMAN (37.12 HECTARES).

4. (U) THE ARGARM INDICATES IT HAS BUILT 327 HOUSING UNITS WITH THE MONEY IT HAS GENERATED FROM LAND SALES THUS FAR. NEVERTHELESS, 568 REMAIN TO BE BUILT IN ORDER TO MEET PROJECTED REQUIREMENTS.

(b)(1);1.4 (c)



//IPSP: (U) [redacted] (b)(3):10 USC 424

//COMSOBJ: (U) [redacted]

ADMIN [redacted] (b)(3):10 USC 424

COLL: (U) [redacted]
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PREP: (U) [redacted]
ACQ: (U) [redacted]
DISSEM: (U) [redacted]

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