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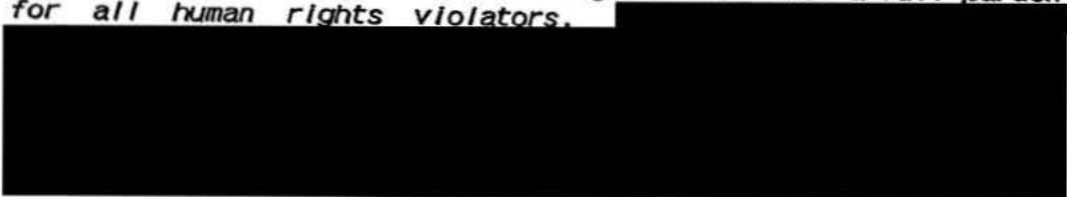


*Argentina
subst.*

RESEARCH MEMORANDUM

MILITARY UNREST IN ARGENTINA: AN UPDATE (U)

~~(S)~~ On 9 June 1987, President Raul Alfonsin signed into law the Due Obedience Bill, a virtual amnesty for military personnel accused of human rights violations. The swift passage of the Due Obedience Law will not remove the possibility of further military unrest. Human rights groups and the media are expected to challenge the constitutionality of the law. Thus, legal and political skirmishes are expected as the September off-year elections approach. Ultra-rightwing groups are expected to continue bombings to pressure the government for a full pardon for all human rights violators.



Background



The most disruptive issue continues to be the trials of members of the Armed Forces for human rights abuses committed during the so-called "dirty war" against leftist insurgent groups (1976-83). Those on trial are accused of the kidnaping, torture, rape, and murder of some 9,000 people who disappeared during the years of the "war." On

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NOT RELEASABLE TO FOREIGN NATIONALS

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16 April 1987, a few members of the 14th Airborne Infantry Regiment and about 100 members of the Infantry School ignited a short-lived military uprising--the Easter Rebellion--to protect an officer who refused to appear in a civilian court. Leaders of the revolt asserted that they had no desire to carry out a coup d'etat, or to destroy the fragile Argentine democracy. The rebellion occurred to demonstrate that the rebels and many officers in the Armed Forces do not view the trial process as a dispenser of justice, but rather as a device for the manipulation of the military by civilians for political gains. According to many officers, the excesses committed during the "dirty war" were necessary due to the growing magnitude of terrorist activity. The Easter Rebellion ended peacefully on 19 April 1987, when the government made certain concessions to the rebels, including the resignation of the Army Chief Hector Rios Erenu. The President also agreed to support the Due Obedience Doctrine--a virtual amnesty for junior officers who were deemed to have been merely following orders. Fourteen other general officers also submitted their resignations or were forced to retire after several units failed to carry out orders to march on the rebels.

Due Obedience Law

~~(S/NF)~~ On 13 May, President Alfonsin presented Due Obedience legislation to Congress. Alfonsin thus superseded the court system, which has not been sympathetic toward the military. Increased pressure from the military led the Senate to amend the bill to include senior officers. The new Army Chief of Staff, Brigadier General Jose Caridi, in an effort to regain the leadership of the Army, threatened to resign if the legislation was not amended. The Chamber of Deputies, on 5 June, gave final approval to the amended bill, which was signed into law by President Alfonsin on 9 June.

~~(S/NF)~~ Under the new Due Obedience Law, the federal appeals courts have a 30-day period to determine which currently accused senior military officials participated in the formulation of orders that directed the war on subversion. Also, some crimes--

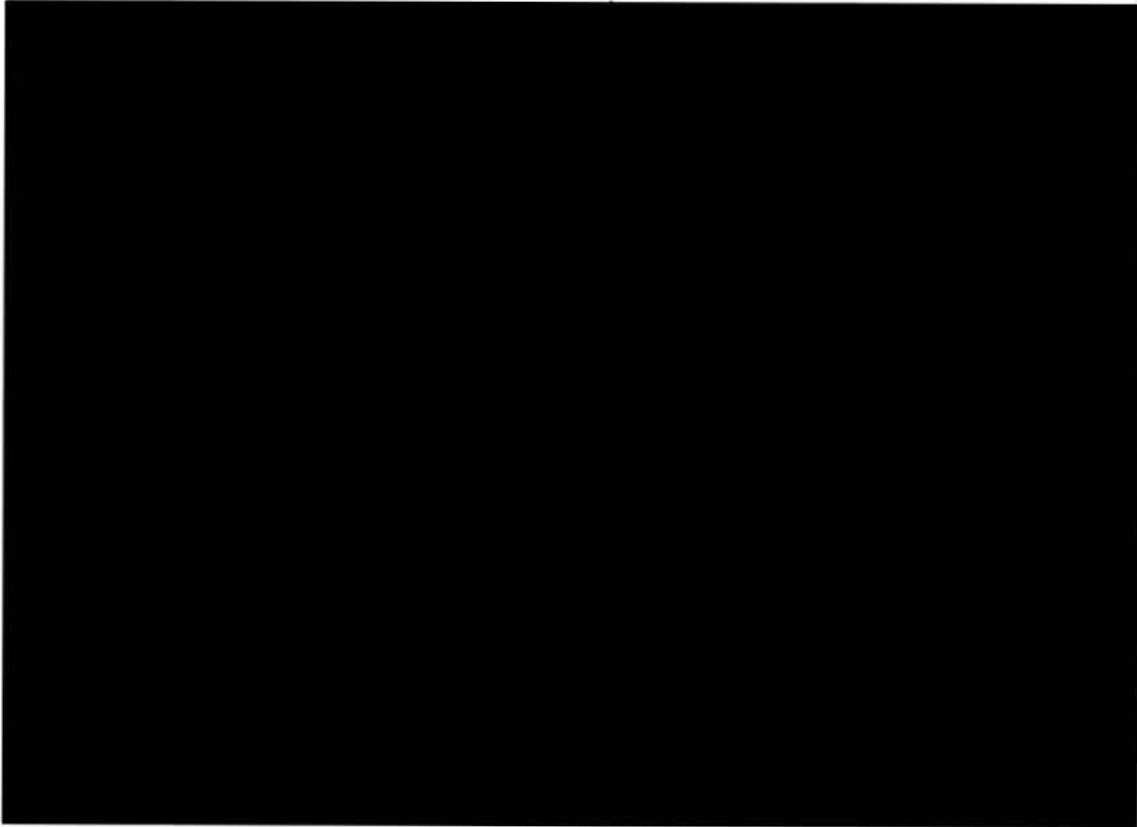
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robbery, kidnaping of children, rape--will still be liable to prosecution, but torture will not. This is an important point for the military and its opponents since most of the 200-250 cases which have raised the greatest concern in the military have involved charges of torture.

Outlook



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Washington, D. C. 20520

SADIXED

October 31, 1985

DIST 10/31

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INFORMATION MEMORANDUM
S/S MMS 3/2/85

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TO: The Secretary
FROM: INR - Morton I. Abramowitz
SUBJECT: Alert Memo

1. USSR: SS-20 DISMANTLEMENT--GOING DUTCH

Dismantlement of SS-20 launcher garages has begun at three more bases in the western USSR (for a total of four) since October 26. The Soviets apparently intend to dismantle three garages per base. We presume they will do this at nine bases, reaching a level of 243 launches in the west, and fulfilling Gorbachev's October 3 Paris commitment. We are studying whether dismantling only three garages per base should effect our current count of 432 SS-20s "at bases." The Soviets are likely to fall short of the Dutch GLCM non-deployment criterion of 378 SS-20s by November 1. However, the fact that reductions are taking place and the possibility that the "required" level could be reached fairly soon will put further pressure on the Dutch.
(SECRET/NOFORN)

2. WARSAW PACT: GORBACHEV WANTS MORE FOR LESS--NOW

Pact leaders have apparently been put on notice by Gorbachev that more will be required of them. In Sofia, after the pact summit last week, Gorbachev reportedly called for greater economic integration among pact members, stressing also the importance of their "united defense potential." The extent to which the East Europeans will--or, more to the point, can--respond is far from clear, but it may be the price they will have to pay to pursue trade ties with the West. The just-adopted Warsaw pact declaration, not coincidentally, called for a return to the "mainstream of detente."
(CONFIDENTIAL)

3. ARGENTINA

Alfonsin has survived the flurry of military discontent prompted, most immediately, by his October 22 detention order that included six military personnel. A coup remains highly unlikely in the foreseeable future, but the atmosphere--roiled by the campaign for the November 3 elections and anticipation of

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verdicts in December in the human rights trials of the former service commanders--is conducive to continued low-level violence, military dissatisfaction, and rumor mongering.

Alfonsin has gotten mixed reviews for the government's hurried, ill-considered handling of the October 22 detention decree and the October 25 declaration of a state of siege. The original detention order was clearly unconstitutional, and two of the 12 names listed were cited incorrectly, making the government look somewhat inept and insecure. Still, probably a majority of the military and the vast majority of civilians side with Alfonsin in whatever reasonable measures he might take to discourage the military's political pretensions. His standing as the man in charge probably has not been done serious damage. (CONFIDENTIAL)

4. KOREA: SECRET NEGOTIATIONS CONTINUE

ROK intelligence chief Chang Se-tong returned from a two-day secret visit to Pyongyang on October 18 asserting that the chances for a North-South summit were now 50-50. Kim Il-sung gave him a DPRK draft plan for movement toward reunification which included the outline of a non-aggression declaration. The latter had provisions for the establishment of conditions for the removal of foreign troops and nuclear weapons from the Korean peninsula, a reduction in forces on both sides to 100,000 troops each, and the reestablishment of the DMZ as a buffer between North and South. Kim turned down an ROK proposal for cross-recognition by major powers.

The ROK was scheduled to respond yesterday with counterproposals. If the two sides continue to focus on such contentious issues as removal of foreign troops and cross-recognition, the outlook for a summit is dim. However, since both Kim and Chun appear interested in a meeting--each for his own purposes--they may be able to finesse the tough issues and develop a more general, mutually acceptable framework for a summit. (SECRET/NODIS)

5. CAMBODIA: THE COMING DRY SEASON

The two sides in the Cambodian conflict should square off in a few weeks, when the rains have stopped and the ground has dried. Unlike last year's dry-season campaign, which featured coordinated Vietnamese attacks against resistance camps, we expect this year's fighting to be relatively low-key. For the resistance, this means further attempts at harassment and infiltration of guerrilla units into the interior; for the Vietnamese, it means more sweeps and air operations both in the interior and along the border, as well as "hot pursuit" of resistance forces into Thai territory. We do not expect major confrontations with Thai units. The larger and better trained

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and equipped Khmer Rouge is in better shape to respond than either the Sihanoukists or the KPNLF. The latter is especially vulnerable, partly because of squabbling among its leaders. Sihanouk's forces, on the other hand, seem to have made a somewhat better comeback from Vietnam's last dry-season offensive. (SECRET)

6. BRAZIL, MEXICO TO RENEW TALKS WITH IMF

The new US debt initiative will be tested when the two largest debtors, Brazil and Mexico, renew their negotiations with the IMF in the next few months. Brazil has been squabbling with the Fund over the terms of an agreement for most of this year. Mexico fell out of compliance with its three-year extended facility during the summer and will now seek a new stand-by arrangement.

Of the two, Brazil is in the much better position. Brazil's still-sizeable trade surplus (1985 estimate: \$11-12 billion) and reserves allow it the luxury of not needing new money from the Fund and the banks, at least not right away. Mexico, on the other hand, will need an estimated \$9 billion in new money from all sources between now and the end of 1986; it will be forced to come to terms with the Fund much sooner. (CONFIDENTIAL)

7. WORLD ECONOMY: TIN PRICE COULD PLUNGE

On October 24, the International Tin Council (ITC) ran out of funds to support the pegged tin price and requested suspension of tin trading on the London Metals Exchange. The buffer stock manager believes that the tin price, if not supported, could fall as much as two-thirds, requiring an additional 360 million pounds sterling (about \$500 million) to secure committed futures purchases. To sustain a set tin price, members would have to pledge operating funds for the ITC, even if the price were set at a lower level. The EC has balked at guarantees, however, and producer countries have not yet put up a 60-million-pound (about \$84 million) payment pledged in September. Suspension of tin trading has affected all producers, including Brazil, Bolivia and China, which are outside the current agreement. But the crisis has put other commodity buffer stock agreements on notice about the perils of supporting unrealistic prices. (LIMITED OFFICIAL USE)

Drafted: INR Analysts
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United States Department of State

Washington, D.C. 20520

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June 30, 1983

The Honorable George P. Shultz
Secretary of State
Washington, D.C. 20520

Dear Mr. Secretary:

On June 30, 1981, I was sworn in as a consultant to the immediate office of the Secretary of State for one year in the presence of then Under Secretary of State for Management, Richard T. Kennedy. My assignment was to "advise the Secretary of State on terrorism, counterterrorism, and nuclear non-proliferation matters and on the cohesiveness of State Department policy in these areas."

My first assignment was to evaluate the effectiveness of the Government's efforts to combat international terrorism directed against U.S. officials and other citizens and against U.S. installations and property abroad.

Because of my heavy responsibilities as president of the Ethics and Public Policy Center, I was able to devote only a small portion of my time to this important assignment. I had not completed my work by June 29, 1982, and my consultantship was renewed for an additional year. On July 21, I informed you by letter of this renewal. In your kind reply you said you looked forward to receiving my report.

It is now my pleasure, Mr. Secretary, to transmit this report: The U.S. Government's Program for Combatting International Terrorism: A Report for the Secretary of State. If I can be of further service, please advise me.

Respectfully yours,

Ernest W. Lefever

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I. PURPOSE OF THE STUDY

The basic purpose of this inquiry and report is to assess the efficiency of all aspects of the U.S. effort to combat terrorism directed against U.S. personnel and facilities abroad and to make recommendations to strengthen the effort, especially the coordination among the variety of U.S. agencies necessarily involved. Additional aims include the problem of cooperation with other governments, relations with the American public and press, and policy toward American corporations operating abroad.

II. AGENCIES, PERSONS, AND OTHER SOURCES CONSULTED

To evaluate properly the effectiveness of the U.S. Government's efforts to understand, anticipate, deter, and manage terrorist incidents abroad, I consulted a wide range of sources inside and outside the government, starting with the Office for Combatting Terrorism (M/CT) of which Frank H. Perez was then Deputy Director. Since May 1982, Ambassador Robert M. Sayre has been the director. Both of these men were freely accessible during the course of my study and provided me with all the documents I requested as well as the names of the members of the Interdepartmental Group on Terrorism (IGT) and other officials. I subsequently interviewed one or more representatives of the nine agencies in the IGT.

In each interview with a U.S. official, I identified my mission, pointing out that this was not an "investigation," but an inquiry about the effectiveness of an important foreign policy responsibility. I noted that my survey was not concerned with how to combat terrorism within the United States, though I did interview representatives of domestic agencies such as the FBI, Department of Justice, and FAA, who are represented on the IGT. I encouraged each person

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contact with some of the chief actors in our U.S. effort as well as with the scholarly literature. I examined the key terrorist events of the period. There was no dearth of information. The problem was sorting out the key problems and focusing on the key questions.

III. ASSUMPTIONS ABOUT THE NATURE OF THE PROBLEM

As noted in the immediately preceding section, there is wide agreement among U.S. Government officials, outside scholars, and other observers about the character, organization, and objectives of international terrorism and an acknowledgment that this menace in its many manifestations poses a threat to American officials and other citizens abroad, to U.S. national interests, and to the cause of democracy and freedom in the world. Most Western observers would agree with the following assumptions:

1. International terrorism is a growing phenomenon because it is an efficient political weapon, a dramatic way to draw attention to the terrorists' cause. With a good organization terrorists need few resources and frequently their objectives are served by the vivid and global coverage by the mass communication media.

2. To a great, but not precisely determined, extent there is an international terrorist network which frequently serves the interests of the Soviet Union and its allied states. Libya provides significant financial and logistical support for terrorist organizations. While there are still some fascist terrorists, most terror groups today—e.g., the Baader-Meinhof Gang in Germany, the Red Brigades in Italy, the PLO in the Middle East, the IRA Provisionals in Ulster—are largely motivated by Marxist-Leninist objectives. Many members of these groups have been trained in the same camps in Algeria, Libya, South Yemen, Syria,

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terrorism, especially the firm policy against paying ransom to terrorists.

C. There is a sharp disagreement, however, on how the U.S. Government should be organized to deal with international terrorism. This disagreement focuses on the concept of "the lead agency." At present the State Department performs this function, but some spokesmen for the DOD and CIA insist that the lead agency for dealing with incidents abroad should be the NSC. Their chief arguments are that State has been too slow and unresponsive in managing recent crises and that State is not really equipped to handle any terrorist incident. Hence they tend to believe that a military-like command structure would be more effective. In fact, some critics appear reluctant to accept the State Department as the President's chief foreign policy advisor.

Much of the interagency interchange during the period of this study has dealt with the lead agency problem. Some State spokesmen acknowledge that the responses in the past have been less than perfect, but that this was due to lack of experience, the persons involved, and deficiencies in secure communication, especially between State and the overseas post involved, rather than an inherent problem due to having State in the lead role.

To deal with this problem, the Terrorist Incident Working Group (TIWG) was established on April 10, 1982, by NSDD-30. This structural response, however, has not stopped the debate. The TIWG is the third echelon of the Special Situation Group (SSG), set up by the President to deal with "crises of major proportions" at home and abroad, on the other. The SSG is chaired by the Vice President, followed by the Crisis Pre-Planning Group (CPPG) chaired by the Deputy to William Clark, the National Security Advisor, and then to the TIWG. Since its creation, TIWG has never been given a crisis management assignment by the one authorized to do so, the National Security Advisor.

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G. Since U.S. business executives and facilities abroad are frequent targets of terrorists, several officials expressed the hope that U.S. corporations would adopt something approximating the official U.S. no-ransom policy. But here, as in dealing with a free press, little hope was expressed that the Government could persuade corporate leaders to adopt a firm and uniform policy when faced with family and colleague pressures to pay ransoms for the release of kidnap victims. Business personnel are not accustomed to taking oaths that U.S. military and diplomatic personnel take.

V. RECOMMENDATIONS

Introduction: The foregoing observations suggest that there should be no drastic changes either in U.S. policy toward international terrorism or in the current organization and operations of Government for predicting, deterring, managing, and otherwise dealing with this menace. Judged by reasonable standards, the U.S. Government's response has been effective. The following recommendations are submitted with the hope that, if acted upon, U.S. performance may become even more effective. Some of the recommendations amount to little more than emphasizing current policy or practice. Others suggest changes.

A. U.S. Policy in Countering Terrorism

1. The policy for dealing with international terrorism directed against American persons or property abroad as articulated by the President and State Department officials is firm, clear, and consistent. They regard terrorism as a crime against the United States and its citizens and a threat to free institutions and peaceful change. This needs to be restated from time to time in general foreign policy pronouncements to make clear to friend and foe where we stand

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and to reinforce active support for our policy from the American people and the Congress.

2. The no-ransom policy needs especially to be stressed and defined, making clear that it does not preclude communicating with terrorists during a crisis. Such communication is essential and should emphasize the point that the U.S. Government will not pay ransom.

3. The distinction between the State Department Office for Combatting Terrorism (M/CT) and the Special Situations Group (SSG) headed by the Vice President needs to be made more clearly. The SSG deals only with "crises of major proportions" at home or abroad, while the State-led counter-terrorism effort deals only with less momentous incidents abroad. (The structural implications of this point are addressed in section B, below.)

4. In addition to predicting terrorist activity and managing terrorist crises, the U.S. Government should become more active in neutralizing and destroying terrorist organizations. This can be done only by intense intelligence work involving infiltration and destabilization activities best carried out by the Central Intelligence Agency. The constraints placed on covert activity by the Congress and the inherent difficulties of penetrating small, tightly knit, and suspicious leadership groups make this tough and risky. This also requires close and active cooperation between U.S. and friendly foreign intelligence services.

B. Organization and Program Within the U.S. Government

1. Lead Agency: The State Department should be the lead agency in coordinating all counter-terrorism activities abroad, including all terrorist incidents on foreign soil. In all its activities the M/CT (see point 2, below) should utilize the assets of other agencies such as the DOD, CIA, and FAA as appropriate. In a strictly airport incident abroad, for example, the FAA would

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satellite communications which can circumvent commercial lines that can be easily cut and (2) secure telephones which are dependent on commercial lines. State has 850 secure phones on order which will use radio. There is little possibility that this order can be speeded up; hence State will rely heavily on secure satellite communications until 1986.

Meanwhile, State has procured eight Tactical Satellite Communication sets to provide secure voice communications between the department and a post managing a terrorist incident. However, these sets are limited in number and therefore must be moved to the site of a terrorist situation, leaving the post without secure communications during the vital early hours of an incident. These sets provide a reaction rather than a permanent capability.

Every reasonable effort should be made to enhance State's secure communications capability as rapidly as possible.

c. Predictive Intelligence: M/CT, relying on assets from State, DOD, CIA, and elsewhere, should play a key role in predictive intelligence. The ability to anticipate crises contributes to dealing with those that do occur. A more structured system for monitoring unfolding crises should be developed with M/CT coordinating the effort.

d. Crisis Situation Facilities: These facilities in the State Department building should be upgraded to approximate those being developed by the White House.

e. Contingency Planning: The M/CT should encourage and coordinate pre-crisis planning at all levels from the consulate and embassy abroad to the office of the Secretary. The Director of M/CT should be charged with this responsibility. Such planning should include formal training of

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the key U.S. domestic and foreign policy agencies, including the National Security Council. It is and should be chaired by the Director of M/CT. IGT meets regularly and can be called into emergency session at any time, but it is not an action body. That body is the M/CT which with the assets and ties noted in the recommendations above and with full access to the crisis situation facilities in the State Department building can perform the full range of counter-terrorism tasks abroad now assigned to it.

b. Terrorist Incident Working Group (TIWG): After prolonged debate, especially among DOD, State, and CIA representatives, the TIWG was established by NSDD-30 to meet real or alleged cases of inefficient coordination and response of State to terrorist incidents in the recent past. The TIWG is an independent group under the chairmanship of the third ranking members of the NSC staff. Its participants are at the third level (assistant secretary or deputy assistant secretary) and report to the members of the Crisis Pre-Planning Group (CPPG) in their agency capacity. Thus they are actually members of a "working group" for the CPPG. I believe the creation of TIWG may constitute unnecessary complexity in the management machinery. It has never been called into service and in certain circumstances could hamper the work of M/CT or the Special Situation Group (SSG) chaired by the Vice President. After intense and sometimes repeated interviews with all parties, I have concluded that the TIWG should be abolished as redundant.

6. Training Exercises for Crisis Management: Planning and training for U.S. officials should be supplemented by a regular program of crisis management training exercises. M/CT has conducted or been involved in half a dozen such counter-terrorism exercises in recent years, each including several agencies.

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major powers agreed to suspend commercial air service to and from any country harboring aircraft hijackers. Additional signatories to such pacts should be sought.

2. Cooperation with Host Governments: The close cooperation between the U.S. and Italian governments during the General Dozier case suggests that in those countries where American personnel and facilities (government and private) are especially subject to attack, the U.S. Embassy's contingency plans include close cooperation with host government intelligence and security agencies.

3. U.S. Training and Technical Assistance: The Congress should appropriate at the earliest possible moment the requested funds for the provision of technical assistance (including equipment) and training to combat terrorism requested by friendly governments. M/CT has developed an excellent curriculum for foreign civil officials, including police, and has identified appropriate training facilities in this country (e.g., the FBI Academy in Quantico, Virginia). As mentioned above, the proposed anti-terrorism assistance program (including equipment) would enable the U.S. Government to assist friendly governments to improve their counter-terrorism capability in crisis management and hostage negotiation, thus contributing to the world-wide effort to combat terrorism as well as providing better security for U.S. facilities and personnel abroad.

The FAA has been providing similar aid through sales (and grants under the Law Enforcement Assistance Act) to enhance international airport security in dozens of friendly countries to the benefit of all concerned. Some 350 personnel from 80 countries have participated in FAA training.

D. Relations with the American Public and Media

Every reasonable effort should be made, consistent with national security, the safety of the persons involved, and the requirements of freedom of

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citizens employed by these firms. U.S. corporations have been a prime target of terrorists in both Western Europe and Latin America. Two recommendations suggest themselves:

1. No-Ransom Policy: The State Department should make known through appropriate channels to American corporations operating abroad the U.S. Government's policy of paying no ransom to terrorists and should recommend that overseas firms adopt policies approximating the same basic stance. In 1973, an Esso refinery executive in Argentina was kidnapped by terrorists who demanded and received \$14.4 million in ransom from the company. This capitulation to terrorist blackmail only encouraged further terrorist activity.

2. Seminars with Corporate Leaders: Top corporate officials are aware of terrorist threats to their property and personnel abroad and many firms have tightened their security to deter terrorist acts. But more needs to be done. In cooperation with State's Bureau of Public Affairs, M/CT has provided speakers to business and other private groups and has participated in the Businessman-Diplomat program of the Bureau of Economic Affairs, in each case explaining U.S. policies on terrorism. In addition, M/CT should initiate an active seminar program for top corporate executives, in cooperation with other U.S. agencies. In this effort, the assistance of the Conference Board, Chamber of Commerce, and other business associations should be sought. Such contacts would help acquaint firms doing business abroad with U.S. policies and provide valuable information on the philosophy and tactics of crisis management.

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Department of Justice

14. Mr. Rudolph W. Giuliani, Associate Attorney General (and his Alternate on the Interdepartmental Group), May 4, 1982

Federal Bureau of Investigation

15. Mr. Stanley Klein, Section Chief, Terrorism Section, Criminal Investigation Division, and an associate, James Price, April 30, 1982

Department of Energy

16. Mr. Troy E. Wade, II, Deputy Assistant Secretary for Defense Programs, May 26, 1982

Federal Aviation Administration

17. Mr. Alan Read, Director of Civil Aviation Security, FAA, and Mr. Virgil L. Krohn, Chief, Intelligence and International Security Division, FAA, April 30, 1982

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Department of State

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ACTION MEMORANDUM
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MAR 25 1983
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TO: The Secretary

THRU: P - Ambassador Eagleburger

FROM: ARA - Tom Enders *TE 13/15*

SUBJECT: Presidential Certification of Argentina



TREAT
AS
ORIGINAL

ISSUE FOR DECISION

When to initiate steps necessary to certify to the Congress that Argentina has made significant human rights progress, thereby restoring its eligibility for possible future arms sales and security assistance.

ESSENTIAL FACTORS

A. Certification and Human Rights Progress

Current security assistance legislation permits the resumption of arms transfers to Argentina if the President certifies that the Argentine Government has made significant human rights progress and that such transfers are in the U.S. national interest. (Text at Tab B.)

There have been significant improvements in Argentina's human rights situation: no confirmed "disappearances" for over two years; almost no new detentions for political reasons; and an accelerated release of National Executive Power ("PEN") political prisoners. Most important, national elections are now scheduled for this October, with the new government to take office January 30, 1984. While a Congressional requirement on providing information on the "disappeared" will be difficult, the overall case that there has been significant human rights progress is strong. (Human rights summary at Tab C.)

MICROFILMED
BY S/S-I

B. Rationale for Certification

Failure to certify Argentina soon, given human rights progress, will be seen as a political slap at the Argentine military, severely estranged from us since the Falklands. Some argue we should delay certification until after the elections to reward the new civilian government. However, we have a major stake in the military in the years ahead. It will remain the principal arbiter of Argentine politics, a bastion of anti-Communism and essential to eventual peaceful resolution of the dangerous Falklands and Beagle Channel disputes. For the

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military, certification is the key to future cooperation with the U.S. Our national interests require that we try to establish a basis for working with them, which has proved difficult over the years.

C. Impact on Regional Peace

An important U.S. objective is to prevent hostilities between Argentina and Britain in the Falklands, or Argentina and Chile in the Beagle. Since the Falklands, Argentina has made major arms purchases from Western Europe (submarines and frigates from Germany; jet aircraft and missiles from France) and from Israel and Latin America. However, they are not adequate to support a major attack against the Islands. In the Beagle, Argentina retains a significant edge, but Chile's superior discipline, training and defensive mission would make Argentine adventurism potentially costly. The possibility of a significant armed encounter this year is remote.

Certification will not affect the military balance or increase the chances of war in either dispute. Argentina is unlikely to seek major U.S. purchases soon, except for spares, because of its recent major acquisitions elsewhere and its view that we are an "unreliable supplier." Certification does not mean we would approve or act quickly on Argentine requests. We will consider them carefully, case by case. We would not authorize destabilizing or threatening transactions.

D. Relations with the UK and Chile

U.K. Mrs. Thatcher, the leader of our closest friend in Europe, would react swiftly and negatively to any early certification. She argues that we should not give this benefit to a country still technically at war with Britain, and especially one led by a military dictatorship that is rearming as fast as possible. Mrs. Thatcher is well aware that we are asking HMG to help maintain European support on INF deployment, in the U.S.-E.C. trade dispute, and in several areas of the Caribbean. Coming on top of our continuing dispute over "extraterritoriality," differences on East/West trade and the likely anti-trust indictment of British airlines and HMG officials, certification of Argentina at this time will curdle an already souring atmosphere. We must keep in mind that every opinion poll in the U.K. shows confidence in U.S. leadership at a post-war low. Certification would shrink even more the number of our hard-core supporters.

Elections will likely be held in the U.K. this year, and certification, at least before Argentina's October election, could make it an issue in the campaign, placing the Tories

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on the defensive for having supported the U.S. so consistently on security issues, such as INF. Certification following the Argentine elections would still provoke a negative public reaction by HMG, but the issue would be far more manageable. EUR, therefore, opposes certification prior to the Argentine elections, believing it would be a mistake to trade a notional improvement in our relations with Argentina for the certain deterioration in our relations with the U.K.

EUR believes the scenario suggested by this paper for certification without approval of major sales is faulty. Whatever goodwill we might gain from certifying Argentina will be quickly used up if we fail to deliver on specific weapons requests. Additionally, failure to approve sales will anger third country suppliers, i.e., Israel, who will wish to transfer U.S. origin military equipment to Argentina. Approval of sales will cause a strong negative reaction in Britain. EUR believes it would force the British to transfer more NATO committed forces to the Falklands, and diminish the chances for a negotiated solution. (ARA disagrees.)

Chile. A statutory U.S. arms export ban also applies to Chile. To certify Chile, the law requires both Chilean cooperation on the Letelier/Moffitt murders and significant human rights progress. Chilean certification is not now feasible given the lack of positive developments on either issue, and our investigation of military exports from the U.S. to Chile in violation of our laws. In light of Chile's poor performance, its certification would undermine our credibility and thus Congressional support for our Central America policy.

A decision to certify Argentina but not Chile would be a major blow to Pinochet, who has suffered a series of economic and foreign policy reverses in recent months. While he still retains a firm hold on the military, Pinochet has been undermined by the economic crisis and lost civilian backers. Nevertheless, there is little likelihood he would consider internal changes to demonstrate human rights progress to our Congress. His reaction to Argentine certification may be bitter. To ameliorate this, we propose a presidential message and special emissary to Pinochet to underline our desire for good relations and our wish to certify Chile when feasible. We would reaffirm the U.S. commitment to the Rio Treaty in the Beagle Channel dispute and the limited nature of U.S. arms sales to Argentina. We would propose actions to demonstrate publicly the closeness of our relations.

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E. Congressional and Legal Issues

Argentina's announced elections and human rights progress have mitigated Congressional opposition to certification. There will be concern about selling arms after the Falklands War and dissatisfaction over the lack of information concerning the disappeared. Some will argue that we should wait to certify until after elections there. Congressman Barnes will introduce an amendment to withhold assistance or sales until the new government takes office.

Other relevant issues concern Argentine misuse of U.S. equipment during the Falklands War, a Customs investigation of possible illegal military exports from the U.S. to Chile and Argentina and GOA acquisition of nuclear reprocessing technology from Italy. We believe that the purposes of U. S. laws concerning use of U.S. equipment and exports of munitions list items can be fulfilled and Congressional concerns on these issues minimized by reaching appropriate understandings with the Argentines concerning their observance in the future. The nuclear issue is potentially more serious. If it were established that a transfer of such technology had occurred (which is the preliminary conclusion of a recent internal study), under U.S. law no U.S. economic or security assistance could be provided to Argentina although cash sales would not be precluded. Under these circumstances, Congressional concern could mount. Overall, however, although we may face an emotional and possibly strong reaction, we do not foresee a successful challenge to certification in the Congress.

F. Next Steps

Attached at Tab A is a memorandum for the President informing him of our certification plans. Tab E contains a scenario for diplomatic and Congressional discussions prior to certification. This scenario contemplates that certification would occur in July (following British parliamentary elections and prior to the Argentine election campaign). Any significant deliveries thus could not occur prior to the Argentine elections. Few, if any, would be received prior to installation of Argentina's new civilian government in January 1984. We would inform the Argentine Government that we are prepared to certify on the understanding that we would not face any "unpleasant surprises" involving incidents in the Falklands or Beagle Channel, no reversal of the return to democracy and that they observe applicable constraints on the use of U.S.-furnished equipment and U.S. munitions control laws. We would send a special emissary to discuss certification and bilateral relations with President Pinochet, offering to examine steps both countries could take to demonstrate our continued close

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relations and suggesting steps on human rights which Chile might take to permit future certification.

We would consult closely with the UK, reviewing our assessment of the limited nature of future transactions, our intention not to sell sophisticated weapons that could significantly increase the Falklands threat, our procedures for careful, case-by-case consideration of requests, and Argentine assurances on avoidance of future incidents. We would also engage in extensive Congressional consultations.

G. Alternative Scenario

HA believes that certification can be justified on human rights grounds, but, all issues considered, that we should not certify until October if the UK election does not occur until then.

The timing of certification depends on three difficult political judgments: how much damage will we suffer in Congress and public opinion if we certify before the Argentine election; how much damage will we suffer with the Argentine military if we do not certify until after the election; and how much damage will there be to US-UK relations if we do certify the military regime with which they recently fought a war.

HA believes that, if there is a June election in the UK, certification can be justified so long as it is not "unconditional," for this would bring us needless trouble with Congress and indeed the UK. The "condition" we would propose is that there be no actual military deliveries until the change in government planned in January. This would mollify the UK and Hill critics of certification, retain the leverage on the military to complete the return to civilian government, and protect us should that return be halted. (If we certify and sell arms and the military halts the election or inauguration, we will have lots of egg on our face. It will be said that we gave the military what they wanted -- certification -- too soon, giving up our leverage for democracy and contributing to any military decision to interrupt the elections.) We need not "rub the Argentines' nose" in this, and should say that the lengthy process of military contract negotiations makes deliveries for 1983 virtually impossible. But we must be willing to say that if the military does not permit the election and return to democracy, there will be no sales now, or we will be saying that the military can halt the election or inauguration and still get the same arms sales. This we cannot say, and we should be clear what our policy is.

If the UK election is not until October, we believe that it makes more sense to postpone certification until then. We will gain more at home and in the UK than, in our view,

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we lose with the Argentine military. In HA's view, even certification in July is unlikely to produce a Golden Age in relations with the Argentine military, and the degree of resentment which the delay may cause is speculative.

Timing needs careful consideration. HA believes that we should not begin the process of Congressional consultations and other steps envisioned in the attached scenario until the Congress has finished dealing with the El Salvador and other Central American aid requests currently before it, which we expect would be the end of April.

Further HA believes that Congressional and public opposition to certification will focus on the issue of the failure of the Argentine Government to account for the disappeared. While little can be done for the disappeared who are dead, there are believed to be several hundred live children of the disappeared whose relatives are seeking their return. We believe that at the time we certify we must make a strong demarche to the Argentine Government -- military or civilian -- urging an accounting of those children.

RECOMMENDATIONS:

That you sign the memorandum for the President at Tab A; and that you approve the scenario for Argentine certification proposed at Tab E. (Favored by ARA, S/P, and PM)

APPROVE: _____ DISAPPROVE: _____

Alternatively

That the process not begin until Congress has completed action on the Central American aid requests (approximately early May), with certification to follow the British elections. Certification should be based clearly and publicly on the uninterrupted return to democracy. We would state publicly that any interruption of the democratization by the military process will lead us to refuse military sales and deliveries. (Favored by HA)

MAR 28 1983

APPROVE: 1/13 _____ DISAPPROVE: _____

*= wait to bring it up in our gain before any movement
ES*

Alternatively

That Argentina not be certified prior to its elections in October 1983. (Favored by EUR)

APPROVE: _____ DISAPPROVE: _____

*= wait + bring it up with me again before any movement. GPS
3/28/83*

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Attachments:

- Tab A - Memorandum for the President
- Tab B - Excerpts from the International Security and
Development Cooperation Act of 1981
- Tab C - Human Rights Situation
- Tab D - The Disappeared
- Tab E - Proposed Scenario

NSS
Drafter: ARA/SC:NSSmith;jgm

Clearances:

- PM - Mr. Brown *LB*
- EUR - Mr. Haass *RH*
- HA - Mr. Abrams *EA*
- S/P - Amb. Bosworth *SB*
- L - Mr. Kozak *ENK*
- H - Mr. Fox *EF*
- T - Mr. Schneider

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THE SECRETARY OF STATE
WASHINGTON

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MEMORANDUM FOR: THE PRESIDENT
FROM: George P. Shultz
SUBJECT: Argentine Certification

We believe we should move soon on Congressional certification for Argentina. The Government's human rights record has greatly improved and we see no immediate threat of renewed Falklands hostilities. Elections are scheduled this October for a civilian government which is to take office next January. Most important, we should signal the Argentine military, a bastion of anti-Communism and a continuing political force, that we are prepared to remove the stigma of the U.S. law prohibiting arms sales. We want to remove any temptation of future Argentine military purchases from the Soviet Union.

We do not foresee large U.S. sales. The Argentines have bought heavily in Europe and would seek from us mostly spare parts. But it would be an important symbolic step for a nation now on the road back to democracy. Implementation of any significant sales would not occur until after the October elections. We anticipate Congressional opposition but do not foresee a successful challenge to our action, absent new negative factors. In this connection, we will warn Argentina to avoid provocation in the Falklands and not to turn back on electoral plans. We also will follow closely the possibility of nuclear reprocessing transfers from Italy to Argentina which, if a preliminary study is confirmed, would preclude future U.S. economic or military assistance, although not FMS cash sales.

The UK opposes certification before Argentina formally ends hostilities but HMG officials have indicated that following the October Argentine elections it would be less offensive. HMG is concerned about Argentine efforts to rearm, but Mrs. Thatcher also fears that certification will become an election issue in Britain. She will be most unhappy with our certification and probably will seek to delay it if she cannot reverse it. The British attitude toward cooperation with us on trans-Atlantic and Caribbean problems would be soured. President Pinochet of Chile also will be disturbed. We plan to send a special emissary to reaffirm to him our strong desire for close relations, even though we cannot now certify Chile. Once these pieces are in place, and following Congressional consultations, we will seek your formal approval for Argentine certification.

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TAB B

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INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT
OF 1981

Sec. 725. (a) Section 620B of the Foreign Assistance Act of 1961 is repealed.

(b)²⁰ Notwithstanding any other provision of law, assistance may be provided to Argentina under chapter 2, 4, 5, or 6 of part II of the Foreign Assistance Act of 1961, credits (including participations in credits) may be extended and loans may be guaranteed with respect to Argentina under the Arms Export Control Act, defense articles and defense services may be sold to Argentina under the Arms Export Control Act, and export licenses may be issued to or for the Government of Argentina under section 38 of the Arms Export Control Act, only if the President has submitted to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a detailed report certifying that --

(1) the Government of Argentina made significant progress in complying with internationally recognized principles of human rights; and

(2) the provision of such assistance, credits, loan guarantees, defense articles, defense services, or export licenses is in the national interests of the United States.

(c) The Congress welcomes the actions of the Government of Argentina to adjudicate numerous cases of those detained under the national executive power of the Argentine Government, and the Congress hopes that progress will continue, especially with regard to providing information on citizens listed as "disappeared" and prisoners remaining at the disposition of the national executive power. In the process of making the determination required in paragraph (1) of subsection (b), among other things, the President shall consider --

(1) efforts by the Government of Argentina to provide information on citizens identified as "disappeared"; and

(2) efforts by the Government of Argentina to release or bring to justice those prisoners held at the disposition of the national executive power (PEN).

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DECL: OADR

TAB C

CONFIDENTIAL

HUMAN RIGHTS PROGRESS IN ARGENTINA

There have been significant improvements in Argentina's human rights situation since the 1981 legislation requiring certification was passed. The change is most dramatic in the area of political rights where the Government has committed itself to elections in October 1983 and a transfer of power to an elected government by January 1984. Political activity is now intense as political parties and labor unions organize, inscribe voters and hold public rallies in advance of internal party elections scheduled for June/July. Despite some media restrictions, the press is considerably more open than in 1981, with criticism of the government now reflected amply in most newspapers.

Given Argentina's political history, one can not rule out the possibility of a military coup to prevent the democratic transition. All available evidence indicates, however, that such an action is unlikely to occur, certainly over the next 6-12 months. While the military will continue to be a major force, exercising considerable influence over Argentina's political future, the military as an institution appears ready to return to the barracks in order to rebuild military professionalism and recover lost national prestige. President Bignone and Army Commander Nicolaidis seem firmly committed to the political transition and have held the military successfully to that course since July 1982.

In the area of individual rights, there have been no confirmed long-term disappearances for over two years, almost no new detentions for national security or political reasons, greatly reduced charges of torture or serious mistreatment of political prisoners and the accelerated release of PEN prisoners during the past 10 months. The state of siege, in effect since 1974, will be lifted before the elections and all remaining PEN prisoners will be released or brought to trial before the end of the year.

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TAB. D

CONFIDENTIAL

THE DISAPPEARED

The issue of the disappeared in Argentina is the most controversial and sensitive human rights issue remaining. During the "Dirty War" against subversion an undetermined number of individuals were detained and later disappeared. Responsibility for the disappearances is attributed to security and paramilitary forces, although some disappearances were probably the work of leftists. The number of the disappeared is still in dispute. Some claim that they run between 10,000 and 20,000. Most human rights groups say that recorded disappearances are between 6-7,000. Some 6,600 families have petitioned the government for information concerning the fate of relatives.

In the past two years, there have been no long term disappearances. Some individuals have temporarily disappeared, and three politically related murders occurred in 1982. Human rights groups argue that even temporary disappearances show a readiness of the military to revert to old practices.

The vast majority of the disappeared are now dead. The 1981 certification legislation requires that the President "consider" GOA efforts to "provide information" on the disappeared. We were informed by the Argentine Ministry of Interior that it had provided information (ie. reported deaths) to families in 1,426 cases. This was stated in the 1982 Human Rights Report.

Human rights organizations, such as America's Watch, and Congress have pressed the Department for clarification of its information on the disappeared. America's Watch argues that the information has not been verified by the Embassy or by human rights groups in Argentina. They also argue that the GOA will not produce any real accounting for the disappeared, let alone judicial action against those responsible, and that the military will protect itself by passing an amnesty law thus making any accounting impossible. They conclude that the certification requirement has not been met.

There is no easy solution. In the event of certification it can be shown that disappearances have ceased, but the problems of accounting for the disappeared remain. We will press the GOA for fuller information, but we should realize when making the certification decision, that it is unlikely that the GOA will alter its position on the disappeared to meet our certification requirements.

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TAB E

Proposed Certification Scenario

The following scenario is proposed prior to formal certification of Argentina:

- Inform Argentine Government and seek assurances to enable us to certify;
- Consult Congressional leadership;
- Consult with the UK; and
- Send special emissary to Chile to review this issue and bilateral relations.

Shortly before the certification announcement we would consult more broadly in Congress and brief the media.

Argentina. We would make clear to the President and the Military Junta that we are prepared to issue certification in a specific time frame: (a) to establish a basis for improved political and security relations; (b) to recognize the important role of the Armed Forces and our support for the political and economic objectives of the Bignone government; and (c) to recognize improvements in Argentina's human rights situation.

We would take such actions on the understanding that the USG would not face any "unpleasant surprises" in the event of certification: no Falklands or Beagle Channel raids and no reversal of the political opening, either of which would seriously embarrass the Administration and prevent authorization of military sales. Similarly, we would seek assurances at an appropriate time that Argentina would live up to the terms of our bilateral assistance agreement.

In publicly supporting certification, we would note the importance of the return to democracy. Authorization of future military sales would be based on a careful, case-by-case review. The GOA should not be led to expect immediate sales of major weapons systems. If certification is announced in July, we would not expect significant arms transfers to occur before the October elections and probably not before 1984.

Congress. Initial consultations would involve Senate and House leadership, Chairmen of Foreign Relations and Foreign Affairs committees and the subcommittees responsible for Latin America. Broader consultations shortly prior to announcement would involve calls on a key list including inter alia all members of the two Foreign Affairs committees. Media briefings would also be based upon a key list, to be prepared by PA and ARA.

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United Kingdom. We would consult on timing of the certification announcement and on the question of future U.S. arms supply to Argentina. We would inform HMG that:

- We do not anticipate sizable early sales; the most likely requests will be for spare parts for U.S. origin ships and aircraft;
- There may be some non-lethal requests during the first 6-12 months following certification (e.g., Rockwell International's bids on four or five communications and airport management systems, total value over \$100 million; these contracts probably would go to Germans or Italians if we do not furnish);
- We intend to review very carefully all GOA requests and would not approve sales such as advanced fighter aircraft or missiles, that would increase significantly the threat of armed attack against the Falklands or represent a significant destabilization of the Argentina-Chile military balance;
- We will not authorize third country transfers (e.g., Israeli A-4s) except on the same terms that we would authorize sales from the U.S.;
- At the same time, we note a continuation of business and large sales by West Germany, France, Italy and other NATO allies (including UK components ordered previously whose sale was authorized after the Falklands conflict). We do not intend to enter any form of arms race that would affect the military balance in the area; but we must be aware of important U.S. commercial interests and our competitive position vis a vis other allied suppliers for routine or normal transactions.

These clarifications of U.S. policy, coupled with an understanding that Argentina will not engage in threatening behavior and that major U.S. arms transfers will not occur before the restoration of civilian government (unlike the UK's European allies) should help to keep this issue manageable in our relationship. However, we should be prepared for a high-level response as occurred in last fall's UN vote on the Falklands/Malvinas issue.

Chile. We will make a concerted effort to reduce the adverse impact in Chile of U.S. certification of Argentina prior to any public announcement. We are reviewing measures to offset a negative reaction and will make specific proposals by separate memorandum. A significant political/diplomatic effort

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will be necessary to avoid a serious deterioration. Potential steps include: (a) a presidential message and special emissary to Pinochet to reaffirm our desire to certify Chile as soon as that becomes feasible; (b) to reaffirm also our commitment to the Rio Treaty in the Beagle Channel dispute; and (c) to offer to review carefully future U.S. arms sales to Argentina so as not to contribute to regional military imbalance. In addition we would discuss: (d) a stepped up program of "working group" consultations to demonstrate the importance we attach to Chile; (e) active support in helping overcome Chile's foreign debt problems; and (f) high level visits during the course of 1983 to underline the closeness of our relations.

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