

RECORD OF CONVERSATION BETWEEN THE FOREIGN AND COMMONWEALTH SECRETARY  
AND THE ARGENTINE MINISTER OF THE ECONOMY HELD AT THE FOREIGN AND  
COMMONWEALTH OFFICE ON THURSDAY 5 JUNE AT 3.45 P.M.

Present

The Rt Hon the Lord Carrington PC KCMG MC	Dr J A Martinez de Hoz
The Hon Nicholas Ridley MP	HE Dr C Ortiz de Rozas
Mr P R Fearn	
Mr R M J Lyne	

1. After opening courtesies, Dr Martinez de Hoz said that the purpose of his present trip to the United Kingdom and to other European countries was to explain the economic revival effected in Argentina since 1976 and to make clear present opportunities for trade and investment. There was a need to encourage a new sense of awareness. In the United Kingdom's case, it still had the second largest investment in Argentina but it ranked no more than twelfth in terms of new investment. The Argentine Government, bearing particularly in mind the role Britain had played in Argentina's development, was anxious to remedy this and also to ensure that foreign involvement in the Argentine economy was evenly balanced.

2. Lord Carrington referred to the great natural advantages (including energy) which Argentina enjoyed. He asked what were the prospects for change in the present regime. Dr Martinez de Hoz saw no immediate prospect of change. There would be a new President in 1981 chosen from within the Armed Forces. This system of rotation was designed to ensure that no single personality gained lasting dominance and to demonstrate that the military government could maintain stability and continuity of policy. Looking ahead, consideration was being given to what political institutions Argentina should have. It was important to avoid the cycle of chaos prior to 1976.

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Any major change in the system of government was, however, unlikely in the short term. There was a need to bring about a re-grouping of political forces which could preserve continuity. It was important to avoid fragmentation of political groups. Matters had to be taken forward gradually.

3. Lord Carrington asked whether Dr Martinez de Hoz would continue in government after March 1981. Dr Martinez de Hoz confirmed that he would be leaving the government. It was necessary to demonstrate that economic policy did not depend on him alone: and there were other younger men who were fully capable of carrying the economy forward. He himself would go back to private business but would be ready to assist as necessary.

4. Lord Carrington referred to concern in the UK and at the United Nations on human rights in Argentina and asked about the Argentine position on the UN Commission's Working Group report on the "disappeared". Dr Martinez de Hoz mentioned the recent OAS report on Argentina. This had not really helped: it was very biased. Although a minority on the OAS group had wanted to put in a passage on the reasons for the actions taken by the Argentine Government, this had in the end been left out. But the human rights situation was now much better, for example it was now possible for a proper legal system to operate without the judges being in fear of reprisals. Of the disappeared, most were dead and some may have left the country. The problem for the Government was that it was reluctant to simply state that all the disappeared were now dead, since this was probably not so but they had no means of establishing the true position.

5. At this point the conversation ended as Dr Martinez de Hoz was due to call on the Prime Minister.

Foreign and Commonwealth Office  
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