

429. Telegram From the Department of State to the Embassy in Argentina¹

Washington, August 1, 1983, 1858Z

214783. Subject: Argentine Ambassador Garcia del Solar's Call on Ambassador Motley.

1. C—Entire text.

2. Summary. During July 22 courtesy call on ARA Assistant Secretary Motley, Argentine Ambassador Garcia del Solar raised the question of Ambassador Shlaudeman's replacement, this year's UNGA resolution on the Falklands/Malvinas, British construction of an airfield on the Islands, certification of Argentina on human rights, and the foreign debt problem. End summary.

3. Argentine Ambassador Garcia del Solar paid a courtesy call on Assistant Secretary Motley July 22 accompanied by Minister Herrera Vega. Richard Howard and Dennis Jett of ARA/SC were also present.

4. Replacement of Amb. Shlaudeman: Ambassador Garcia del Solar opened the conversation by saying that while he had wanted to have a tour d'horizon in this his first meeting with Amb. Motley, a number of specific points had arisen recently. GDS pointed out that the departure of Amb. Shlaudeman had come rather suddenly. Amb. Motley replied that this reflected Dr. Kissinger's insistence on having Amb. Shlaudeman as a condition of taking charge of the Commission on Central America; preoccupation with the Central American problem and the need for first rate people to serve on and staff the commission.²

5. Amb. Motley said that time pressure prevented consultation with the GOA on the move. While he had not yet seen the President's decision in writing, Amb. Motley said the GOA would be pleased with the choice of Amb. Shlaudeman's successor who would be proposed within the next few weeks.³

6. Falklands airfield: GDS moved on to the recent statement by the Argentine Minister of Defense to the effect that the British construction of an airfield on the Falklands was in reality designed to give NATO a base in the South Atlantic. GDS wanted the U.S. to know that only the President or Minister of Foreign Affairs spoke for the GOA on such

¹ Source: Department of State, Central Foreign Policy File, D830438-0079. Confidential. Sent for information to London and USUN. Drafted by D. Jett (ARA/SC); cleared by R.B. Howard (ARA/SC); approved by Motley.

² The National Bipartisan Commission on Central America was established on July 19.

³ Shlaudeman left post on August 26. Frank V. Ortiz, appointed on November 18, replaced him as Ambassador to Argentina.

subjects and that the GOA wished to disengage itself from the Defense Minister's statement.

7. Motley pointed out that while he did not wish to criticize the Defense Minister, the allegation about a NATO base was nonsense and reflected a theme being circulated by Soviet propaganda.

8. GDS then delivered a letter containing the statement of protest made by the GOA on the airport issue in the UN.⁴ He said that the UK's action adds to tension in the area, is an affirmation of sovereignty and builds up warlike situation on the Islands. He said the Argentine desire, in keeping with the thrust of the UN resolution on the subject, is to freeze the military situation pending negotiations and not to escalate the problem. The GOA believes the USG can exert influence on the British and persuade them not to complicate the problem.⁵

9. In response, Amb. Motley said he had followed the dispute while he was in Brazil and had the opportunity to discuss it with Secretary Haig during his attempts to mediate the crisis. It was also a subject that had come up when President Reagan met with President Figueiredo. On the airport issue, Amb. Motley recognized Argentine sensitivities but noted that the British maintain that the airport's main purpose was not to increase military tensions but to enable resupply by larger aircraft.

10. UN resolution on the Falklands/Malvinas: On the question of the Malvinas GDS said Argentina will again sponsor a moderate UN resolution that will not go further than last year's. He hoped the US could again support it. Amb. Motley said this was encouraging and asked to see a draft as soon as possible. GDS said he would provide a copy ASAP, commenting, however, that while it won't introduce any new elements, there is a need to keep pressure on the British to negotiate. Drawing on his earlier UN experience, GDS described the American "hands off" position as having been constant over the years. Given the US vote favoring this UN resolution, the GOA now believes the US is obligated to continue its efforts as during the war to "pressure" the British to accept negotiations. GDS added that he did not know when the Malvinas problem would ultimately be resolved, but that as long as it continued, it would give the left an opportunity to exploit and increase tensions within Argentina.

⁴ The text of the letter, in Spanish and English, was addressed to Shultz by Garcia del Solar. (Department of State, Central Foreign Policy File, P830102-2294)

⁵ In telegram 5279 from Buenos Aires, August 3, the Embassy reported that "Foreign Ministry policy officials have made strong pitch to us to dissuade UK from proceeding with construction of Fortress Falklands." Listre "asked for our support in maintaining 'the status quo' pending some movement toward negotiation. Without that, he hinted, the GOA may take the matter of the UK's new base to the UN Security Council." (Department of State, Central Foreign Policy File, D830445-0187)

11. In response to GDS's question on the US feeling on the possibilities for negotiation, Amb. Motley said that in Brazil he had discussed the general question at length with the British Ambassador. He noted that he had not yet had the opportunity to deal with the subject in depth here in Washington but plans to do so in the near future.

12. Foreign debt: GDS next raised an urgent problem involving the foreign debt, which had just come to him for action that day. He began by pointing out that Economy Minister Wehbe and Central Bank President Gonzalez del Solar were doing a tremendous job under difficult circumstances. Sectors within the military, especially the air force, did not want to pay the foreign debt. The GOA was subject to constant public and political pressures and criticism. With inflation and increased union demands the economic situation was becoming increasingly difficult. The Junta had earlier allowed the British banks to remit earnings but did not agree to lift the sanctions on other British firms without a reduction in the exclusion zone. The air force, which is very nationalistic, has taken a strong position on this issue. Wehbe and Gonzalez del Solar were the best men available, and it would be a tragedy if they were forced out because of their failure to resolve the IMF issue.

13. GDS said the British were being quite firm on the IMF requirement that Argentina lift the sanctions on remittance of dividends to the UK. If the British don't accept a delay in the IMF's condition, the GOA will be unable to draw on the third tranche or sign the medium term 1.5 billion credit with the commercial banks. The GOA was requesting an extension of the status quo until February 1, 1984. After the elections on October 30, the power of the air force will diminish and there would be room for negotiations, the Ambassador emphasized.

14. Amb. Motley said he understood the dilemma and that it was in no one's interest to see the economic recovery of Argentina jeopardized. The international monetary system would also be affected by this situation. He told Garcia del Solar that the question has been discussed at a high-level and that US concern has been expressed to the British, who were non-committal in response.

15. GDS expressed appreciation for the USG's help, especially the efforts of Treasury Deputy Secretary McNamar on this matter. He said the GOA would be talking to all the IMF member governments but that Argentina believed the American attitude on this question was key. He also appreciated the fact the question was discussed at a high level by the US.

16. Certification: GDS asked how the USG could certify El Salvador on human rights but not Argentina. Amb. Motley responded that Argentina was fortunate not to be engaged in a war or face the Salvadoran certification requirement with its 5 elements which had to be certi-

fied every 6 months. On the question of Argentine certification, he pointed out that there are many factors that must be considered, such as the congressional outlook, accounting for the disappeared, regional balance with Chile, etc.

17. GDS said the Argentine public and political parties do not care about certification but that the armed forces, especially the air force, are sensitive to it. The air force is the hardest on the issue but also has the most material needs if military sales are resumed. Amb. Motley said he was still unsure if Congress can be convinced to accept certification but added that movement on an issue such as the Beagle Channel dispute could help create a better climate for certification. GDS said that any agreement would be difficult to reach until the new government takes over. Pointing out that the military wants to leave power on a positive note, he said that a gesture such as certification would help the US image with the military.

Shultz