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ACTION SS-25

SSO-00 /026 W INFO OCT-01 ISO-00

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P 172105Z SEP 76 FM AMEMBASSY BUENOS AIRES TO SECSTATE WASHDC PRIORITY 7159

BUENOS AIRES 6098

FOR ACTING ASST SECY LUERS

ARGENTINA PROJECT (\$200000044) U.S. DEPT. OF STATE, A/RPS/IPS Margaret P. Grafeld, Director () Release () Excise () Deny Exemption(s): __

Declassify: (Y) in Part () in Full

() Classify as _ W Extend as \(\int \) Downgrade to_ Date 4/1 8/01 Declassify on _____ Reason 25 X1

E.O. 11652: XGDS-2 TAGS: PFOR, PINT, SHUM, AR, US SUBJECT: ECONOMY MINISTER'S REACTION TO HUMAN RIGHTS SITUATION IN ARGENTINA

REF: BUENOS AIRES 6017

1. AS I HAD INDICATED TO YOU IN WASHINGTON THAT I INTENDED TO DO SOON AFTER MY RETURN TO BUENOS AIRES, I YESTERDAY CALLED ON ECON MINISTER MARTINEZ DE HOZ FOR FRANK TALK. I WENT TO HIM FOR THIS KIND OF DISCUSSION BECAUSE OF MY CLOSE, FRIENDLY RELATIONSHIP WITH HIM AND BECAUSE HE, BETTER THAN ANYONE ELSE IN GOVT, UNDERSTANDS US. NEEDLESS TO SAY, CONSIDERABLE PART OF MY CONVERSATION WITH HIM (SEE SEPTELS) DEALT WITH HUMAN RIGHTS. HE RECOGNIZED THAT GOA HAS REAL PROBLEM IN THIS FIELD. HE SAID PRESIDENT VIDELA IS BEGINNING TO MOVE TO GET IT UNDER CONTROL. ECONOMY MIN STATED FRANKLY, HOWEVER, THAT UNTIL NOW VIDELA GOVT HAS NOT BEEN IN STRONG ENOUGH POSITION TO MOVE ON THIS MATTER. PRESSURE FROM LOWER RANKS FOR NO-HOLDS-BARRED APPROACH TO TERRORIST PROBLEM IS GREAT, AND VIDELA HAS HAD TO MOVE VERY CAREFULLY. MARTINEZ DE HOZ SAID, HOWEVER, HE BELIEVED VIDELA'S POSITION HAS STRENGTHENED DURING PAST TWO WEEKS OR SO, AND THAT HE CAN NOW MAKE SOME PROGRESS IN HUMAN RIGHTS AREA.

2. I COMMENTED THAT I CERTAINLY HOPED HE WAS RIGHT FOR ARGENTINA'S IMAGE ABROAD IS BEING SERIOUSLY DAMAGED BY

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SUCH INCIDENTS AS THE MASS MURDERS AT PILAR SOME WEEKS AGO. I SAID I FELT BOTH THE USG AND AMERICAN CORRESPONDENTS HAD BEEN VERY PATIENT AND UNDERSTANDING WITH THE GOA, BUT THAT GOVT NEEDED TO SHOW EVIDENCE OF ITS GOOD INTENTIONS IF THAT ATTITUDE WERE TO CONTINUE. GOA HAS TALKED OF BRINGING TO JUSTICE THOSE WHO VIOLATE HUMAN RIGHTS BUT SO FAR THERE IS LITTLE ONE CAN POINT TO IN THAT RESPECT.

3. MARTINEZ DE HOZ INSISTED THAT THIS WILL CHANGE SOON. HE ADMITTED THAT IT WILL NOT BE EASY TO BRING SITUATION UNDER CONTROL. THOSE WHO ARE RESPONSIBLE FOR PILAR MASSACRE, FOR EXAMPLE, WERE PROUD OF THEIR DEED AND FELT DUMPING BODIES IN PUBLIC VIEW HAD BEEN GOOD TACTIC. MARTINEZ DE HOZ SAID HE COULD ASSURE ME, HOWEVER, THAT PRESIDENT VIDELA WAS FURIOUS OVER INCIDENT AND HAD VOWED TO PUT STOP TO SUCH THINGS. TO MY QUESTION AS TO WHY, THEN, GUILTY PARTIES HAD NOT BEEN BROUGHT TO JUSTICE (ECONOMY MINISTER ANSWERED THAT SANCTIONS HAD NOT YET BEEN TAKEN

BUT WILL BE SOON AGAINST THOSE RESPONSIBLE.

- 4. MARTINEZ DE HOZ SAID HIS ECONOMIC PROGRAM COULD NOT SUCCEED WITHOUT US FINANCING. THIS WAS VITAL. GOA MUST TAKE STEPS TO PREVENT HUMAN RIGHTS ISSUE FROM HAVING NEGATIVE IMPACT. HE ASKED ME HOW I THOUGHT US WOULD VOTE ON 8 MILLION DOLLAR CREDIT IN IDB.
- 5. I FIRST EXPLAINED POSTPONEMENT OF THE VOTE AND THEN REPLIED TO HIS QUESTION BY SAYING I WAS NOT CERTAIN HOW THE VOTE WOULD GO.
- 6. MARTINEZ DE HOZ, SAID NEGATIVE VOTE IN IDB WOULD BE DISASTROUS FOR VIDELA GOVT, THREATENING GOVT'S VERY STABILITY. US MUST VOTE "YES" AND GIVE GOA A LITTLE MORE TIME TO GET SITUATION IN HAND, HE PLEADED. HE REQUESTED THAT I TRANSMIT THAT VIEW TO DEPARTMENT, AND I AGREED TO DO SO.
- 7. MARTINEZ DE HOZ THEN SUGGESTED I SHOULD SEE PRESIDENT VIDELA AND COMMUNICATE TO HIM DIRECTLY SERIOUSNESS OF SITUATION AS I SAW IT. I REPLIED THAT I HAD ALREADY REQUESTED AUDIENCE WITH PRESIDENT VIDELA (AS CABLE BEING DRAFTED, FONMINISTRY CALLED TO SAY I WOULD HAVE AUDIENCE

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WITH PRESIDENT AT 10000 HOURS SEPT 21) AND WOULD PROBABLY SEE HIM EARLY NEXT WEEK. (INTERESTINGLY, MARTINEZ DE HOZ DIGRESSED TO ASK IF EMBASSY HAD GONE THROUGH FONMINISTRY IN REQUESTING AUDIENCE WITH PRESIDENT. HE COMMENTED THAT MASSERA REGARDED FONMINISTRY AS HIS OWN AND WOULD TAKE OFFENSE IF I BYPASSED FONMIN GUZZETTI IN GOING TO PRESIDENT.) I ASSURED HIM THAT EMBASSY HAD GONE THROUGH FONMINISTRY IN REQUESTING APPOINTMENT.) MARTINEZ DE HOZ CONCLUDED CONVERSATION BY MUSING THAT HE WAS TO SEE PRESIDENT FOLLOWING DAY (SEPT 17), AND THOUGHT HE MIGHT SUGGEST TO LATTER THAT IT MIGHT BE DESIRABLE TO HAVE JUNTA AS A WHOLE RECEIVE ME AND HEAR MY DEMARCHE--RATHER THAN PRESIDENT ALONE. I SAID THAT IT WAS PRESIDENT'S PREROGATIVE TO STRUCTURE AUDIENCE AS HE SAW FIT, AND THAT I WOULD HAVE NO OBJECTIONS ONE WAY OR THE OTHER.

- 8. MARTINEZ DE HOZ ASKED IF THERE WERE ANY WAY HE COULD ASSIST ME WITH ANY PROBLEMS EMBASSY MIGHT HAVE IN HUMAN RIGHTS AREA. I REPLIED THAT WE HAD TWO URGENT PROBLEMS INVOLVING AMERICAN CITIZENS--DISAPPEARANCE OF MISS PATRICIA ANA ERB AND CONDITIONS UNDER WHICH GWENDA MAE LOKEN IS BEING HELD IN ROSARIO. I EXPLAINED BOTH CASES TO ECONOMY MIN. HE SAID HE WOULD LOOK INTO BOTH ON URGENT BASIS AND WOULD BE IN CONTACT WITH ME WITHIN NEXT DAY OR TWO.
- 9. COMMENT: I HOPE MARTINEZ DE HOZ IS RIGHT WHEN HE SAYS THAT VIDELA POSITION HAS STRENGTHENED. THERE HAS BEEN SOME EVIDENCE TO SUPPORT THAT VIEW. TODAY, HOWEVER, WE HAVE RECEIVED REPORTS--AS YET UNCONFIRMED-- THAT THE COUNCIL OF ADMIRALS HAS INDICATED STRONG OBJECTIONS TO CERTAIN ASPECTS OF MARTINEZ DE HOZ' ECONOMIC PROGRAM AND OPPOSITION TO VIDELA'S PROJECTED MOVE TO CREATE A MINISTRY OF PLANNING WITH DIAZ BESSONE AT THE HEAD. WHETHER VIDELA'S STRENGTHENED POSITION LASTS IS, AT THE MOMENT, THEREFORE, OPEN TO QUESTION. FURTHER, DESPITE SOME PREVIOUS ASSURANCES THAT VIDELA WOULD BEGIN TO MOVE ON HUMAN RIGHTS SITUATION, INDICATIONS SO FAR THAT HE HAS IN FACT DONE SO ARE VERY SKETCHY INDEED.



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