

428. Memorandum From Director of Central Intelligence Casey to President Reagan¹

Washington, July 25, 1983

SUBJECT

Report of Intelligence Activities

[Omitted here is material unrelated to the conflict in the South Atlantic.]

Argentina

General Sotera, the Argentine G-2, brought assurance that the armed forces are fully committed to free elections and transfer of power to civilians in Argentina. His primary message was that the time had come to improve relationships between the United States and Argentina and to use three steps:

(a) Certification under the Humphrey-Kennedy amendment to permit military sales. The psychological gesture was said to be more important than access to US military equipment.

(b) The serious Argentine debt problem requires special treatment by IMF similar to arrangements worked out with Mexico and Brazil.

(c) Exert influence on the British to cease "destabilizing" actions in the hemisphere. This seemed to be the most significant of the three requests. Sotera was adamant that the Argentines are not in a position to undertake major military operations and there was no significant support for such an action within their armed forces. In the light of this it would be helpful if the British would ease off or at least play down activities like basing and transportation arrangements involving Chilean naval ports, landing rights in Brazil and Uruguay, the training of the Chilean armed forces, propaganda suggesting that Argentina plans to invade Chile because of the Beagle Channel dispute, declarations about building in the Malvinas a larger airfield and establishing sophisticated radar there. His government hopes that the British might be influenced to lower the tone and scale of these activities in the interest of restoring greater harmony in the hemisphere and minimizing tendencies in Argentina to look to the Soviets for military aid.

[Omitted here is material unrelated to the conflict in the South Atlantic.]

William J. Casey²

¹ Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 88B00443R: Policy Files (1980-1986), Box 14, Folder 408: DCI Casey Memo Chrono (1 Jul-31 Aug '83). Secret.

² Printed from a copy that bears this typed signature.