

442. Telegram From the Department of State to Secretary of State Shultz in Rabat¹

Washington, December 12, 1983, 1701Z

Tosec 150344/351672. Subject: Bush-Alfonsin Bilateral Meeting.

1. Confidential—Entire text—Nodis.

2. There follows a summary of conversation of the Bush/ Alfonsin bilateral. SecState pass to Defense and AEC.

3. Participants: Vice President George Bush, Ambassador Frank Ortiz, Assistant Secretary Anthony Motley, Admiral Daniel Murphy, President Raul Alfonsin, Foreign Minister Dante Caputo, Under Secretary for Foreign Affairs Hugo Gobbi, Secretary of the Presidency German Lopez.

4. The meeting took place in Los Olivos, the Presidential residence, from 2030 until 2120 hours on December 10, 1983. At the conclusion of the meeting, the Vice President introduced Deputy Secretary McNamar and General Gorman, and their advisors, who had participated in simultaneous side meetings with Minister of Economy Bernardo Grinspun and Minister of Defense Raul Borras.

5. The Vice President opened by saying he spent an unbelievable day as a participant and spectator in the public jubilation over Argentina's return to democracy. He said now the United States and Argentina could become equal partners in the search for world peace and prosperity. He believed there is a great potential for cooperative actions by two great nations. President Alfonsin replied he was very pleased to hear this. Argentina wants to have increasingly good relations with the United States. Such relations would be between mature partners.

¹ Source: Department of State, Central Foreign Policy File, N830012-0498. Confidential; Immediate; Nodis. This telegram repeats for Shultz's information the text of telegram WH09366, December 12, sent from Bush on Air Force 2 to the White House and sent for information to Buenos Aires. In telegram 8787 from Buenos Aires, December 11, the Embassy transmitted an earlier version of the summary of Bush's conversation with Alfonsin. (Department of State, Central Foreign Policy File, D830730-0113) On December 12, Shultz was in Morocco, where he met with King Hassan II, before traveling to Lisbon for meetings with Portuguese officials.

The two nations have many common interests. They now shared a commitment to democracy and the freedom of man. There were also differing and contradictory interests which he did not specify. He said we should strive to make the differing points of view become common interests and the contradictory points of view simply become differing points of view. He said bilateral relations suffered because of the Malvinas war, but this same problem could become a possible avenue to improve our relationship. The democracies of the world must be unified. The Malvinas issue divides them. It is important to begin to implement the UN resolution on the Malvinas. Conversations between the U.K. and Argentina should begin, even if with differing agendas, it was important to start talks. There must be an end to the exclusion zone and at all costs the conversion of the Islands into a military fortress must be stopped before the South Atlantic is turned into the North Atlantic. There is a risk that the South Atlantic would, like the Indian Ocean, become an area of contest between world powers. Argentina is decisively opposed to such a development. Argentina hopes the United States will cooperate with the Argentine nation to avoid such a situation.

6. The Vice President replied he believes the U.K. wants to move forward in rebuilding its relations with Argentina. The United States decision to certify to the Congress Argentina's improvements in the observance of human rights was not easy for the British to accept. The United States has demonstrated its support for Argentina. The United States believes it can help in bettering relations between two friends. If the United States sees there is no way it can be helpful, we shall tell Argentina so frankly and tell them why. The United States desires a frank relationship with Argentina. President Alfonsín said he was very delighted to hear the Vice President speak in this manner. He said he also wanted that there be a frank dialogue between the two countries.

7. When the Vice President alluded to some demonstrations of hostility against the United States among those in the great crowds in the center of the city, the President said Americans should not be naive. While it is true there is adverse sentiment in Argentina since the Malvinas war, that was not the reason for whatever isolated instances of hostility the Vice President may have observed. There are groups in Latin America who raise banners that are not national banners but are those of the East/West conflict. Latin America is a battlefield for ideological propaganda. It was East/West not North/South manifestations the Vice President saw. In no way do those who so demonstrated represent the great majority of Argentines. They are only a small group which in Argentina are called "ultras". They have their own agenda, which is not Argentina's agenda.

8. The Vice President said, given the new relationship that is being developed between the two countries, he would suggest that there

be parliamentary exchanges. Alfonsin immediately agreed. The Vice President also extended an invitation to the President to make a working visit to the United States some time late in 1984. He predicted that President Alfonsin would very much like President Reagan. President Alfonsin said it would give him the greatest pleasure to meet President Reagan and to visit the United States. The details could be worked out between the respective Ambassadors.

9. The Vice President said there are specific areas in which the United States hoped it could be cooperative and supportive. He noted that Deputy Secretary of Treasury McNamar was a member of his delegation and was then meeting with the new Argentine economic team. The United States would try to be as helpful as possible in assisting Argentina to meet its great financial problems. President Alfonsin said a lessening of the magnitude of the debt problem is absolutely vital to him. He said there is a danger that his administration could not fulfill the expectations it awakened. He said it was essential to end the limitations on Argentina's development imposed by the huge debt service requirements. He said Argentina always pays its debts. The way for Argentina to pay off its debt is to export. It was vital to find markets for Argentina's exports and to arrange an equitable refinancing of the debt, but there should be no question that Argentina will pay. The Vice President repeated that the United States would try to help. He pointed out that President Reagan very strongly resisted the siren-call of protectionism raised by affected American producers. The United States was doing it not out of generosity but because it was good for the United States. The United States market should be open to everyone. The United States shall continue to resist raising barriers to trade. He assured President Alfonsin that would be the case and that the United States would be a good trading partner. Alfonsin said that this was a basic common interest and thanked the Vice President for his assurances. He noted that even Argentina had to extend help to countries in distress. He said Argentina would have to pay Bolivia \$270 million very soon, a sum that Argentina could scarcely afford.

10. The Vice President noted the economic recovery in the United States and its probable effect on the economies of other countries, especially if the European economies also would improve. President Alfonsin said the top priority must be to expand the economy and to have greater production. He believed it was very important that there be a reduction in interest rates.

11. The Vice President raised the matter of Argentina's nuclear program. He said the United States listened with great sensitivity to the Alfonsin administration's statements on the matter. He noted that purely as a bilateral United States/Argentine question, the United

States could be more forthcoming in assuring there be a steady flow of scientific and technological cooperation if the American Congress and public opinion were less concerned about the possibility of the proliferation of nuclear devices. He said to the degree Alfonsin could find it possible to comply with international nuclear safeguards it would make all areas of bilateral cooperation much easier. The Vice President said this issue was Argentina's business, but President Alfonsin's decisions would have a considerable effect on the degree of cooperation possible between our countries. The Vice President said he could not be less than frank on an issue of such importance. President Alfonsin said the nuclear issue was the converse to the human rights issue. On the nuclear question, the big powers worry about the actions of the little powers. He said he wanted the Vice President to know of his irrevocable and absolute decision that Argentina will not build an atomic bomb. He said Argentina would make agreements with its neighbors which will tranquilize world public opinion.

12. The Vice President, in a forceful manner, conveyed to President Alfonsin the commitment of President Reagan to a major reduction in arms not solely limitation, but a reduction in armaments. He noted that a President with the credentials of President Reagan can make effective agreements with the Soviet Union and obtain ratification for such agreements in the Senate. It is necessary to engage the Soviet Union in discussions leading to such ends. President Reagan feels very strongly about this issue. The United States absolutely wants to reduce arms, however, it takes two to tango. The Vice President said he believed there was growing support in Eastern Europe for arms reduction. He knew that in the United States that President Reagan is strong enough to achieve it. President Alfonsin said that this truly was a message of hope. He wished President Reagan every success.

[Omitted here is discussion of Central America.]

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