

**RELEASE IN FULL**~~CONFIDENTIAL~~PAGE 01 STATE 235798  
ORIGIN SS-30

INFO OCT-00 ADS-00 SSO-00 /030 R

DRAFTED BY ARA/SC:RESERVICE:LS  
APPROVED BY ARA:EEBRIGGS  
S/S-O;RWERDMAN  
S/S:AADAMS  
S:SGOLDBERG

-----253463 030319Z /63

O 030134Z SEP 81 ZEX  
FM SECSTATE WASHDC  
TO AMEMBASSY BUENOS AIRES IMMEDIATE  
INFO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE  
USSOUTHCOM QUARRY HTS PANAMA IMMEDIATE 0000~~CONFIDENTIAL~~ STATE 235798

EXDIS

E.O. 12065: XDS-1 9/1/01 (BRIGGS, E.E.)

TAGS: PEPR, PDIP, AR

SUBJECT: SECRETARY'S MEETING WITH ARGENTINE FOREIGN  
MINISTER1. ~~CONFIDENTIAL~~ ENTIRE TEXT.2. SUMMARY: IN MEETING WITH THE SECRETARY AUGUST 31  
ARGENTINE FOREIGN MINISTER OSCAR CAMILION VOICED STRONG  
SUPPORT FOR U.S. POLICY IN CENTRAL AMERICA, DESCRIBING  
THE OUTCOME OF EVENTS THERE AS DECISIVE FOR ALL OF LATIN  
AMERICA. THERE WAS DISCUSSION OF THE DETERIORATING  
SITUATION IN BOLIVIA AND THE NEED FOR STRONG AND HONEST  
LEADERSHIP. ON OTHER MATTERS, CAMILION SAID THE GOA  
WILL CONTINUE TO RELEASE PEN PRISONERS (AND WILL SEE  
~~CONFIDENTIAL~~~~CONFIDENTIAL~~

PAGE 02 STATE 235798

WHAT CAN BE DONE ABOUT A PARTICULAR CASE MENTIONED BY  
THE SECRETARY), THAT THERE IS NO DANGER OF WAR OVER  
THE BEAGLE CHANNEL DISPUTE WITH CHILE, AND THAT THE  
GOA IS HOPEFUL THE CONTRACT FOR ALLIS-CHALMERS ON THE  
YACYRETA PROJECT CAN BE AWARDED PRIOR TO SEPTEMBER 15.  
THE MEETING CONDUCTED ENTIRELY IN ENGLISH, WAS VERY  
CORDIAL AND WITH NO EXPRESSED DISAGREEMENTS. END SUMMARY.3. THE SECRETARY MET WITH FOREIGN MINISTER OSCAR CAMILION  
FOR APPROXIMATELY ONE HOUR. OTHERS PRESENT WERE: DAS**REVIEW AUTHORITY:**  
**Marvin Russell,**  
**Senior Reviewer**

BRIGGS, ROBERT SERVICE, CHARGE DALTON, AMBASSADOR-DESIGNATE  
TAKACS, ARNOLDO LISTRE, JOSE PICO, AND DON BARNES.

4. THE SECRETARY BEGAN THE MEETING BY RECALLING THE EXCEPTIONALLY GOOD VISIT OF PRESIDENT VIOLA TO WASHINGTON IN MARCH. HE SAID THAT PRESIDENT REAGAN HAD BEEN VERY IMPRESSED BY HIM AND BY THE COMMON VIEWS AND PURPOSES WHICH OUR TWO COUNTRIES SHARE. CAMILION SAID VIOLA SHARED THIS IMPRESSION OF HIS TRIP AND THAT IT HAD PROVIDED AN EXCELLENT START TO HIS TERM OF OFFICE. CAMILION NOTED THAT WE SHARE NOT ONLY THE SAME VIEWS AND PURPOSES BUT ALSO A PERCEPTION OF THE SAME DANGERS, WHICH HE DESCRIBED AS EVERY DAY MORE THREATENING.

5. THE SECRETARY SUGGESTED THAT THEY SAVE THE BULK OF THEIR TIME FOR DISCUSSION OF THE LARGER ISSUES: FIRST, HOWEVER, HE WANTED TO RAISE A NUMBER OF BILATERAL MATTERS:

--THE CASE OF DEBORAH BENSHOAM. WHILE EMPHASIZING THAT THIS ADMINISTRATION WILL NEVER CRITICIZE THE GOA PUBLICLY, THE SECRETARY MENTIONED THAT HE HAD RECEIVED A CALL FROM CONGRESSMAN LEHMAN, NOTED THE CONCERN OF THE JEWISH COMMUNITY AND REMINDED CAMILION OF VOTES COMING  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 235798

UP IN THE CONGRESS. WITHOUT TAKING ANY POSITION ON THE MERITS OF THE CASE HE HOPED THAT THE GOA COULD EXPEDITE HER RELEASE. CAMILION REPLIED THAT THE PEN PRISONERS CONSTITUTED "AN INHERITED" SITUATION, THAT IT WOULD BE HARD TO RELEASE SOME OF THE MORE HARD CORE TYPES BEING HELD, BUT THAT THE GOA WOULD MOVE AHEAD ON OTHERS AND THAT HE WOULD DISCUSS WITH VIOLA THE RELEASE OF BENSHOAM AS A "SYMBOLIC GESTURE".

--YACYRETA. RECOGNIZING THAT THE GOA WILL DO WHAT IT BELIEVES BEST THE SECRETARY URGED THAT THE CONTRACT FOR THE TURBINES BE AWARDED TO ALLIS-CHALMERS PRIOR TO SEPTEMBER 15 WHEN CURRENT EXIM BANK TERMS EXPIRE. CAMILION POINTED OUT THAT THE LOGICAL SEQUENCE WOULD BE TO AWARD THE CIVIL WORKS CONTRACTS FIRST BUT AGREED THAT IT MAY BE NECESSARY TO MAKE AN EXCEPTION IN THIS CASE. ARGENTINA WANTS AND NEEDS THE INVESTMENT THAT THE A-C CONTRACT WOULD BRING.

--BEAGLE CHANNEL DISPUTE. THE SECRETARY HOPED THAT THE SITUATION WOULD NOT GET OUT OF HAND. IT IS A PROBLEM FOR THE ARGENTINES AND CHILEANS TO SOLVE BUT THE OUTCOME IS IMPORTANT TO THE ENTIRE HEMISPHERE. FAILURE TO RESOLVE THE PROBLEM DIVERTS RESOURCES FROM BETTER USES. IN HIS REPLY CAMILION SEEMED TO BE SUGGESTING THAT THE PROBLEM WILL BE LEFT UNRESOLVED FOR AN INDEFINITE PERIOD. HENOTEDTHAT THERE ARE MANY BORDER DISPUTES ON THE

CONTINENT. HOWEVER, HE ASSURED THE SECRETARY THAT THERE IS NO DANGER OF RESORT TO FORCE, AND HE SAID THAT THE GOA SUPPORTS THE PAPAL EFFORT TO FIND A PEACEFUL SOLUTION. LATER CAMILION STRESSED THAT CHILE IS VERY IMPORTANT TO ARGENTINA--THERE ARE MANY POTENTIAL AREAS OF COOPERATION--AND HE SEEMED MORE CERTAIN A SOLUTION WOULD BE FOUND TO THE DISPUTE.

6. THE SECRETARY THEN RAISED THE ISSUE OF BOLIVIA,  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 235798

ASKING FOR ARGENTINE HELP AND GUIDANCE. WE WANT TO BRING BOLIVIA BACK INTO THE INTER-AMERICAN FAMILY. BUT WE CAN NOT HAVE NORMAL RELATIONS WITH A GOVERNMENT SO DEEPLY INVOLVED IN DRUG TRAFFIC. THE SECRETARY ASSURED CAMILION THAT WE WANT TO MAINTAIN VERY CLOSE CONSULTATIONS ON WHAT CAN BE DONE. (AT THIS POINT HE MENTIONED THE ABSENCE OF GENERAL WALTERS AND REGRETTED THAT WALTERS AND CAMILION HAD BEEN TRAVELING IN OPPOSITE DIRECTIONS. CAMILION, OBVIOUSLY WELL PREPARED FOR THE QUESTION, EMPHASIZED THE FOLLOWING POINTS: THE FIRST REQUIREMENT IS A GOVERNMENT OF STRONG AND HONEST MEN ABLE TO INITIATE REFORMS; DEMOCRACY IS NOT A NEAR TERM OPTION; WHILE THERE IS NEED FOR AN IMMEDIATE CLAMP DOWN ON DRUG TRAFFICKING WE MUST ALSO COME UP WITH IMAGINATIVE, LONG TERM PROGRAMS TO REDUCE THE INCENTIVES FOR THAT TRADE; MORE GENERALLY, BOLIVIA WILL REQUIRE SUBSTANTIAL ECONOMIC ASSISTANCE IN THIS CONTEXT HE MENTIONED THAT THE GOA IS NOW CONSIDERING A DOLS. 100 MILLION ADVANCE AGAINST GAS EXPORTS); THERE IS NEED FOR CLOSE ARGENTINE/U.S. CONSULTATION.

7. CENTRAL AMERICA. THE SECRETARY THEN TURNED TO THE LARGER PICTURE, DESCRIBING CENTRAL AMERICA AS OUR MOST IMMEDIATE PROBLEM. HE SAID THE SITUATION IS GETTING WORSE. WHILE WE HAVE ENCOUNTERED SOME PROBLEMS HERE AT HOME IN EXPLAINING THE SITUATION, THE PRESIDENT IS NOW GOING TO PLAY A MORE ACTIVE ROLE. THE SECRETARY REFERRED TO THE VERY UNHELPFUL RECENT ACTION BY MEXICO AND FRANCE WITH RESPECT TO EL SLVADOR. HE SAID GUATEMALA WAS THE NEXT TARGET OF CUBAN SUPPORTED INSURGENCY AND THAT NICARAGUA SHOULD NOT YET BE WRITTEN OFF. HE ASKED FOR CAMILION'S VIEWS. IN A LENGTHLY REPLY WHICH AVOIDED ANY EXPLICIT MENTION OF EITHER CUBA OR THE SOVIET UNION, CAMILION SAID THAT WHAT HAPPENS IN CENTRAL AMERICA IS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 235798

DECISIVE FOR ALL OF LATIN AMERICA. THE GOA DOES NOT AGREE WITH THE MEXICAN/FRENCH APPROACH--DIALOGUE IS

ILLUSORY AND PUTS THE GOES IN AN IMPOSSIBLE POSITION. THE ELECTIONS ARE VERY IMPORTANT AND IT IS POSSIBLE TO WIN THEM AS THE VENEZUELANAS DID IN THE 1960'S. THE IMPORTANT THING RIGHT NOW IS TO FULLY SUPPORT THE DUARTE GOVERNMENT AND, CAMILION WENT ON, ARGENTINA IS PREPARED TODOITS SHARE. IT IS ALSO INTERESTED IN HELPING OTHER CENTRAL AMERICAN COUNTRIES (PERHAPS AS PART OF THE CARIBBEAN BASIN INITIATIVE OR PERHAPS APART FROM THE CBI-CAMILION DID NOT WANT TO COMMIT HIMSELF). REGARDING THE OTHER CENTRAL AMERICAN COUNTRIES, CAMILION WAS CLEARLY VERY GLOOMY ABOUT NICARAGUA'S PROSPECTS AND HE DESCRIBED COSTA RICA AS HAVING MUCH IN COMMON WITH URUGUAY JUST BEFORE THE TUPAMARO PERIOD. GUATEMALA ON THE OTHER HAND, IS IN A STRONGER ECONOMIC POSITION. CAMILION ASKED FOR THE SECRETARY'S ASSESSMENT OF THE NICARAGUA SITUATION.

8. THE SECRETARY REPLIED THAT THE CUT OFF OF U.S. AID HAD HAD SOME POSITIVE EFFECT BUT ITS RESULTS WERE NOW ERODING. THE SITUATION HAS DETERIORATED AND THE NICARAGUAN BUILD UP IN MILITARY FORCE (INCLUDING T-55 TANKS) IS FAR BEYOND THEIR NEEDS FOR INTERNAL OR EXTERNAL DEFENSE PURPOSES. NEVERTHELESS, WE ARE CONTINUING TO TALK FRANKLY TO THE GON AND WE DO NOT BELIEVE THAT THE COUNTRY IS YET LOST. THE REAL PROBLEM IS NOT IN NICARAGUA BUT IN HAVANA. IF THERE HAS NOT BEEN SOME IMPROVEMENT IN THE SITUATION IN THE NEXT 60-90 DAYS, WE MAY HAVE TO TAKE MORE DRASTIC MEASURES AGAINST CUBA. CAMILION AGREED ON THE NEED TO TALK FRANKLY TO THE NICARAGUANS AND HE SAID THAT THE GOA WOULD GIVE DIPLOMATIC SUPPORT TO WHATEVER MEASURES THE US BELIEVES NECESSARY. HE COMPARED THE SITUATION IN NICARAGUA TO A CANCER SAYING THERE ARE THREE OPTIONS: ELIMINATE IT ENTIRELY; LET IT EXPAND EVERYWHERE; TRY TO PLACE LIMITS ON IT (WHICH

CONFIDENTIAL

PAGE 06 STATE 235798

PERHAPS IS THE MOST DIFFICULT). CAMILION ASKED TO BE KEPT INFORMED OF DEVELOPMENTS, PARTICULARLY AFTER ASSISTANT SECRETARY ENDERS MAKES HIS TRIP.

8. THE FINAL PART OF THE MEETING RANGED MORE WIDELY. THE SECRETARY REFERRED TO THE SOVIET ARMS BUILD UP IN ANGO LA FOR THE PURPOSE OF LAUNCHING AN INVASION OF NAMIBIA. HE SAID IT IS TIME WE STOPPED DELUDING OURSELVES ABOUT SOVIET/CUBAN ACTIVITIES. LUCKILY, THERE IS INCREASING SUPPORT IN THIS COUNTRY FOR A STRONG LEADERSHIP ROLE BY THE U.S., THE CONGRESS IS ALSO MORE CONCERNED AND WE HAVE A PRESIDENT WHO KNOWS WHERE HE IS GOING. AS AN ASIDE HE WISHED THAT THE MEXICANS UNDERSTOOD MORE CLEARLY THE DANGER THEY FACE. CAMILION OBSERVED THAT ARGENTINE/BRAZILIAN RELATIONS ARE NOW VERY GOOD AND THAT ARGENTINA IS TRYING TO GET THE GOB TO FOCUS MORE

ON CENTRAL AMERICA. APPARENTLY AS AN AFTER THOUGHT AND WITHOUT MAKING ANY REQUEST FOR U.S. ASSISTANCE, HE THEN MENTIONED THAT ARGENTINA AND THE U.K. WILL SOON RESUME DISCUSSIONS ON THE MALVINAS SEEKING TO ESTABLISH SOME BASIS FOR THE EXPLOITATION OF RESOURCES. IN CLOSING THE SECRETARY HOPED HE WOULD HAVE AN OPPORTUNITY TO CONTINUE THE DISCUSSION IN BUENOS AIRES. HAIG

CONFIDENTIAL

N VVZCZ