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INFO OCT-00 COPY-01 ADS-00 AID-07 INR-10 EUR-12 SS-10 CIAE-00 DODE-00 H-01 IO-15 NSC-01 NSAE-00 HA-06 L-03 TRSE-00 PM-09 PA-01 SAL-01 ACDA-12 ICAE-00 SP-02 SPRS-02 /109 W

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R 141622Z JUN 82 FM AMEMBASSY ROME TO SECSTATE WASHDC 8046 INFO AMEMBASSY BUENOS AIRES AMEMBASSY LA PAZ AMEMBASSY LIMA AMEMBASSY LONDON

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FROM VATICAN OFFICE

E.O. 12065 GDS 6/14/82 (WILSON, WILLIAM) TAGS: VT, CI, AR SUBJECT: BEAGLE CHANNEL NEGOTIATIONS

1. (CONFIDENTIAL - ENTIRE TEXT)

2. SUMMARY - CHILE'S AMBASSADOR TO THE HOLY SEE ADVISES THAT ARGENTINA HAS RECENTLY TOUGHENED ITS POSITION IN THE BEAGLE CHANNEL MEDIATION. HE BELIEVES ARGENTINA MIGHT ENGAGE IN MILITARY ACTION AGAINST CHILE TO SHORE UP PUBLIC SUPPORT FOR THE JUNTA IN THE EVENT THAT ARGENTINA SUFFERS A MILITARY HUMILIATION IN THE FALKLANDS. THE CHILEAN AMBASSADOR EXPRESSED THE HOPE THAT THE US WOULD HELP CHILE IF THERE WERE A MILITARY CONFRONTATION BETWEEN CHILE AND ARGENTINA. END OF SUMMARY

3. ON JUNE 10 HECTOR RIESLE, THE CHILEAN AMBASSADOR TO THE HOLY SEE, REQUESTED AN APPOINTMENT TO EXPRESS CONFIDENTIAL

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THE CONCERNS OF HIS GOVERNMENT OVER A RECENT DEVELOPMENT IN THE BEAGLE CHANNEL MEDIATION AND TO SEEK USG UNDERSTANDING AND SUPPORT FOR THE CHILEAN POSITION.

Declassified by Oscar J Olson Senior Reviewer Declassified on 20111117 4. IT IS CURIOUS THAT RIESLE RATHER THAN AMBASSADOR BERNSTIEN REQUESTED THE MEETING, SINCE BERNSTIEN IS THE CHILEAN DELEGATE TO THE MEDIATION. AS THE MEETING PROGRESSED, IT SEEMED EVIDENT THAT RIESLE WAS COMPLETELY CONFIDANT THAT HE HAD THE AUTHORITY TO SPEAK ON THE SUBJECT AND CAME TO THE MEETING WITH A LENGTHY LIST OF NOTES FROM WHICH TO SPEAK.

5. RIESLE QUICKLY CAME TO THE POINT. IN RECENT DAYS AMBASSADOR ORTIZ DE LA ROSA, THE GOA REPRESENTATIVE TO THE MEDIATION HAS STATED THAT THE POSITION OF THE GOA IS THAT IT INSISTS ON SOVEREIGNITY OVER SEVERAL OF THE ISLANDS (ACTUALLY UNINHABITED ROCKS) IN THE BEAGLE AREA AND A PORTION OF THE ISLAND OF CAPE HORN. THEY ARE ALSO INSISTING ON REDUCING THE SIZE OF THE "SEA OF PEACE" AND MOVING IT FARTHER WEST THAN WAS PROPOSED BY THE POPE IN HIS RECOMMENDED SOLUTION TO THE DISPUTE. THIS ACTION BY DE LA ROSA REFLECTS A SIGNIFICANT HARDENING OF THE ATTITUDE OF THE GOA AND HAS NOW GONE BEYOND THE COMPROMISE POSITIONS THAT THE GOC WAS WILLING TO CONSIDER.

6: WE HAVE PREVIOUSLY REPORTED THAT THE EFFORT TO WORK OUT A SUBSTITUTE AGREEMENT TO THE TREATY OF 1972 WHICH THE GOA ABROGATED APPEARS TO HAVE REACHED AN IMPASSE, AND RIESLE CONFIRMED THAT THIS IS STILL INDEED THE CASE. WITH BOTH ISSUES APPARENTLY DEAD-LOCKED, THE GOC IS NOW DEEPLY CONCERNED ABOUT THE GOA'S NEXT MOVE AFTER THE FALKLAND ISLAND CONFLICT CONFIDENTIAL

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IS OVER. WILL THE GOA RESORT TO THE USE OF FORCE TO STAKE OUT ITS CLAIMS IN THE BEAGLE AREA? THIS IS THE QUESTION THAT HAS THE GOC WORRIED.

7. THRU THE NEWS MEDIA THE QUESTION IS BEING ASKED AS TO WHAT-CHILE WOULD DO IF THERE WERE A PROBLEM IN THE BEAGLE AREA AND AT THE SAME TIME BOLIVIA DECIDED TO EXERT ITS CLAIM TO TERRITORIAL ACCESS TO THE PACIFIC. THE QUESTION HAS ALSO BEEN RAISED IN THE CONTEXT OF AN OLD CLAIM BY PERU TO CERTAIN TERRITORY NOW WITHIN THE CHILEAN BORDERS. RIESLE THINKS THESE STORIES ARE BEING PLANTED IN THE PRESS BY THE GOA.

8. RIESLE . EXPRESSED HIS GOVERNMENT'S CONCERN THAT

EVEN IF ARGENTINA SUFFERS A DEFEAT IN THE FALKLANDS ITS MILITARY CAPABILITY WOULD STILL BE SIGNIFICANTLY GREATER THAN CHILE'S. HE EXPRESSED THE OPINION THAT THE BEAGLE CHANNEL WOULD BE THE NEXT RALLYING POINT FOR PUBLIC SUPPORT OF THE JUNTA IF A DEFEAT IN THE FALKLANDS OCCURS. HE BELIEVES THAT MILITARY SUPPORT FOR CHILE IS "LINKED" TO THE SAME FOR ARGENTINA, BUT HE IS HOPEFUL THAT THE USG CAN BE PERSUADED TO WORK TOWARD A BALANCE OF MILITARY STRENGTH BETWEEN THE TWO COUNTRIES. I REMINDED HIM AT THIS POINT THAT THE LETILIER MATTER STILL WEIGHS HEAVILY IN THE MINDS OF SOME PEOPLE IN THE U.S. HE REPLIED THAT THE CHILEAN SUPREME COURT HAD RULED AGAINST EXTRADITION OF THE TWO SUPSECTS AND THAT THIS MATTER SHOULD BY NOW BE PUT TO BED. HE NOTED FURTHER THAT THE HUMAN RIGHTS RECORD OF CHILE IS NOW GOOD AND IS CONSTANTLY IMPROVING, THUS OPENING THE WAY FOR THE POSSIBLE PURCHASE OF MILITARY MATERIAL FROM THE U.S.

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9. RIESLE ALSO TOUCHED ON THE NUCLEAR CAPABILITY OF ARGENTINA NOTING THAT THEY ARE PROCEEDING IN THE DIRECTION OF ULTIMATELY OBTAINING A SUPPLY OF WEAPONS-GRADE PLUTONIUM WITH POSSIBLE SOVIET HELP. THIS IS OF GRAVE CONCERN TO HIS COUNTRY AND HE WANTED US TO BE AWARE OF THIS CONCERN.

10. THE BOTTOM LINE IS THAT RIESLE WANTS THE USG TO BE AWARE OF THE POSSIBLE PROBLEM THAT CAN BE IGNITED BY THE BEAGLE MATTER AND HOPES THAT THE U.S. WILL BE READY TO HELP CHILE IN ANY WAY POSSIBLE IN THE EVENT OF A MILITARY CONFRONTATION. WILSON

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