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1. (U) The following background papers are provided for information to the Chief of Naval Operations for his use during the TENTH Inter-American Naval Conference in Quito Ecuador.

**BIOGRAPHIC INFORMATION (S/NOFORN) ..................................... TAB A**

- Admiral Armando LAMBRUSHINI, Commander-In-Chief, Navy .................................................. TAB 1
- Vice Admiral Jorge Isaac ANAYA, Chief of Navy General Staff .................................................. TAB 2

**NATIONAL DISCLOSURE POLICY - ARGENTINA (C) ..................... TAB B**

- The eligibility of Argentina to receive classified U.S. military information under the permissive limits of the National Disclosure Policy is set forth at the TAB.

**ARGENTINA - POLITICO-MILITARY SUMMARY (S/NOFORN) ................. TAB C**

- Argentina has been ruled since 24 March 1976 by a 3-man military junta. The president is Jorge Rafael VIDELA, a retired Army General.
- U.S. - Argentine relations have been strained for the past four years, but showed some improvement during recent months. The strain was caused by the following issues.
  -- Human rights.
  -- U.S. view on nuclear non-proliferation.
  -- U.S. curtailment of Foreign Military Sales to Argentina.
- After Congress barred further FMS to Argentina, Argentina turned to Canada, Israel, and Western Europe for military hardware.
- Argentina is also seeking to improve relations with the USSR. With regards to the latter country, Argentina's foreign policy has shown increasing independence from the U.S. This is illustrated by the decision to continue its wheat sales to the USSR.

**NAVY SUMMARY - ARGENTINA (C) ................................................. TAB D**

- The Argentine Navy, second largest in Latin America, is a proficient, well-disciplined force possessing substantial combat capabilities.
- Equipment is largely WWII vintage U.S. and UK origin, but is generally well maintained.

- Recent purchases of UK guided missile destroyers, French frigate, and German type 209 submarines have upgraded the Navy's inventory.

RECENT HIGH LEVEL VISITS - ARGENTINA (E) ............... TAB E

- A list of high level visits recently made to Argentina are located at the TAB.

NAVY-TO-NAVY RELATIONS - ARGENTINA (D/WOPORN) ............ TAB F

- USN-ARGNAV relations have been strained by the suspension of U.S. security assistance. Nevertheless, a broad range of relationships exist including: personnel exchanges, conferences and consultations, combined exercises, and combined hydrographic programs.


- A Staff Arrangement between the Naval Service for Research and Development (SENID), Republic of Argentina and the U.S. Office of Naval Research was signed in June of 1977. The Staff Arrangement sets forth in general terms the areas of scientific and technological cooperation which the two research organizations intend to pursue.

RECOMMENDATION (U)

- It is recommended that the Staff Arrangement be acknowledged. If appropriate, encouragement should be expressed for further collaborative efforts such as the acoustic measurement program (Project Jaguar).

PERSONNEL EXCHANGE PROGRAM (PEP) WITH ARGENTINE NAVY (E) ......... TAB H

- Status of the PEP with the Argentine Navy is located at the TAB.

ARGENTINA'S LAW OF THE SEA (LOS) POSITION (E) ............. TAB I

- At the present time, Argentina has a 200 mile territorial sea claim. However, it has indicated that it can accept a 12 mile territorial sea in exchange for a 200 mile economic zone.
U.S. ARGENTINA CNO-TO-CNO CORRESPONDENCE

A summary of recent CNO-to-CNO correspondence is located at the TAB.

THE BEAGLE CHANNEL CONTROVERSY (U)

Chile and Argentina have conflicting sovereignty claims to three islands in the Beagle Channel vicinity. All attempts at judicial resolution have failed. Although an international court of arbitration awarded possession to Chile in 1977, Argentina rejected the judgment.

The two countries moved to the brink of war in 1978. Those tensions have somewhat eased since commencement in 1979 of an ongoing Papal mediation effort.

U.S. interests are in this conflict's potential effects on: U.S. transits of Channel; support for Deep Freeze; other cooperative naval programs.

SECURITY ASSISTANCE SUMMARY - ARGENTINA (U)

Security Assistance to Argentina was suspended in Sep 78 for human rights violations. Since then, Argentina has received pipeline material only.

The ARGNAV has approximately $147K remaining in DRP/repairable type FMS cases. When that fund is exhausted, no vehicle for security assistance will be available.

FY 81 Security Assistance Legislation is pending before Congress and contains provisos that permit Presidential waiver of human rights restrictions when in the U.S. national interest.

ARGNAV has recently expressed interest in: P-3Cs; Geering Class DDs; Standard Missiles; SPS-40 Radar; MK-46 Torpedoes.

FMS CASE SITUATION WITH ARGENTINA (U)

Status of the funds available to Argentina for requisitioning parts is located at the TAB.

NUCLEAR STATUS OF ARGENTINA

Argentina has the most advanced nuclear program in LATAM. GOA is committed publicly to developing nuclear energy exclusively for peaceful purposes, but a nuclear weapons capability is technically and economically feasible.

ARGENTINA-U.S. RELATIONS: THE ARGENTINE PERSPECTIVE

Argentina has been offended by U.S. human rights policy
and by what they regard as unwarranted attempts by the U.S. to retard Argentina's development of domestic nuclear energy.

- Argentine policy makers view U.S. foreign policy as ineffective and therefore consider the U.S. to be unreliable as an ally.

**MILITARY SUMMARY-ARGENTINA (S/NOFORN)** ................................ TAB P

- The armed forces are capable of defending the country against attack by any Latin American country, except possibly Brazil, and could conduct successful short-term offensive operations against any neighboring country.

**POLITICAL/ECONOMIC SUMMARY-ARGENTINA (S/NOFORN)** ............ TAB Q

- The political-economic summary for Argentina is located at the TAB.

**ANTARCTIC SUPPORT-ARGENTINA (U)** ............................ TAB R

- ARGNAV has requested sea ice forecaster training for a graduate meteorologist staffed within OPNAV; the USMILGRP Buenos Aires was informally advised to suggest an arrangement between the Antarctic Program Managers of both countries.

**RECOMMENDATION (U)**

- Concerning sea-ice reconnaissance/forecasting training request, do not initiate discussion but, if broached, NSF is prepared to arrange training via NOAA at the Navy/NOAA Joint Ice Center, Suitland MD.

**USN/ARGENTINE NAVY INTELLIGENCE EXCHANGE (S/NOFORN)** ...... TAB S

- Of all the Latin American countries, Argentina has the best, most comprehensive merchant/fishing ship reporting program.

- Their success is due primarily to the personal efforts of Capt Paul BARRISH, ULUSNA Buenos Aires.

**RECOMMENDATION (U)**

- Express appreciation to the CNO for his initiatives and success in expanding intelligence cooperation with the U.S.

**OMEGA-NAVIGATION SYSTEM (U)** ................................. TAB T

- The Government of Argentina has and continues to press for total assumption of the ongoing cost of station
The current agreement stipulates that Argentina continue to assume the cost of operational aspects.

**RECOMMENDATION (U)**

- It is recommended that discussions of OMEGA Argentina not be initiated by the U.S. representative.

- If the subject is raised by Argentine officials, it should be pointed out that the U.S. Coast Guard is the cognizant U.S. agency. Delegates at international conferences have discussed and exchanged correspondence on this matter; however, no commitment has been made.

**ARGENTINE PARTICIPATION IN UNITAS XX AND XXI**

- A listing of Argentine units dedicated to UNITAS XX and XXI is located at the TAB.

**U.S. SECURITY INTERESTS IN ARGENTINA**

- U.S. has important security interests in Argentina.

- The Argentine Navy is considered capable of providing adequate force to integrate with allied Naval Forces in Defense of the Western Hemisphere.

**RECOMMENDATION**

- Encourage increased participation and activities related to hemisphere defense, including multilateral operations and exercises.

**KENNEDY-HUMPHREY AMMENDMENT**

- A copy of the Kennedy-Humphrey Ammendment is provided for information.

**ARGENTINE-SOVET RELATIONS**

- Relations between the Soviet Union and Argentina have largely taken form of exploratory contacts rather than formal, long term contracts.

**U.S. BIOGRAPHY (U)**

- Raul H. CASTRO - U.S. Ambassador to Argentina
ARGENTINA

Admiral Armando LAMBRUSCHINI
June 1980

(U) NAME: Admiral Armando Lambruschini
(lish-broos-CHEE-nee), Navy.

(U) POSITION: Commander-in-Chief of the Navy, and member, ruling Military Junta, since September 1978. Admiral Lambruschini succeeded Admiral Edward Emilio Massera Padula.

(C/NOFOR) SIGNIFICANCE: A line officer and communications specialist, Admiral Lambruschini has an excellent military reputation for professionalism, competence, and leadership in staff and command positions (particularly on destroyers). He was a classmate and the alter ego of Admiral Massera Padula, former Commander in Chief of the Navy. Lambruschini, as Navy Chief of Staff (1974-1978) and Massera, as Navy CINC (1974-1978), were a formidable team that directed and controlled the Navy and successfully challenged at will all facets of government.

Lambruschini's innate ability to perceive trends and to advise Massera prepared him for his present position as Commander of the Navy.

(U) POLITICS:

Admiral Lambruschini is having second thoughts about United States/Argentine relations. Lambruschini was visibly upset in discussions with United States military stationed in Argentina. He is convinced that the United States is following the wrong course regarding Argentina—a country fully supporting the United States who, wish it or not, must be the leader of the free world and support those countries having the same principles. Although cool to the United States, he still considers the Navy-to-Navy relationship close, but sees the two countries progressively drifting apart. Lambruschini distrusts Chile and believes it to be the instigator of past and current problems with Argentina. In a May 1980 interview, Admiral Lambruschini took a dim view of Vatican mediation in the Beagle Channel dispute and concluded that war with Chile was becoming inevitable. Always a hardliner concerning terrorist activities in Argentina, the 1978 death of his 15 year old daughter in a terrorist bombing incident served to strengthen his tough stance and increase his dissatisfaction with United States human rights policies in Argentina. He has stated that he would not permit Navy endorsement of any Argentine presidential candidate until he has had ample time to decide on an endorsement on behalf of his Service.

(C/NOFOR) PERSONAL DATA: Admiral Lambruschini was born in 1924. He is a Caucasian, of Italian ancestry, with a rugged, stocky build (5'9" or

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1.75 m, 190 lbs or 86 kg. He dresses well and has a good appearance with black hair, brown eyes, and a deep voice. Although laconic, he speaks with authority and assurance. He enjoys beefsteak and drinks Scotch, often several rounds. He is very moody, but he could react positively to a friendly and confident approach. He speaks English with fair proficiency. Admiral Lambruschini is married to the former Gladys Nevares Bestard, a Caucasian. She is very charming and interesting—more outspoken than her husband. In August 1978, a bomb was thrown into the Lambruschini home by terrorists, killing their 15 year old daughter. A surviving daughter was born in 1953.

(U) CAREER:

1942-1946 - Cadet, Naval Academy, Rio Santiago Naval Base.
Commissioned Passed Midshipman, December 1946. Visited the United States on midshipman cruise in 1946.

1946 - Assigned to battleship Moreno.

1947 - Assigned to oceanographic ship Bahia Blanca.

1948 - Duty aboard armored cruiser Pueyrredon. Promoted to Ensign, 31 December.


1951 - Student, Specialized Communications Course.

1951 - Duty aboard destroyer La Rioja

1952-1953 - Executive Officer, auxiliary ocean tug Yamana. Promoted to Lieutenant, 31 December 1952.

1954 - Assigned to gasoline tanker Punta Ninfas.


1958 - Student, General Course, Naval War College, Buenos Aires.

1958 - Assigned to the Office of the Secretary of the Navy.

1959 - Executive Officer, destroyer Misiones.
1959 - Commander, auxiliary ocean tug Chiriguano.
1960 - Executive Officer, transport Bahia Thetis (training ship).
1962 - Instructor, Surface Unit Operations Course, Naval War College.
1963 - Aide to Secretary of the Navy.
1964 - Chief, General Course, Naval War College.
1965-1966 - Chief, Operations Section, General Staff of the High Sea Fleet.
1968 - Staff Officer, Policy and Strategy Section, Navy General Staff.
1972 - Promoted to Rear Admiral
1973 - Commander, Naval Operating Forces, from December.
? - Assigned to Hydrographic Office.
BILOGRAPHIC SKETCH

ARGENTINA

Vice Admiral Jorge Isaac ANAYA
April 1980

(U) NAME: Vice Admiral Jorge Isaac Anaya (ah-NAY-ya), Navy.

(U) POSITION: Chief of the Navy General Staff, since 20 January 1980. Admiral Anaya succeeded Admiral Antonio Vanek.

SIGNSIFICANCE: An intelligent, no nonsense line officer with impeccable military credentials, Admiral Anaya has consistently shown himself capable of inspiring the confidence of his superiors. Prior to his prestigious assignment as Commander of the Naval Sea Forces (1976-1977), he served as Naval Attaché to the United Kingdom and The Netherlands, and as head of the Argentine Naval Commission in Europe (1975-1976). Admiral Anaya's background in international affairs.

(POLITICS): Sensitive to the growing obsolescence of the Argentine Navy, he represents what he considers to be the United States' role in halting the sale of new ships, systems, and spare parts to Argentina. This resentment allegedly could develop into open hostility. His attitude towards the Soviet Union is not known.

He is very nationalistic. Admiral Anaya was a Liceo Militar (Preparatory School) classmate of Minister of the Interior (General) Albano Harguido and Army Commander (General) Leopoldo Galtieri in 1943. He has maintained close contact with them. As Navy Chief of Staff he is in a position to encourage better communication between the Navy and the Army.
PERSONAL DATA: Admiral Anaya was born 27 September 1926 (place not known). He is a Caucasian of small build and erect posture, (5’7” or 1.70 m, 150 lb or 68 kg), with black hair and very penetrating brown eyes that, combined with an intense expression when conversing seriously, command the complete attention of the listener. He wears glasses.

Admiral Anaya speaks French (unknown proficiency) and understands and speaks some English. He has let his English lapse, however, since leaving Great Britain and now feels uncomfortable when forced to speak the language.

(U) CAREER:

1944-1948 - Entered the Argentine Navy as a cadet in the Executive Branch, 26 January 1944.

1948-1950 - As Probationary Ensign (promoted 16 November 1948): Served on torpedo boat A.R.A. La Rioja; the sea-going-fleet; and the Directorate General of Naval Material (Communications).

1950-1952 - As Ensign (promoted 31 December 1950): Assigned to the Directorate General of Naval Material (Communications); to patrol boat A.R.A. King. Commanding Officer, Naval Camp Melchior, the Antarctic. Completed engineering studies in telecommunications.


1957 - Attended course for officers in command of the Combat Information Center.

1959 - As Lieutenant Commander (promoted 31 December 1959): Attached to the Naval Air Force of the sea-going-fleet. Served at the Naval Warfare School; at the Directorate of Naval Personnel; on the cruiser A.R.A. General Belgrano; at the Naval Staff of the sea-going-fleet; on frigate A.R.A. Azapardo. Commanding Officer, patrol vessel A.R.A. King.

1960 - Student, Naval Warfare School (general course).


1967 - Student, Senior Inter-Forces Course, Senior Warfare School, Paris, France.


1977 - Promoted to Vice Admiral, 31 December.


1980-Present - Chief of Staff of the Argentine Navy, from 20 January 1980.
Since 24 March 1976, Argentina has been ruled by a military government in which political power rests with a 3-man military junta.

- Junta has unlimited authority in the politico-military area; otherwise, it operates within the limits of the 1863 Constitution.
- President is Jorge Rafael Videla, a retired army general. His second 3-year term will expire in 1981; a successor will be selected by the junta in September 1980.

US-Argentine Relations.

- Over past four years, US-Argentine relations were strained owing to:
  --- Human rights issues.
  --- US views on nuclear non-proliferation.
  --- US curtailment of Foreign Military Sales to Argentina.


- Stressed strengthening relations.
- Seeking understanding on East-West and nuclear issues.
- Continued emphasis on human rights issues.
- "agree to disagree" with respect to questions on nuclear non-proliferation and safeguards pertaining to nuclear programs.

US-Argentine relations improved during recent months.

- Improved human rights; fewer cases of unexplained missing persons.
- Argentina desires closer cooperation with US.
- Argentina supported US in boycott of Olympics in Moscow.
- State Department has proposed steps to improve U.S.-Argentine relations. Plan incorporates:
  o Scheduled visit by ASST SECSTATE Bowdler to Buenos Aires about 1 August (cancelled due to Argentine recognition of Bolivia.)
  o Steps to improve Nuclear relations.
- Consultation on Human Rights
- Rebuild military relations through security consultations, Argentine Military Delegation visit to Washington, a high-level Argentine leader visit to U.S., work toward future P-3 sale/lease to Argentina.

- Soviet-Argentine relations.

-- Contact and cooperation between Argentina and the Soviet Union is expanding in six areas:

--- Political Cooperation, both countries have agreed to increase consultations over issues before the UN, especially on human rights.
--- Beagle Channel. The Soviets are publicly supporting Argentina against Chile.
--- Growing Economic Ties. The two countries are becoming major trading partners with the Soviet Union becoming Argentina's largest market for agricultural exports in 1980.
--- Cooperation in Fisheries. The Soviets have offered wide-range cooperation in return for fishing rights within Argentina's claimed 200 mile zone:
  o Joint scientific investigations.
  o Establishment of joint fishing enterprises.

--- Nuclear Relations.

  o Soviets have reportedly offered materials and technology to support Argentine nuclear program.
  o Argentines confident that Soviet Union will provide an alternate source of supply for materials denied by the US.

--- Military Offers.

  o Since late 1979 there have been exchanges of high-level army delegations.
  o Port visits between both navies.
  o Soviets have strongly encouraged arms purchases by Argentines to balance trade which has been offset due to grain sales to USSR.
  o So far, Argentines have refrained from Soviet arms purchases.

- US has important security interests in Argentina.

-- Proximate to vital sea lanes in South Atlantic.
-- 1,000 miles of coastline.
-- Valuable potential bases and port facilities.
-- Vast continental shelf could be a rich oil bearing area.
-- Potential for significant contribution to hemispheric defense in South Atlantic.

Latin America's most advanced nuclear weapons prospect.

-- GOA committed publicly to developing nuclear energy exclusively for peaceful purposes, but a nuclear weapons capability is technically and economically feasible.
-- GOA signed Treaty of Tlatelolco but the treaty has not been ratified.
-- US has opposed sale of reactors to Argentina by Canada and Federal Republic of Germany because acceptable safeguards have not been assured.

Human rights situation in Argentina led Congress to bar all security assistance and sales after 30 September 1978.

-- Inability to resolve human rights issue is major source of US-Argentine friction.
-- Argentina, after being cut off from US military sales, has turned to Canada, Western Europe, Israel and the USSR for military and domestic materials. (To date, no military hardware purchases from USSR.)
-- Argentina's foreign policy has shown increasing independence from US—for example, wheat sales to USSR; General Goodpastor mission focused on improving strained relations, and particularly on support of US grain embargo.

Argentina is a signatory of Rio Treaty and a member of the Inter-American Defense Board.

HIGHLIGHTS

- US interests in Argentina:
  -- Stable, cooperative, and democratic government.
  -- Argentine observance of human rights.
  -- Access to Argentine markets and protection of US investments.
  -- Regional peace and settlement of territorial disputes.
  -- Argentine cooperation in collective hemispheric security.

  --- Improvements and access to bases/facilities.
  --- Increased participation in hemispheric defense, including multilateral operations and exercises.
- Argentina desires from US:
  -- Resumption of FMS sales.
  -- Moderation of Human Rights stance.
  -- Resumption of sale of enriched uranium.

- Unexplained disappearances have diminished over the last year.
  -- Only one unexplained disappearance between November 1979 and April 1980.
  -- Numerous disappearances reported in previous 3 years.
  -- A Presumptive Death Law was proposed in August 1979 which would permit issue of a death certificate in response to a petition by either the state or family of the disappeared within 90 days after certification of disappearance.

  --- Human rights groups in Argentina and abroad are viewing proposed law as government ploy to wipe books clean on missing persons.

  -- Approximately 1,300 persons being held under executive detention without being formally charged.

- Argentina examining Canadian and West German proposals for a third nuclear reactor as part of its 20-year nuclear program.
  -- Heavy water plans included in both proposals.
  -- US seeks assurance that appropriate safeguards will be met.

  --- Argentina has certified that all significant nuclear installations are under IAEA safeguards.

- Soviet and Argentine military delegations exchanged visits in August and September 1979.
  -- Military education and training discussed.
  -- Moscow has offered to provide arms to Argentina.

- Argentina recently spent nearly $2 billion for 6 destroyers, 6 submarines, and 2 patrol boats from FRG.
  -- Austria, France, Israel, Italy, Netherlands and UK have made arms sales to Argentina ranging from $15 million to $400 million.
  -- Argentine Army is forming an Aviation Attack Battalion for Tactical Air Mobile Operations. Nucleus is comprised of 9 transport helos from France and 9 gunship helos from Italy.
  -- First of 24 French Super Etendard carrier based aircraft will be formally accepted by Argentina in late June 1980.

RECOMMENDATION (U)

- Provided for information.
ARGENTINA

LAND

2,771,300 km²; 57% agricultural (11% crops, improved pasture and fallow, 46% natural grazing land), 25% forested, 18% mountain, urban, or waste.

Land boundaries: 9,414 km

WATER

Limits of territorial waters (claimed): 200 nm (continental shelf, including sovereignty over superjacent waters)

Coastline: 4,989 km
SUBJECT (U)

Navy Summary: Argentina

HIGHLIGHTS (C/NOFORN)

The Argentine Navy, second largest in Latin America (after the Brazilian Navy), is a proficient, well-disciplined force possessing substantial combat capabilities. Equipment is largely of WWII vintage U.S. and U.K. origin, but is generally well-maintained. Recent purchases of U.K. guided missile destroyers, French frigates, and German type 209 submarines have upgraded the Navy's inventory. The naval air arm is plagued by over-age equipment, but has demonstrated proficiency is providing reconnaissance, search and rescue, transport, ASW and close air support to the fleet.

DISCUSSION (C/NOFORN)

Organization: Commander of the Navy: VADM Armando Lambruschini
(also a member of the ruling military junta)
Commander of Naval Operations: VADM Pedro Antonio Santamaria

The Commander of the Navy (HQ Buenos Aires) exercises operational control of the fleet through the Commander of Naval Operations (HQ Puerto Belgrano). The main operating bases for surface forces are located at Puerto Belgrano, Buenos Aires, and Ushaia. Submarines are based at Mar del Plata under the Submarine Forces Command.

- NOB:
  1 Light Carrier (U.K. COLOSSUS class)
  1 Light Cruiser (BROOKLYN class)
  1 Guided Missile Destroyer (+1 under construction)
  7 Destroyers (DD) (3 FLETCHER class
    2 GEARING (FRAM II) class
    1 SUMNER (FRAM II) class
    1 SUMNER class)
  2 Frigates (FF)
  4 Submarines (SS) (2 GUPPY types)
10 Patrol Ships (PGF) (2 CHEROKEE class 6 SOTOYOMO class)

6 Mine Warfare Craft (MSC/MHC)

16 Amphibious Warfare Ships/Craft (LSD/LST/LCM/LCP)

39 Auxiliaries/Service Craft

87 Total.

- Naval Air: 114 aircraft - 12 attack (A-4C)), 10 ASW, 25 transport, 45 trainers, 13 utility, 9 helos).

- Personnel Strength: 35,900 (includes 10,000 Marines)

Current Developments:

- The Navy has recently ordered 4 frigates, 6 corvettes and 6 submarines from West German suppliers. This will substantially improve the capabilities of the Argentine Navy. According to one source, these purchases are designed to redress what Argentina feels is a serious imbalance of naval forces vis-à-vis Brazil.

- In September, the Navy will receive the first 4 of 24 SUPER ETENDARD carrier-based strike aircraft from France. These will replace the aging A-4s.
Recent High Level Visits - Argentina

- General Goodpastor.
  - January 1980
  - Purpose:
    --- Review of U.S.-Argentine bilateral relations.
    --- Ensure U.S. efforts to restrict grain sales to Soviets.

- Ambassador-at-Large Smith.
  - April 1980.
  - Purpose:
    --- Nuclear non-proliferation.
    --- Improving relations with Argentina.
    --- Resulting in "agreement to disagree" approach to nuclear non-proliferation issues.

- Secretary of Commerce Hodges.
  - May 1980.
  - Purpose:
    --- To stimulate trade between U.S.-Argentina.
    --- To improve relations between the two countries.
    --- Visit brought to surface that relations had to improve in political arena before headway could be made in furthering trade and business.

- The visits by Goodpastor, Hodges and Smith emphasized:
  --- Strengthening U.S.-Argentine relations.
  --- Understanding on East-West and nuclear issues.
  --- Continued emphasis on human rights.

- Visits have contributed to a better understanding and improved relations between U.S.-Argentina during the past year.

- Secretary of the Navy Hidalgo.
  - July 1980
  - Purpose:
    --- Improve Navy-to-Navy relations.
    --- Promote dialogue on South Atlantic Security.
    --- Sale of P-3 aircraft was discussed, and Humphrey-Kennedy Amendment limitations explained.

RECOMMENDATION (U)
- Provided for information.
SUBJECT (U)

Staff Arrangement between the U.S. Office of Naval Research and the Research Office of the Argentine Navy.

HIGHLIGHTS (U)

A Staff Arrangement between the Naval Service for Research and Development (SENID), Republic of Argentina and the U.S. Office of Naval Research was signed by the respective Chiefs of Naval Research and their Chief Scientists in June of 1977. The Staff Arrangement sets forth in general terms the areas of scientific and technological cooperation which the two research organizations intend to pursue.

DISCUSSION (U)

The objectives of the bilateral cooperation concerning the exchange of unclassified technical information are: (1) to establish scientific and technological areas of mutual interest to both Navies in which joint research and development projects could be sponsored by ONR and SENID; (2) to exchange visits by senior scientific personnel to promote and facilitate exchange of information and coordinate specific projects; (3) to provide on-the-job training at laboratories of both countries in support of the specific projects covered by the Staff Arrangement and (4) to provide for periodic conferences or workshops as may be of mutual interest and benefit.

Project Jaguar (Joint Americas Geophysical and Underwater Acoustics Research) is an example of a joint research project appropriately carried out under the Staff Arrangement.

RECOMMENDATION (U)

It is recommended that the Staff Arrangement be acknowledged. If appropriate, encouragement should be expressed for further collaborative efforts such as the acoustic measurement program (Project Jaguar).
SUBJECT (U)

Personnel Exchange Program (PEP) with the Argentine Navy (ARGNAV).

HIGHLIGHTS (U)

The USN and ARGNAV have a one-officer PEP. An ARGNAV LT is currently serving a one year sea tour onboard USS Hepburn (FF-1055), to be followed by a one year instructor assignment to the Naval Amphibious School, Coronado, California. The USN exchange officer is assigned aboard various ARGNAV ships, including units of the ARGNAV Antarctic Naval Group.

DISCUSSION (U)

In a June 1973 personal letter to the CNO (Admiral ZUMWALT), Admiral ALVAREZ (then CINCARGNAV) proposed the exchange of Lieutenant Commanders between the two navies. ARGNAV desired a billet on a USN DDL/DDG, while offering the USN a shipboard billet in the ARGNAV Antarctic Naval Group. USN staffing of the ARGNAV proposal recommended against assignment of an ARGNAV officer to a USN DDL/DDG due to disclosure restrictions. As an alternative, CINCPLANT proposed a billet on the staff of COMNAVBEACH/PHIBPOTAGRU ONE for an ARGNAV LT/LCDR. Subsequently, an ARGNAV officer was assigned aboard a 5"/38 gun ship. He was promoted to LCDR during his tour and, due to his seniority, was shifted to NAVPHIBSCOL, Coronado. This relocation was fully supported by the Argentine Navy. This same split tour arrangement was requested by the Argentine Navy for the officer presently assigned to the PEP. A PEP agreement was signed by the two navies in December 1975.

RECOMMENDATION (U)

Provided for background information for the CNO for the Tenth Inter-American Naval Conference in Quito, Ecuador, 25-29 August 1980.
ARGENTINA'S LAW OF THE SEA (LOS) POSITION

HIGHLIGHTS

- Argentina, a 200 nm territorial sea claimant, has indicated that it can accept a 12 nm territorial sea within the context of a comprehensive treaty.

DISCUSSION

- Argentina has a 200 nm territorial sea claim, which it justifies on the basis of a need to preserve marine resources.

-- Argentina has indicated that it can accept a 12 nm territorial sea in return for a 200 nm economic zone, and is interested in notification of innocent passage of warships in territorial seas but not in straits.

-- Despite the 200 nm territorial sea claim, Argentine law does not curtail freedom of navigation and overflight beyond 12 nm.

- Argentina also claims a 200 nm fishery zone, which is recognized by the U.S.

- Argentina has sympathized with the United States' straits position but stresses the importance of finding an international solution to the problem of pollution and navigational safety in straits.

-- Major concern is in Straits of Magellan where they have had an historic conflict with Chile.

- Argentina has an extremely broad continental shelf and favors as much coastal state control as possible.

- A current major concern of Argentina is the Beagle Channel Dispute with Chile (separate paper).

RECOMMENDATION

- For information.
U.S.-Argentina CNO-to-CNO Correspondence

HIGHLIGHTS

- February 1979 - CNO sent Admiral Lambruschini a message inviting the Argentine Navy to participate in the 1st Inter-American Naval Analysis Conference in Annapolis.
- March 1979 - received reply from Argentine CNO that the Argentine Navy would send a representative to the Naval Analysis Conference.
- April 1979 - CNO sent letter to ADM Lambruschini inviting him to attend the Fifth International Seapower Symposium at Newport, RI.
- August 1979 - ADM Lambruschini replied that he would be unable to attend Fifth ISS but he would send RADM Norberto Couto as his representative.
- March 1980 - CNO sent ADM Lambruschini a message inviting Argentine Navy to participate in UNITAS XXI planning conference.
- April 1980 - ADM Lambruschini replied that an Argentine representatives would attend planning conference at Roosevelt Roads, Puerto Rico, 2-7 June 1980.

RECOMMENDATION

- Provided for information.
The Beagle Channel Controversy

BACKGROUND

- Controversy centers around dispute over interpretation of Boundary Treaty of 23 July 1881.

  -- Treaty states "as for islands...to Chile shall belong all the islands to the south of Beagle Channel up to Cape Horn."

- Argentina's position is that Islands Picton, Nueva and Lennox do not lie to South of Beagle Channel but lie in Atlantic and therefore belong to Argentina (TAB A).

- Chilean position is disputed islands are Chilean since they were explicitly attributed to her in the treaty.

- Protocols of 1915, 1938 and 1960 were signed with view of finding juridical solution to problem.

  -- None ratified.

- An agreement was signed 22 July 1971 which set new arbitration machinery in motion.

  -- British Court requested to intervene as arbitrator.
  -- 5 international jurists appointed, chosen by Chile and Argentina from International Court of Justice (US/UK/FR/Nigeria/Sweden).
  -- Court of Arbitration was asked to write a decision, trace boundaries on chart, describe definitively each point in dispute and state reason for decision.
  -- British Court empowered to approve or reject Court's decisions as provided by General Treaty of Arbitration of 1902 signed by Argentina and Chile.

- Court proceedings opened in 1973 and closed 16 Nov 76.

- Unanimous decision in favor of Chile was signed 18 Feb 77, and ratified by UK two months later as constituting an Award under Treaty of 1902.

- Governments of Chile and Argentina officially notified 2 May 77.

  -- Chilean Government issued statement declaring the respect it holds for treaties and intent to comply faithfully with the Award.
  -- Argentine Government stated that within the nine month limit allowed to execute the Award, its government would announce its position.

- Argentina on 25 Jan 78 informed UK and Chile of its intention to declare arbitration Award null and void.
- Chile on 26 Jan firmly rejected the unprecedented Argentine declaration of nullity.
- The Arbitration Court on 8 May 78:
  -- Stated the nine month period was to give the parties time to take steps to execute Award and not intended as a period to decide on acceptance/rejection.
  -- Added that subject to right of appeal (none received), the Award became operational and legally binding on both parties as of 2 May 77.
  -- Called upon Argentina to provide information concerning its execution of the Award.

- Court again on 10 Jul 78 stated that Award was final and legally binding on both parties and that Argentina's claim to reject and nullify the Award was to be regarded in itself inadmissible and not valid.
- Argentina and Chile were on the brink of armed conflict in Dec 78.
- Vatican agreed to mediate dispute in Jan 79.
  -- Papal mediation commenced in Apr 79.
  -- Both countries have Ambassadors in Vatican for negotiations.
    --- Progress on basic issues is being made.
    --- Still defining fundamental positions without compromise.
    --- Results of Papal mediation will no be announced until early 1981.

**DISCUSSION**

- Despite several border incidents and an uncharacteristically hard-line speech by Argentine President Videla in May 79, the goodwill generated by the Papal mediation and both countries' relative low publicity profile have lowered tensions.
- The Chilean military is, however, keeping a close watch on Argentina and Peru.

  -- Despite purchase of new weapons systems, for the next year Chilean forces will be inferior to those of Argentina and much more so to those of Argentina and Peru combined.

- Principal U.S. Navy interests, if conflict develops, revolve around the effect on support for operation Deep Freeze, transits of Beagle Channel area, and cooperative naval programs.

  -- UNITAS
  -- Inter-American Naval Telecommunications Net.
  -- Inter-American War Games.

**RECOMMENDATION**

- Provided for information.
SUBJECT

Security Assistance Summary for the Government of Argentina

HIGHLIGHTS

There have been no recent significant USN FMS sales to Argentina. The U.S. Government imposed a near total embargo on all forms of security assistance to Argentina since the early days of the Carter Administration. The human rights situation in Argentina led the U.S. Congress to amend the Foreign Assistance Act of 1961 (new Section 620B Public Law 95-92) to bar all security assistance and sales after 30 September 1978. Since October 1978, Argentina has received pipeline material only, and that material and training available through existing FMS cases.

In June 1979, the USN consolidated all existing repairable and spare parts cases which had expired for requisitioning purposes, but still had funds remaining, into four modified FMS cases. The modified cases permitted the Argentine Navy to requisition material until funds were exhausted. This modification of cases also enabled the Argentine Navy to obtain approximately $4M in FMS material for participation in UNITAS during 1979. Currently, the Argentine Navy has approximately $1.4M remaining in DRP/repairable type FMS cases. Once these funds have been exhausted, there will be no vehicle available to the Argentine Navy for obtaining additional material from the U.S. Navy.

DISCUSSION

Actions by the U.S. Government to deny export licenses or approve credit for Argentine projects have seriously damaged the image of the United States as a reliable source of goods and credit. COMUSMILGP Argentina has stated that the Argentine Armed Forces may have spent as much as four billion dollars buying military hardware from Germany, France, Spain, etc, in 1979.

There is an increasing awareness, however, within the U.S. Executive and Legislative Branches of the strategic importance of Argentina. William G. Bowdler, who has headed the State Department's Latin American Division since January, was scheduled to visit Argentina during July 1980. Bowdler was expected to play a major role in mending fences between the U.S. and Argentina and, in gleaning information which would assist in getting the Humphrey-Kennedy Amendment repealed during the 97th Congress. However, due to Argentina's involvement in the latest Bolivian coup, Bowdler's visit has been postponed indefinitely and U.S./Argentine relations have suffered a setback.
Items which were sold to Argentina prior to termination of sales in 1978 included the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft Anti-submarine S-2</td>
<td>6</td>
</tr>
<tr>
<td>Aircraft Attack A-4</td>
<td>74</td>
</tr>
<tr>
<td>Aircraft Cargo C-47</td>
<td>1</td>
</tr>
<tr>
<td>Aircraft Fighter F-9F</td>
<td>24</td>
</tr>
<tr>
<td>Aircraft Patrol P-2</td>
<td>3</td>
</tr>
<tr>
<td>Aircraft Patrol P-3 (transport configured)</td>
<td>3</td>
</tr>
<tr>
<td>Aircraft Trainer T-6</td>
<td>30</td>
</tr>
<tr>
<td>Cruisers Light</td>
<td>2</td>
</tr>
<tr>
<td>Destroyers</td>
<td>10</td>
</tr>
<tr>
<td>Drydocks Floating</td>
<td>1</td>
</tr>
<tr>
<td>Landing Craft Mechanized</td>
<td>4</td>
</tr>
<tr>
<td>Landing Craft Veh/Per</td>
<td>8</td>
</tr>
<tr>
<td>Landing Ship Tank</td>
<td>1</td>
</tr>
<tr>
<td>Ocean Tugs Auxiliary</td>
<td>2</td>
</tr>
<tr>
<td>Submarines</td>
<td>6</td>
</tr>
<tr>
<td>Tugs Harbor Small</td>
<td>6</td>
</tr>
<tr>
<td>Torpedoes MK's 14, 37/44</td>
<td>98</td>
</tr>
<tr>
<td>SIDEWINDER Missiles</td>
<td>44</td>
</tr>
</tbody>
</table>

Items in which the Argentine Navy has indicated a recent interest in purchasing are listed below:

- P-3C Aircraft
- Gearing Class Destroyers
- Ocean Going Tugs
- MK 46 Torpedoes
- STANDARD Missiles
- SPS-40 Radar

**RECOMMENDATION**

None. Provided for information only.
SUBJECT

FMS Case situation with Argentina

HIGHLIGHTS

The Foreign Assistance Act of 1961 barred all security assistance and sales to Argentina after 30 September 1978. However, the U.S. Navy has continued to support aircraft/ships in the Argentine Navy's inventory by consolidating all existing repairable and spare parts cases which had expired for requisitioning purposes but still had funds remaining, into four modified FMS Cases. This modification of cases permits the Argentine Navy to requisitioning parts until funds are exhausted, and enable Argentina to obtain 14 J65 engines, practice ammunition and ship related spares for participation in UNITAS XX.

DISCUSSION

The U.S. Navy continues to support the Argentine Navy's needs for spares to the maximum extent feasible within available funds. Funds available to the Argentine Navy for requisitioning purposes as of 23 July 1980 are as follows:

<table>
<thead>
<tr>
<th>Case</th>
<th>Description</th>
<th>Funds Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>AR-JFA</td>
<td>Ship related spare</td>
<td>$862,734</td>
</tr>
<tr>
<td>AR-JAO</td>
<td>Aircraft related spares</td>
<td>478,746</td>
</tr>
<tr>
<td>AR-JFR</td>
<td>USN publications/forms</td>
<td>44,686</td>
</tr>
<tr>
<td>AR-NAB</td>
<td>Repair of repairables</td>
<td>94,672</td>
</tr>
</tbody>
</table>

The Argentine Navy has continued to requisition under the above open-end FMS Cases directly from NAVILCO in accordance with established DRP procedures.

COMUSMILGP Argentina has advised that many requisitions for UNITAS XX material were entered into the systems recently with a priority "03" assigned. There is no higher priority which can be assigned under the circumstances, and if the items are available in the USN inventory, they should be shipped immediately.

RECOMMENDATION

Provided for background information.

M. Cowell
OP-635L, X21476
1 August 1980

1 August 1980
SUBJECT (U)

Nuclear Status of Argentina/Brazil

HIGHLIGHTS (U)

- Argentina and Brazil have the most significant nuclear power programs in Latin America.

- Argentina has the most advanced nuclear program in LATAM. GNA is committed publicly to developing nuclear energy exclusively for peaceful purposes, but a nuclear weapons capability is technically and economically feasible.

- Program evolved with close US cooperation and assistance. In 1979 it was interrupted due to GNA conviction that neither US nor de private firms have been sufficiently forthcoming. Problems continue because GNA feels US human rights issue is really an internal interference on its internal affairs.

- Although GNA meeting in a history of Allende, it refuses the non-proliferation treaties on the grounds that GNA wants to reserve the right to develop its own nuclear capabilities.

- Should GNA adopt the trend of nuclear weapon states, there is little or no evidence to prevent it.

- Brazil continues to develop a nuclear power program under US sponsorship and with US and French technology. France and Britain also have programs.

- Although Brazil has continued to pursue a small nuclear program, Brazil continues to protest hard against nuclear weapons.

- NASA has shown great interest in what it considers an interference in peaceful nuclear research agreements.

- Army

- The inclusion of discussion on this subject is considered inappropriate.
SUBJECT (U)

Argentine-U.S. Relations: The Argentine Perspective

HIGHLIGHTS (S/NOPFOR)

Argentines have been offended by U.S. human rights policy and by what they regard as unwarranted attempts by the U.S. to retard Argentina's development of domestic nuclear energy. This has resulted in a decline in Argentine support of U.S. international political initiatives and a perceptible expansion of relations with the Soviet Union. More generally, Argentine policy-makers view U.S. foreign policy as ineffective and therefore consider the U.S. to be unreliable as an ally.

DISCUSSION (S/NOPFOR)

The points of friction between the U.S. and Argentina can be summarized as follows:

-Human rights policy: Influential Argentines almost unanimously regard U.S. human rights policy as not only unfairly applied to Argentina, but also as an affront to Argentine sovereignty. So sensitive are Argentines on this issue that some government officials view U.S. policy as an attempt to "destabilize" Argentina's military government.

-Nuclear Energy: The U.S. has attempted to place Argentine nuclear energy development under stringent safeguards; Argentine refusal to comply has resulted in a cessation of U.S. nuclear exports to Argentina.

-Arms Sales: U.S. restrictions on sale of arms to Argentina is a continuing sore point. While it prefers U.S. arms, the Argentine military has out of necessity turned to European suppliers (e.g., purchase of the MIRAGE rather than the preferred F-5).

As a consequence of these conflicts, Argentina has taken steps to distance itself from the U.S.

-While Argentina participated in UNITAS XX (1979), it cancelled participation in UNITAS exercises during 1977 and 1978.
Argentina has not joined the boycott of the Olympics and has openly refused to participate in the embargo of grain to the Soviet Union.

Argentina has expanded its relations with the Soviet Union since 1978. This has been partly motivated by the Argentine desire to send the U.S. a message that it cannot continue to take Argentine political support for granted.
The armed forces of Argentina are capable of defending the country against attack by any Latin American country, except possibly Brazil, and could conduct successful short-term offensive operations against any neighboring country. The ability of the armed forces to conduct sustained offensive operations is limited by logistics deficiencies. As a result of U.S. refusal to sell Argentina military hardware, the Argentines have turned to Western Europe for major military purchases. Recent purchases have included AMX tanks, MIRAGE aircraft, EXOCET SSMS, and light frigates from France; submarines and patrol boats from Germany; guided missile destroyers and aircraft from the U.S.; patrol boats and aircraft from Israel.

**DISCUSSION (S/NOMET)**

Total Military Forces: 138,200 (2nd largest in South America)
Military Budget: $2.48 billion (Largest in South America)

**Army:** Commander of the Army/Junta Member: LTG Leopoldo Fortunato Galtieri

- Personnel Strength: 85,000
- Organization: The tactical organization of the Army is built around 10 combat brigades of about 4,500 men each grouped in 4 Army Corps. About half of the Army's combat strength is located in the Federal Capital area and Buenos Aires province, while the remainder is deployed near the Chilean and Brazilian borders.
- Equipment: Much of the Argentine armor and some of its artillery is of U.S. origin. However, as a result of U.S. restrictions on arms sales to Argentina, recent Argentine purchases have been almost entirely from European sources. The Army is also developing a domestically-produced medium tank to replace the aging U.S. M-4s.
Air Force: Commander of the Air Force/Junta Member: LTG Omar Domingo Graffigna

-Personnel Strength: 17,000

- AOB: 11 bombers (CANBERRA B-6)
   26 fighter bombers (MIRAGE V)
   12 interceptors (MIRAGE III)
   15 day fighters (F-86F)
   81 attack (A-4B/C, PUCARA)
   46 transport
   88 trainer
   55 utility
   36 helicopter (utility)
   370 total

-Difficulties in aircraft procurement and a shortage of funds has hampered the Air Force in its attempt to replace aging equipment. Exceptions to this have been the recent purchase of MIRAGE V aircraft from Israel and the acquisition of the domestically-produced PUCARA counterinsurgency aircraft.

Navy: Commander of the Navy/Junta Member: VADM Armando Lambruschini

-Personnel Strength: 35,900 (includes 10,000 Marines)

-NOB: 87 ships, including 12 surface combatants, 4 submarines, 10 patrol ships, 6 mine warfare ships, 16 amphibious warfare ships, and 39 auxiliaries/service craft.

-Equipment: Equipped largely with WW II vintage ships of U.S. and U.K. origin, recent acquisitions have been from Western Europe (e.g., 2 A-69-Class light frigates from France).
SUBJECT (U)

Political-Economic Summary: Argentina.

HIGHLIGHTS (S/NOPFORN)

While constitutionally a federal republic with a popularly elected President, Argentina has in fact been ruled by a military junta since 1976. Return to civilian rule is anticipated in the mid 1980's, but no specific timetable has been established. While the junta has been successful in its economic policies, it has drawn criticism for its violations of human rights. This issue, in addition to Argentina's refusal to accept external controls on its nuclear power program, has led to a deterioration in Argentine-U.S. relations since 1976; there are some indications, however, that relations will improve in the coming year. Argentina and the Soviet Union have expanded their relations over the past two years, but this is not expected to lead to a pro-Soviet orientation on the part of the generally conservative Argentine military.

DISCUSSION (S/NOPFORN)

-Government:

President: LTG Jorge Rafael Videla (Army, retired)

Governing Junta and Service Chiefs:

Army: LTG Leopoldo Fortunato Galtieri
Navy: VADM Armando Lambruschini
Air Force: LTG Omar Domingo Graffigna

Minister of Foreign Relations: BG (Ret) Cario Washington Pastor
Minister of National Defense: RADM (Ret) David Rogelio de la Riva

-Domestic Politics:

-The junta has been relatively successful in maintaining political stability. While the threat of insurgency is low, some reports indicate that the Cubans are attempting to rejuvenate the Montoneros, a terrorist group effectively neutralized in 1977/8.
Policies of junta are generally conservative and anti-Peronist. The national legislature remains closed, the provinces are governed by military commanders, and press censorship is in effect. The military plans a return to civilian rule for the mid-1980s but has not developed a specific plan for its implementation.

Recent elevation of LTG Galtieri to the junta, to replace the retiring LTG Viola, is regarded as a victory for moderates within the military. Viola, also considered a moderate, is favored to replace Videla as President in 1981.

The Economy:

The disastrous economic policies of the Isabel Peron regime were among the primary factors precipitating the 1976 coup. The junta has significantly improved Argentina's foreign reserves posture and has reduced inflation from 900% to a more manageable 150%. While growth in the gross domestic product has been inconsistent since 1976, the outlook for 1980 is optimistic. Argentina imports less than 10% of its oil needs and is therefore insulated from the effects of OPEC price increases.

Foreign Relations:

Relations with the U.S. have suffered due to the human rights issue and the U.S. desire to place safeguards on the Argentine nuclear power development program. As a result of an improvement in the Argentine human rights record in 1979, there is a likelihood of moderately improved Argentine-U.S. relations in 1980.

Relations with the Soviet Union have been expanded since 1978. This is not expected to eventuate in a pro-Soviet orientation on the part of the Argentines; nevertheless, the Argentines view the Soviet connection as a useful counterweight to the U.S. A particularly striking example of this balancing policy has been the Argentine refusal to join the U.S. grain embargo of the Soviet Union.
The Beagle Channel dispute with Chile remains the most pressing Argentine foreign policy problem. The controversy centers on the demarcation of territorial waters/200-NM economic zone off the southern tip of South America. When in 1978 Argentina refused to accept an International Court of Justice decision on the issue favoring Chile, armed conflict was narrowly averted. The dispute is presently under Papal mediation and a decision is expected within the year. While both Chile and Argentina with, if for nothing other than economic reasons, to avoid war, the issue is an emotional one and will continue to be highly volatile.
SUBJECT

Antarctic Support - Argentina.

HIGHLIGHTS

1. The National Science Foundation is the Executive Agency for the U.S. Antarctic Program. Naval Support Force, Antarctica provides reimbursable logistic support;

2. ARGNNAV has requested sea ice forecaster training for a graduate meteorologist. Staffed within OPNAV, the USMILGRP Buenos Aires was informally advised to suggest an arrangement between the Antarctic Program Managers of both countries;

3. Argentina is used as a logistic staging point for civil air and ship operations supporting (U.S.) Palmer Station research activities on the Palmer Peninsula of Antarctica. USCG Icebreakers will provide sealift support to Palmer Station this year.

DISCUSSION

Under the aegis of the Antarctic Treaty, scientific cooperation among Treaty signatories is widespread and commonplace in the depoliticized areas of the Treaty. In this spirit, Argentina is used as a logistic staging point for civil air and ship operations supporting the U.S. Antarctic Program on the Palmer Peninsula.

Upon agreement between the U.S. Antarctic Program Manager (NSF) and the Argentine Antarctic Program Director, sea ice forecaster training could be accomplished by the National Atmospheric and Oceanic Administration (NOAA) at the NAVY/NOAA Joint Ice Center in Suitland, Maryland. This plan will avoid FMS Act complications.

The Argentines returned the ice strengthened research vessel ISLAS ORCADAS to the NSF in August 1979. This vessel, the ex-USNS ELTANIN, was operated by ARGNNAV as a joint U.S./Argentina research vessel under a government to government lease.

RECOMMENDATION

Concerning sea-ice reconnaissance/forecasting training request, do not initiate discussion but, if broached, NSF is prepared to arrange training via NOAA at the NAVY/NOAA Joint Ice Center, Suitland, MD.
SUBJECT (U)

USN - Argentine Navy (ARGNAV) Intelligence Exchange

HIGHLIGHTS (C/NOFORM)

(C/NOFORM) Of all the Latin American countries, Argentina has the best, most comprehensive merchant/fishing ship reporting program.

DISCUSSION (C/NOFORM)

(C/NOFORM) Argentinian role: As a result of major program changes and equipment upgrades made by Argentina in 1979, they provide the USN extensive, timely locating data and photography of Communist Bloc and Free World merchant and fishing ships in Argentine waters and ports, as well as Antarctica. They are the only Latin American country which uses a reporting format compatible with the USN Ocean Surveillance Information System (OSIS), thus saving US intelligence considerable manpower and effort.

- The ARGNAV has acquired US computers and is interested in establishing a naval intelligence data processing capability patterned after the US Naval Intelligence Processing Systems Support Activity (NIPSSA). USN technical advice and consultants are to be provided.

- Argentina willingly collects against USN intelligence requirements for all-flag, uncoded MERSHIPS, and Soviet research vessels).

(C/NOFORM) USN provides:

- Daily summaries of locating data on naval, merchant and fishing ships in areas of interest to the ARGNAV (three separate USN products)

- A weekly report of S&T developments within Bloc navies

- Intelligence collection requirements for use in select collection operations

- Copy of the USN computer data base of MERSHIP characteristics
Threat assessments for 1980 Argentine training ship visits to San Juan and New York City

(U) Argentina has participated in past INICs (Inter-American Naval Intelligence Conferences) and was to have hosted INIC-78 until they cancelled it for political reasons.

RECOMMENDATIONS (U)

(U) Express appreciation to Argentine CNO for his initiatives and success expanding intelligence cooperation with the USN.
OMEGA Navigation System - an 8 station very low frequency (VLF) navigation aid for worldwide, all weather, 24 hour use. Under the Joint Chiefs of Staff (JCS) Master Navigation Plan, OMEGA is the general enroute backup navigation system for the Navy navigation satellite system. Various bilateral agreements between the U.S. and station host nations provide for initial construction and ongoing operational costs of the stations (usually a cost sharing or total cost assumption of operational aspects by the host nation).

**HIGHLIGHTS**

The Government of Argentina has and continues to press for total assumption of the ongoing cost of station operation by the U.S. The current agreement stipulates that Argentina continue to assume cost of operational aspects.

**DISCUSSION**

The U.S. has been involved in a three year discussion with Argentine officials concerning cost sharing. In most cases the host nation covers operational costs (typically approximately $500,000 per annum). The U.S. paid for station construction and provides a generous spare part provisioning. Unfortunately, the Argentine Government does not use OMEGA as a navigation aid and feels the U.S. should pay for operations. (The U.S. does in fact pay operational costs of two U.S. and two foreign stations.) The U.S. is resisting total cost assumption and is developing something short of that which may be palliatable to the Argentine Government.

The pressure to change the agreement has only been mild; however, the Argentines may, in worst case analysis, wish to terminate OMEGA participation. This would not be in the best interest of the U.S.; therefore, the dialogue is continuing.

**RECOMMENDATIONS**

The OMEGA project will be transferred totally to the U.S. Coast Guard in October 1980. The U.S. Coast Guard assumed system operational responsibility in July 1978; therefore, all operational and treaty obligations are under U.S. Coast Guard purview. The Navy has directed the construction of the seven previous stations and is now completing the eighth and final station which will go on air in February/March of 1981 (OMEGA Australia). This is the only residual function of OMEGA for which the Navy now is responsible.

It is recommended that discussions of OMEGA Argentina not be initiated by the U.S. representative.

If the subject is raised by Argentine officials, it should be pointed out that the U.S. Coast Guard is the cognizant U.S. agency. Delegates at international conferences have discussed and exchanged correspondence on this matter; however, no commitment has been made.
ARGENTINE PARTICIPATION IN UNITAS XX AND XXI

DISCUSSION (CAJP)

UNITAS XX (1979).

--- Phase Seven - Argentine (24 Sep - 1 Oct).

--- Argentine Navy (ARGNAV) participation: 3 DD, 1 AO, 1 SS, 1 P-2, LAMPS.

--- Highlights: First ARGNAV participation in UNITAS since 1976. ARGNAV requires extensive training in AAW and considerable refinement in EW. Evaluation: ARGNAV performance rusty. Their capability cannot be truly assessed based on this UNITAS. However, it would appear that ARGNAV has a very capable surface force and could contribute significantly to hemispheric defense in the South Atlantic.

UNITAS (1980).

--- Phase Five - Argentina (20 Sep - 2 Oct).

--- Argentine Navy participation: 3 DD, 1 SS, 1 AO, 3 ASW A/C, LAMPS, 2 A4Q.

RECOMMENDATION (U)

- Provided for information.
SUBJECT (U)
US Security Interests in Argentina

HIGHLIGHTS

- US has important security interests in Argentina.
  - Geographic location places it in close proximity to vital sea lanes in South Atlantic.
  - 1,000 miles of coastline in South Atlantic.
  - Could provide valuable bases and port facilities.
  - Vast continental shelf is potentially one of world's richest oil bearing areas.
- Latin America's most advanced nuclear weapons prospect.
  - Sale of research reactor to Peru makes Argentina the second Third World State (after India) to export nuclear technology.
- Argentine Navy considered capable of providing adequate force to integrate with Allied Naval Forces in defense of Western Hemisphere.

DISCUSSION
- Security arrangements.
  - Member of Rio Treaty.
  - Member of Inter-American Defense Board.
- Areas of friction.
  - Human rights.
  - US restrictions on sale of modern arms.
  - Nuclear non-proliferation.
  - Beagle Channel dispute (Argentina/Chile)

RECOMMENDATION
- Support US JCS objectives.
  - Improvements and access to bases/facilities as required.
  - Encourage increased participation and activities related to hemisphere's defense, including multilateral operations and exercises.
I. **SUBJECT:** Kennedy-Humphrey Amendment (U)

II. **MAJOR POINTS:**

A. The Kennedy-Humphrey Amendment to the Foreign Assistance Act (FAA) of 1961 was passed into law in August 1977 as Section 620B. (TAB A)

- Effective 1 October 1978
- Passed because Congress perceived serious human rights problems in Argentina

B. Section 620B, FAA prohibits military sales and assistance to Argentina. Specific terms are at TAB B.

- Prohibits military assistance, economic support funds, and IMET
- Precludes Foreign Military Sales (FMS)
- Prevents issuance of munition control export licences

C. This amendment may have outlived any usefulness

- Argentina's human rights record has improved though there are still some problems
- Senator Hayakawa unsuccessfully introduced legislation in 1979 to permit a waiver of the prohibition if the President certified that sales were in US interest
- Proposed Hayakawa waiver authority could prove valuable in obtaining Argentine support in international issues

Approved by: [Signature]
Director, J-5

Prepared by: [Signature]
Director, Joint Staff

**ATTACHMENTS**

TAB A - Section 602B, Foreign Assistance Act
TAB B - Legislative History--Section 602B FAA

**INTERNAL STAFF PAPER**

RELEASE COVERED BY JCS MOP NO. 39 DECLASSIFIED ON 15 JANUARY 1986

CONFIDENTIAL
the report required by the preceding sentence is submitted to the Congress.\footnote{\textit{242}}

(2)\footnote{\textit{242}} The President shall submit to the Congress within 60 days after the enactment of this paragraph,\footnote{\textit{243}} and at the end of such succeeding sixty-day period, a report on progress made during such period toward the conclusion of a negotiated solution of the Cyprus conflict.

Sec. 620A.\footnote{\textit{244}} Prohibition Against Furnishing Assistance to Countries Which Grant Sanctuary to International Terrorists.—(a) Except where the President finds national security to require otherwise, the President shall terminate all assistance under this Act to any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism and the President may not thereafter furnish assistance to such government until the end of the one year period beginning on the date of such termination, except that if during its period of ineligibility for assistance under this section such government aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism, such government's period of ineligibility shall be extended for an additional year for each such individual or group.

(b) If the President finds that national security justifies a continuation of assistance to any government described in subsection (a), he shall report such finding to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.

Sec. 620B.\footnote{\textit{245}} Prohibition Against Assistance and Sales to Argentina.—After September 30, 1975—

(1) no assistance may be furnished under chapter 2, 4, or 5 of part II of this Act to Argentina;

(2) no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Argentina;

(3) no sales of defense articles or services may be made under the Arms Export Control Act to Argentina; and

(4) no export licenses may be issued under section 38 of the Arms Export Control Act to or for the Government of Argentina.

\footnote{\textit{242}} Sec. 403 of the International Security Assistance and Arms Export Control Act of 1976 amended Sec. 620(a)(1) beginning with the words "Provided, That for the fiscal year..." Sec. 620(c)(1) formerly read as follows: Provided, That the President is authorized to suspend the provisions of this section and such acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until February 5, 1975, and only if, during that time, Turkey shall observe the cease-fire and shall neither increase its forces in Cyprus nor transfer to Cyprus any U.S. supplied implements of war.

\footnote{\textit{243}} Sec. 620(a) had previously been amended also at the point beginning with the word "Provided" by Sec. 306 of the Public Law 94-104. However, pursuant to Sec. 2(c)(5) of Public Law 94-104, Subsection (c) did not become effective until enactment of foreign assistance legislation authorizing sales, credits and guarantees under the Foreign Military Sales Act for fiscal year 1976. Such authorization for fiscal year 1976 was not enacted until passage of the International Security Assistance and Arms Export Control Act of 1976. Since Sec. 603 of such Act further amended Sec. 620(a)(1), the amendments contained in Sec. 2(c)(1) of Public Law 94-104 never became effective. See page 535 for complete text of Public Law 94-104.

\footnote{\textit{244}} Paragraph (2) was added by Sec. 2(c)(2) of Public Law 94-104.

\footnote{\textit{245}} Paragraph (2) did not become effective until enactment of the International Security Assistance and Arms Export Control Act of 1976 on June 30, 1976. See Sec. 2(c)(5) of Public Law 94-104 (since 241) for explanation of the effective date of paragraph (2).

Sec. 620B was added by Sec. 303 of the International Security Assistance and Arms Export Control Act of 1976.

Sec. 620B was added by Sec. 11 of the International Security Assistance Act of 1977 (91 Stat. 619).
REVIEW OF SECURITY SUPPORTING ASSISTANCE PROGRAMS FOR EGYPT

The Senate amendment added a new section 534 to the Foreign Assistance Act of 1961 to direct the Secretary of State to convene a special Interagency Task Force to review the security supporting assistance program for Egypt. The task force was to be advised by and to report (not later than February 15, 1978) to an advisory board consisting of four Members of Congress. Not to exceed $1 million of security supporting assistance funds for Egypt was to be available to finance the study.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision with an amendment which deleted the provision creating an advisory board made up of Members of the Congress. Instead, the task force would be required to consult with the Foreign Relations Committee of the Senate and the Committee on International Relations of the House, and to report to the Speaker of the House and the Foreign Relations Committee of the Senate. The amount available to fund the study was reduced from $1 million to $750,000.

PROHIBITION ON USE OF FOREIGN ASSISTANCE ACT FUNDS FOR NUCLEAR POWERPLANTS

The House bill added a new subsection (y) to section 620 of the Foreign Assistance Act of 1961 to prohibit the use of funds authorized under the Foreign Assistance Act of 1961 to finance the construction, operation or maintenance of, or the supply of fuel for, any nuclear powerplant.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the House provision with an amendment limiting the prohibition on the use of such funds for nuclear powerplants to fiscal year 1978 only.

PROHIBITION AGAINST MILITARY ASSISTANCE AND SALES TO ETHIOPIA AND ARGENTINA

A. Ethiopia

The Senate amendment added a new section 620B to the Foreign Assistance Act of 1961 to prohibit—

1. grant military assistance, international military education and training, security supporting assistance, and foreign military sales financing for Ethiopia;
2. foreign military sales to Ethiopia; and
3. deliveries to Ethiopia of any military equipment financed under grant military assistance or foreign military sales programs.

This provision also permitted the President to waive the provisions prohibiting further military sales and deliveries of military equipment if he determined such sales and deliveries to be in the national interest and so reported to Congress.

The House bill did not contain a comparable provision although funding for Ethiopia was deleted from the military assistance program, international military education and training program and
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foreign military sales authorizations in the provision of the bill authorizing funds for such programs.

The committee of conference adopted the House position with the intention that no funds would be used for programs to Ethiopia. It is also the understanding of the committee of conference that the current policy of the United States is not to provide defense articles and defense services to Ethiopia. Should this policy change because of political changes in Ethiopia it is expected that the executive branch will consult with the Congress in advance of any such policy change.

B. Argentina

The Senate amendment also added a new Section 620C to the Foreign Assistance Act of 1961 to prohibit after fiscal year 1978—

(1) grant military assistance, military education and training, security supporting assistance, and foreign military sales financing to Argentina; and

(2) foreign military sales and the issuance of export licenses to Argentina.

The House bill did not contain a comparable provision although funds which were programmed for foreign military sales financing for Argentina were deleted from the provision of the House bill authorizing funds for the worldwide foreign military sales program.

The committee of conference adopted the Senate provision with an amendment specifying that the prohibition on granting of export licenses is intended to apply only to licensed sales of defense articles or services to or for the Government of Argentina (which would include any agency or representative of the Government of Argentina).

NUCLEAR ENRICHMENT AND REPROCESSING TRANSFERS: FOREIGN ASSISTANCE CUTOFF FOR NUCLEAR DETONATION

The House bill makes no changes in existing law (section 669 of the Foreign Assistance Act) which prohibits economic, military, interna-

national military education and training, security supporting assistance, and foreign military sales credits or guarantees to any country which delivers or receives nuclear reprocessing or nuclear enrichment equipment, materials, or technology unless it will be placed under multilateral auspices and management when available subject to International Atomic Energy Agency safeguards. The President may, by Executive order effective 30 days after issuance, waive this prohibition if he determines (1) it would have a serious adverse effect on vital U.S. interests, and (2) he has received reliable assurances that the recipient country will not acquire or develop nuclear weapons or assist other countries in doing so. A waiver must be reported to Congress, setting forth the reasons supporting the determination. The Congress may by joint resolution terminate or restrict assistance, or take any other action with respect to such assistance, for a country subject to the prohibition. If such a resolution is introduced within 30 days of a waiver, it is considered in the Senate under an expedited procedure.

The Senate amendment amended section 669 of the Foreign Assistance Act and added a new section 670 to do the following:

(1) Exempt from the prohibition transfers which occur before enactment of this bill.
SUBJECT (U)

Argentine-Soviet Relations

HIGHLIGHTS (C/NOFORN)

Since 1978, Argentina has moved cautiously to expand relations with the Soviet Union.

- The Soviets and Argentines have been discussing a fishing agreement since 1973. One outcome of these talks has been an agreement to share research information on ocean resources (in particular, krill) off the coast of Argentina.

- Argentine grain exports to the Soviet Union have increased substantially in 1980. Argentina is expected to sell 6 million metric tons (MMT) to the Soviets this year as compared with less than 2 MMT in 1979.

- Bilateral talks are presently underway for the initiation of Aeroflot service to Argentina and for Soviet participation in Argentine hydroelectric projects.

- Argentina and the Soviet Union exchanged ship visits in 1979. The arrival of AGOR KRYLOV in Buenos Aires in December constituted the first visit of a Soviet naval/naval-associated ship to Argentina.


- Both countries agreed in late 1979 to an increase in the number of their military attaches, from 1 to 2 on the part of the Soviets from 2 to 3 on the part of the Argentines.

- There is some speculation that the Argentines will purchase military hardware from the Soviets (e.g., FITTER aircraft). Though large-scale purchases are considered unlikely, the rumors nevertheless persist.

Relations between the Soviet Union and Argentina have largely taken the form of exploratory contacts rather than formal, long-term commitments. The Argentines remain suspicious of Soviet intentions and are thus not expected to pursue a further substantial expansion of relations with the Soviets. However, that such an anti-Communist country as Argentina has been willing to entertain a broad range of Soviet initiatives is symptomatic of the decline in U.S. political leverage and credibility in Argentina.
Raul H. Castro of Arizona, Governor of the State since 1974, was sworn in October 20 as United States Ambassador to Argentina. He succeeds Robert C. Hill.

Born June 12, 1916 in Cananea, Mexico, Mr. Castro became a naturalized US citizen in 1939. The same year he received a B.A. from Northern Arizona University. He spent six years in the Foreign Service as a consular officer at US-Mexican border posts before leaving to study law at the University of Arizona. He received a J.D. in 1949.

After practicing law for two years, he was appointed deputy county attorney in 1951, a post he held until 1954. In that year he was named to a judgeship in Pima County, Arizona, and went on to become a judge on the Arizona Supreme Court.

In 1964 he became US Ambassador to El Salvador, where he remained until 1968, when he was named Ambassador to Bolivia. In 1969 he left the diplomatic service to return to his international law practice in Tucson.

A lifelong Democrat who has been active in Arizona politics, Mr. Castro won the Governorship on his party's ticket in 1974. He resigned one year before the expiration of his term as Governor to accept appointment as Ambassador to Argentina.

Mr. Castro has been awarded Honorary Doctorates by Arizona State University, the University of Arizona and Universidad Autonoma de Guadalajara, Mexico. Among his other awards are the Distinguished Public Service Award from the University of Arizona (1966) and the Matias Delgado Decoration from the Government of El Salvador (1968).

He is married to the former Patricia M. Norris and has two married daughters.

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For further information contact: