

Subject: Your conversations with Ambassadors Hill and  
Siracusa and other notes.

April 7<sup>2</sup>

1. Conversation with Ambassador Hill at Embassy Residence on March 28. The Ambassador discussed Henry Kissinger's role in the Argentine human rights situation. Hill said that he had made arrangements seven times for a Kissinger visit to Argentina. Each time the Secretary cancelled. Finally Kissinger decided to go to the OAS meeting in Santiago in June 1976. In the middle of the meetings, the Secretary wanted to visit Buenos Aires. This time the Argentines refused because they did not want to interrupt OAS activities being held in a neighboring state. Kissinger and Foreign Minister Guzzetti agreed to meet in Santiago.

The Argentines were very worried that Kissinger would lecture to them on human rights. Guzzetti and Kissinger had a very long breakfast but the Secretary did not raise the subject. Finally Guzzetti did. Kissinger asked how long will it take you (the Argentines) to clean up the problem. Guzzetti replied that it would be done by the end of the year. Kissinger approved.

In other words, Ambassador Hill explained, Kissinger gave the Argentines the green light. Within two weeks after

the June meeting, Juan de Onis of the Times knew what Kissinger said. Onis asked the Ambassador for confirmation. The Ambassador could not reply because no one informed the Embassy of Kissinger's statements.

Later (about August), the Ambassador discussed the matter personally with Kissinger, on the way back to Washington from a Bohemian Grove meeting in San Francisco. Kissinger confirmed the Guzzetti conversation. Hill said that the Secretary felt that Ford would win the election. Hill disagreed. In any case, the Secretary wanted Argentina to finish its terrorist problem before year end - before Congress reconvened in January 1977.

In September, Hill prepared an eyes only memorandum for the Secretary urging that the U.S. vote against an IDB loan on Harkin grounds. Hill felt that he would strengthen his hand in dealing with the Argentines. The memo was given to Assistant Secretary Shlaudeman. The latter asked the Ambassador personally if Hill really wanted to send the memo to the Secretary, who had already decided to vote for the loan. Shlaudeman suggested that the Secretary might fire Hill. Hill told Shlaudeman to send the memo. (Hill's IDB memo was ignored. ~~and~~ We voted for the loan, warning the Argentines, however, that we might not be able to support future Argentine projects in the IDB unless the human rights picture changes.)

Hill returned to Argentina around early September. The Argentine press had been saved for him and he sifted

through stacks of newspapers. He saw that the terrorist death toll had climbed steeply. The Ambassador said that he wondered - although he had no proof - whether the Argentine government was not trying to solve its terrorist problem before the end of the year.

Ambassador Hill said that he would tell all of this to the Congress if he were put on the stand under oath. "I'm not going to lie," the Ambassador declared.

He commented that the Argentine government now knows clearly where we stand on human rights. They did not before, and, Hill said, he wanted us to know this from the outset.

## 2. Country Team Briefing at Amembassy Buenos Aires on March 29.

Tony Freeman (Political Officer) stated that their failure from 1966-73 grated on the Argentine military. They were spat upon when they left power in 1973. They did not want power again. The civilian politicians were sitting and diddling in Congress. They knew a coup was coming and sought to get pay advances.

John Amott (Economic Counselor) said that money has not come back to Argentina because of terrorist problem.

Patt Derian commented that there is a real danger that every IFI bill will have a human rights rider. The American people have not yet decided on how best to conduct human rights effort. There is a common perception that U.S. policy makes it possible for dictatorships to oppress

people. In my seven weeks, Ms. Derian continued, I don't find that punitive steps are effective. If IFF amendments pass, would chaos follow in Argentina? The Ambassador replied yes. Ms. Derian then inquired about the wage policy.

Amott responded that the whole thing will solve itself in 8 or 9 months. In the field of trade, we will lose out to Europe and Japan if Eximbank does not open up.

The Ambassador interjected that the poor cannot tighten their belts any further. He also mentioned that Occidental Petroleum is planning to invest \$100 million and St. Joe Minerals is trying to put together a \$1 billion copper project.

Ms. Derian wondered how long will people be patient with the government. Tony Freeman said that 20% or more of the population would have to be tortured to excite the people. He noted that the terrorists are middle class. The terrorists have not had great success because they cannot <sup>mobilize</sup> ~~find~~ the poor - if you can find poor people. Ms. Derian asked-~~if-th~~ commented that she had not seen beggars in the street. Mr. Freeman replied that they are locked up. He added that the guerrillas did find some "poor" in Tucuman Province (scene of the ERP insurgency).

Someone commented that the Argentine government did not react strongly against the U.S. military aid reduction because the military do not want to rally the population demagogically against the U.S.

Col. Coughlin (Army Attache) stated that there is

no division among the military in terms of their determination to wage war on terrorism/ subversives. Some lessons had been learned from the Brazilians in their fight against urban terrorism. Almost no lessons were learned from Chile and few from Uruguay. The Argentine military are mainly on their own. There is loose command control and responsibility is decentralized. Abuses come because you don't have good tight control. But the military are beginning to tighten control, partially because of pressure.

Ms. Derian said that every level must understand that human rights is a basic tenet. Argentina was not whacked to balance the Soviets. National values are in the national interest. Some feel that we have tended to send a double message, e.g., it does not apply to the military or business. It does. We told Argentina that we needed postponement of an IBRD loan because of Congress; that is wrong.

Jim Buchanan (INR on TDY in Argentina) noted that the terrorists have won in a sense because institutions have been destroyed and hatreds will last for years.

Where do terrorists get equipment? They were first financed by ransoms. There is an international connection. They also manufacture their own. It is hard to know where money is now coming from. Kidnappings are hushed.

Yvonne Thayer (Political Officer) reported that the judicial process broke down. The Catholic Church has given the Argentine government a May deadline for improvement.

Argentines are approaching the Embassy. Other embassies are very careful about getting involved with Argentine citizens.

Consul General George Huey said that 28 Americans suffered arrest (presumably in 1976). There were 16 minor arrests (6 document checks and 10 Children of God-voluntary departures ) and 12 serious arrests. Three were held on criminal charges (2 drugs and 1 counterfeiter); Nine were subversive charges (1 American was killed). Of the Nine, 8 were women and 6 claimed torture. There are only two Americans in jail at present: the Panero sisters. They are dual (Argentine-American) nationals. The sister being held at Villa Devoto (Buenos Aires) has been visited by the Embassy; the one in Cordoba is still incommunicado. They were detained in August 1976 and are age 24 and 26.

Mr. Villalobos discussed the refugee parole program. There have been 280 applicants: 260 Chileans and 20 Uruguayans. 48 cases have been submitted to D/HA for approval; 80 are pending clearances. Sponsors are now ready to take the first cases.

3. Embassy Briefing by Ms. Derian on March 29.

The following topics were touched on during the question and answer session: discredited Argentines who testified before Congress, the sending of a double message, the U.S. is standing alone, the U.S. has abandoned Argentina fighting Marxism, will our allies deny equipment to Argentina which the U.S. refuses to provide, what is the effect of

human rights on IFIs, and the need for a human rights yardstick. (I did not take more extensive notes at the briefing; I wish I had.)

4. Papal Nuncio. He said that there are twelve priests in jail; 7 were involved in terrorism or subversion. He also noted that when the military came to power, the ERP was richer than the state (the treasury).

5. Meeting with American businessmen on March 30. Mr. Heap of Sterling Drug described the labor situation at one of his plants which employs 580 workers. Management had decided to rotate coffee breaks so that production would rise 4%. In return, the workers were offered a 10% wage hike. The union was amenable but explained that there was a real problem at the plant. ~~The~~ Management then tried to explain its proposal to the workers. The union delegate could not make himself heard at a meeting which was disrupted. 19 ringleaders were isolated and fired for cause. Another 44 workers were suspended and 99 were given warnings. A three week cooling vacation followed. The workers returned to work in January 1977 and were very pleased because they were no longer intimidated. Production is up. The factory manager was frightened because retaliatory action might be taken against him. None was. The workers who were fired have grumbled but are free. There have been no further reprisals against them although they are watched.

Another businessman said that there is a good deal of plant sabotage by the skillful use of absenteeism aimed

at creating bottlenecks in key production areas.

6. Meeting with Juan De Onis on April 1.

De Onis reported that the Permanent Assembly for Human Rights has assembled a collective petition involving the denial of 600 writs of habeas corpus. The hope is that the Supreme Court will accept the petition and name a special investigating judge. As a result of the review, the Assembly hopes the Court will declare that the legal system is not working or be able to come up with information on the 600 cases.

De Onis also recommended Hugo Gobbi who is apparently being considered for an OAS human rights post. De Onis said that Bob White ( of the U.S. delegation to the OAS) knows Gobbi, who also has the respect of Ambassadors Orfila and Aja Espil. Gobbi was former Ambassador to Cairo.