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MEMORANDUM OF CONVERSATION

Santiago Chile

June 6, 1976

Secretary's Suite

8:10 a.m. - 9:15 a.m.

PARTICIPANTS: The United States

The Secretary

Under Secretary Rogers

Under Secretary Maw

Luigi R. Einaudi, S/P - Notetaker

Anthony Hervas, Interpreter

Argentina

Foreign Minister Guzzetti

Ambassador Carasales

Ambassador Pereyra

Mr. Estrada

DISTRIBUTION: ARA, S/P

Guzzetti:

If you do not mind, I prefer to speak Spanish. It is difficult for me to express myself in English.

The Secretary:

Not at all. I myself negotiate with the Germans in English even though I was 15 when I left Germany.

You realize, of course, that no matter what happens, I will be in Argentina in 1978. That is the year the World Cup will take place.

Pereyra:

We are waiting for it, too.

The Secretary:

Argentina will win.

Guzzetti:

I am not sure.

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UNITED STATES DEPARTMENT OF STATE

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The Secretary

If you can control an Argentine crowd when Argentina loses, then you can say you have really solved your security problem. I remember in 1967, I think it was, the Scottish team precipitated a riot after a World Cup loss.

Carasales

Yes it was in 1967. It is difficult to lose.

The Secretary

It is better not to be in Brazil when Brazil loses. There a loss leads to suicides in the street.

But perhaps it will be possible for me to be in Argentina in several capacities.

Pereyra

What is the outlook in the United States?

The Secretary

The political situation is crazy. Now it seems clear that it will be Carter for the Democrats. Even though he lost badly in California and New Jersey.

Rogers

Ford did better against Reagan than Carter against his rivals.

The Secretary

And a 69-year old Japanese linguistics professor won the Republican Senatorial nomination in California.

Carasales

California is a very peculiar state.

Pereyra

Did you know that Argentina briefly claimed California in 1817? An Argentine battleship first visited Hawaii,

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then stayed 15 days in California, claiming the area for Argentina.

The Secretary

Just a minute now. I want you to know that we bought Hawaii, we paid for it, and we intend to keep it forever.

Of course, if we were to tell our press that we were opening negotiations with Argentina over California and Hawaii that would at least take Panama out of the headlines.

Guzzetti

Our main problem in Argentina is terrorism. It is the first priority of the current government that took office on March 24. There are two aspects to the solution. The first is to ensure the internal security of the country; the second is to solve the most urgent economic problems over the coming 6 to 12 months.

Argentina needs United States understanding and support to overcome problems in these two areas.

The Secretary

We have followed events in Argentina closely. We wish the new government well. We wish it will succeed. We will do what we can to help it succeed.

We are aware you are in a difficult period. It is a curious time, when political, criminal, and terrorist activities tend to merge without any clear separation. We understand you must establish authority.

Guzzetti

The foreign press creates many problems for us, interpreting events in a very peculiar manner. Press criticism creates problems for confidence. It weakens international confidence in the Argentine Government and affects the economic help that we need. It even seems as though there is an orchestrated international campaign against us.

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The Secretary

The worst crime as far as the press is concerned is to have replaced a government of the left.

Guzzetti

It is even worse than that . . .

The Secretary

I realize you have no choice but to restore governmental authority. But it is also clear that the absence of normal procedures will be used against you.

Guzzetti

We want to restore republican rights. In the meantime, we must defeat terrorism and resolve our economic problems. It takes time.

The Secretary

We can't help you much on the terrorist front.

Guzzetti

I understand.

The Secretary

But in the economic field, we may be able to do something. I understand your Minister of Finance will be in Washington next week. I hope he will not be there before Rogers gets back.

Guzzetti

Yes.

Rogers

Martinez de Hoz is a good man. We have been in close consultations throughout. He will be seeing Simon.

Guzzetti [To the Secretary]

I would be grateful if you could see him, to give

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him some support as he takes his first steps.

The Secretary

I will see him for 15 minutes as a symbolic gesture.

Guzzetti

Yes, thank you very much. That would help our image greatly.

The Secretary

We will use our influence in the private sector to us what can be done.

Guzzetti

Martinez de Hoz will also be going to Europe. But he will be visiting the United States first, and I believe a successful visit in the United States will be a precondition to his success in Europe.

The Secretary

I don't know the details of the financial situation. But we have a foreign policy interest in Argentina. We should be able to use our influence. The private sector can be of greatest assistance. I will call David Rockefeller.

Rogers

Yes. Chase could be very helpful.

The Secretary

And I will call his brother, the Vice President.

Pereyra [To Guzzetti]

I think Secretary Kissinger would be interested in hearing about the large number of people who have entered Argentina since 1973.

Guzzetti

Since 1973, often illegally or semi-legally, 1/2 million foreigners have entered Argentina as asylees. A large number of them have come from Chile.

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The Secretary

Half a million? That is amazing. I didn't know.

Guzzetti

They have come from all our neighboring countries: Uruguay, Paraguay, Bolivia, as well as Chile.

Few have normal work, with proper documentation. Most are very poor and subsist in semi-legal fashion. Many provide clandestine support for terrorism. Chile, when the government changed, resulted in a very large number of leftist exiles. The Peronist Government at the time welcomed them to Argentina in large numbers.

The Secretary

You could always send them back.

Guzzetti

For elemental human rights reasons we cannot send them back to Chile. But we have tried third countries. No one wants to receive them. There are many terrorists.

The Secretary

Have you tried the PLO? They need more terrorists.

Seriously, we cannot tell you how to handle these people. What are you going to do?

Guzzetti

We are cooperating with international organizations to try to help them get documents and to get them work. Those who want to leave, of course, can. We are prepared to pay their fare.

The Secretary

If you can find a place for them.

Guzzetti

Right.

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Pereyra

The problem is that everyone worries, and no one helps. Think of what happened to the Greek exiles.

The Secretary

I understand the problem. But if no one receives them, then what can you do?

Guzzetti

We are worried about their involvement in the terrorism problem. But many fear persecution, and do not want to register.

The Secretary

How many are we talking about?

Guzzetti

The total number of foreigners in Argentina, combining legal and illegal, would be around 500,000.

The Secretary

And how many of these do you feel are engaged in illegal activities?

Guzzetti

It is difficult to say. Perhaps 10,000. Only 150 Chileans are legal. We have no names. Only the refugee committees know something in detail. But their problems create unrest, and sometimes even logistic support for the guerrillas.

The Secretary

We wish you success.

Carasales

You are very kind.

The Secretary

I do not know what to say. We will do what we can on the economic front. A stable Argentina is of interest

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to the hemisphere. That has always been true. It is basic.

But this problem of terrorism is strange. There have always been parts of cities that were not really safe, that had no government. That in itself was not a political problem. But when it merges with political terrorism, we have no clear precedents.

The problem should be studied. Unfortunately, those who have the time to do so are usually on the side of the guerrillas.

Guzzetti

The terrorist problem is general to the entire Southern Cone. To combat it, we are encouraging joint efforts to integrate with our neighbors.

The Secretary

Which ones?

Guzzetti

All of them: Chile, Paraguay, Bolivia, Uruguay, Brazil.

The Secretary [sharply]

I take it you are talking about joint economic activities?

Guzzetti

Yes. Activities on both the terrorist and the economic fronts.

The Secretary

Oh. I thought you were referring only to security. You cannot succeed if you focus on terrorism and ignore its causes.

Guzzetti

You are right. People need to develop a broader consciousness that the only way to defeat terrorism in

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the future in our part of the world is through greater regional integration and economic stability.

The Secretary (mollified)

That sounds like a good idea.

Guzzetti

We must create disincentives to potential terrorist activities. Specifically, terrorism is becoming extraordinarily virulent. People on the outside don't look for details. They don't see the provocations that we face, or our efforts to resolve them.

The Secretary

Let me say, as a friend, that I have noticed that military governments are not always the most effective in dealing with these problems.

Guzzetti

Of course.

The Secretary

So, after a while, many people who don't understand the situation begin to oppose the military and the problem is compounded.

The Chileans, for example, have not succeeded in getting across their initial problem and are increasingly isolated.

You will have to make an international effort to have your problems understood. Otherwise, you, too, will come under increasing attack. If there are things that have to be done, you should do them quickly. But you must get back quickly to normal procedures.

Guzzetti

Yes, we must find procedures so as not to alienate people. I will so advise our President.

Pereyra

I would like to comment. Many persons who write are on the wrong side. We have been truly trying to

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reach our people. But there is little to make opinions change. The fact is that internal subversion is linked up to other countries. The problem is soluble so long as domestic conditions hold. But if the integrity of government is challenged, then to apply the principle of political balance means to favor subversion. Terrorism feeds upon and creates tensions among neighbors. So we need both domestic stability and regional unity.

The Secretary

It is certainly true that whatever the origin, terrorism frequently gains outside support. And this outside support also creates pressures against efforts to suppress it.

But you cannot focus on terrorism alone. If you do, you only increase your problems.

Guzzetti

Yes, there is a need for balance between political rights and authority.

The Secretary

I agree. The failure to respect it creates serious problems. In the United States we have strong domestic pressures to do something on human rights.

Guzzetti

The terrorists work hard to appear as victims in the light of world opinion even though they are the real aggressors.

The Secretary

We want you to succeed. We do not want to harrass you. I will do what I can. Of course, you understand, that means I will be harrassed. But I have discovered that after the personal abuse reaches a certain level you become invulnerable.

[Group moves to sitting room]

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Guzzetti

Until now, the United States Government has abstained on the Falkland Island issue. The issue is very important to Argentina. We hope that the United States Government would reconsider its position and help us.

The Secretary

It is difficult for us to get involved.

Guzzetti

I know.

The Secretary

It is difficult for us. But I suspect that, even so, over time the problem can be solved. The original purpose of the British presence is no longer being served by the Falklands, which are no longer necessary to protect sealanes.

Guzzetti

That is true, but what troubles us is that Great Britain wants self-determination for 2,000 people--and 1,600 of them are employees of the Falkland Island Company. This is not a question of historic rights. So long as this uncertain situation is unresolved it can always be complicated by collateral issues. I am convinced they will start again.

The Secretary

I know the British Prime Minister. It is a good thing for the peace of the world that he no longer has the Navy he had before World War II. But they found out in Iceland how useless modern weaponry can be under certain circumstances. Sharp steel poles in gunboats can cut up frigates. I am afraid that I think the same will happen to the United States Navy.

Pereyra

Chesterton once said that in the England of the future the arms would be so sophisticated that bows, arrows and knives would settle the issue.

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The Secretary

That is true. We spend so much on increased sophistication that next we will get a plane that plays the national anthem automatically. Yet I remember in Vietnam on the Ho Chi Minh trail the F-4's with their missiles in 400 sorties destroyed 15% of their targets. DC-4's armed with cannons destroyed 85%. An F-15 can't even see a truck. And now, look at Angola. Modern warfare is becoming too complicated for the modern warriors. The British admirals will have to settle.

Guzzetti

Talking about Angola, we must prepare to solve South Atlantic security.

The Secretary

What do you mean?

Guzzetti

We must improve contact so that each country can be prepared to control its own area of responsibility in the South Atlantic so as to prevent recurrences of Angola.

The Secretary

I can see no objection right now to an exchange of views at the Navy level on what might be done. But the major problem is to get Cuba out of Angola. Secondly, we must demonstrate the limits of Cuban strength. It is absurd that a country of 8 million that has no resources should send expeditionary forces halfway around the globe.

I can tell you, that we cannot and will not tolerate new Cuban activities of this kind. A few advisors may be OK but organized military units are unacceptable.

Guzzetti

Angola could become the spearhead of further efforts.

The Secretary

If the troops get out, we would not permit them to return. The local forces do not fight well.

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Pereyra

We have information that in Angola there is a strong reaction against Cuba.

The Secretary

Perhaps. We do not have any good information. Our evidence is that Cuban troops don't like being there and didn't like the casualties. We suspect there is something of a rivalry between the Cubans and the Soviets over who to support in Angola. There is a rivalry within the MPLA between black and mulatto leaders. Some, like Neto are very white. There is a basis for racial conflict. We hear that the Soviets support the blacks, the Cubans support the mulattos.

Guzzetti

They have internal problems.

The Secretary

Yes. It is a real problem for the Cubans.

Carasales

Do you believe Castro will withdraw his troops?

The Secretary

He may withdraw some, perhaps. Then he thinks he can stop. He may believe he doesn't need all 15,000 men there now.

Carasales

The rate of withdrawal seems slow. It will take them a year at least.

The Secretary

More than a year. In fact, we can't even confirm that he is withdrawing any forces now.

[At 9:10 the Secretary and Guzzetti leave for a word alone. At 9:14 they re-emerge, and the meeting ends.]

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