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E.O. 12065: GDS 11/4/87 (WHITNEY, PETER D.) OR-E

TAGS: PBOR, ENUC, PLOS, CI

SUBJECT: VISIT OF PRINCIPAL DEPUTY ASSISTANT SECRETARY MARSHALL WITH CHILEAN OFFICIALS CONCERNING BEAGLE CHANNEL, LOS AND NUCLEAR COOPERATION

REF: MARSHALL/WHITNEY TELECON NOV 4

1. CONFIDENTIAL - ENTIRE TEXT.

2. PER REFTELCON FOLLOWING MESSAGE CLEARED BY MARSHALL.3. SUMMARY. PRINCIPAL DEPUTY ASSISTANT SECRETARY MARSHALL ACCOMPANIED BY EMBASSY OFFICIALS MET WITH UNDERSECRETARY OF THE FOREIGN MINISTRY ERNESTO VIDELA, DIRECTOR GENERAL FERNANDO ZEGERS, AND SEVERAL OTHER GDC OFFICIALS ON NOVEMBER 1 TO DISCUSS A RANGE OF LOS AND NUCLEAR COOPERATION TOPICS. THE MEETING WITH VIDELA WAS AT HIS REQUEST AND WAS CONFINED TO A DISCUSSION OF THE BEAGLE CHANNEL DISPUTE RESOLUTION.

END SUMMARY.

4. MARSHALL ACCOMPANIED BY POL COUNSELOR DURKEE MET WITH VIDELA AND ZEGERS FOR ABOUT 90 MINUTES TO DISCUSS THE STATUS OF THE BEAGLE CHANNEL WITH VIDELA ITEMIZING THE EVENTS LEADING UP TO THE POPE'S PROPOSAL AND EMPHASIZED THE NUMEROUS OPPORTUNITIES THAT ARGENTINA HAD TO FULLY STATE ITS CASE. VIDELA REITERATED RECENT EVENTS WHERE ARGENTINE OFFICIALS WERE

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CONTINUING TO SEEK AN AVOIDANCE OF THE IMPLEMENTATION OF THE VATICAN'S DECISION. VIDELA POINTED TO FAILURE OF ARGENTINA TO COMPLY WITH ACCEPTABLE LEGAL STANDARDS AND OBSERVED THAT ARGENTINA HAS NEVER BEEN REPROACHED BY THE WORLD COMMUNITY FOR IGNORING THE EARLIER ARBITRAL AWARD MADE UNDER PROCEDURES ACCEPTED BY BOTH COUNTRIES. VIDELA AND ZEGERS CONCLUDED BY SUGGESTING THAT THE POPE MIGHT NEED THE DISCREET HELP OF NATIONS SUCH AS THE US AND BRAZIL AS WELL AS THE EUROPEAN COMMUNITY EMPHASIZING THAT THE POPE'S PRESTIGE MAY BE JEOPARDIZED BY CONTINUED EFFORTS BY ARGENTINA TO AVOID THE INEVITABLE.

5. DIRECTOR GENERAL ZEGERS HOSTED A LUNCHEON ATTENDED BY AMBASSADOR LANDAU, DEPUTY ASSISTANT SECRETARY MARSHALL, POL COUNSELOR DURKEE AND ECON COUNSELOR WHITNEY. THE LUNCHEON WAS ALSO ATTENDED BY REPRESENTATIVES OF MFA OFFICES WHO HAVE RESPONSIBILITY FOR NUCLEAR AND LOS MATTERS. THEY INCLUDED: OCTAVIO ERRAZURIZ, DIRECTOR FOR BILATERAL AFFAIRS; LUIS WINTER, DIRECTOR FOR MULTILATERAL AFFAIRS; LT COLONEL HUMBERTO JULIO, DIRECTOR FOR PLANNING; EDUARDO BRAVO, DIRECTOR FOR SPECIAL POLITICAL AFFAIRS; AND JORGE BUSTOS, DEPUTY DIRECTOR FOR SPECIAL POLITICAL AFFAIRS. VIRTUALLY THE ENTIRE LUNCHEON WAS DEVOTED TO A DISCUSSION OF THE US-LOS POSITION. MARSHALL NOTED THAT THE PRESIDENT IS MOST LIKELY TO BE PRESENTED WITH TWO OPTIONS--EITHER WITHDRAWAL FROM THE NEGOTIATIONS, OR FURTHER NEGOTIATIONS TO SEEK IMPROVEMENT IN THE SEABED MINING PROVISIONS WHICH MEET OUR NATIONAL OBJECTIVES. IF THIS OPTION IS CHOSEN, WE WILL BE SEEKING SUBSTANTIAL CHANGES IN THE DEEP SEABED PART. ZEGERS RESPONDED THAT THEY CERTAINLY HOPED THE PRESIDENT WOULD NOT SELECT THE OPTION TO WITHDRAW. (ZEGERS IS THE CHILEAN DELEGATION LEADER FOR THE LOS NEGOTIATIONS AND APPEARS TO HAVE A PERSONAL INTEREST IN CONCLUDING A LOS AGREEMENT.) MARSHALL NOTED THAT THE PRESIDENT WOULD BE GIVEN A COMPLETELY BALANCED OPTIONS PAPER AND THAT EVERY EFFORT WOULD BE TAKEN TO AVOID PREJUDICING THE OUTCOME OF THIS DECISION MAKING. ZEGERS HOPED THAT THE PRESIDENT WOULD DECIDE TO CONTINUE THE NEGOTIATIONS AND THAT ZEGERS WOULD MEET WITH AMBASSADOR MALONE SOMETIME BEFORE THE NEXT INTER-SESSIONAL MEETING. MARSHALL NOTED THAT WE OF COURSE WOULD WANT TO MEET WITH ZEGERS IF WE WERE TO PURSUE THE NEGOTIATIONS. HIS SUPPORT WOULD BE VERY IMPORTANT. DURING THE DISCUSSION, ZEGERS MENTIONED SEVERAL

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TIMES HIS UNDERSTANDING OF THE US NEED FOR GUARANTEED ACCESS TO THE SEABEDS. HE ALSO ACKNOWLEDGED PROBLEMS THE US FACED--THE SYSTEM OF VOTING AND THE NEED TO PROTECT EXISTING SEABED MINERS. ON A TECHNOLOGY TRANSFER ISSUE, ZEGERS SEEMED RECEPTIVE TO US CONCERNS REGARDING MANDATORY ASPECTS AND OUR PROBLEMS WITH THIRD PARTY INTERESTS.

6. FOLLOWING THE LUNCHEON, THE TWO SIDES SPOKE PRIMARILY ABOUT THE PROPOSAL FOR ADDITIONAL NUCLEAR COOPERATION. THE TOPIC HAD BEEN MENTIONED BRIEFLY DURING THE LUNCHEON. MARSHALL NOTED THAT WE WOULD NEED TO CONCLUDE A NEW SUPPLY ARRANGEMENT WITH CHILE IN ORDER TO PROVIDE FUEL FOR THE CHILEAN RESEARCH REACTORS. ALSO, AMBASSADOR LANDAU AND DEPUTY ASSISTANT SECRETARY MARSHALL POINTED OUT THAT THERE WAS A CLEAR PREFERENCE OF THE US TO HAVE CHILE BECOME A PARTY TO THE TREATY OF TLATELOLCO (I.E., WAIVE THE ENTRY INTO FORCE PROVISION) AND THAT IN RECENT YEARS THE US HAD CONCLUDED NEW AGREEMENTS ONLY WITH NATIONS WHICH WERE TLATELOLCO OR NPT PARTIES. ZEGERS ACKNOWLEDGED THAT IT WAS POSSIBLE THAT CHILE COULD BECOME A PARTY TO TLATELOLCO BUT THAT THERE WAS CONCERN WITH THE ARGENTINE PLANS. IT BECAME APPARENT FROM THE DISCUSSIONS FROM THIS MEETING AND PREVIOUSLY THAT ZEGERS AND OTHER GOC OFFICIALS HAD A VIEW OF ARGENTINA'S NUCLEAR WEAPONS CAPABILITY THAT IS UNREALISTIC. ZEGERS TALKED IN TERMS OF ARGENTINA HAVING THE CAPABILITY TO SUDDENLY BUILD A NUCLEAR WEAPON. A DISCUSSION ENSUED REGARDING THE ARGENTINE NUCLEAR ENERGY PROGRAM AND THE DIRECTION IN WHICH IT WAS GOING. ZEGERS EXPRESSED GREAT INTEREST IN THE DETAILS OF THIS PROGRAM.

7. ZEGERS ASKED IF HE COULD HAVE A COPY OF A DRAFT AGREEMENT FOR COOPERATION AND MARSHALL PROVIDED HIM WITH A DRAFT WHICH ASSUMES THAT CHILE BECOMES A PARTY TO THE TREATY OF TLATELOLCO. MARSHALL PROCEEDED TO DESCRIBE THE AGREEMENT ARTICLE BY ARTICLE NOTING THAT THE SAFEGUARDS ARTICLE (ARTICLE 9) WOULD HAVE TO BE MODIFIED IF THE AGREEMENT WERE TO BE CONCLUDED WITHOUT CHILE BEING A TLATELOLCO PARTY. THIS WOULD REQUIRE ADDITIONAL ASSURANCES AND MODIFICATIONS OF EXISTING SAFEGUARD AGREEMENTS TO ENSURE THAT ALL NUCLEAR ACTIVITIES IN CHILE WERE FULLY SUBJECT TO IAEA SAFEGUARDS.

8. FOLLOWUP REQUESTED: GOC OFFICIALS DESIRE FURTHER

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INFORMATION ON RERTR ASSISTANCE AND COPIES OF THE US NUCLEAR
COOPERATION AGREEMENTS WITH EGYPT, PERU AND COLOMBIA.
LANDAU

END OF MESSAGE

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