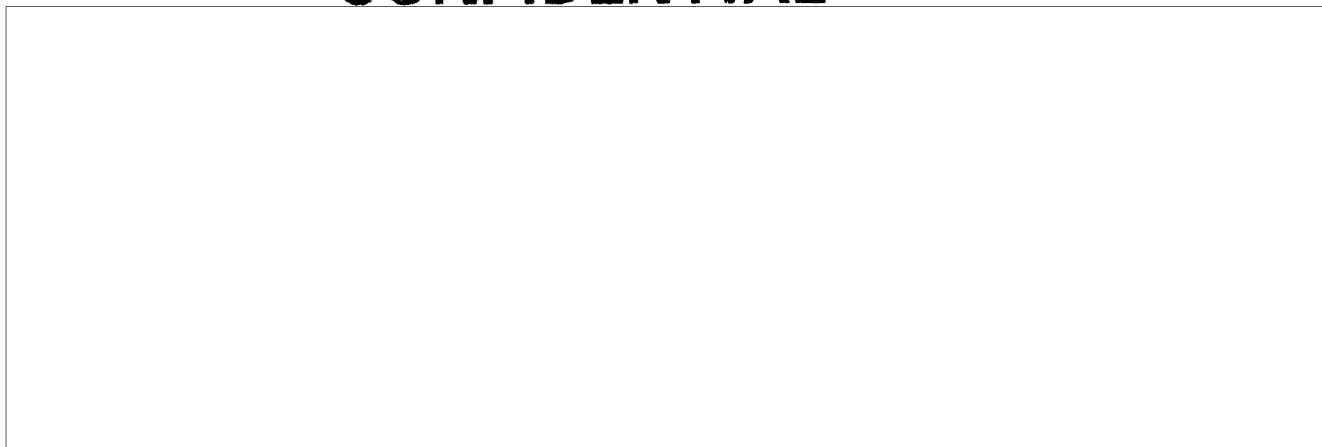
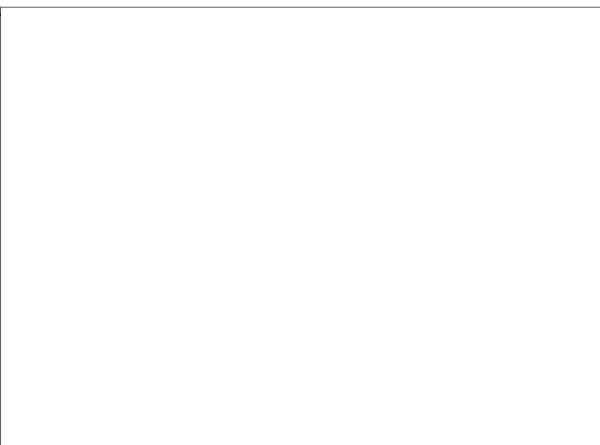


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RUESLM/AMEMBASSY LIMA 4710
RUESMG/AMEMBASSY MANAGUA 0449
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RUEHSJ/AMEMBASSY SAN JOSE 0641
RUEHSN/AMEMBASSY SAN SALVADOR 0516
RUESNA/AMEMBASSY SANTIAGO 6826
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CINCSO FOR INTAFF

CINCLANT ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: CREF, PGOV, AR
SUBJECT: CONGRESSMAN SOLARZ' VISIT TO ARGENTINA,
- JANUARY 14-18, 1984

REFS: (A) 83 STATE 337943, (B) 83 STATE 349220

1. (CONFIDENTIAL - ENTIRE TEXT)
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2. SUMMARY. CODEL SOLARZ HAD AN EXCEPTIONALLY BUSY AND USEFUL STAY IN BUENOS AIRES, JANUARY 14-18, MEETING WITH A BROAD CROSS SECTION OF PERSONS REPRESENTING THE EXECUTIVE BRANCH, CONGRESS, BUSINESSMEN AND ECONOMISTS, POLITICAL AND LABOR LEADERS, HUMAN RIGHTS ACTIVISTS, INTELLECTUALS, AND FOREIGN DIPLOMATS. THE CONGRESSMAN'S INTERLOCUTORS UNIFORMLY ASSURED HIM THAT THE ODDS IN FAVOR OF DEMOCRACY TAKING ROOT AND FLUORISHING IN ARGENTINA NOW ARE GREATER THAN AT ANY TIME IN MANY DECADES. MOST OF THE CONGRESSMAN'S INTERLOCUTORS WERE CAUTIOUSLY OPTIMISTIC ABOUT THE ECONOMY, VERY OPTIMISTIC ABOUT A SOLUTION TO THE BEAGLE CHANNEL DISPUTE WITH CHILE AND EUPHORIC ABOUT THE NEW ERA OF HUMAN AND CIVIL RIGHTS OBSERVANCE IN ARGENTINA. NOT SURPRISINGLY, THE FOREIGN MINISTRY IS NOT OPTIMISTIC ABOUT EARLY

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RESOLUTION OF THE FALKLANDS/MALVINAS DISPUTE AND HUMAN RIGHTS ORGANIZATIONS ARE DISSATISFIED WITH THE GOVERNMENT'S APPROACH TO HOLDING THE MILITARY ACCOUNTABLE FOR THE DISAPPEARED. MOST OBSERVERS WERE OF THE VIEW THAT PRESIDENT ALFONSIN IS SUCCESSFUL IN BRINGING THE MILITARY UNDER HIS CONTROL. LABOR LEADERS ADMITTED THAT THE CURRENT UNION LEADERSHIP AND THE ALFONSIN GOVERNMENT ARE ON A COLLISION COURSE. LABOR MINISTER MUCCI ALLOWED THAT PRESIDENT ALFONSIN MIGHT SEEK AN AMENDMENT TO THE CONSTITUTION WHICH WOULD PERMIT A SECOND CONSECUTIVE PRESIDENTIAL TERM OF OFFICE. WE ARE REPORTING BY SEPTEL ON CONGRESSMAN SOLARZ' MEETINGS WITH HUMAN RIGHTS AND JEWISH LEADERS. END SUMMARY.

3. CONGRESSMAN SOLARZ SHAPED HIS INTERVIEWS THROUGH A SERIES OF QUESTIONS OF SIMILAR CHARACTER POSED TO EACH INTERLOCUTOR. THESE QUESTIONS FOCUSED ON THE FOLLOWING ISSUES: (A) THE DURABILITY OF DEMOCRACY AND FACTORS POTENTIALLY AFFECTING IT SUCH AS THE ECONOMIC SITUATION, PROBLEMS WITH THE MILITARY INCLUDING ACCOUNTABILITY FOR THE DISAPPEARED, AND CONFRONTATION WITH THE LABOR MOVEMENT; (B) THE EXTERNAL SECTOR, PARTICULARLY RESOLUTION OF THE BEAGLE AND MALVINAS/ FALKLANDS DISPUTES; (C) NUCLEAR NONPROLIFERATION; (D) THE STATUS OF THE JEWISH COMMUNITY IN ARGENTINA; (E) THE U.S. ROLE IN THE HEMISPHERE AND PARTICULARLY IN CENTRAL AMERICA; AND (F) PROSPECTS FOR ECONOMIC REVIVAL.

4. CONGRESSMAN SOLARZ WAS RECEIVED BY PRESIDENT ALFONSIN, THE MINISTERS OF FOREIGN RELATIONS, DEFENSE, AND LABOR, THE PRESIDENT OF THE CHAMBER OF DEPUTIES, THE SECRETARY OF AGRICULTURE, AND SEVERAL UNDERSECRETARIES OF EDUCATION, CULTURE AND HEALTH AS WELL AS OFFICIALS OF THE CENTRAL BANK. IN EACH OF THESE MEETINGS, THE ARGENTINE PARTICIPANTS COVERED TERRAIN THAT WAS SIMILAR TO THAT OF RECENT MEETINGS WITH CODELS BAKER AND PEPPER (REPORTED IN BUENOS AIRES 434, 362, 336, 391). IN SUM, ARGENTINE OFFICIALS BELIEVE THAT THIS NATION HAS CAST OFF THE SPECTER OF MILITARY COUPS FOR A LONG TIME TO COME; THE BEAGLE DISPUTE IS ON ITS WAY TO RESOLUTION AND ARGENTINA AND CHILE IN FUTURE WILL HAVE COOPERATIVE RELATIONS; THE GOVERNMENT HAS SUCCEEDED IN SUBORDINATING THE MILITARY TO CIVILIAN CONTROL; ARGENTINA'S NUCLEAR PROGRAM WILL BE DIRECTED EXCLUSIVELY TOWARD PEACEFUL PURPOSES; AND THE ECONOMY PRESENTS SERIOUS DIFFICULTIES, BUT THEY ARE MANAGEABLE WITH SOME UNDERSTANDING FROM THE INTERNATIONAL

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FINANCIAL COMMUNITY.

5. PRIVATE ECONOMISTS AND LABOR LEADERS WERE LESS SANGUINE ABOUT PROSPECTS FOR THE ECONOMY IN 1984. LABOR LEADERS ANTICIPATE THAT WAGES WILL NOT RISE AT A PACE SUFFICIENT TO SATISFY THE WORKING CLASS WHILE CONSERVATIVE ECONOMISTS COMPLAIN THAT THE GOVERNMENT'S ECONOMIC PROGRAM HAS NOT BEEN ADEQUATELY EXPLAINED AND DOES NOT APPEAR TO BE COHERENT. THE CONSERVATIVES POINT OUT THAT THE GOVERNMENT APPEARS TO BE PLANNING TO REDUCE INFLATION THROUGH REDUCING THE GOVERNMENT DEFICIT WHILE AT THE SAME

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TIME INCREASING REAL WAGES AND UNEMPLOYMENT THROUGH AN ECONOMIC REACTIVATION PROGRAM, WHICH ARE INCOMPATIBLE GOALS.

6. CONGRESSMAN SOLARZ HAD DINNER WITH SENIOR MFA OFFICIALS, INCLUDING THE FOREIGN MINISTRY'S SECOND AND THIRD-RANKING OFFICERS, SECRETARY OF STATE FOR PEACE AND SECURITY AFFAIRS AMBASSADOR HUGO GOBBI, AND SECRETARY OF STATE FOR FOREIGN RELATIONS ELSA KELLY. IN RESPONSE TO SOLARZ' QUESTION REGARDING THE BEAGLE DISPUTE, KELLY AND GOBBI WENT INTO SOME DETAIL OF THE BACKGROUND POINTING OUT THAT THE KEY ISSUE IS NOT THE ISLANDS OR EVEN THE PROJECTION INTO THE ANTARCTIC BUT MARITIME JURISDICTION IN THE SOUTH ATLANTIC, THE SO-CALLED "BIOCEANIC PRINCIPLE." GOBBI ACKNOWLEDGED THE PROBLEM APPEARS TO BE NEAR RESOLUTION AND THAT ARGENTINA WANTS A SETTLEMENT. HE ADDED, "WE WILL MAKE A SETTLEMENT EVEN IF IT MEANS ACCEPTING ONE THAT IS NOT ENTIRELY FAVORABLE TO ARGENTINA."

7. TURNING TO THE MALVINAS/FALKLANDS, GOBBI STATED CATEGORICALLY THAT THERE WOULD BE NO ARGENTINE DECLARATION OF A CEASEFIRE UNTIL HER MAJESTY GOVERNMENT IS WILLING TO NEGOTIATE BASED ON UN RESOLUTIONS. WHEN PRESSED BY SOLARZ, GOBBI RESPONDED THAT THIS IMPLIES DISCUSSION OF SOVEREIGNTY.

8. IN A SEPARATE MEETING WITH THE CHIEF OF THE BRITISH INTERESTS SECTION OF THE SWISS EMBASSY HERE, DAVID JOY WAS NO MORE OPTIMISTIC THAN THE ARGENTINES REGARDING THE POSSIBILITY FOR A SOLUTION TO THE PROBLEM FOR MANY YEARS. IN JOY'S VIEW, ARGENTINA WILL NOT GO TO THE NEGOTIATING TABLE IF SOVEREIGNTY IS NOT ON IT AND MRS. THATCHER WILL NOT DISCUSS SOVEREIGNTY. NEVERTHELESS, JOY IS HOPEFUL THAT 1984 MAY SEE SOME IMPROVEMENT IN ARGENTINE-UK RELATIONS. HE SAID THAT "ALFONSIN AND THATCHER ARE LIKE TWO STONE STATUES WHO MIGHT JUST BE BEGINNING TO SMILE AT ONE ANOTHER." THE UK WILL TRY TO RESTORE RELATIONS WITH ARGENTINA ON OTHER FRONTS WITHOUT TOUCHING THE FALKLANDS/MALVINAS SOVEREIGNTY ISSUE. JOY ADDED THAT TALK OF A LEASE-BACK SOLUTION TO THE FALKLANDS/MALVINAS IS PREMATURE.

9. GOBBI DID NOT RULE OUT A LEASE-BACK. THE FUNDAMENTAL PROBLEM, IN GOBBI'S VIEW, IS THAT MRS. THATCHER AND GREAT BRITAIN THINK THE "WISHES" OF THE ISLANDERS, WHICH ARE PREDICTABLE, MUST BE PARAMOUNT IN ANY SETTLEMENT ON SOVEREIGNTY WHILE ARGENTINA WILL ONLY ENTERTAIN DISCUSSION OF THEIR "INTERESTS."

10. CONGRESSMAN SOLARZ RECEIVED STARKLY CONTRADICTORY VIEWS OF THE LABOR SITUATION IN ARGENTINA FROM THE LABOR MINISTER AND LEADERS OF THE TWO MAJOR CONFEDERATIONS WHICH NOW CONFRONT THE GOVERNMENT OVER THE LABOR REORGANIZATION BILL. THE TRADE UNIONISTS STRESSED THAT THEY OPPOSE ALFONSIN'S PROPOSAL FOR LABOR REORGANIZATION BECAUSE IT ALLEGEDLY WILL RESULT IN EXCESSIVE STATE INTERFERENCE IN UNION AFFAIRS, VIOLATE FREEDOM OF ASSOCIATION, OPEN THE DOOR TO MARXIST PENETRATION OF THE LABOR MOVEMENT AND "CHANGE THE SOCIAL STRUCTURE OF ARGENTINA" BY REDUCING WORKERS' STANDARD OF LIVING.

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11. THE LABOR MINISTER DEFENDED THE PROGRAM AS NECESSARY TO RID THE UNIONS OF A CORRUPT AND UNDEMOCRATIC CLIQUE WHICH HAS DOMINATED THE LABOR MOVEMENT FOR DECADES. TRADE UNION LEADERS DENY THAT THEY INTEND TO OPPOSE THE BILL WITH LABOR STRIFE BECAUSE THEY KNOW THAT COULD LEAD TO A COUP. THEY CLAIM THAT THEY BELIEVE IN PLURALISTIC DEMOCRACY MORE NOW THAN THEY DID PREVIOUSLY. IN PART, ONE ADMITTED, BECAUSE THEY NOW FIND THEMSELVES IN THE OPPOSITION DURING A PERIOD OF CONSTITUTIONAL RULE. COMMENTING ON THE HUMAN RIGHTS SITUATION IN ARGENTINA, THE LABOR LEADERS EXPRESSED CONCERN THAT THE GOVERNMENT ALLEGEDLY HAS LOST CONTROL OF THE PROCESS OF HOLDING PEOPLE ACCOUNTABLE FOR THE DISAPPEARED. THE "TWO EXTREMES, THE MOTHERS OF THE PLAZA DE MAYO AND THOSE LIKE GENERAL CAMPS (WHO IS WIDELY BELIEVED TO BE ONE OF THE MOST EGREGIOUS ABUSERS OF HUMAN RIGHTS), BOTH WANT TO DESTROY THE NATION'S INSTITUTIONS. THE ARMED FORCES ON ONE HAND AND DEMOCRACY ON THE OTHER," SAID THE UNIONISTS.

12. SOLARZ RAISED U.S. NUCLEAR NON-PROLIFERATION CONCERNS WITH PRESIDENT ALFONSIN AND AT A MEETING WITH ARGENTINE ATOMIC ENERGY AGENCY (CNEA) AND FOREIGN MINISTRY REPRESENTATIVES AT CNEA HEADQUARTERS. SOLARZ PRESSED FOR ARGENTINE RATIFICATION OF THE TREATY OF TLAHELCO AND FOR ACCEPTING SAFEGUARDS ON ALL OF ARGENTINA'S NUCLEAR FACILITIES. HE WAS TOLD THAT THE ARGENTINE POSITION ON TLAHELCO AND FULLSCOPE SAFEGUARDS WAS STILL UNDER STUDY BY A SPECIAL PANEL CREATED BY PRESIDENT ALFONSIN AND THAT MOVEMENT IN BOTH OF THESE AREAS WAS BEING SERIOUSLY CONSIDERED.

13. DURING HIS MEETING WITH THE LABOR MINISTER, CONGRESSMAN SOLARZ ASKED HOW LONG A PRESIDENTIAL TERM IS IN ARGENTINA AND IF THE PRESIDENT CAN SUCCEED HIMSELF. THE MINISTER'S ANSWER WAS THAT "THE CONSTITUTION PROVIDES FOR A SINGLE SIX-YEAR TERM WITH NO REELECTION, BUT A LOT CAN HAPPEN IN SIX YEARS INCLUDING AN AMENDMENT TO THE CONSTITUTION." ORTIZ

END OF MESSAGE

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