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TITLE: ARGENTINA: STATE OF SECURITY
ASSESSMENT

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Secret.

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(W1)

Mr Cowling. I agree. J. R. Carter
14/5.

Reference Mr. Green's memo
of 24 April below and the
Security Assessment for Argentina.

I have no additions or amendments
of substance to suggest for this
very comprehensive report. Nor do
I see any reason to upgrade the
current upper level release of
classified

Mr. Green's
informal.

TM
14/5

classified information. Mr. Lynskey,
with whom I have discussed this, informed
me that the policy is to make rather
than ~~make~~ over grade. Any need to
supply information above the agreed level
e.g. for defense sales reasons, can be
dealt with on an ad hoc basis.

Makom

1/5/79

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Mr Cowling (South Am. Department)

Reference XQS 325

ALA 441/

(1)

1. Please see State of Security Assessment for
Argentina just received.

2. I have only quickly glanced at it as
yet but my first impression is that the upper
level release of classified information on security
grounds alone should remain at RESTRICTED. How
ever I will be glad to discuss this and any
other points with you or Mr. Maledunson at
any time.

3. As you know, once any additions
or amendments which your Department suggests
are embodied in the draft, I will circulate
the draft to a number of Whitehall advisers.
So I would be glad of your views
reasonable soon.

B. S. GRINSTED
(B. S. GRINSTED)
Security Department

24 April 1979

End. 2 copies of Assmt.

LAST
PAPER

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ASSESSMENT

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STATE OF SECURITY ASSESSMENT: ARGENTINA

A. Introduction

1. The security situation in Argentina is fundamentally affected by the overriding concern of the Armed Forces during their three years of Government since March 1976 to eliminate the problem of 'subversion'. They understand by this term both the rural and urban guerrilla warfare practised by the principal terrorist organisations at the height of their strength in 1974, together with the penetration by those organisations of Government, the Administration, and the Armed Forces. The remarkable strength and sophisticated organisation of the subversive organisations had their origins in the brief régime of President Campora in 1973 which was replaced after a few months by the aged Peron. But during that brief period the Armed Forces felt baffled and betrayed by their inability to prevent the Government of the country returning to their Peronist opponents. Between 1973 and late 1974 they sulked in their tents and allowed the subversive organisations, primarily the People's Revolutionary Army (ERP) and the Montoneros, to build their forces with impunity and to delude themselves into thinking that they would be a military match for the Armed Forces. When the Armed Forces returned to the fray in 1974, they first destroyed the ERP's rural guerrilla front in Tucuman and then set about reducing the Montoneros in the cities and industrial centres.

/2. By

2. By the beginning of 1979, the destruction of the subversive organisations was virtually complete, with the ERP no longer in existence and the Montoneros reduced to about 250 isolated and largely ineffectual combatants scattered thinly throughout the country. The Armed Forces were able to achieve this measure of success because the subversive movements were predominantly middle-class and never succeeded in awakening support among industrial workers, and because the preferred tactics were completely ruthless; they consisted basically of capturing, interrogating and eliminating the members of the terrorist organisations. The 'disappearance' of real or suspected terrorists had for the Armed Forces the double advantage of maximum demoralisation for members of the organisations still at large, and deniability in the face of the inevitable wave of international protest at the violations of human rights which these practices involved. There is little doubt that these methods have been effective, at least in the short term, and that the massive degree of penetration by the subversive organisations referred to in Security Assessment XQS 525 of 1974 has been eliminated. What remains to be seen is the long-term social effects of this civil war, now nearing its end, in which a significant proportion of middle-class families either lost a son or daughter or had friends who did.

3. The Armed Forces took power with clearly defined policies and objectives on both counter-subversion and on the economy. Three years later, they have still not produced any clear ideas as to how they propose to fulfil their other stated objective of an eventual return to elected Government. The political parties are in suspension, but are not in general terms persecuted; the trades unions likewise. 1979 will, according to official announcements, see the promulgation of legislation governing political and union activity, but there is little indication that this will provide the blueprint for any early re-establishment of the democratic processes. The economic policy of Dr

/Martinez

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Martinez de Hoz has won golden plaudits abroad, but he is experiencing the greatest difficulty in reducing the world-record rate of inflation. This may give rise to industrial unrest directed against these policies which ironically have only just started to alter the structural imbalances in the country's economy. Thus there is not much ground for confidence that Argentina is breaking away from the traditional alternation of military and civilian Governments. If the military were at some stage to decide that the task is hopeless and yield to the temptation of an accelerated abdication of power, the security situation could deteriorate. But for the moment they are firmly in control, the country peaceful, and penetration by subversive or communist organisations at a very low level. Despite the problems of inflation, there is no generalised hostility to an authoritarian Government. Corruption of course exists, involving also members of the Armed Forces. But it is nowhere near the blatant levels reached in the latter days of Peronism.

4. Nationalism is always present in Argentina, and the Beagle Channel confrontation with Chile in late 1978 was undoubtedly a unifying factor for the population as a whole. It will also have heightened security precautions in the Armed Forces. Nationalist feelings over the Falkland Islands are strong, but the temperature of this issue is a good deal lower at present than in early 1976, when it was the basis for the withdrawal of the Argentine Ambassador in London.

B. Threats to Security

5. Espionage, sabotage or subversion by Communist countries.

Argentina maintains diplomatic relations with Poland, Russia, Czechoslovakia, Romania, Yugoslavia, ... /Cuba...

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Cuba, Bulgaria, East Germany, China and Hungary. The following table gives the number of staff and identified and suspected intelligence officers by Embassy.

| Nationality | Total Expatriate Staff | Diplomatic Staff | Intelligence Officers | Suspected Intelligence Officers |
|--------------|------------------------------|---------------------|--------------------------|---------------------------------------|
| Polish | 17 | 6 | 0 | 2 |
| Russian | 39 | 17 | 6 | 3 |
| Czechs | 27 | 8 | 0 | 3 |
| Romanians | 16 | 7 | 0 | 2 |
| Yugoslavs | 13 | 6 | 0 | 1 |
| Cubans | 33 | 16 | 2 | 3 |
| Bulgarians | 5 | 3 | 0 | 0 |
| Hungarians | 10 | 5 | 0 | 1 |
| East Germans | 42 | 7 | 0 | 0 |
| Chinese | 29 | 8 | 0 | 1 |

The Soviet Union also maintains a sizeable trade delegation and there are numbers of Russian engineers working on the Salto Grande hydro-electric project. It should be assumed that the number of identified and suspected intelligence officers listed above is on the low side. The Government of the Armed Forces, while hostile to Marxism in all its forms, have nevertheless maintained the strong trading relations with the Communist bloc, particularly the Soviet Union and Cuba, established by the previous Peronist Government. The Soviet Union, with whom Argentina maintains a regular trading surplus, is Argentina's principal trading partner. This does not prevent the Argentine Government seeing themselves, along with the Governments of the other countries of the 'Southern Cone' (Uruguay and Chile), as a free-world bastion against the advance of Marxism. This is a rationalisation for the manner in which they defeated the massive threat of subversion, but their ideological interpretation of their situation is nevertheless genuinely felt.

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6. The Communist Party

After the coup of March 1976, the Communist Party was treated in exactly the same way as all other Parties - which are temporarily suspended from public activity, but not disbanded. They are not prohibited from conducting internal reorganisation, but may not elect new officers. The CPA is conservative in its outlook and has an ageing leadership, although there are a number of active figures in its youth wing. The party suffered the disappearance of perhaps 100 members either genuinely, or suspected of being, involved with terrorism but has been careful not to seek a confrontation with the Government; on the contrary the party has consistently expressed its support for the Armed Forces' overthrow of Peronism and for the current phase of 'national reorganisation'. The CPA has been active in the field of human rights and is the driving force behind bodies such as the Asociación Permanente de Derechos Humanos. It is possible that the party is winning secret increases in its membership from young intellectuals now disillusioned with the subversive alternative.

7. Communist penetration of the Armed Forces and the police is now likely to be slight following the purges carried out in the process of the counter-subversive war. Since, however, it was the Armed Forces' objective to eliminate terrorism and its supporters rather than Marxism as such, it should be assumed that there will still be numbers of communist-orientated civil servants in Government departments, whose staffs have remained largely unchanged since the Peronist era.

8. In the short term, Argentina offers little scope for the extension of communist influence within what is fundamentally a prosperous and bourgeois society, but it is likely that the efforts of the intelligence element in

/Soviet...

Soviet bloc Missions are dedicated to the cultivation of longer-term assets, to be exploited if Argentina continues to be unable to overcome its fundamental difficulties.

9. There are no Communist-dominated trades unions, and the 'frozen' Peronist structure of organised labour remains, though key unions are headed by an Armed Forces 'intervenor'. A fundamental consequence of Peron's take-over of the unions in the late 1940s was that Communist, or even socialist, influence on the working classes was largely curtailed. The essence of the 'Armed Forces' dilemma over what to do with the unions now is their old fear that, if the Peronist system is disbanded, then for the first time the Argentine working man will move to the left. During the first year of the military government, the dwindling terrorist organisations attempted to re-group and concentrate on activism at shop-floor level. They were, however, unsuccessful in winning much support and were ruthlessly eliminated.

10. It is difficult to define the precise degree of ideological persecution on the part of the Armed Forces government but the process of repression of subversion has provoked a massive exodus from educational establishments, the media and the performing arts, of individuals of left-wing leanings, many of whom without being considered 'subversive' in the eyes of the authorities have found conditions impossible in Argentina and have gone into voluntary exile. A prime example is the once vital and undoubtedly leftward leaning Di Tella Institute, which is now a shadow of its former self.

11. Espionage, sabotage and subversion by other powers

The question of sabotage or subversion by forces other than the Communist Party has been discussed above. The remaining rump of the Montoneros must be assumed to maintain a limited capacity for occasional terrorist acts, such as the bombing in August 1978 of the flat of the Navy Commander in Chief Admiral Lambruschini (the then Chief of Naval Staff and present Commander in Chief) /killing...

killing his daughter. But their overall weakness was demonstrated during the 1978 World Cup, when they failed completely to produce a series of dramatic episodes or provoke the authorities into publicised acts of repression.

12. The confrontation with Chile in 1978 created a special security situation for the authorities, since a large proportion of the population in Patagonia and the extreme south of the country is made up of temporary Chilean immigrants. The bulk of the work-force at the Rio Turbio coal mines is composed of Chilean guest workers. As a result, there was some tightening of controls on these Chileans, and numbers were sent back across the border. There were a few 'spy scares' in the south but no serious incidents such as those between Chile and Peru resulting in the expulsion of Chilean diplomats from Lima, and the execution of a Peruvian MCO. Nevertheless, the Argentine State Intelligence Service, SIDE, and the Armed Forces exert considerable efforts to obtain intelligence on the situation inside Chile, and there is no doubt that the Chileans do the same in Argentina.

C. Threats to Security

13. Notwithstanding the division between hard and soft liners in the Armed Forces on political and economic questions, there are no soft-liners with regard to the repression of terrorism and subversion. The collective responsibility of the great majority of regular Armed Forces personnel for the conduct of a 'dirty war' is a profoundly unifying factor, and an incentive never to allow leftward-inclined political figures to take power and perhaps conduct Tehran-type trials. The officer corps in each of the Armed Forces is closely knit. They are likely to counter any threat with extreme resolution.

14. Suspicions of Britain's neo-imperialist role in Argentina die hard, and even today can be found among Armed Forces officers, fuelled primarily by Britain's retention of the Falkland Islands. However, the most sensitive areas of UK classified information available to Argentina relate to purchases of defence equipment. While the Falklands dispute may have been a factor in Britain's failure to win the Type 21 frigate contract, Argentina is building its second Type 42 destroyer identical to the Vickers-built "Hercules". These ships will form a key element in Argentina's maritime defence, in the first instance against Chile and in the second against Brazil and information on them is not likely to be discussed with outsiders by members of the Armed Forces.

15. Security defences are still primarily organised against all those of Marxist ideology, notably the rump of the terrorist organisations. In the second instance they are directed towards Chile, and finally on a more obscure and emotional plane, against the "geo-political" threat from Brazil.

D. Security Defences

Central Organisation

16. Security policy is directed by the President in consultation with the Junta, although in practice under the present power structure it will be the latter that plays the dominant role. When meeting together to discuss matters of national defence or major security questions, the President and the Junta together constitute the Comité Militar.

17. The degree of restriction of secrets is not known, but will be related to subversion and confrontation with Chile discussed above. There is no equivalent of the Official Secrets Act, but the passing of information to subversive organisations would be dealt with extremely seriously; in cases involving members of the Armed Forces

/or...

or police, the suspect would be tried in secret and, if found guilty, severely punished or even eliminated. Cases of involvement of members of government departments with subversion might well be dealt with through the deniable process of disappearance. There have been no known recent cases involving the passing of secrets to foreign powers, but if there were, the case might in contrast to the foregoing, be given exemplary publicity.

Security Service (SIDE)

18. SIDE combines the role of an external intelligence service with that of the internal security service. It is answerable directly to the President and is commanded by a serving senior officer selected personally by the President. Under the present military government, this post will almost certainly be held always by an army general: the present incumbent, General Martinez, is former head of Army Intelligence. Senior posts immediately below the Head of SIDE are also held by serving officers on secondment; this is also the case for a proportion of middle-ranking posts. This phenomenon has increased greatly under the military government and is not always conducive to efficiency and continuity. The total strength of SIDE is not known, but it is large, and in addition to its headquarters in the federal capital, has a network of provincial offices throughout the country. In addition to responsibility for all matters relating to security, SIDE provides the Presidency with information on all forms of political and public life. The war against subversion has had the consequence of concentrating the greater part of SIDE's efforts in this area, to the probable detriment of its watch over the Soviet bloc intelligence community in Buenos Aires,

/except...

except as regards connections with terrorist organisations. SIDE's records are large and thought to be generally efficient. They do however suffer from retrieval problems and officials are investigating full computerisation of records. SIDE has good expertise in offensive and defensive technical operations, but is limited in its ability to mount sophisticated electronic attacks by difficulties in obtaining the necessary equipment from foreign suppliers.

19. In addition to SIDE, the counter-subversive war involved of course the three Armed Forces and the federal police. At its height, responsibility for individual terrorist organisations and geographical areas was divided among these forces, all of whom operated their own counter-subversion units. Responsibility for what remains of the subversive organisations is now concentrated largely in the hands of the Army. If and when the threat is finally eliminated, residual responsibility may then revert to SIDE.

20. Coordination between the various bodies involved in counter-subversive security is not always good. The central intelligence coordinating unit is the Centro Nacional de Inteligencia (CNI), chaired by the Head of SIDE. But protective security, and inter-service and inter-departmental distrust, frequently obstruct the efficient exchange of information. It is unlikely that this state of affairs will change.

Standards of Security in Government Departments

21. Standards vary considerably between service and civil departments and although the counter-subversive war, and to a lesser extent the Chilean confrontation, have produced the predictable warnings against loose talk, it is unlikely that there is any universal discipline or organisation governing security in government departments. For example, the protection of records

/in...

in non-service departments such as the Ministry of Foreign Affairs, is lax.

22. Control of access to armed services headquarters buildings is strict and the movement of visitors is limited. In civil departments, however, including the Ministry of Foreign Affairs, there is not always control of access and visitors can move unescorted within the buildings. There is an element of ad hoc security precaution determined at department level. Office security furniture and safes are frequently old-fashioned and the use of combination locks is not universal. Except in the top security departments of the Armed Forces headquarters buildings and SIDE, it is probable that visitors, junior and menial staff would be able to abstract papers if they knew where to look. They could certainly have done so in the Ministry of Foreign Affairs up to the end of 1978. This year the Ministry have made some effort to improve security.

23. Under the present government, there is no official censorship, with the limited exception of certain matters relating to terrorism, but the press exercises a prudent degree of self-censorship. This is the result of the death or 'disappearance' of over 50 journalists over the last three years. Any leaks at present are therefore almost always inspired.

Armed Forces Security

24. Security within the Armed Forces is the responsibility of their individual intelligence branches. At the height of the subversive organisations' period of power and activity, the Armed Forces suffered frequently from penetration through the conscript system, resulting in

/bomb...

outrages or attacks on military establishments. As a result of such incidents military establishments are guarded carefully and access to them strictly controlled. Nevertheless both buildings (e.g. Air Force headquarters and the Ministry of Defence) and individuals (former Foreign Secretary Admiral Guzzetti and the family of naval Commander Admiral Lambruschini) have been the subject of successful attacks.

25. There is no shortage of manpower in the Armed Forces and in consequence the control of access to military premises is generally effective. The mere presence of numerous armed guards around perimeters and at entrances and exits must be a major deterrent to unauthorised access.

26. Control of visitors is tight and is being enhanced by CCTV in the more important buildings. The Armed Forces generally, and the Army in particular, seem rather unimaginative in their approach to physical security and rely on saturation with armed guards and control by identity card checks.

27. Although there must be weak spots it would take a very determined operator to attempt to penetrate far into military headquarters.

Industrial Security

28. Industries and their managers were frequently the subject of successful terrorist attacks and any indication of subversive penetration of a work place is ruthlessly stamped out. Nevertheless security measures are in no way generalised, and likely to become more lax as the terrorist threat fades. Installations belonging to the very large forces-controlled sector of heavy industry are better protected. The Argentine willingness to talk probably implies that industrial secrets are vulnerable and that the specialists would have relatively little difficulty in obtaining information.

/Counter...

Counter-Subotage

29. This has been an essential feature of the counter-subversive war.

Communications Security

30. There is apparently no central organisation to control, assess and safeguard communications security, but as a consequence of the counter-subversive war, the Army strictly controls the issue of private radio licences. Radio is a common means of communication with outlying areas in a country where the telephone system is frequently disastrous. It is assumed that the security forces and SIDE conduct extensive telephone tapping, including those of foreign missions.

E. Conclusion

31. The war against subversion has radically altered the security situation in Argentina, compared with the situation existing in the latter days of Peronism, when the danger of penetration by members of the terrorist organisations was omnipresent. However, anomalies continue to exist, there is lack of coordination due to inefficiency and inter-forces suspicion, which means that security standards, particularly in relation to government departments, do not compare with British standards. Classified information could therefore be vulnerable to sophisticated efforts on the part of high-grade intelligence operators. The likelihood of classified information being passed knowingly by the Argentine authorities to countries of the Soviet bloc are minimal, but greater in the case of countries which, partly as a result of international protest over human rights abuses, Argentina sees as its natural allies, e.g. South Africa, Israel, South Korea, Taiwan.

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32. But SIDE and the Armed Forces do deserve special treatment in certain cases. Where the Armed Forces have bought classified military equipment from UK (e.g. BLOWPIPE man-portable SAM) they are likely to ensure adequate safeguards to classified information and to the equipment itself, as this would be in their own interests. Thus, from the security point of view, it is considered acceptable to sell sensitive equipment to the Argentine Armed Forces and to pass to them classified information relating to it.

NOTE:

33. The foregoing assessment does not take into account the information-gathering presumed to be carried out by satellite inspection. Such inspection would yield information on physical installations, troop movements and naval movements in S.W. Atlantic waters, of particular interest during the 1978 confrontation with Chile.