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ARGENTINA DISSEMBLES OVER TOWNLEY EXTRADITION

---Weak Case Knowingly Presented to U.S. Court

---Proposed U.S. Swap with Argentina: Townley in exchange for exiled Bolivian Drug Figure--Never Meant to Get Off the Ground

---Arce Gomez Knows Too Much About the Argentine Military's Participation in July 1980 Bolivian Coup; Townley Knows Too Much About Argentine Complicity in 1974 Buenos Aires Murder of anti-Pinochet Chilean General

Argentine authorities knowingly presented a weak case before a District of Columbia court now concluding hearings on an extradition request that the Argentine military junta filed several months ago with the State Department. They had asked that Michael Townley, the convicted killer of exiled Chilean diplomat Orlando Letelier and American associate Ronni Moffitt in a September 1976 bomb blast in Washington, be returned to Buenos Aires to stand trial for the 1974 murder of retired Chilean General Carlos Prats. Prats and his wife were killed in Buenos Aires in a manner similar to the Letelier assassination.

In exchange for Townley's extradition, the Argentine junta informally promised to cooperate in the swift extradition of former Bolivian Interior Minister Col. Luis Arce Gomez, who sought sanctuary in Argentina immediately after Bolivia's return to constitutional rule in October 1982. Arce Gomez feared that he would stand trial in Bolivia for drug-related activities and several murder charges.

Argentine legal authorities in charge of Townley's extradition were well aware that in order to successfully extradite him, they almost certainly needed to base the case largely outside the perimeters of information generated against him in the course of the Letelier murder trial. This was because in that case, resolved by a plea bargaining arrangement, evidence provided by Townley could not be used against him in the future. Yesterday, U.S. Magistrate W. Harris Rimsley rejected the request by Justice Department lawyers to extradite Townley, after having ruled such evidence inadmissible in the extradition hearings.

According to COHA Director Larry Birns, the Argentine authorities never intended to gain Townley's extradition for two reasons: first, Argentine intelligence officers were directly involved in facilitating Townley's actions in

Argentina, and knew that the hired assassin wouldn't be reluctant to save himself, as he did in the Letelier case; secondly, Argentina's military rulers wouldn't easily permit Arce Gomez to leave Argentina, because Arce Gomez was the key liaison who helped Argentine officers to plan the bloody July 1980 military coup in Bolivia. It was Arce Gomez who, in 1979, facilitated setting up in Buenos Aires quarters in which to begin the plotting of the coup. Ranking Bolivian military officers were brought to the War Ministry building in Buenos Aires, a block away from the Government Palace, to plan the coup with their senior Argentine colleagues. In these acts, Arce Gomez represented Gen. Luis Garcia Meza--now also in exile in Argentina--who assumed the Bolivian presidency immediately after the successful military uprising.

Argentine Role in Coup

The Argentine hand was very clear not only in planning the coup, but in implementing it also. Argentine military personnel stationed in Cochabamba, and elsewhere--totalling at least 30 military advisers and more than 200 seconded security personnel--trained and led Bolivian regular and paramilitary squads in their operations. Following the coup, members of the Argentine Anti-Communist Alliance (AAA) paramilitary force provided assistance to the Bolivian armed forces and participated in the murder of trade unionists, professionals, political officials and others. Then-Argentine President Jorge Rafael Videla justified the coup by stating that it was necessary to put an end to a "situation in the heartland of South America that would amount to what Cuba represents in Central America."

Birns charged that the principle reason that Townley committed the murder of Prats was that the Chilean high command considered Prats a mortal danger to strongman Gen. Augusto Pinochet. Prats, who advocated the military's obedience to civilian rule, was widely admired by sectors in the Chilean army even after he fled Chile in 1973. The particular reason that Prats had to die was the fear that Prats was about to publish a diary which had harsh words for the Chilean dictatorship--including revelations that Pinochet had in fact killed a number of Chilean army officers resisting the secret coup against the democratically-elected Salvador Allende. If Prats had to die, then only a pathological killer such as Townley could do it, because no one in the Chilean military would lift a hand against the revered Prats.

In the summer of 1974, Prats sent emissaries to New York to facilitate the publication in the U.S. of his memoirs. Chilean authorities were worried that the revelations would seriously impair prospects of vital U.S. economic and military aid for the Pinochet regime.

Birns said that Jose Gelbard, formerly economic minister under Juan Peron in Argentina, hired Prats to work in Gelbard's insurance company. Prats told Gelbard that Pinochet was sending an assassination squad to kill Prats. Shortly before Gelbard's death in 1977, Gelbard, then in exile in Washington, told Birns that Prats had confided he was receiving threatening telephone calls shortly before his 1974 assassination.

Birns said that the Argentine authorities initiated extradition proceedings against Townley only because of the public information implicating Townley in Prats' murder. It was well known to U.S. intelligence that this murder could not have taken place without the cooperation of Argentine intelligence officers. Gelbard told Birns that just before a car bomb exploded in Prats' driveway, uniformed Argentine guards posted there had been removed.

The Argentines wish to appear diligent in bringing a murderer to justice. But the conclusion has to be made that the current extradition request is intended only for public consumption, and that the case for extradition was purposely made weak in order to fail. The Argentine military has too much to fear over potential revelations regarding its complicity in Prats' murder. The extradition of Luis Arce Gomez to the U.S. could embarrass them immeasurably.

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even after Humphrey-Kennedy was in effect. This way, the arms shipments could reach Argentina without a State Department sign-off. It has also been suggested that the U.S. Navy also may have made "third country" shipments to friendly Latin American navies which, in turn, transferred them to Argentina. Because of these possibilities, it may well be that the total value of goods and material shipped to the Argentine military during the 1979-1980 period may far surpass the official figures.

--The Skirting of Congressional Intent--

Although Zaratiegui's charges remain unproven, it is clear, according to experts queried by COHA, that, at the very least, the U.S. Navy used every device and exhausted every loop-hole to skirt Congressional intent and pour military aid into Argentina. One barrier to establishing the full scope of military transactions between the two countries is the secrecy surrounding the Commerce Department's list of weapons shipments to Argentina. The classified information goes under the heading of "special category." The Navy is not prepared to comment on the Zaratiegui charges at this time.

Another aspect of Zaratiegui's revelations concerning the U.S. Navy's apprehension over the security of the South Atlantic involves the Falkland Islands. In introducing the Falkland factor, the Argentine Admiral brings up the name of Edward Hidalgo, who at the time was Secretary of the Navy under Carter. He mentions that Admiral Armando Lambruschini, commander-in-chief of the Argentine Navy and a member of the three-man ruling junta of the country, was invited to Washington for an "unofficial" visit. "In another open and surprising approach," writes Zaratiegui, Hidalgo "hosted a reception in his house in Lambruschini's honor. Mr. Hidalgo also carefully attended all protocol activities (without missing a single one) that were organized during the visit."

Hidalgo, now a Washington attorney, acknowledged his meetings with Lambruschini in an interview with COHA, but declined to comment on any other aspect of the alleged illicit navy sales to Argentina. Given the strained state of U.S.-Argentine relations at the time, it is indeed surprising that Lambruschini was permitted an "unofficial" visit, which involves a degree of U.S. Navy hospitality, rather than a "private" visit, of which the U.S. Navy would not have to take notice. One thing is certain, Navy Secretary Hidalgo needn't have been involved in events concerning the Lambruschini visit. That he chose to involve himself is another indication of the great importance that the U.S. Navy attributed to an entente with its Argentine counterpart.

Zaratiegui confirms this mood in Washington, commenting on the improvement in the political atmosphere after the Reagan electoral victory, he writes: "From then on, relations improved but with a different characteristic: Each contact with U.S. admirals revealed a remarkable concern over the lack of control that the Western world had over the South Atlantic. They even showed a key operations center in which they displayed, by electronic means, the imbalance between the northern and southern Atlantic regions, as far as the Free World control capacity is concerned."

--THE STRATEGIC IMPORTANCE OF THE FALKLANDS--

If South Atlantic security was on the U.S. Navy's mind, central to that question was the Falkland Island dispute between Argentina and Great Britain. Zaratiegui continues to write on developments during this period: "Almost simultaneously and in an apparently casual move-- in a yacht tour honoring the British defense under secretary who was on an unofficial visit--Mr. Hidalgo got together top U.S. Navy officers like Admirals Hayward, Train, Foley, and Barrow, Air Force General Jones, the chairman of the joint Chief of Staff, and a top Argentine official. Among the many talks that were held during that tour, Mr. Hidalgo made reference to the Malvinas issue and then asked the British under secretary and the Argentine official if the United States could do something to settle the islands problem..."

Zaratiegui then comments on events in early 1981, central to his theme is the observation that "There was an obsession and it was over the South Atlantic." The Argentine Navy would be assigned zonal responsibility to protect four vital oil routes to other parts of the world. "This meant that a main route had to be established from the ports of departure for all ships sailing to any of the four areas, a route which, once it entered the South Atlantic, would be on an East-West course toward the Argentine Tierra del Fuego zone."

ARGENTINE REVELATIONS/

In this strategy, control of the shallow waters along Argentina's coast north of Tierra-del-Fuego were of vital strategic importance because they would be "unfavorable for a possible Soviet submarine strike..." To test this strategy, Argentina accepted the invitation to participate in the Ocean Venture 81 exercises. Zaratiegui writes: "As commander of the Argentine task force which was to participate both in the Unitas operation and the Ocean Venture 81 exercises, I had an opportunity to share in the planning of those operations. During the planning stage, I repeatedly tried to learn the opinion of the U.S. task force commander on the value of the Malvinas Islands within the strategic picture that I have described and which he kept explaining. Only on the last day was I able to obtain the opinion he had been sidestepping so many times: "They are two superb, fixed, aircraft carriers..."

In his concluding paragraphs, Zaratiegui observes that right before the Falklands invasion, there existed a "undisguised anxiety," on the part of the White House "to achieve out clear integration into the Western geopolitical framework" that was buttressed by the growth of subversion in Central America and attested to by "recent high-level exchange visits between Buenos Aires and Washington." Out of this, Buenos Aires felt it could win U.S. sympathy for its case for sovereignty over the Falklands, Zaratiegui writes: "At first sight, this picture was tempting. Now I firmly believe that it was prepared on purpose to make it look that way to us. It was a question of us swallowing the bait and deciding once and for all to try the very easy operation of recovery."

--THREE FLAGS OVER THE FALKLANDS--

After the successful occupation of the Falklands, "Washington would offer its good services of intermediary and a proposal of three flags (U.S., Argentina, and Great Britain) on the islands a proposal the Argentines could not fail to accept because it represented a substantial improvement over this previous position..."

Zaratiegui, at this point, almost seems to rue that Argentina didn't accept the three flags solution. After this, "Washington and London had no choice but to seek the other alternative, the alternative of military victory."

Throughout Zaratiegui's statement, the thesis evolves that the strategy of the U.S. Navy throughout its period of aggressively wooing the Argentines was to guarantee the security of the South Atlantic and in fact, the U.S. may have even encouraged the Argentines to land on the Falklands in order to definitively settle the issue. Once, the Argentines proved recalcitrant to the three-flags settlement proposal, all was lost. The reason? According to Zaratiegui, it was because "The large Malvinas Air-Naval base could no longer lie dormant among the papers of NATO strategists."

--VERNON WALTER'S MIXED MISSION--

Zaratiegui's implied thesis that Argentina was lured into the Falklands attack is strengthened by another piece of information that came into COHA's possession late last summer. According to a highly reliable intelligence source with direct links to U.S. security officials posted to the U.S. embassy in Buenos Aires, Argentine President Galtieri informed roving U.S. Ambassador Vernon Walters that his country was contemplating some dramatic action on the Falklands question. Walters' non-committal response had the effect of emboldening the Argentines to press ahead with the invasion of the islands. The U.S. MAG group stationed at the embassy communicated back to Washington its distress over Walters' general bias in favor of the Argentine military and complained that the ambassador had been swayed by the Argentines and was effectively representing their national interest rather than that of the U.S. Significantly, after the Falklands invasion had occurred, Walters traveled to Buenos Aires on a peace-seeking mission and was snubbed by his erstwhile Argentine friends. It may well be that the Argentine military felt that it had been double-crossed by Walters and that Argentina had been led into a trap.

The complete text of Admiral Horacio Zaratiegui's statement is available upon request at COHA's Washington office.