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## From the White House News Service

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# Washington's 'helpful advice' to Alfonsín

*Argentina's President Raul Alfonsín, visiting in Washington in mid-March, received the kind of treatment from the United States that will weaken his government and hand the Soviets new opportunities for nation-wrecking in Ibero-America. At a background briefing on March 18, a senior administration official endorsed the International Monetary Fund's austerity conditionalities imposed on Argentina, and stated that the best thing the United States could do is to encourage Argentina to "work with the IMF on a stabilization program." We publish here an abridged text of the briefing, from the White House News Service.*

**Q:** What's on the agenda?

**Senior administration official:** The subjects will be largely a discussion of strengthening cooperative efforts in helping and promoting democracy in Latin America, as a generic topic. Within that, there will certainly be discussion of bilateral matters, such as cooperation in the economic area, our interest in Argentina's continued working with the IMF, continuing efforts to achieve stability and restore economic growth.

There will be some discussion, I'm sure, of the challenge to democratic institutions posed by the narcotics trafficking that is a real threat to so many countries. In this regard, I would note that Mrs. Alfonsín will attend the First Lady's Narcotics Conference here in April.

There will undoubtedly be some discussion of nuclear cooperation. We, as you know, are a party to the protocols to the Treaty of Tlatelolco and Argentina signed but has not ratified that treaty, and we have encouraged and do encourage Argentina becoming a party to that safeguards regime.

**Q:** Is there anything this government can do to help Argentina with their economic problems?

**Senior administration official:** Well, we have in the past been helpful with things like the British loan, you may recall, at the time that they worked out their arrangement with the IMF. There will be meetings with Ambassador Brock, Agriculture Secretary Block, Secretary Baker, Commerce Sec-

retary Baldrige, and there will be a look at areas where we can be helpful.

**Q:** Well, could you sum up their situation? High inflation.

**Senior administration official:** The situation right now is that they have an agreement with the IMF and the principal problem that they are having is high inflation. It's running in the neighborhood of 800%, I believe, the last couple of months, and that is obviously an impediment to productive investment within Argentina, which is going to be necessary for them to restore some growth.

**Q:** Would you characterize the politics of the Alfonsín government? All the talk about democracy—I wonder if his democratic form is perfectly in line with what the Reagan administration would like to see. I'm a dummy on Argentina. You know, right, left, center?

**Senior administration official:** Argentina—we favor the process and it's not a matter of having a preference for a particular party or a particular policy when we're talking about, do we support democracy. We're supporting democratic governments that cover a pretty broad range of spectrum of political views.

The Argentine system seems to be off to a good start in observing the rule of law and observing election results, in observing the norms by which we judge democratic values in allowing the people a voice in how their country is governed. I think that the slightly more than a year of experience that we've seen with an independent judiciary, with an executive branch that has brought civilian control over the military and that has been managing the country while certainly experiencing difficulties in the economic area—it has been functioning well and that the Congress is working.

**Q:** Could you be more specific on the areas of economic cooperation that are going to be explored? The bridge loan that you cited was something that only lasted for a few weeks.

**Senior administration official:** That's right. Well, that's the nature of a bridge loan.

**Q:** So can you be more specific about the areas that will be explored?

**Senior administration official:** I don't think there's anything specific that I can get into. We have substantial trade in the neighborhood—I think they send us about a billion dollars and we send them about \$800 million or \$900 million. Ways to increase that—I think that encouraging working with the IMF on a stabilization program. But I can't get into the specific details, don't really know what that. . . .

**Q:** Well, are they looking for another bridge loan?

**Senior administration official:** Oh, no—that's not a matter at issue right now, because they have an existing IMF agreement.