

File # 577

CENTRAL INTELLIGENCE AGENCY

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INFORMATION REPORT

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SECURITY INFORMATION

COUNTRY	Argentina/USSR	REPORT NO.	<input type="text"/>	25X1A
SUBJECT	USSR Trade Mission Activities in Argentina	DATE DISTR.	7 August 1953	
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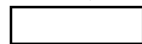
1. On or about 22 June the members of the Soviet Trade Commission in Argentina met with Augusto CUADROS Sanchez, Bolivian Minister of Economy; Guillermo ENCISO Velloso, Paraguayan Minister of Finance; and Epifanio MENDEZ Fleitas, president of the Bank of Paraguay, to discuss the possibility of selling certain undisclosed products to the Soviet Union. Also present at the meeting were Edgar GRUNBACH, exchange manager in the Argentine Central Bank, and Casimiro OURDANABIA, Director of Administration in the Argentine Ministry of Foreign Commerce.
2. At this meeting it was decided that the export of Chilean products would be handled through the Argentine Ministry of Foreign Commerce. The Argentine Merchant Marine, using loading ports in Chile and Argentina, will transport these products.
3. Jeronimo REMORINO¹, Argentine Minister of Foreign Relations, recently stated that the Argentine-Soviet trade negotiations which took place recently in Buenos Aires were almost broken off by the Russians just before the draft agreement was ready for signature. The Soviet delegation had decided not to sign the treaty and had even made plans to leave Argentina on 4 July 1953. At this point REMORINO himself had to intervene to save the negotiations.
4. The point of disagreement was that the Soviets did not want to deliver in Russian tankers the oil that they were agreeing to sell Argentina. They wanted the Argentines to furnish their own ships. The Russians claimed that they could not use their own tankers because they had only a very few, the bulk of their own oil transport now being handled by rail.

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5. REMORINO stated that to save the negotiations Argentina had to agree to the Soviet request. As a result Argentina will send its own tankers to Russia. The ex-whaling ship JUAN PERON, which has recently been refitted for this type of work, will be used in addition to other tankers which Argentina will try to buy abroad. Its present tanker fleet is not considered adequate to handle the amount of oil transport between the Soviet Union and Argentina that is envisaged.
6. If, for any reason, REMORINO added, the Soviet Union is not able to maintain all its quotas on oil shipments it will make up the difference with iron. The Soviet delegates have offered to sell Argentina steel rails for railways at a price 40 per cent lower than that offered by the Germans.

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