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M. Alexander

Foreign and Commonwealth Office

London SW1A 2AH

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Cl. 27/2*

26 February 1980

Dear Michael,

Argentina

The Argentine Minister of the Economy, Dr Martinez de Hoz, will be visiting the UK between 2 and 4 June. The Argentine Ambassador has conveyed a request from the Minister to call on the Prime Minister. I enclose an aide memoire from the Argentine Ambassador and a copy of Dr Martinez de Hoz's c.v.

Dr Martinez de Hoz is an international figure of considerable standing in the economic world and the leading civilian politician in the military regime in Argentina. He has visited UK three times since he took office in 1976 and has met senior Ministers in the previous Administration. On this occasion, the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretaries of State for Energy and Industry and Mr Parkinson at the DOT have agreed in principle to receive him. In addition the Bank of England hope to host a lunch.

Dr Martinez de Hoz is very well disposed towards the UK. In a despatch reporting a seminar on Argentina held in London last May at which the Minister was the chief speaker, HM Charge d'Affaires at Buenos Aires reported that we are unlikely for some time to enjoy another such asset in our relations with Argentina as the Minister now represents. His thinking is similar to ours on the question of making progress on economic co-operation in the context of the Falkland Islands dispute. He has also made it clear that he would welcome the participation of British industry in his plans for modernising and developing Argentina.

The present visit will provide a useful opportunity to mark the general improvement in UK/Argentine relations following the restoration of Ambassadors and to discuss with an influential and acceptable Minister our relations with this increasingly important country.

If the Prime Minister has time, it would be helpful if Dr Martinez de Hoz could call on her briefly. I should be grateful to know whether this would be possible.

*Yours ever
R M J Lyne*

Michael Alexander Esq
10 Downing Street
LONDON

R M J Lyne
Private Secretary

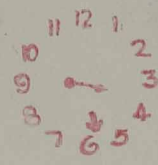
UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

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*Embajada de la
República Argentina*

A I D E M E M O I R E

- 1) The Minister of Economy of the Republic of Argentina, Dr. José A. Martínez de Hoz, plans to visit this country as part of a trip to several European States, between the 2nd and 4th June this year.

- 2) During his stay in the United Kingdom, he would like to see: The British Prime Minister, The Rt. Hon. Margaret Thatcher, M.P.; The Secretary of State for Foreign and Commonwealth Affairs, The Rt. Hon. Lord Carrington, P.C., K.C.M.G., M.C. and the Chancellor of the Exchequer, The Rt. Hon. Sir Geoffrey Howe, Q.C., M.P.

London, 30th January, 1980

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DR JOSE ALFREDO MARTINEZ DE HOZ

Argentine Minister of the Economy since March 1976.

Born in 1925, Dr Martinez had a distinguished academic career at Buenos Aires Law Faculty before becoming Minister of the Economy for the province of Salta (1956-7), President of the National Grains Board (1957-8) and then Minister of the Economy (May-October 1963). An active businessman, he concentrated his efforts in the sugar and steel fields, but extended his interests into insurance, construction investment, advisory services, aviation etc. He owns a large estancia and shares in others, mostly in the prime agricultural area in Buenos Aires province. He was Argentine representative to the Latin American Seminar organised for the FCO in London in May 1972 and was the main speaker at the Canning House Seminar on Argentina in May 1979. An expert on EC matters.

As Minister of the Economy he has stemmed inflation (which at his advent was set to become hyper-inflation), obtained sufficient international credits to enable Argentina to avoid defaulting on her payments and has pursued pro-business policies. But, in the absence of detailed regulations, foreign investment, as opposed to credits, has not been forthcoming, prices have increased and the "social cost" of his policies has caused concern to many of his colleagues in the Government. As a civilian politician in a military Government, Dr Martinez de Hoz, although widely respected at home and abroad, is in a vulnerable position. His policies are supported by the moderate Army leaders, but the other Service chiefs might not be sorry to make him the scapegoat for Argentina's existing high inflation rate.

Married. Three sons. He was brought up by an English nanny and learned to speak English before Spanish. His father, an old Etonian who entertained HRH The Duke of Edinburgh at his estate in March 1952 entered him for Eton but he was prevented from going there by the War. In 1952, he attended but did not complete a short course in Comparative Law at Jesus College, Cambridge. His English upbringing gave him a passion for shooting and he still buys his guns and has his trophies stuffed in London. Friendly for many years with the British Embassy in Buenos Aires.

18 February 1980