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PROSPECTS IN ARGENTINA (U)



DEFENSE INTELLIGENCE AGENCY

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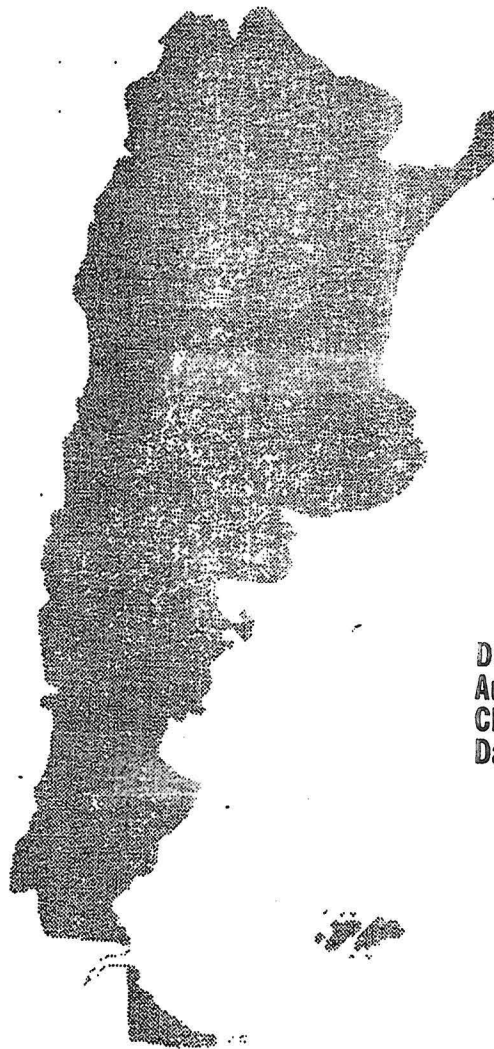
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Summary

~~(S/NOFORN)~~ In the early morning hours of 24 March, the armed forces put the final touches on their planned coup against the government of Maria Estela Martinez de Peron. Later that morning, Army Commander Lt Gen Jorge Videla formally assumed the leadership of a junta composed of the three service chiefs. The junta announced its determination to govern the nation in a caretaker role, stressing the need to restore the country to normal and underlining its intention to respect human rights and abide by all international commitments.

~~(S/NOFORN)~~ The junta will be assisted in governing the country by an all-military team which will temporarily perform the functions of a Cabinet. Following a brief period during which the military will seek to consolidate control and restore order, present planning envisions selection of a formal Cabinet and civilianization of the government by including respected civilian technocrats among the ministers. The military government faces grave national problems, including a failing economy and a scale of left-wing and right-wing terrorism which has reached unprecedented levels in recent weeks. The nation's body politic is disorganized and rent with divisiveness. There is also broad popular uncertainty and a pervasive lack of confidence that any viable solutions will be found.

~~(S/NOFORN)~~ Pressures also exist within the military. While unity in the armed forces has been preserved by the ouster of Mrs. Peron, differences between hardline and moderate factions -- already visible prior to the coup -- could grow to threatening proportions. Should the military be unable to

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develop at least partially successful solutions, popular sentiment will likely turn against them quickly. Leftist extremists could then take advantage of the situation and seek to build a popular base. For the present, however, a hiatus in the political situation is most likely, during which the military will settle in, and other sectors, observing them closely, will seek to protect their own positions and plan for the future.

Background

~~(S//NOFORN//UNRELI)~~ Probably the most extensively planned and most openly discussed coup in Argentine history, the move against Mrs. Peron had been in the active planning stage for at least two months. There is abundant evidence that military units had begun to be emplaced at key locations several days prior to the actual detention of the President. Virtually all political sectors had been expecting the move, which occurred with little bloodshed. The military proceeded with deliberate care and a pronounced commitment to moderation, postponing the move on two separate occasions to complete their planning. One of the major reasons for the postponements was the pronounced desire of the moderate officers to allow Mrs. Peron's government to completely discredit itself and ensure a favorable public response to the takeover.

Discussion

~~(S//NOFORN)~~ The coup occurred smoothly, meeting little resistance, and a nationwide strike by workers, previously threatened, did not develop. Most Argentines appeared to accept the coup as inevitable and necessary, and the nation has remained calm. The actions of the military in implementing the coup suggest the predominance of the moderate officers, grouped around Army Commander Gen Jorge Videla. The junta has pointed out that, faced with a national crisis characterized by lawlessness, open terrorism, administrative chaos, and an absence of government, it was constitutionally obliged to restore the nation's socio-economic, moral, and political order. Since taking over, the junta has continued to reiterate its reluctance to

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take power and its intention to respect human dignity and abide by international commitments. Initial policies and actions have been moderate.

The Junta

(S//NOFORN) Shortly after taking over, a military junta formed by the three service chiefs and headed by Army Commander Videla was formally installed. It announced its determination to govern the nation in a caretaker role but initially made no public announcement regarding the length of its intended tenure. Preliminary military planning had reflected the objective of creating a Brazilian-style government characterized by strong centralized control with an emphasis on internal security and economic development. Power would be maintained for two to three years. The precoup planning envisioned that a military junta would assume the national leadership after the coup, aided by an all-military body to serve the functions of a Cabinet. Following a brief period, the junta would select a President who would subsequently form his own Cabinet, including qualified civilian technocrats among the ministers. The timing of this move was said to be flexible and would depend on pressures from the officer corps and on public reactions to the junta. The military leadership appears to be following this plan closely. Shortly after its formal installation on the 24th, the junta appointed army officers to run the Interior, Economy, Labor, and Social Welfare Ministries, two navy officers to take over Foreign Affairs and Education, and two air force officials to fill the Defense and Justice portfolios. According to the press, the officers were to serve in a caretaker role. A later announcement specified that the military would remain in power for at least three years. The severity of the nation's ills would, nonetheless, suggest a much longer term despite the military's reluctance to remain in power. The junta is probably feeling its way gingerly and will take its cue from the reactions of key political, labor, and economic sectors to its early moves. Early disaffection with the junta will tend to hasten its replacement by the joint military-civilian team.

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Lt Gen Jorge Videla

~~(C/Veron)~~ While the junta has taken collective credit for the move against Mrs. Peron, the unquestioned leader and head of the junta is Army Commander Lt Gen Jorge Videla. A self-efacing infantryman, Gen Videla has spent most of his career in staff and teaching assignments. He has had contact with several generations of officers while serving as Director of the Military Academy and is said to be widely respected. A professional soldier, he is known

as a moderate individual of conservative orientation who has studiously avoided politics and opposed any military assumption of a political role. While militarily competent, he has not been considered a strong-willed man in the past and probably only assumed the role of leader in the absence of a stronger figure. He was instrumental in delaying the planned coup against the Peron government and reportedly gave the government repeated warning that strong measures were needed to solve the national crisis or the military would be forced to assume the responsibility. [REDACTED] Gen Videla

served a two-year stint at the Inter-American Defense Board in Washington from 1956 to 1958. In 1972, he accompanied a group of officers attending a Tactical Observer Training Tour in the Canal Zone; later that year, he visited the US on an Argentine Government-sponsored observation tour. Videla rose from the rank of brigadier general in 1971 to major general in October 1975 and lieutenant general in September of the same year and has been Commanding General of the Army since last August. Having commanded troops in the army's counter guerrilla operation in Tucuman Province, Videla will tend to favor strong military action against subversion, which could lead to excesses in the arena of human rights.

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Adm Eduardo Massera

~~(S, NOFORN)~~ Navy Commander Adm Eduardo Massera holds the longest tenure as a service chief, having commanded the navy since December 1973. An intelligent and extremely competent line officer, Massera is widely respected within the navy. He commanded several of the navy's top combatants and served in numerous key staff positions before rising to the post of Navy Commander in December 1973. While in this post, he also served as Chief of Naval

Operations from January 1974 to the following January. He was promoted to his present rank in August 1974. Although appointed Navy Commander by the late Gen Juan Peron, he had been considered strongly anti-Peronist in the past and participated fully in planning for the ouster of Mrs. Peron. He is a strong individual and has pressed for a significant role for the navy in the new government.

He enthusiastically recalls his assignment to Washington as advisor to the Argentine delegation at the Inter-American Defense Board and as a student at the Inter-American Defense College from 1963 to 1964. Adm Massera visited the US Chief of Naval Operations and received the US Legion of Merit a year ago February.



Maj Gen Orlando Agosti

~~(S, NOFORN, UNINT)~~ Air Force Commander Maj Gen Orlando Agosti has probably been the most politically involved of the three officers and is a staunch anti-Peronist. Agosti was exiled for three months in 1955 after taking part in an earlier revolt against Juan Peron. He was appointed Commander General of the Air Force in December 1975 following the rebellion of air force officers led by Gen Capellini against Mrs. Peron.

Gen Agosti speaks warmly of his assignment

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to Washington as Air Attache and Chief of the Argentine delegation to the Inter-American Defense Board from 1973 to 1974. Gen Agosti, like his navy counterpart, was awarded the Legion of Merit in 1974. He was promoted to his present rank last December.

Early Directions

~~(S/NOFORN)~~ Urgent attention is already being given to the junta's need for the partial cloak of legitimacy provided by early international recognition. Foreign capitals are being approached, and the new government's objectives are being explained in the hope of prompt recognition. The junta is said to be concerned that world opinion will confuse the Argentine Government with the administration in Chile and assume that the new junta will be repressive and consequently react negatively toward it. This would cripple Argentina's international image at the outset. Accordingly, respect for human dignity is receiving heavy stress in foreign contacts.



~~(S/NOFORN)~~ Urgent solutions are needed, and the junta almost certainly faces a troubled future. Grave national problems include a failing economy and a scale of left- and right-wing terrorism which reached unprecedented heights in the weeks preceding the coup. One of the first problems to be faced is the need for a decision regarding the future of the detained former President who remains in military custody at Bariloche in southern Argentina. Prior to the coup, the military reportedly were reluctant to allow Mrs. Peron to go into exile, feeling that this would only make her a martyr to the masses and preserve the appeal of Peronism. In order to discredit both, the decision apparently has been made to bring formal charges of corruption and mismanagement against the President in an effort to divest her of any remaining popular appeal and prevent her from serving as a rallying point for dissent against the regime.

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This tactic could backfire, since most Argentines tend to view Mrs. Peron as a pathetic rather than a sinister figure, and they may, therefore, reject any attempt to make her solely responsible for the nation's present problems. Should public reaction turn sharply against the junta's intended course of action, the military will probably opt for exile.

~~(S//NOFORN)~~ Urgent economic solutions are required to stem the rampant inflation, serious decline in foreign export earnings, and lack of capital inflow, including the area of local and foreign investment. The junta is certain to implement an economic austerity program, import controls, and local price ceilings, particularly on staples. Strong measures will be taken to encourage private investment, and an urgent search for foreign loans to spur the economy and offset a record deficit will probably be made soon. Other likely measures include export promotion and a heavy emphasis on production.

~~(S//NOFORN)~~ Designing an economic strategy which will cure the nation's ills without provoking dissent will be almost impossible. The austerity measures reportedly favored by the junta will mean a heavy burden on the workers, who, faced by an inflation rate of over one percent per day, had violently protested the 20 percent wage increase authorized under Mrs. Peron. The measures needed to enforce austerity will almost certainly produce further worker dissent and may engender serious differences among military leaders, increasing the gap between the moderates and the hardliners which was evident in the period prior to the coup. The junta will therefore need to proceed slowly and carefully.

~~(S//NOFORN)~~ The fight against the rampant terrorism which has left the populace frightened and angry will escalate, and the military will probably be successful in containing its threatening proportions. Insurgents will likely lay low initially, weighing the moves and the strength of the junta and regrouping for future action. A heavy law and order emphasis

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is already apparent. Stiff penalties have been decreed for those assisting the terrorist cause or causing disruptions, and strict gun controls were announced on 25 March following the release of a decree reimposing capital punishment.

~~(S//NOFORN)~~ Another decision which will have to be made is how much political and labor union activity to allow. After taking power, the junta closed Congress, suspended the Supreme Court, and appointed military governors for the nation's 22 provinces. While the legislatures have been dissolved and all political activities are suspended, there is no evidence to suggest that the suspension will be indefinite or that the political parties will be abolished. Some limitations on specific public events have already been lifted, and no curfew has been imposed. Some political restructuring is, nonetheless, almost certain. In the labor arena, while Peron crony and long-time defender Lorenzo Miguel was arrested almost immediately, many lower-level labor leaders have not been detained, and there is evidence that a cooperative relationship may already have been formed with selected union representatives. Press censorship, which was initially imposed, has been lifted, although media representatives must follow certain guidelines on news reporting. The press will probably be allowed considerable scope for editorial opinion.

Outlook

~~(S//NOFORN)~~ For the immediate future, the military are likely to move cautiously as they consolidate control and restore order. The magnitude of the nation's problems will probably assure a more lengthy tenure than original planning had envisioned. The moderate officers clustered around Gen Videla are likely to press for a government along the Brazilian model but will be anxious to avoid repression. Nonetheless, as pressures increase in response to the likely austerity measures, institutional unity will again be challenged with a possibility for hardline-moderate polarization. Should the military be unable to develop at least partially successful solutions to the nation's problems

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and as the military's tenure lengthens, popular dissent will also tend to grow, and leftist extremists will seek to exploit the situation. Any popular dissent or an extended military rule would also tend to create an environment where the presently factionalized Peronist movement might recover some of the unity and political strength it lost during the last period of Peronism under Juan Peron. Nonetheless, the Peronist movement, as a viable alternative, has been proven wanting, and it will probably never regain its original vigor or strength.

~~(S, SECRET)~~ US interests in the immediate future do not appear threatened. [REDACTED]

[REDACTED] US advice and assistance will be increasingly sought, particularly in the area of securing foreign loans and investment. So long as the moderates retain the upper hand, Argentine international goals are likely to closely parallel those of the US, and ties between the two countries should remain close and friendly. ~~(UCS-2 Declassify upon notification of originator)~~

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