

Articles

Argentina: President-Designate Viola

General Roberto Viola, a retired 56-year-old former commander of the Army, will assume office on 29 March. Like his predecessor, he will share power with a three-man junta comprising the heads of the military services. Important government decisions can be made only with the junta's approval, but Viola is a strong and effective leader who will seek to impose his personal stamp on policymaking.

The Argentine military accords a high priority to normalizing relations with the US. In this regard, Viola's meeting with you is important in itself. Tangible results from the visit will strengthen his hand against opponents both inside and outside the military.

- He wants this support as he faces tough choices on national economic policy, political liberalization, and settlement of a longstanding dispute with Chile over the Beagle Channel.
- Although the change in emphasis in US human rights policy has been warmly received by Argentine leaders, they recognize the US will remain interested in their record. The recent arrests of human rights activists in Buenos Aires may be an attempt by Viola's political opponents to embarrass him rather than the start of a new wave of official repression.

Viola [REDACTED] has been open and friendly in his frequent contacts with American diplomatic and military personnel. He often has stated that bilateral disagreements could and should be settled amicably through negotiations.



President-designate Roberto Viola
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Differences Over Policy

Viola hopes to wipe the slate clean of some longstanding bilateral differences.

The crux of these has been human rights.

- Buenos Aires, which once relied on US military cooperation, has been forced to turn to Western Europe for advanced weapons systems and training.
- The Argentines feel that repeal or major modification of the Humphrey-Kennedy amendment is indispensable to improve overall bilateral relations.

Despite repeated assurances that it would sign the Western Hemisphere nonproliferation treaty, Argentina continues to develop its own nuclear program under less than full-scope safeguards.

~~Top Secret~~

Mounting pressures test Argentine regime

Scandals and demands from the military appear to have damaged President Bignone's early efforts to win civilian support.

- Human rights groups successfully challenged a government ban last month by staging a large demonstration to demand an accounting of persons who disappeared in the mid-1970s campaign against alleged subversives.
- The press has exposed financial corruption touching many top military leaders.
- Labor groups—fearing economic policies undertaken because of IMF agreements—have threatened to strike later this month if growth-oriented programs are abandoned.

The military junta is now widely believed to be exercising tighter control over Bignone. It has reacted to the media attacks by labeling them "destabilizing" and closing three periodicals.

Army commander Nicolaidis, who has made command changes to solidify his support, is now in a better position to protect military interests and, if necessary, dictate to Bignone. The President's military backing has never been deep, and he risks losing it entirely unless he reins in some of the civilian groups.

~~Top Secret~~

In Brief

[Redacted]

Non Responsive

[Redacted]

Americas

Non Responsive

[Redacted]

— Argentina bracing for large and possibly violent demonstration today . . . various groups protesting regime's delay in setting election dates and accounting for "disappeared" persons . . . government set to crack down on disruptive elements.

[Redacted]

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~~Top Secret~~

In Brief

[Redacted]

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Americas

— Antigovernment demonstration calling for an early return to civilian rule and protesting human rights violations drew 100,000 regime opponents in Buenos Aires yesterday . . . one person killed and scores arrested . . . opponents of Argentine regime encouraged by this test of their ability to challenge the military.

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[Redacted]

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~~Top Secret~~

In Brief

[Redacted]

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[Redacted]

Americas

Non Responsive
[Redacted]

— Argentina's military leaders reportedly giving political and financial backing to Peronist candidates in October elections . . . in return want continued control of countersubversion; nuclear weapons research, and appointment of senior commanders.

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~~Top Secret~~

Honeymoon likely to be brief for new Argentine government

President-elect Alfonsin's decisive victory Sunday should give him some breathing room to begin reforming both the military and the Peronist-dominated unions and to deal with the country's economic problems.

- Strongly antimilitary, Alfonsin intends to make structural changes in the high command to subordinate the services to the civilian government.
- He also says he will investigate human rights abuses and corruption during the military's tenure in power.

On the economy, he probably will press foreign lenders for more favorable terms on the country's \$40 billion debt.

- If the government is able to put rescheduling discussions back on track, bankers may be ready to make long-delayed disbursements of funds that are vital to avoiding default and maintaining minimal import levels.

The unexpected magnitude of Alfonsin's win initially strengthens his hand against labor and military opposition. The Radical coalition, however, is based as much on anti-Peronist as pro-Alfonsin sentiments, and the new President may find it difficult to hold his diverse supporters together.

The inauguration is scheduled for January, but it probably will be moved up to mid-December in accord with Alfonsin's wishes.

~~Top Secret~~




Raul Alfonsin
President-Elect

56 . . . longtime head of left-of-center faction of Radical Civic Union . . . fiery orator who won his following by supporting human rights groups and attacking military government . . . wants to reestablish Argentine leadership in Latin America and maintain nation as moderate force in nonaligned movement . . . Ph.D. in law and social sciences . . . widely traveled and has served in both provincial and national level legislatures.



Victor H. Martinez
Vice President - Elect

58 . . . attorney for Kaiser Aluminum during the 1950s and 1960s . . . said to welcome US investment in Argentina . . . taught law at Cordoba University



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~~Confidential~~

~~Top Secret~~

Argentine military and Peronistas not likely to challenge Alfonsin soon

[REDACTED]
[REDACTED] the substantial margin of Alfonsin's victory will bring some stability to the government, and [REDACTED] no signs that key commanders will try to halt the transition.

Military leaders not only are too divided to block Alfonsin. [REDACTED]

[REDACTED] *but also lack popular support for such a move.*

— He [REDACTED] probably will try to demonstrate some flexibility on contentious issues such as human rights.

— *He will also be able to use the coming retirement and promotion cycle to ease out dissidents.*

Most of the Peronist political leadership has been discredited by the defeat, and the party is not likely to take on the new president until he addresses key internal issues. The election was also a repudiation of Peronist labor leaders, making it difficult for them to generate popular support for any early challenge to the new government.

~~Top Secret~~

In Brief

[Redacted]

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Non Responsive

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Americas

— Trials of retired Argentine junta members ordered by Alfonsin on human rights charges not expected to draw serious reaction from armed forces . . . military will become restive, however, if prosecutions extend to lower level officers.

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~~Top Secret~~

Alfonsin pushes ahead with curbs on Argentine military

His recent moves include reaching into the ranks to promote officers to head the three services, thereby forcing nearly 40 general officers into retirement. In the Army alone, that amounts to more than half the general officer corps.




- Alfonsin also has made changes in the high command structure that subordinate the new service chiefs to the defense minister.

In his latest move, he initiated the repeal by Congress of the military government's amnesty law designed to protect officers involved in antisubversive activities.

- *This enables him to proceed with the prosecution of former junta members for human rights abuses.*

Reaction within the military has been mixed.

- Top ranking officers have accepted the appointments and their retirements; *officers who had pressed for a thorough purge of the high command last year probably welcome the moves.*

-  officers 

have no figure around whom to rally and apparently have little choice but to await the outcome of the first trials.

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Article

Argentina: Alfonsin Taking Charge


In his first month in office, the new Argentine President has combined tough rhetoric and swift public action with deft handling of hard political issues. So far, he has prevented a backlash from the military and the opposition Peronists, the country's traditional power brokers.

Taking the Military to Court

Alfonsin's most visible and popular initiatives have been aimed at curbing the military and redressing violations of human rights committed during the late 1970s. [REDACTED]

[REDACTED] his strategy as intended to limit rather than facilitate the scope of the investigations and to assuage fears in the officer corps about a wholesale purge.

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Reforming Labor and the Economy

Alfonsin also is moving speedily with plans to democratize the largely Peronist-dominated unions, and he has won the support of several local labor bosses for his program. As a result, labor militants were unable to organize a successful strike last month.

— Alfonsin also has moved to disarm the opposition by giving Peronists midlevel government posts and by making a key party leader a presidential adviser on military matters.

)
On the economic front, the government has implemented price controls and submitted a major tax reform package, and it is planning to increase public spending in an effort to spur recovery. Economy Minister Grinspun has begun talks with US bankers and has reiterated his willingness both to refinance some \$18 billion in foreign debt in 1984 and to negotiate a new IMF agreement.

Foreign Policy and the Nuclear Issue

Alfonsin has made concessions that could soon lead to a settlement of the Beagle Channel dispute with Chile. On the Falklands, he has tried to appear flexible, but in reality he has maintained the military's position of linking normalization of relations with the UK to renewed negotiations on sovereignty.

~~Top Secret~~

After the announcement in November that Argentina had mastered uranium-enrichment technology, Alfonsin reaffirmed his intention to keep the nuclear program within peaceful bounds. He transferred the program to civilian control and created a commission to evaluate it.

- He will be cautious about making practical changes until receiving the commission's report, since he recognizes the program is a source of national pride and the military has a strong interest in protecting it.

Outlook

Alfonsin's fresh style, the positive conditions for change in Argentina, and the disarray among opponents probably mean he will continue to have his way over the next six months. The successful transition to democratic rule and Alfonsin's decisive actions have, however,

produced extremely high popular expectations that will be difficult to meet even under ideal conditions.

- The first important challenge could come after midyear when measures to raise revenue are likely to have fallen short of public spending. Subsequent renewed pressure on prices will make accommodating labor more difficult.

For now the military services are deeply divided on a range of issues and lack a figure around whom to unite. For the next six months, most officers subject to human rights investigations probably will be too consumed with their own difficulties to be attracted to conspiracies.

- This could change, however, if Alfonsin appears to be widening the scope of the investigations or makes major compromises on the Falklands.

~~Top Secret~~

Alfonsin facing growing opposition in Argentina

Military officers are reportedly upset about organizational changes and proposed budget cuts as well as press attacks focusing on human rights abuses.

For now, the service chiefs and most officers appear committed to civilian rule and probably will countenance convictions of the 12 or so former commanders under investigation. The military's discontent will spread, however, unless Alfonsin can ease public criticism and prevent investigations of the lower ranks.



He is also taking greater heat from civilian politicians.


- A coalition of Peronists and conservatives recently killed a bill that would have forced labor chiefs to face new internal elections.
- *Heartened by their victory, the Peronists are likely to dig in on such sensitive issues as the budget and an IMF agreement which Congress must approve.*
- An approved budget is a prerequisite both for US bankers to release funds to eliminate arrearages and for longer term debt rescheduling negotiations with the IMF.

Alfonsin probably realizes that the success of future government initiatives will require greater concessions—which we believe he is capable of making.

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Contents

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Rebuilding Argentina's Armed Forces

Argentina's military has replaced most of the equipment it lost in the Falkland Islands war, but has had to relinquish its political clout to the Alfonsin government.

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Rebuilding Argentina's Armed Forces

Summary



The new civilian government under Raul Alfonsin has taken dramatic steps to restructure the armed forces and place them firmly under civilian control.

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Establishing Civilian Control

The most significant changes in decades in Argentina's armed forces have taken place since President Alfonsin was inaugurated. He has emphasized restructuring the military, reducing its political power, and bringing it firmly under civilian control. In his most dramatic move, he forced the retirement of 70 percent of the generals in the officer corps last December. At the same time, he reduced the power of the service heads by taking away their command authority and making them chiefs of staff. Alfonsin placed control over the three services in the hands of the Chief of the Joint General Staff, a position that had been lower in the hierarchy and strictly advisory.

in addition to reducing the autonomy of the services, Alfonsin hopes to improve joint operations and interservice cooperation.

Alfonsin put overall responsibility for the armed forces in a civilian Minister of

Defense, a position previously little more than ceremonial. To solidify control over the three services, the Defense Minister, Raul Borrás, now has authority over the promotions and assignments of general officers. He also controls budgeting and resource allocation for the entire military.

Thus far, little has been done to restructure the armed forces below the national level. The turmoil in the senior ranks, however, is having a distracting effect on training at the operational levels. Middle level officers are demoralized and suspicious of Alfonsin's intentions toward the military. Many are concerned that they may face criminal proceedings resulting from the armed forces' conduct of the "dirty war" against subversion in the late 1970s. So far, only the nine senior commanders who served in the ruling junta during that period have been charged. Nevertheless, the fear remains that lower level officers will be prosecuted for their part in the affair.



President Raul Alfonsin



Defense Minister Raul Borrás

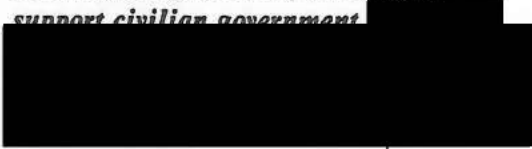
~~Top Secret~~

Alfonsin acts to quell military unrest

The Army chief and two other senior officers were replaced last week, and as many as seven other generals may be retired.

- Some of the problem was simply intraservice squabbling, but officers at all levels reportedly are unhappy about budget cuts, human rights investigations, and what they see as the indifference of the Alfonsin government.

By sacking the officers, Alfonsin has shown he is prepared to react forcefully to signs of discontent in the military.

- *This is not likely to end military animosity toward his democratic reforms, and we would not rule out the possibility of revolts by local garrisons.*
 - *Most officers, however, continue to support civilian government*
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~~Top Secret~~

Article

Argentina: Tough Challenges for Alfonsin

[REDACTED] after months of hesitation Alfonsin has concluded that he has no international support to hold out against IMF demands and that domestically his popularity would slip if he failed to act firmly on wages and spending at a time of soaring inflation.

An accord with the Fund, however, would be only the first step toward gaining control over the country's economic problems.

- Winning congressional approval of implementing legislation will be difficult, and Peronist-dominated labor unions, as well as many in Alfonsin's own Radical Party, will try to shelve the austerity program.
- Negotiations with foreign banks over rescheduling much of the country's \$44 billion debt will be protracted because interest arrearages, unmet loan payments, and Argentine intransigence have soured relations with lenders.

Alfonsin also will continue to use Argentina's leadership of the Cartagena Latin American debtors' group to press industrialized nations for formal meetings to discuss the debt crisis.

While Argentina's economic problems have taken some of the gloss off of Alfonsin's electoral victory 11 months ago [REDACTED] little likelihood that the military will challenge the President any time soon. The

services remain unpopular and deeply divided internally and Alfonsin has worked hard to accommodate their concerns by limiting human rights investigations.

- A dramatic shift in this policy probably would be required to galvanize antigovernment sentiments.

Implications for the US

Alfonsin sees a special relationship with Washington as important for his political survival [REDACTED]

[REDACTED] he hopes his visit will facilitate debt rescheduling, encourage foreign investment, and expand access to US markets. He [REDACTED] expects Washington to press the UK on the Falklands issue and to offer strong gestures of support for Argentine democracy. b

[REDACTED] We expect him, therefore, to continue to resist pressure to place Argentina's nuclear program under full international safeguards and to call for stronger US support for the Central American peace process.

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~~Top Secret~~

Argentine military grumbling more about government

A major source of dissatisfaction is the recent release of a new report by an officially sponsored commission investigating human rights abuses.

- The report details the military's role in the disappearances of nearly 9,000 people during the 1970s.
- A subsequent version will name hundreds of military and police personnel, and Alfonsin reportedly is mulling over whether to publish it.

Military concerns about economic conditions, labor unrest, and budget cutbacks also have led to an increase in antigovernment organizational efforts.



Thus far, the military opposition is isolated and appears to lack a leader. In addition, Alfonsin's decision to replace the human rights commission with one more directly under his control may help cool off the military.

- *To assuage the armed forces, however, he will have to limit trials and the pace of future investigations, even at the risk of losing popular support.*

~~Top Secret~~

Alfonsin still grappling with Argentina's problems

Despite progress on several issues over the last week, the Argentine President remains vulnerable.

- *Shifting the trials of former junta members indicted for human rights violations to civilian courts probably will make convictions more difficult to obtain than would be the case under military regulations. The main opposition now seems to come from lower-ranking officers who fear they will be dragged into the investigations.*
- *Settlement of the Beagle Channel dispute is receiving considerable popular support, despite sharp public attacks from rightwing nationalists.*

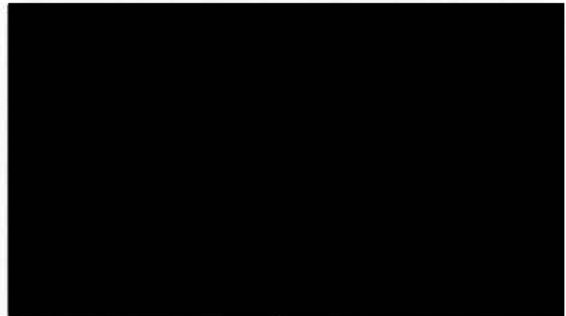
Economic issues remain the greatest threat to Alfonsin.

- *Recently enacted measures to move the country toward compliance with the IMF agreement have been received with some skepticism by Fund officials.*
 - *Labor bosses and Alfonsin's political opponents have already vowed to resist restrictions on wage increases, but a reduction in inflation and favorable debt rescheduling must be accomplished quickly to avoid an upsurge in labor unrest that could aggravate military restiveness.*
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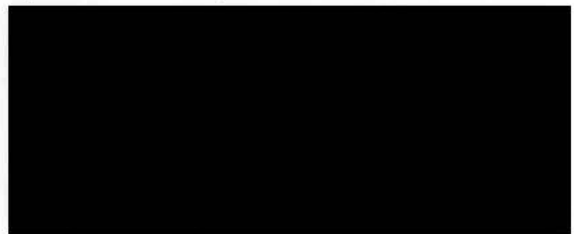
~~Top Secret~~


Military discontent with Argentine Government is growing

The recent transfer of the trials of former junta members to civilian courts reportedly has increased other officers' fears that they too will be prosecuted for human rights abuses.



Government officials are sensitive to the potential threat from the military.



— Alfonsin also is  considering a grant of amnesty ~~to all~~ officers implicated in human rights abuses once the junta members are convicted.

~~Top Secret~~

Terrorism on rise in Argentina

An increasing tendency toward violence is evident among extremists on both the right and the left.

- Offices of the ruling party were bombed recently, and an attempt to assassinate President Alfonsin was foiled.



Argentine officials link these activities to far-right resentment over steps Alfonsin has taken to bring to trial rightists responsible for past human rights abuses.



the far-left Montoneros have set up paramilitary training camps and that one group has threatened to retaliate for Brazil's recent extradition to Argentina of Montonero leader Firmenich.

- Montonero leaders oppose a renewal of terrorism at present, *but dissidents might well mount attacks in response to the trial of Firmenich.*
- *This could spark a rightist response, leading to a cycle of violence that would erode the government's authority.*