



**Directorate of
Intelligence**

~~Secret~~



25X1

Argentina: Prospects for Terrorism



25X1

An Intelligence Assessment

~~Secret~~

*ALA 85-10013
February 1985*

Copy 356

Page Denied



**Directorate of
Intelligence**

Secret

[Redacted]

25X1

Argentina: Prospects for Terrorism

[Redacted]

25X1

An Intelligence Assessment

This paper was prepared by [Redacted]
Office of African and Latin American Analysis, with
biographical contributions from [Redacted]
Office of Central Reference. It was coordinated with
the Directorate of Operations. [Redacted]

25X1

25X1

25X1

Comments and queries are welcome and may be
directed to the Chief, South America Division, ALA,

[Redacted]

25X1

Secret

*ALA 85-10013
February 1985*

Secret

[Redacted]

25X1

**Argentina:
Prospects for Terrorism**

[Redacted]

25X1

Key Judgments

*Information available
as of 17 January 1985
was used in this report.*

The growth of politically motivated violence—mostly by the extreme right—in Argentina last year has focused public attention there on the danger of a resurgence of the kind of widespread terrorism that prevailed in the 1970s. President Alfonsin's strategy in dealing with one of his greatest challenges—the legacy of terrorism and repression that he inherited from previous civilian and military governments—has been to mete out measured and evenhanded punishment to both leftist terrorists and military officers implicated in human rights abuses.

25X1

[Redacted]

25X1

The main leftist terrorist groups are the Montoneros and the People's Revolutionary Army (ERP). [Redacted] the leaders of both groups are now promoting political rather than terrorist activity. The Montoneros have infiltrated the left wing of the Peronist party—the leading opposition political group—while the ERP has concentrated on penetrating the small, far-left Intransigent Party. But discipline on the extreme left is fragile, and dissident elements—especially within the Montoneros—have threatened to resume violence.

25X1

25X1

We judge that growing cooperation between the Montoneros and the ERP could remove some of the financial and training barriers to a resumption of terrorism by the left. Chances of significant foreign support, however, are slim. [Redacted] Cuba has contacts with both groups, but so far has given priority to maintaining good relations with Alfonsin over arming the radical left.

25X1

25X1

Rightist terrorists, for their part, already have carried out bombings and other attacks against leftist and government targets in an effort to intimidate both the far left and the Alfonsin administration. In our judgment, the ultraright fears both that the left will resume terrorism and that Alfonsin will expand the scope of judicial proceedings against military officers for human rights abuses.

25X1

25X1

[Redacted]

[Redacted] Nonetheless, we believe that rightist terrorism—although more of a problem in the short term than leftist violence—so far lacks centralized direction and the blessing of top military leaders.

25X1

25X1

Secret

ALA 85-10013
February 1985

Secret



25X1

25X1

25X1

The present level of violence, while disturbing to Alfonsin, does not imperil his government, in our judgment. We believe it is unlikely that a major terrorist threat will emerge over the next six months. Our review [redacted] indicates that both the left and the right recognize that, after the terrorist bloodletting and the "dirty war" of the 1970s, there is wide public opposition to political violence of any stripe. We expect the ultraleft to continue pursuing nonviolent political activities during the near term, although some dissidents may resort to sporadic terrorism. Violent attacks by the radical right will probably continue, perhaps at a somewhat increased level. [redacted]

25X1

Over the next two years we judge it highly likely that the level of terrorism will continue to increase, but not to levels that would jeopardize democratic rule. Some possibility exists, however—we judge on the order of 1 in 5—that economic and political pressures during this period could unleash a wave of left-right violence that would weaken Argentine political institutions. Alfonsin's reluctance to comply with IMF-recommended austerity measures could bring the economy to a near standstill, or the President could die or be assassinated, creating a power vacuum. In either case, terrorists would probably step up their activities to capitalize on public discontent. [redacted]

25X1

Widespread terrorist violence could enable the armed forces to intervene again. We believe that, because of the services' discontent with US support to the United Kingdom during the Falklands conflict and their need to seek allies within organized labor and the Peronist movement, any military government coming to power under such circumstances would probably be more nationalistic and anti-United States than past military regimes. Even if the situation did not deteriorate to this point, a strong upsurge in terrorism could force the civilian government to adopt positions at variance with US interests in order to garner short-term support at home. These could include stances detrimental to US interests in such forums as the United Nations and the Nonaligned Movement, greater verbal belligerence regarding the Falklands issue, increased attention to the military applications of Argentina's nuclear program, and renewed consideration of a moratorium or default on the nation's foreign debt. [redacted]

25X1

Secret

Secret

25X1

Contents

	<i>Page</i>
Key Judgments	iii
Alfonsin and the Legacy of Violence	1
Leftist Terrorism	2
Return of the Montoneros	2
Reorganization of the ERP	5
ERP-Montonero Contacts	6
Foreign Support	6
The Threat From the Right	7
Growth of Rightist Terrorism	7
The Military Connection	8
Outlook	9
The Near Term	9
The Longer Term	10
Implications for the United States	11

Secret

Secret



25X1

Figure 1



Boundary representation is not necessarily authoritative.

704353 2-85

Secret

25X1

Secret

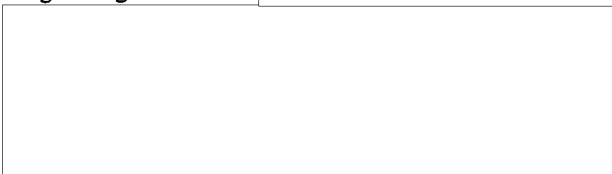
25X1

**Argentina:
Prospects for Terrorism (U)**

Alfonsin and the Legacy of Violence

Among the most difficult challenges facing President Alfonsin when he took office in December 1983 was how to deal with the legacy of the political violence that had swept Argentina during the 1970s. The disappearance of about 9,000 people during the armed forces' "dirty war" against terrorism fueled public demands for wide-ranging trials of military personnel and investigations into the military's connections with rightwing extremists.

25X1



To this end, Alfonsin scrapped the previous military government's self-amnesty law, began military trials of members of the juntas that governed from 1976 to 1983, and created a commission to investigate human rights abuses. Based on actions to date, we believe that Alfonsin's medium-term strategy was and remains to limit investigations to commanding officers, to keep the trials largely within military courts, and to drag the process out for as long as possible, hoping that the public's attention to the past would wane.

25X1



So far, this strategy has brought mixed results. Because of the military court's refusal to prosecute former commanders, the trials of the junta members have been moved to the civilian judicial system. The report of the government-appointed human rights commission, however, has, in our view, sated much of the public's appetite for details concerning the "dirty war" without excessively antagonizing the military. Moreover, trials of subordinate officers have been successfully kept within military courts and are proceeding at a deliberately slow pace.

25X1

The government has complemented its focus on military and rightist abuses with moves against the left. Alfonsin's personal abhorrence of leftist terrorism is a matter of public record, and his attitude is widely



25X1

Figure 2. Montonero leader Mario Firmenich under arrest in Buenos Aires.

Somos ©

25X1

shared within the ruling Radical Party, according to the US Embassy. The President, in our view, has also recognized that he must hold the left accountable for its crimes if he is to prosecute the military and its civilian allies without greatly exacerbating military antagonism toward his government. Two leading members of the Montonero terrorist organization, Ricardo Obregon and Oscar Bidegain, were arrested by the new government soon after they returned to

Secret

Secret

Buenos Aires in December 1983, and Montonero chief Mario Firmenich has been in custody since his extradition from Brazil in October 1984.

[Redacted]

[Redacted]

however, that the PCA has embraced terrorism; although actions of individual party members and of the party's youth wing bear close watching, the Argentine Communists do not yet pose a threat comparable to the Montoneros or the ERP.

[Redacted]

Return of the Montoneros. The Montoneros, who first emerged in the late 1960s, have long sought to convert Peronism, until recently Argentina's dominant political force, into a movement of the revolutionary left. After President Juan Peron's death in 1974, they clashed openly with the Peronist party's conservative leadership and were expelled from the movement by his widow and successor, Isabel. The Montoneros continued to struggle for what they termed "authentic Peronism," while at the same time becoming one of South America's largest, wealthiest, and most deadly terrorist groups. Nevertheless, they were crushed after the military coup of 1976. The few Montoneros who were not killed or captured by the armed forces were forced into exile, where they launched a largely ineffectual propaganda campaign against the military.

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Extremists on both the left and right, in our view, are biding their time and waiting for a propitious moment to resume armed struggle.

[Redacted]

Leftist Terrorism

Leftist violence in Argentina has been perpetrated almost exclusively by the Montoneros and the People's Revolutionary Army (ERP). An array of small socialist, Trotskyite, Maoist, and other ultraleftist parties exists,

[Redacted]

The arrests of top Montonero leaders, however, dealt a severe blow to the movement and have hindered its efforts at reorganization, in our view. With their most experienced chiefs dead, in prison, or in hiding, the Montoneros' once-solid chain of command has broken down.

two basic currents have emerged: a relatively moderate majority faction loyal to Mario Firmenich, and more violence-prone groups whose leadership is unclear.

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

The Moscow-line Argentine Communist Party (PCA), for example, has for decades emphasized electoral politics, but some elements of the party are not averse to violence.

[Redacted]

Argentine Communist youths who help in Nicaraguan coffee harvests also receive instruction in guerrilla warfare. We doubt,

Secret

Secret

Potential for Growth of Terrorism: The Economic and Political Setting

25X1 *Although it is small scale by Latin American standards, Argentine terrorism has potential for growth and could, in the long run, jeopardize political stability. We believe that, although hurdles relating to finances, foreign backing, training, and arms supplies are important, they will not decisively determine whether terrorism becomes a serious threat. The key variable affecting prospects for terrorist violence is the overall political, social, and economic health of Argentine society.* [redacted]

25X1 *President Alfonsin is at present in a strong political position, and we judge that the enemies of democracy on both the right and the left are cowed and disorganized. Nevertheless, Argentine democracy contains several weaknesses that could undermine its stability and provide the conditions for terrorism to flourish.* [redacted]

25X1 *Economic difficulties, in our view, will pose the greatest threat over the next two years. The IMF program approved in December calls for a sharp reduction in inflation—now running at over 600 percent annually—through wage restraint and cuts in the budget deficit. Alfonsin's willingness to endure the political pressures generated by austerity will determine to what extent Argentina complies with IMF guidelines. We are fairly confident that the government can withstand the fallout from a mild recession, especially if recovery begins before the congressional elections scheduled for November 1985.* [redacted]

If the economic slowdown proves unexpectedly severe, however, Alfonsin might try to buy off various interest groups through financial concessions. Such a course would fuel inflation and cause budget targets to be missed, thereby jeopardizing the IMF accord. Although this might bolster the President's immediate political standing, the long-term social and economic consequences of runaway inflation and a show-down with the Fund and creditor banks would, in our

view, be politically explosive and could set the stage for increased terrorism. [redacted]

25X1

The military is another potential trouble spot. The Falklands conflict and the human rights abuses of the "dirty war" against terrorism discredited the armed forces and deprived them of civilian allies. However, military concerns about continuing trials of former junta members by civilian courts have given rise to increasing discontent within the services. Although a successful coup is unlikely in the near term, militant officers, [redacted] have already committed bombings and abductions. These acts could ignite a response from the extreme left, heading to a self-perpetuating cycle of violence. Over time, the services may be tempted to intervene actively in politics. In our view, even an aborted coup would debilitate Argentine democracy, since it would probably be used by the far left to justify a return to armed struggle. [redacted]

25X1

25X1

These dangers are exacerbated by the antidemocratic strains in Argentine political culture. Argentina's post-World War II cycle of coups and short-lived civilian regimes has, in our view, bred skepticism of democracy and a fatalistic acceptance of military intervention. Influential groups—including the business community, labor, and the Peronist movement—have historically defended their own interests at the expense of democracy. Peronism, for example, contains both leftist and rightist factions which, when unable to achieve their goals through elections, have turned to either the military or leftist terrorism to exercise influence. Such disaffection with the newly restored democratic process is currently negligible, but prolonged economic pressures or widespread political violence could again spur large segments of Argentine society to seek solutions outside the constitutional system. [redacted]

25X1

Secret

Secret

Mario Eduardo Firmenich



Somos ©

Mario Firmenich, 36, is on trial in Buenos Aires for kidnaping and murder. A founder of the Montoneros, Firmenich gained notoriety in the early 1970s for his involvement in two bold terrorist acts: the kidnap/murder of former Argentine President Pedro Aramburu and the kidnaping of two Argentine businessmen, which resulted in a record \$60 million ransom. After the 1976 military crackdown, he moved abroad and tried to mobilize support for the Montoneros in Latin America and Western Europe.

[Redacted]

The Firmenich faction has publicly abjured violence, asserting that the Montoneros will now concentrate on electoral politics. Before his arrest, Ricardo Obregon, an ally of Firmenich, announced the Montoneros' dissolution as an armed force and their reconstitution as the "Authentic Peronist Party."

[Redacted]

[Redacted] We believe the Montoneros' current—and almost certainly unrealistic—goal is in time to gain full control of the IMP and use it to turn the entire Peronist movement toward the revolutionary left. [Redacted]

[Redacted]

We believe that the majority faction's rejection of violence is a tactical maneuver and that it would return to armed struggle under more favorable circumstances. The Montoneros publicly pledged in the past to work for peaceful change, but reverted to violence whenever they judged that conditions made terrorism feasible. For example, the organization renounced terrorism when President Juan Peron returned to Argentina in 1973, only to resume armed activity shortly after his death the following year.

[Redacted]

[Redacted] Recent public statements by Fernando Vaca and Roberto Perdia—the top Montonero leaders not in prison—have hinted at a resumption of violence if Alfonsin continues to "persecute" the movement. [Redacted]

The immediate danger, however, stems from those Montoneros who question their leadership's cautious stance. [Redacted] they are not formally structured into an anti-Firmenich group and are divided among themselves. In our view, these Montoneros probably doubt they can ever dominate Peronism and are eager to resume violence. [Redacted]

[Redacted]

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

Fernando Vaca Narvaja



Somos ©

Enrique Gorriaran Merlo



Liaison ©

Fernando Vaca Narvaja, 37, has been the Montoneros' second in command for almost a decade and, since the 1984 arrest of Mario Firmenich, has been the leading Montonero still at large. Since 1977 he has been the group's secretary of international relations.

25X1

[Redacted]

25X1

During 1980 and 1981 he helped provide training to subversive groups operating in Bolivia and Costa Rica,

25X1

He has traveled extensively since the late 1970s, and we believe he has worked closely with Firmenich to build support for the Montoneros in Latin America and Western Europe.

25X1

Reorganization of the ERP. Argentina's other significant leftist terrorist group is the People's Revolutionary Army (ERP). In contrast to the Montoneros who espouse a vague populism, ERP literature shows that the group is rooted in Trotskyite Marxism-Leninism and has drawn inspiration more from Castro and Mao than Peron. Emerging concurrently with the Montoneros, the ERP was smaller and was concentrated in Argentina's interior provinces, where it conducted sporadic rural guerrilla warfare until the late 1970s. Like the Montoneros, the group was ravaged by the military's post-1976 crackdown.

25X1

25X1

the ERP lost 85 percent of its cadre and close to 95 percent of its weapons, safehouses, and vehicles during that period.

25X1

[Redacted]

An Argentine of Basque origin, Enrique Gorriaran, about 42, is the ranking leader of the People's Revolutionary Army (ERP). A founder of the ERP in 1970, Gorriaran was arrested one year later and imprisoned in southern Argentina. In 1972 he escaped to Cuba and returned to Argentina the following year to participate in the ERP's rural guerrilla campaign. US diplomats report that, by the late 1970s, Gorriaran led the ERP's military wing, which attacked businessmen and labor leaders and assassinated police and military personnel. He fled the country following the 1976 military coup and resurfaced in Nicaragua, fighting alongside the Sandinistas.

25X1

25X1

25X1

25X1

25X1

[Redacted]

He currently lives in Managua.

25X1

Press reports indicate that remnants of the ERP—probably no more than 100 persons—returned to Argentina in the wake of Alfonsin's election. As with the Montoneros, the group split into moderate and radical sectors. Unlike the Montoneros, however, the ERP appears to be fairly cohesive and well organized, with orders issued by exiled leaders in Managua, Nicaragua,

25X1

These leaders, chief of whom is Enrique Gorriaran, evidently believe that the moment is not ripe for the resumption of armed struggle in Argentina.

25X1

the exiled

25X1

Secret

Secret

ERP chiefs have justified their failure to return home by alleging that Alfonsin wants to arrest them. Gorrarian pledged at a press conference in Managua earlier this year that, for the time being, ERP members in Argentina will use violence only in self-defense.

[Redacted]

25X1

[Redacted] the ERP has been seeking to expand its political base by infiltrating the small but influential far-left Intransigent Party (PI). The ERP has chosen the PI because the two groups are ideologically compatible and, [Redacted] because the ERP wants to avoid competing with Montonero penetration of the Peronists. The ERP has also been active in a handful of leftist labor unions and some of Argentina's human rights organizations.

Foreign Support. Although the pooling of resources, contacts, and personnel implicit in ERP-Montonero collaboration could help remove financial and training barriers to a resumption of terrorism, in our view the radical left would require considerable foreign support to mount a serious threat to Argentine democracy. At present, prospects for such aid are dim:

25X1

25X1

25X1

[Redacted]

[Redacted]

[Redacted] the ERP's long-term goal is to return to armed struggle. In the meantime, however, the group's more moderate sector appears to be reining in unruly elements who want to initiate violence soon.

Cuba has been both the Montoneros' and the ERP's greatest source of foreign training and financial and moral support.

25X1

[Redacted]

25X1

[Redacted] While reassuring as to the movement's short-term intentions, this may indicate that the ERP has at least a rudimentary capability to undertake terrorism if and when it abandons its current policy of relying solely on political infiltration.

25X1

[Redacted]

ERP-Montonero Contacts. Over the past year there have been signs of a trend toward ERP-Montonero cooperation. A joint meeting was held in Cordoba Province in April 1984, according to press reports,

Despite the falloff in aid from traditional sources, the far left retains some contacts and potential support outside the country, particularly from fellow South American terrorist groups.

25X1

25X1

25X1

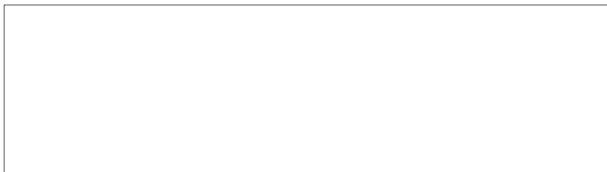
[Redacted]

[Redacted]

Secret

Secret

25X1



Anibal Gordon

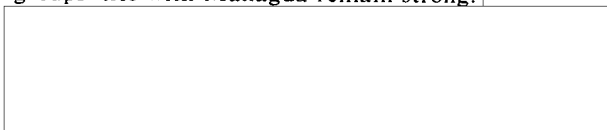


Siete Dias ©

25X1

25X1

The most important potential non-Cuban source for arms and training, however, is Nicaragua. Both Montoneros and ERP members fought alongside the Sandinistas against the Somoza government, and both groups' ties with Managua remain strong.



25X1

Nicaraguan training, however, is small scale and cannot replace past Cuban support. Only if Havana has a change of heart will the radical left, in our view, obtain enough tangible Cuban backing to enhance significantly its terrorist capabilities.

Anibal Gordon, about 52, led a paramilitary unit that committed terrorist acts against alleged leftists during the 1970s. According to press reports, Gordon worked for the Argentine Anti-Communist Alliance (AAA), a rightwing terrorist group founded by President Isabel Peron's Social Welfare Minister, Jose Lopez Rega.

25X1

The Threat From the Right

In addition to the possibility of growing leftwing terrorism, especially if the Montoneros and the ERP join forces, Argentina faces a more immediate threat from the extreme right. Rightwing terrorism in Argentina is difficult to document, however. Rumors concerning a bewildering variety of paramilitary groups circulate in the press, but confirming intelligence on all but a few of them is lacking. Nevertheless, the ultraright—unlike the left—has clearly begun to act. The press, [redacted] and the US Embassy all agree that rightists are responsible for most of the politically motivated violence committed since Alfonsin's election. Moreover, the ultraright's intimate relations with elements of the armed forces give it potential access to arms and ammunition. This reinforces our view that, at least in the short term, rightwing terrorism is likely to pose a greater problem for Argentina than leftist violence.

[redacted] The Buenos Aires chief of police has publicly stated that Gordon was responsible for many political kidnappings and murders on behalf of the military regime and that he may also have carried out subversive acts against the Alfonsin government. Gordon is currently under arrest for the 1983 kidnaping of an Argentine journalist.

25X1

25X1

25X1

25X1

Growth of Rightist Terrorism. Significant rightist violence emerged in the early 1970s to counter the Montoneros and the ERP. During Isabel Peron's presidency (1974-76), the powerful Minister for Social Welfare, Jose Lopez Rega, brought together various far-right terrorist groups under the rubric of the Argentine Anti-Communist Alliance (AAA). While

leftist terrorists relied on thousands of full-time militants and important foreign backing, the rightist groups remained small but cultivated close links with elements in the government, the security services, the military, and the business community. The AAA, [redacted] never exceeded 150 members, but received important logistic, financial, and intelligence support from sectors of the armed forces and the bureaucracy. The AAA claimed to have dissolved itself after the 1976 coup, letting the military wage a far more lethal war against the terrorist left.

25X1

25X1

Secret

Secret



The Military Connection. Rightist terrorism in Argentina continues, in our view, to be deeply intertwined with elements of the military. [redacted]

25X1
25X1

[redacted] however, former members of groups such as the AAA remain individually active and are reestablishing their links with disgruntled military officers. [redacted]

25X1
25X1

The Alfonsin government is not, in our view, effectively monitoring the armed forces and their domestic, nondefense activities. [redacted]

25X1
25X1

Rightwing violence is currently centered in Cordoba Province, the home of numerous retired military and security service personnel and, according to press reports, the region where the armed forces are most politicized. [redacted]

25X1

25X1

Figure 3. Offices of a progovernment military association bombed by rightist terrorists. [redacted] Somos ©

Rightist violence declined sharply after the revolutionary left was subdued in the late 1970s, but has picked up since Alfonsin took office. [redacted]

25X1

[redacted] the US Embassy suspect that ultrarightists may have been behind a number of recent acts, including:

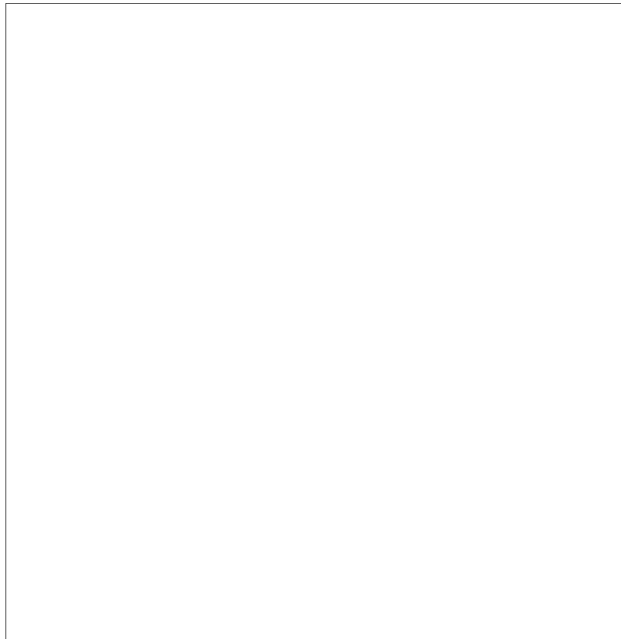
- An aborted attempt on Alfonsin's life in November 1984, the details of which are murky.
- Bombings of ruling Radical Party headquarters and of Peronist-controlled townhalls in the Buenos Aires area last fall.
- Attacks in December 1984 on a progovernment military association and on the jail where Mario Firmenich is being held.
- A spate of bombings in Cordoba last summer, [redacted]

25X1

25X1

Secret

Secret



While we judge a concerted rightwing terrorist campaign to be out of the question for now, we do expect sporadic rightwing political violence to continue over the short term. Rightist groups will probably continue to bomb leftist and government targets. The number and lethality of such incidents probably will increase if the ex-junta members receive long prison terms or if trials of subordinate officers are transferred to civilian courts. Cordoba would be a likely site for mounting terrorism, since rightists there may be tempted to repeat their successful use of violence to pressure the administration concerning the trials of military officers. [redacted]

25X1

We believe that the Montoneros and the ERP, for their part, will continue to concentrate on political activity during this period. Both groups are likely to recognize that in the wake of the terrorist bloodletting of the 1970s there is scant popular support in Argentina for political violence. Moreover, Alfonsin's prosecution of Montonero leaders has sent a clear message to the left that a return to terrorism will bring swift retribution. [redacted]

25X1

25X1

25X1

25X1

In our view, the present level of rightist violence does not endanger Alfonsin's government. [redacted]

[redacted] top military leaders do not seem to be involved with terrorism. Furthermore, we have seen no evidence that the various embryonic civilian-military groupings of the ultraright coordinate their activities or have developed a national network. These groups are incensed by the prospect of even minimal punishment of the military for its human rights abuses and fear a resurgence of the radical left, but they currently lack the centralized direction and resources necessary to mount a concerted terrorist campaign. However, as with the Montonero and ERP dissident factions, the rightist groups' lack of discipline and fondness for action render them dangerous and may spur them to respond violently even to illusory provocations. [redacted]

25X1

Outlook

The Near Term. We believe that a serious terrorist threat is unlikely to emerge in Argentina over the next six months. While the extreme right and the armed forces have soured on Alfonsin, they realize that the military's human rights record and the Falklands debacle have left them with little civilian support, according to US Embassy [redacted] In our view, this political isolation will dissuade the far right from launching a concerted terrorist campaign, since its likely goal—a direct military role in government—is currently unattainable. [redacted]

25X1

25X1

We doubt, however, that the far left's political initiatives will bear fruit. The Montoneros will not, in our view, succeed in wresting control of the Peronist movement from the center right. Senator Saadi and the IMP faction have recently suffered a series of political setbacks and appear to be losing status within the party. At best, the Montoneros can hope to retain a voice on the Peronist left through the IMP or, if the movement splits, to dominate a small independent Peronist faction. The ERP has slightly better prospects for expanding its political influence through the Intransigent Party. The PI did well in recent student elections, and polls show that it could become a vehicle for the expression of leftist discontent with Alfonsin. The party, however, lacks a national structure and following, and its radical ideology has historically precluded it from attracting more than 5 to 10 percent of the electorate. [redacted]

25X1

With the expectation that the left will make little progress politically, we cannot rule out violence by dissident elements of both the Montoneros and the ERP—especially in the case of the Montoneros, where discipline appears to be weakest. We believe

Secret

Secret

that the Montoneros' radical fringe has some capability to conduct kidnappings and assassinations. Such actions could be triggered by further arrests of Montonero terrorist leaders, a harsh verdict in the trial of Firmenich, or provocations by rightwing terrorists. But we also believe that, under present circumstances, the security forces can prevent leftist violence from going beyond isolated incidents. [redacted]

25X1

The Longer Term. We are less optimistic regarding the prospects for containing terrorism over the next two years. We expect that continued triple-digit inflation, more vocal opposition to the government from the extreme left and right, and the probable erosion of Alfonsin's popularity will create an atmosphere more conducive to political violence. In addition, the problem of military and leftist accountability for past human rights abuses will continue to fester. Nevertheless, we judge that the odds are roughly 4 in 5 that terrorism, while becoming more than a minor irritant, will not threaten the stability of democratic rule. Alfonsin is likely to survive even in the face of rising violence because—in our view—the Peronist opposition and the labor unions will remain disunited and ineffective, the military will not regain much stature, and the far left will fail to attract broad popular support. [redacted]

25X1

Massive political and economic dislocations would be necessary, in our view, to alter this equation and create conditions in which terrorism could decisively influence Argentine politics. We believe that the chances are about 1 in 5 that such a shift will occur, unleashing a cycle of violence that would weaken Argentine political institutions. The most severe stresses would be likely to come from prolonged economic pressures or a power vacuum. The Argentine economy is far from healthy, and it is possible that the government's reluctance to impose austerity measures will cause agreements with the IMF to unravel, resulting in an inflationary spiral, rising unemployment, and declining real wages. Similar developments in the past have led the combative trade unions to promote labor unrest and caused the population at large to grow disaffected with democratic government and more receptive to radicalism of both the right and the left. [redacted]

25X1

The death or assassination of Alfonsin under these circumstances would, of course, make matters worse, but it would have grave consequences even under less volatile social and economic conditions. Alfonsin is, in our view, nearly irreplaceable over the next few years: no other present leader can rival his charisma, ability to unite the Radical Party, and capacity to articulate the democratic aspirations of many Argentines. The turmoil following his death would provide numerous opportunities for the antidemocratic elements in Argentine society—including the terrorists—to advance their interests at the expense of representative institutions. [redacted]

25X1

In the unsettled political atmosphere created by an economic crisis or the President's death, we believe the ERP and Montonero leadership would be tempted once again to take up arms. Moreover, an effective national terrorist network might well emerge on the right. While it is unclear whether rightwing or leftwing extremists would gain the upper hand, it is certain that the country would be racked by a shift in terrorism from the realm of isolated violence to that of potentially destabilizing urban guerrilla war. [redacted]

25X1

The right, in our view, would begin with the advantages of access to military supplies and at least the passive support of part of the military hierarchy. We doubt that either the military or the civilian intelligence and security services could effectively control rightist violence under such conditions. Both are riddled with rightist sympathizers. [redacted]

25X1

25X1

25X1

The left would be less well positioned for full-scale terrorism, but we believe it could overcome some of its present inadequacies. As in the early 1970s, generalized popular discontent would probably provide the Montoneros and the ERP with a flood of young recruits. Also, if the government were under siege and [redacted]

25X1

Secret

Secret

the economy in shambles, the political and economic utility to Cuba of good relations with Argentina would diminish, in our view. Havana might then resume its financial and training support for Montonero and ERP violence, since the opportunities for leftist gains—balanced against the danger of military intervention—could appear more enticing than continued friendly relations with a discredited democratic government. Foreign aid, while probably not of decisive importance, could nevertheless help the left overcome financial and logistic obstacles to a resumption of violence. [redacted]

25X1

Although Argentine political institutions might prove unexpectedly resilient and emerge strengthened after a bout with both leftwing and rightwing violence, we suspect that the democratic consensus in Argentina would instead prove too fragile to withstand severe social and economic pressures and escalating terrorism. If conditions began to resemble the violent and chaotic mid-1970s, the military, posing again as the guardian of order, might be able to gain the public support it needed to resume its traditional role as arbiter of the political system. [redacted]

25X1

Implications for the United States

A resurgence of terrorism in Argentina would have repercussions for the United States. We believe that sustained violence over a long period, even if it did not provoke military intervention, would weaken the authority of any civilian government and might well spur Alfonsín or another president to adopt stances detrimental to US interests as a short-term way to regain public support. Polls show that resentment of American power remains widespread among Argentines, many of whom have traditionally viewed their country as an alternative to US influence in Latin America. Argentina could adopt anti-US positions in such forums as the United Nations and the Non-aligned Movement, show greater verbal belligerence regarding the Falklands issue, and renew consideration of a moratorium or default on its foreign debt. Furthermore, if leftist terrorism achieved prominence, the possibilities for Cuban, Nicaraguan, and other outside meddling in Argentine affairs would increase. [redacted]

25X1

The greatest danger, however, stems from a terrorist-provoked military coup. We believe that the next military government in Buenos Aires would probably be more nationalistic and populist than past military regimes. The Falklands experience soured many officers on the United States, and to muster civilian support the armed forces might well establish a tacit alliance with elements in the labor movement and Peronist party. The anti-US and “anti-imperialist” posturing so popular in Argentina would probably become more pronounced. The potential for human rights abuses while the armed forces combated the left would also return. Most serious, a nationalist military government with populist overtones might move beyond bluster and take vigorous action on such questions as the Falklands and military applications of Argentina’s nuclear program. [redacted]

25X1

Secret

Secret

1115

Secret