



ARGENTINA: ECONOMY MINISTER CAPIERO, WHO FOR A TIME HAD BENEFITED FROM A RELATIVE POLITICAL LULL, IS COMING UNDER INCREASING PRESSURE FROM UNION LEADERS FOR FURTHER WAGE HIKES. Y

SPOKESMAN FOR THE WORKERS CLAIM THAT CONTINUING HIGH RATES OF INFLATION HAVE BEGUN TO NEGATE HUGE INCREASES WON IN LAST SUMMER'S CONFRONTATION WITH THE ADMINISTRATION. CAPIERO, WHO WAS A LONG-TIME ADVISER TO PERONIST LABOR AND THUS FAR HAS ITS SUPPORT, SEEKS TO STAVE OFF FURTHER WAGE INCREASES AS A VITAL PART OF HIS EFFORT TO RESTORE ORDER TO THE ECONOMY. ALTHOUGH CAPIERO HAS ADMITTED THAT WORKERS' PURCHASING POWER HAS DECLINED SINCE THE LAST INCREASE, HE HAS ALSO DECLARED THAT AN ADDITIONAL INCREASE IS NOT JUSTIFIED AT THIS TIME AND THAT FUTURE PAY HIKES SHOULD BE TIED TO INCREASED PRODUCTIVITY. Y

IN CALLING FOR HIGHER SALARIES, LABOR LEADERS ARE RESPONDING TO WORKER RESTIVENESS OVER THE CONSTANTLY RISING COST OF LIVING. THE TOP UNIONISTS RECOGNIZE THE INFLATIONARY EFFECTS OF SUCH INCREASES, BUT THEY NONETHELESS FEEL COMPELLED TO ECHO THE WORKERS' DEMANDS

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FOR MORE MONEY, LEST THEY LOSE CONTROL OF THE LABOR MOVEMENT. THE ADMINISTRATION HAS RESPONDED BY ANNOUNCING PLANS TO FORM A NATIONAL WAGE INSTITUTE TO EVALUATE THE EFFECTS OF INFLATION AND RECOMMEND SALARY INCREASES WHEN IT DEEMS THEM NECESSARY.4

FEARING THE LOSS OF HIS AUTHORITY, AT LEAST ONE TOP LABOR LEADER HAS SIDED WITH PRESIDENT MARIA ESTELAPPERON IN HER RECENT POLITICAL TROUBLES. IN HOPES THAT BY STRESSING HIS SUPPORT FOR PERONISM AND FOR THE HEIR OF THE DEAD LEADER, HE CAN MAINTAIN HIS PRESTIGE WITH WORKERS. SUPPORT FOR THE PRESIDENT, HOWEVER, PLACES HIM IN OPPOSITION TO ACTING PRESIDENT LUDER, WHO LIKE MANY INFLUENTIAL MILITARY MEN FAVORS PERON'S CONTINUED ABSENCE, IF NOT HER OUSTER. CAFIERO MUST REMAIN OUTSIDE THIS DISPUTE IF HE IS TO RETAIN LABOR'S BACKING AND AN EFFECTIVE ROLE ON THE LUDER TEAM.4

MEANWHILE, THE ADMINISTRATION HAS ANNOUNCED THE CREATION OF A NATIONAL DEFENSE COUNCIL TO CENTRALIZE AUTHORITY FOR THE ANTI-TERRORIST EFFORT WITHIN THE FEDERAL GOVERNMENT, PARTICULARLY THE ARMED FORCES. THE COUNCIL, LED BY THE ACTING PRESIDENT, IS MADE UP OF THE DEFENSE MINISTER AND THE COMMANDERS OF THE ARMED SERVICES.

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LUDER HAS COMPLETED FOR THE TIME BEING AT LEAST THE REORGANIZATION OF THE CABINET BY NAMING SUPREME COURT JUSTICE ARAUZ CASTEX FOREIGN MINISTER. THE APPOINTMENT FREES ANGEL ROBLEDO, WHO HAD BEEN HEADING THE FOREIGN MINISTRY AS WELL AS THE INTERIOR MINISTRY, TO CONCENTRATE HIS FULL ATTENTION ON THE LATTER AND POLITICALLY MORE SIGNIFICANT POST.

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