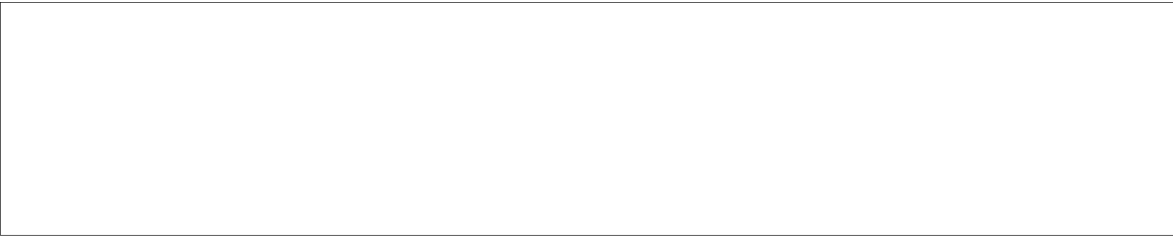


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E.O. 12065 RDS-4 5-16-99 (CHAPLIN, MAXWELL) OR-M
TAGS OGEN PGOV, AR
SUBJECT (C) POLITICAL EVOLUTION: PROGRESS TOWARDS NORMALIZATION

REF: STATE 67497

(C) INTRODUCTION AND SUMMARY: PLAGUED BY THE "SCHEME OF POWER" ISSUED UNTIL MID-1978, THE BEAGLE CHANNEL DISPUTE IN THE LATTER PART OF THE LAST YEAR, RISING OPPOSITION FROM POLITICAL, BUSINESS, AND LABOR QUARTERS TO ECONOMY MINISTER MARTINEZ DE HOZ'S ECONOMIC POLICIES (CULMINATING IN A GENERAL STRIKE ATTEMPT APRIL 27), AND INTERNAL DIVISIONS IN THE ARMY, THE GOVERNMENT'S PLANS FOR MOVING THE COUNTRY TOWARDS DEMOCRATIC RULE HAVE BEEN PROGRESSING AT A SNAIL'S PACE. THE ARMED FORCES, HOWEVER, HAVE BEEN DRAFTING A SET OF BASIC PRINCIPLES WHICH MAY BE APPROVED BY THE JUNTA IN THE NEXT FEW MONTHS. THIS DOCUMENT WILL THEN PERMIT PRESIDENT VIDELA TO PROCEED WITH THE FORMULATION OF A POLITICAL PROPOSAL AND TIMETABLE. THE CURRENT ATTENTION OF THE GOVERNMENT, HOWEVER, IS FIXED ON THE IMMEDIATE QUESTION OF NAMING POLITICAL AMBASSADORS WHO MIGHT GIVE THE REGIME SOME CIVILIAN WINDOWDRESSING AND PERHAPS EVEN SMOOTH THE WAY TOWARD DEVELOPING A NEW POLITICAL PARTY SYSTEM FOR THE FUTURE.

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SURVIVING POLITICIANS FROM THE PRE-1976 COUP ERA HAVE BEEN ACTIVELY SCHEDULING POLITICAL MEETINGS (THINLY DISGUISED AS SOCIAL GATHERINGS) AND ISSUING PROCLAMATIONS. THESE ACTIVITIES DO NOT HAVE SIGNIFICANT

INFLUENCE ON THE GOVERNMENT'S DECISION-MAKING IN TERMS OF ACCELERATING THE MILITARY'S DELIBERATIONS CONCERNING NORMALIZATION, BUT ARE GRUDGINGLY TOLERATED. ONE PROBLEM IS THAT SOME MILITARY OFFICERS ARE BECOMING COMFORTABLE WITH HOLDING THE SPOILS OF POWER, THROWING OBSTACLES IN THE WAY OF A POLITICAL DIALOGUE AND PARTY REORGANIZATION EFFORTS AND THEN ARGUING THE SELF-FULFILLING PROPHECY THAT THERE ARE NO VIABLE CIVILIAN POLITICIANS TO WHOM THE COUNTRY CAN BE SAFELY ENTRUSTED. THE GOVERNMENT MAY HAVE WON A SIGNIFICANT VICTORY WITH THE FAILURE (IN NUMERICAL TERMS) OF ORGANIZED LABOR'S RECENT GENERAL STRIKE ATTEMPT, BUT THE REGIME CONTINUES TO MOVE CAUTIOUSLY WITH RESPECT TO IMPLEMENTING THE LABOR REFORMS IT DESIRES. THE KEY POLITICAL ISSUE FOR THIS YEAR YET TO BE RESOLVED IS WHO WILL SUCCEED GENERAL VIOLA AS COMMANDER OF THE ARMY AT THE END OF THE YEAR--IF HE RETIRES, AS HE SAYS HE WILL--AND THE OTHER QUESTION BEYOND THAT IS WHO WILL SUCCEED VIDELA AS PRESIDENT IN 1981. IT REMAINS UNCLEAR HOW LONG IT WILL TAKE FOR THE MILITARY TO AGREE ON POLITICAL RULES FOR THE FUTURE WHICH WILL ENABLE IT TO TURN OVER GOVERNMENT TO AN ELECTED CIVILIAN AUTHORITY AND USHER IN A NEW ERA, BUT IT IS UNLIKELY, AS SOME POLITICIANS HAD HOPED, THAT THE TRANSITION WILL TAKE PLACE AS EARLY AS 1981. END INTRODUCTION AND SUMMARY.

1. (C) RATHER THAN PIECING TOGETHER A DETAILED POLITICAL PLAN ON THE BASIS OF THE THESE DRAFTED SEPARATELY BY THE ARMY, NAVY AND AIR FORCE, AS ORIGINALLY
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PROPOSED, THE THREE SERVICES INSTEAD HAVE BEEN WORKING FOR THE PAST FEW WEEKS AT THE SECRETARIAT LEVEL ON A DRAFT SET OF BASIC PRINCIPLES WHICH, WHEN APPROVED BY THE JUNTA, WILL BE PROMULGATED AS AN INSTITUTIONAL ACT. THE ACT, REFLECTING THUS THE BASIC PRINCIPLES, DOCTRINE AND POLITICAL PHILOSOPHY OF THE JUNTA, WILL THEN BE REMANDED TO PRESIDENT VIDELA TO USE AS A BROAD FRAME OF REFERENCE FOR DRAFTING A DETAILED GOVERNMENT PROPOSAL (AND TIMETABLE) FOR MOVING THE COUNTRY DOWN THE ROAD TO DEMOCRATIC CONSTITUTIONAL RULE. VIDELA REPORTEDLY DOES NOT EXPECT THE ACT TO BE APPROVED BY THE JUNTA BEFORE THE AUGUST-SEPTEMBER TIMEFRAME, AND THERE COULD BE FURTHER SLIPPAGE. AMONG THE PRINCIPLES EXPECTED TO BE INCORPORATED IN THE ACT, FOR EXAMPLE, ARE A STIPULATION THAT THE ORGANIC PARTICIPATION OF THE ARMED

FORCES IN THE POLITICAL PROCESS WILL BE GUARANTEED UNDER THE NEW GOVERNMENT SYSTEM TO BE ESTABLISHED. WHILE PRIVATE CITIZENS (INCLUDING POLITICAL FIGURES) ALREADY MAY HAVE CONTRIBUTED THROUGH INFORMAL CONSULTATIONS TO THE FORMULATION OF IDEAS IN THE THREE ARMED SERVICES, THE BASIC PRINCIPLES APPEARING THE JUNTA'S INSTITUTIONAL ACT APPARENTLY WILL NOT BE NEGOTIABLE OR SUBJECT TO POSTERIOR QUESTION OR REVISION BY VIDELA, POLITICAL LEADERS OR THE PUBLIC-AT-LARGE. HOWDVER, VIDELA WILL BE ALLOWED CONSIDERABLE LEEWAY IN DRAFTING HIS POLITICAL PROPOSAL, AS THE TERMS OF REFERENCE INCORPORATED IN THE ACT WILL BE BROADLY STATED. IT IS THOUGHT IN POLITICAL CIRCLES THAT THE FINAL DETAILED PLAN DRAWN UP BY THE PRESIDENT WILL BE SUBMITTED EVENTUALLY (PRESUMABLY AFTER BEING SUBMITTED TO AND APPROVED BY THE JUNTA) TO POPULAR REFERENDUM OR, INsofar AS CONSTITUTIONAL AMENDMENTS MAY BE REQUIRED, POSSIBLY TO A CONSTITUENT ASSEMBLY FOR APPROVAL. HOW LONG THE ENTIRE PROCESS WILL TAKE REMAINS AN UNANSWERED QUESTION (SEE PARA 10). THE OFFICIAL WATCHWORD IS STILL: THE ARMED FORCES HAVE OBJECTIVES TO FULFILL AND NOT TIMETABLES,

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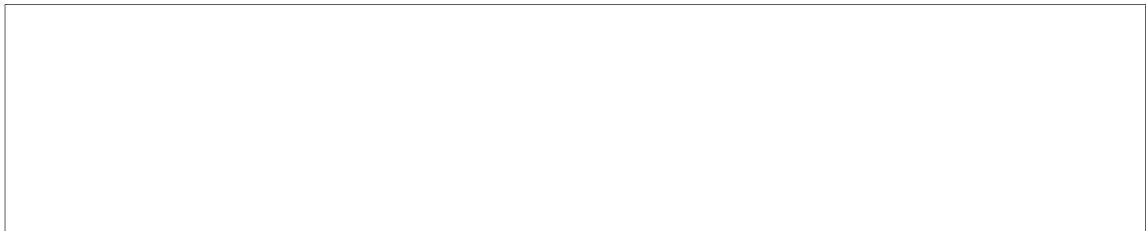
IE THE GOVERNMENT WILL BE ENTRUSTED TO ELECTED CIVILIAN AUTHORITY WHEN THE ARMED FORCES ARE GOOD AND READY.

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2. (C) WHILE THE AMOUNT OF TIME VIDELA HAS TO DRAW UP HIS PROPOSAL HAS NOT BEEN CLARIFIED, PRESUMABLY HE INTENDS TO HAVE IT READY BEFORE HE STEPS DOWN FROM

OFFICE IN 1981. VARIOUS IDEAS HAVE BEEN UNDER DISCUSSION

IN THE OFFICE OF THE PRESIDENCY FOR OVER A YEAR OR MORE, BUT WE DO NOT SPECIFICALLY KNOW IN WHAT STAGE OF DEVELOPMENT THIS PLANNING PROCESS IS AT THE MOMENT. WE DOUBT THAT THE PRESIDENT'S OFFICIAL POLITICAL ADVISOR, AMBASSADOR MOYANO, HAS PROGRESSED SIGNIFICANTLY IN THIS AREA AND INDEED HE MAY NOT EVEN BE CHARGED WITH THIS RESPONSIBILITY; IT MAY BE THAT THE REAL PLANNING IS GOING ON WITHIN OTHER OFFICES OF THE PRESIDENCY.

3. (C) THE CURRENT ATTENTION IN THE OFFICE OF THE PRESIDENCY SEEMS TO BE FIXED ON THE IMMEDIATE QUESTION OF FINDING AND DESIGNATING POLITICAL AMBASSADORS WHO SYMBOLICLY CAN REPRESENT VIDELA'S INTENTION TO DRAFT A POLITICAL PICTURE. REPORTEDLY, THOSE BEING CONSIDERED FOR AMBASSADORIAL POSITIONS INCLUDE: RAFAEL MARTINEZ RAYMONDA, THE LEADER OF THE MENDOZA PROGRESSIVE DEMO-

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CRATS (TO ITALY), WALTER V. COSTANZA, A DEMOCRATIC SOCIALIST (POSSIBLY TO PORTUGAL), AND JUAN AGIRRE LANARI, A CONSERVATIVE (POSSIBLY TO VENEZUELA). VIDELA, HOWEVER, HAS BEEN ENCOUNTERING DIFFICULTIES IN GETTING CIVILIANS TO ACCEPT AMBASSADORIAL APPOINTMENTS, SOME PRESUMABLY BECAUSE OF RELUCTANCE TO BE IDENTIFIED WITH THE NATIONAL REORGANIZATION PROCESS, AND THE GOING IS SLOW.

4. (C) IT IS RELEVANT TO TAKE NOTE HERE OF THE DE FACTO RESURGENCE DURING THE PAST YEAR OF ACTIVITY, ALBEIT OF LIMITED EFFECTIVENESS, BY THE LEADERS OF THE POLITICAL PARTIES EXISTING PRIOR TO THE 1976 COUP-- NOTWITHSTANDING THE EXISTENCE OF A DECREE BANNING THE PARTIES FROM FUNCTIONING, WHICH IS STILL ON THE BOOKS. A WEEK DOES

NOT GO BY WITHOUT THERE BEING AT LAEAST ONE DINNER ATTENDED BY, OR PRONOUNCEMENT EMANATING FROM, THE UCRP (PEOPLE'S RADICAL PARTY), THE VARIOUS PERONIST FACTIONS, THE POPULAR CONSERVATIVE PARTY, ETC (EVEN THE ORTHODOX COMMUNIST PARTY IE PCA). AN ATTEMPT IS ALSO UNDERWAY BY THE LEADERS OF PROVINCIAL CONSERVATIVE PARTIES TO STRENGTHEN THEIR NATIONAL ALLIANCE, KNOWN AS "FUFEPO" (POPULAR FEDERALIST FORCE), AND TO FORGE IT INTO A PROTO-

TYPE GOVERNMENT PART CAPABLE OF INHERITING THE NATIONAL

REORGANIZATION PROCESS WHE THE MILITARY ARE READY TO TURN OVER THE REINS OF GOVERNOENT. RETIRED ADMIRAL MASSERA--WHO RECENTLY WAS ENDORSED BY THE "UDELPA" PARTY FOUNDED BY FORMER PRESIDENT (AND MILITARY STRONG-MAN) ARAMBURU--IS ALSO PREPARING TO LAUNCH HIS OWN POLITICAL PARTY, TO BE CALLED "MOVIMIENTO DE ACCION SOCIAL ARGENTINA" (MASA). ALL THESE ACTIVITIES BY
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CIVILIAN GROUPS WILL BE THE SUBJECT OF A SEPTEL, BUT THE RELEVANT POINT HERE IS THAT THE TRADITIONAL POLITICAL PARTIES ARE STILL ESSENTIALLY SPINNING THEIR WHEELS WITHOUT ANY CLEAR SIGN FROM THE GOVERNMENT AS TO WHETHER THERE WILL BE A PLACE FOR THEM IN THE GOVERNMENT'S FUTURE POLITICAL PLAN. TO THE CONTRARY, FROM TIME TO TIME ORDERS ARE ISSUED TO THE SECURITY FORCES TO BREAK UP POLITICAL MEETINGS AND TURN OVER THE OFFENDERS TO THE JUDICIAL PROCESS. (SO FAR NO PARTY LEADERS HAVE BEEN INDICTED FOR HAVING INFRINGED THE BAN AGAINST POLITICAL ACTIVITIES.) BUT THERE ARE NO CLEAR CUT RULES, THE MINISTRY OF INTERIOR AND ARMY COMMANDERS APPEARING SELECTIVELY TO EXERCISE THEIR OPTION UNDER THE LAW ONLY WHEN IT SUITS THEIR MOOD.

5. (C) PRESIDENTIAL ADVISOR MOYANO REPORTEDLY HAS BEEN TELLING POLITICAL LEADERS WITH WHOM HE HAS BEEN MEETING (QUITELY) THAT THEY MUST WAIT UNTIL THE END OF THE YEAR WHEN THE SUCCESSION TO THE ARMY COMMANDER-IN-CHIEF ISSUE IS TO BE RESOLVED BEFORE THE VIDELA GOVERNMENT WILL BE ABLE TO REVEAL ITS POLITICAL PLANS AND PERMIT A GREATER DEGREE OF POLITICAL ACTIVITY AND DIALOGUE.

6. (C) PERONIST TRADE UNION LEADERS SINCE 1976 HAVE BEEN CONSIDERABLY MORE ASSERTIVE THAN THE POLITICIANS IN TERMS OF DEFYING THE SUSPENSION OF POLITICAL

ACTIVITIES AND RESISTING THE MILITARY GOVERNMENT'S EFFORTS TO REMODEL THE COUNTRY'S POLITICAL AND ECONOMIC SYSTEM. THE GOVERNMENT, WE BELIEVE, WON A SIGNIFIACNT VICTORY WHEN THE "COMMITTEE OF 25" LABOR LEADERS FAILED TO STAGE MORE THAN A PARTIAL GENERAL STRIKE ON APRIL 27 IN RESISTANCE TO KEY PIECES OF REFORM LEGISLATION UNDER CONSIDERATION--THE PROPOSED NEW TRADE UNION AND SOCIAL PROJECT RULES. HOWEVER, IT APPEARS THAT THE GOVERNMENT IS NOT PROCEEDING AHEAD FULL SPEED WITH THE PROPOSED REFORMS IN A WAY THAT BLATANTLY DEMONSTRATES THAT THE SECRET

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REGIME IS CONVINCED IT HAS WON A CLEAR-CUT VICTORY. 'DIVISIONS WITHIN THE MILITARY MAY BE THE CAUSE--SEE PARA 8.) RATHER, THE GOVERNMENT CONTINUES TO MOVE CAUTIOUSLY, AND FURTHER DELAYS IN THE PROMULGATION OF THE TRADE UNION LAW ARE POSSIBLE. EVEN IF THE LAW IS ISSUED WITHIN A RELATIVELY SHORT PERIOD OF TIME, THE GOVERNMENT MAY NOT ALLOW NEW UNION ELECTIONS TO TAKE PLACE UNTIL THE END OF 1980, AT WHICH TIME PRESIDENT VIDLEA'S OVERALL POLITICAL PLAN SHOULD BE MORE CLEARLY DEFINED AND PUBLIC.

7. (S) THE VIOLA SUCCESSION ISSUE WILL LOOM INCREAS-
INGLY AS A SOURCE OF TENSION AND INSTABILITY IN THE
ARMED FORCES IN THE COMING MONTHS. OUT UNDERSTANDING
IS THAT LAST YEAR VIOLA, PROBABLY IN ORDER TO BRING
ABOUT THE TRANSFER OF POTENTIAL RIVAL GENERAL SUAREZ

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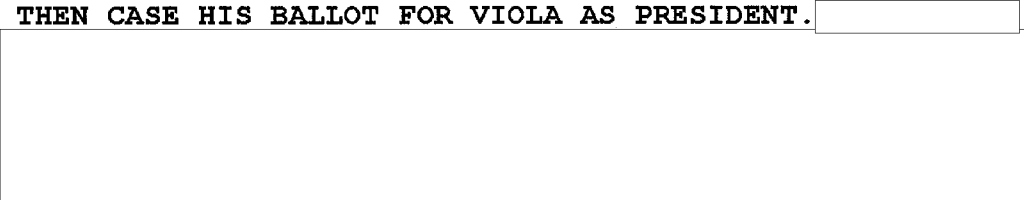
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MASON FROM THE KEY ARMY I CORPS COMMAND TO THE CHIEF OF STAFF POSITION IN THE ARMY, COMMITTED HIMSELF TO STEPPING DOWN FROM THE COMMANDER'S JOB IN DECEMBER, 1979. VIOLA'S PLAN, WE BELIEVE, IS TO HAVE HIMSELF DESIGNATED AS SUCCESSOR TO PRESIDENT VIDELA. WE SUSPECT THAT HIS INTENT IS TO APPONT ARMY I CORPOS COMMANDER GALTIERI AS HIS SUCCESSOR IN THE ARMY (THUS COMPELLING GENERALS SUAREZ MASON AND MENENDEZ TO RETIRE). IN THE THIRD QUARTER OF 1980, WHEN THE JUNTA IS EXPECTED TO DESIGNATE VIDELA'S SUCCESSOR, GENERAL GALTIERI WOULD THEN CASE HIS BALLOT FOR VIOLA AS PRESIDENT.



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WITH GALTIERI AND LAMBRUSCHINI'S SUPPORT, AIR FORCE COMMANDER GRAFFIGNA WOULD FOLLOW SUIT, AND VIOLA'S SELECTION WOULD BE UNANIMOUSLY APPROVED.

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8. (C) IT IS NOT CLEAR, HOWEVER, THAT THE DESIGNATION OF A VIOLA-LOYAIST SUCH AS GENERAL GALTIERI AS ARMY COMMANDER IS IN THE BAG. THERE ARE RUMORS THAT GENERAL
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SUAREZ MASON INTENDS TO PROPOSE THAT IF HE IS PASSED OVER FOR THE JOB, THE DESIGNATION SHOULD BE GIVEN TO FELLOW CAVALRY OFFICERS, EITHER INTERIOR MINISTER GENERAL HARGUINDEGUY OR THIRD CORPOS COMMANDER GENERAL MENENDEZ. THIS ISSUE WILL CONTINUE TO KEEP THE SITUATION HEATED AND CONTRIBUTE TO FURTHER DELAYS IN GOVERNMENT PLANNING AND DECISION-MAKING UNTIL IT IS RESOLVED. (OUT BETTING IS THAT VIOLA WILL BE THE NEXT PRESIDENT. HOWEVER, IT IS POSSIBLE THAT VIOLA MAY FEEL COMPELLED TO DELAY HIS DEPARTURE FROM THE ARMY UNTIL SOMETIME IN 1980 IN ORDER TO REDUCE TO AN ABSOLUTE MINIMUM THE AMOUNT OF TIME THAT HE IS OFFICIALLY OUT OF CIRCULATION.)

9. (C) WHAT IS CLEAR IS THAT THE PRESIDENT WHO TAKES OVER IN MARCH 1981, WHETHER VIOLA OR NOT, WILL BE A RETIRED MILITARY MAN DESIGNATED BY THE JUNTA. WE DOUT THAT ANY OPPOSITION POLITICAL FORCE OR DESTABILIZING EVENT THAT COULD HAPPEN ALONG BETWEEN NOW AND 1981 WILL PROVE SUFFICIENTLY CATAclySMIC TO UNDERMINE THE BROAD SCENARIO PAINTED ABOVE IN SUCH A WAY AS TO FORCE THE MILITARY TO RETURN TO THE BARRACKS BEFORE 1981, OPENING UP THE POSSIBILITY OF THE ELECTION OF A CIVILIAN PRESIDENT. VIOLA PRESUMABLY WOULD USE HIS TERM OF OFFICE (QOIQAIRL TO SET IN MOTION THE FUTURE POLITICAL PROCESS, APPOINTING CIVILIANS TO GOVERNMENT JOBS AND PUSHING THROUGH THE NEW CONSTITUTIONAL AND POLITICAL PARTY RULES. POLITICANS ARE HOPEFUL THAT THE PRESIDENT SUCCEEDING VIOLA WILL BE ELECTED IN A POPULAR ELECTION AND INAUGURATE A NEW DEMOCRATIC CIVILIAN GOVERNMENT, BUT THAT IS LOOKING TO FARR AHEAD FOR OUR CRYSTAL BALL.

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