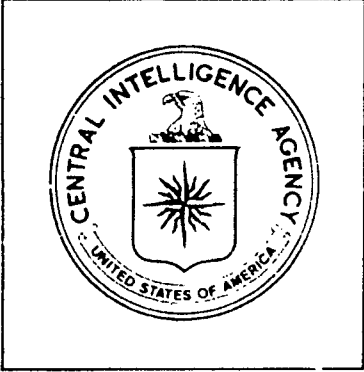


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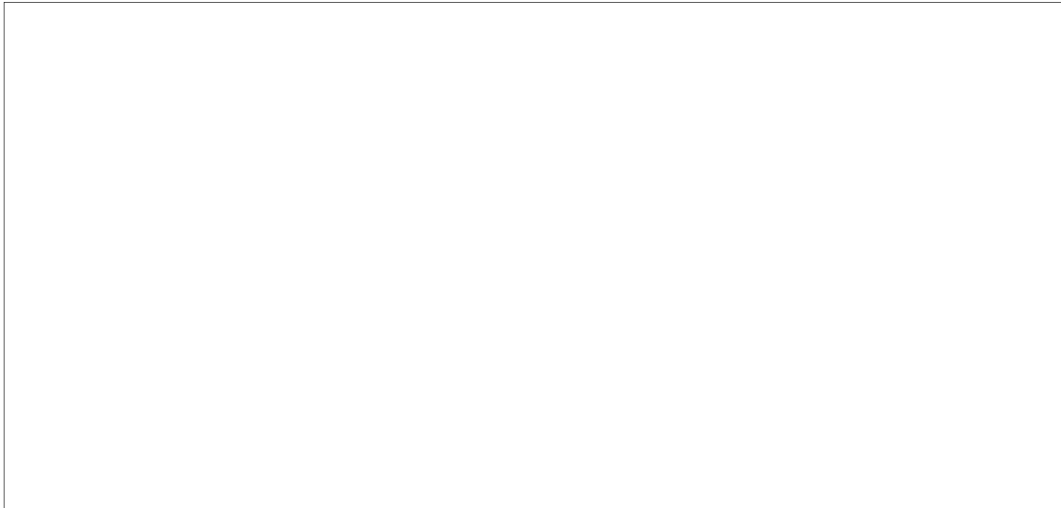
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Argentina: Arrest of Former President

The arrest last week of former president General Alejandro Lanusse because of suspected financial wrongdoing in office has marked political overtones. Three other top officials of the military government Lanusse headed in the early 1970s are also being held.

Subject to inquiry are serious improprieties in a government contract signed by the Lanusse administration for the construction of an aluminum plant. The case has been under investigation for several years, but in recent months relatively little was heard about it, and many Argentines probably assumed the matter would be quietly dropped. Moreover, at least until now, the aluminum company case was greatly overshadowed by the investigation of the much more spectacular Graiver case, which purportedly links prominent citizens--including former government officials--to the Montonero terrorists.

Political motives, however, play at least as large a role as legal considerations in the effort to bring Lanusse to justice. Knowledge of his alleged activities is not new, nor were these misdeeds at all unusual or surprising by Argentine standards. Indeed, any number of officials have committed a variety of improprieties.

For some time, however, Lanusse has drawn the ire of current military officers, particularly the so-called "hard liners." He has, for example, criticized some of the harsh aspects of the government's security practices. Lanusse's pronouncements and his relatively high public profile as well as his apparent ties to prominent newspapermen have led some to conclude that he is trying to project himself as a potential political figure with appeal for important civilian sectors. The regime, despite Videla's conciliatory ways, is by no means prepared to consider the reemergence of civilian politics. Military distrust of Lanusse is heightened by the memory that it was he who paved the way for the return of Juan Peron from exile.

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At least some of the officers are clearly bent on discrediting Lanusse in the eyes of those whom he may seek to attract. At the same time, the government is billing its effort as proof that it will clean out wrongdoing no matter where it is found, even among brother officers. The politically cynical Argentines are not likely to accept this at face value; Lanusse may even emerge from his troubles as a martyr.

The conduct of the case against Lanusse and the Graiver investigation could provide a gauge of the relative strengths and weaknesses of "hard liners" and "moderates." The more aggressive and wide-ranging the campaign becomes, the more apparent it will be that "hard liners" are gaining the upper hand.

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