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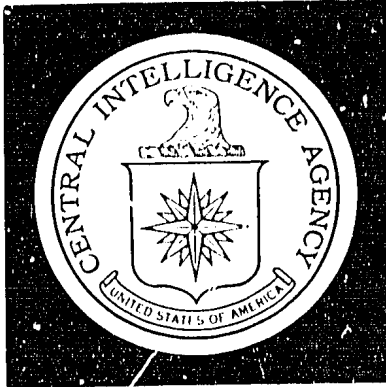
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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Argentina: A Look at the New Government

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ARGENTINA: A Look at the New Government

Brigadier General (Retired) Roberto Levingston is the second military leader to govern Argentina since 1966, when the armed forces overthrew the elected government and declared that a national "revolution" had begun. In structure his administration appears to differ little from that of his predecessor, Lieutenant General Juan Carlos Ongania. Whereas Ongania wielded a great deal of personal power, the present system involves a committee composed of Levingston and the commanders in chief of the armed forces. The new administration is expected to continue most of the policies of the Ongania government. Some reordering of priorities in the economic sphere apparently is taking place, however.

Structure of the Government

The new Argentine Government, like its forerunner, is a military dictatorship supported by a cabinet composed largely of civilian technicians. Legislative power has been lodged in the executive branch ever since the dismissal of the National Congress in 1966, but the judicial branch of government remains independent.

President Roberto Levingston shares power with the commanders in chief of the armed forces, who installed him as Chief Executive on 8 June 1970. Although not a mere figurehead, Levingston has far less authority than did his predecessor, Lieutenant General Juan Carlos Ongania, who was able to establish a virtual one-man rule during most of his three and a half years in office. The strong man of the present regime is the commander in chief of the army, Alejandro Lanusse: the imprint of his political philosophy is evident in most of the government's policy statements to date.

General Lanusse professes to be a supporter of constitutional government, and is considered a conservative in economic matters. In his most recent statements, however, he has stressed the need for accelerated economic development and implied that "criteria of efficiency and compatibility" should be subordinated to that goal. Lanusse's most significant political characteristic is

his intense opposition to former dictator Juan Peron, who imprisoned him, and to Peron's followers. Lanusse claims not to believe in total repression of the Peronists, but he has always advocated control of their activities.

The new cabinet is composed of seven ministries and a number of subordinate secretariats, and its members represent a wide range of political views. The heterogeneous character of the



Roberto Levingston (right) being sworn in as Argentine president.

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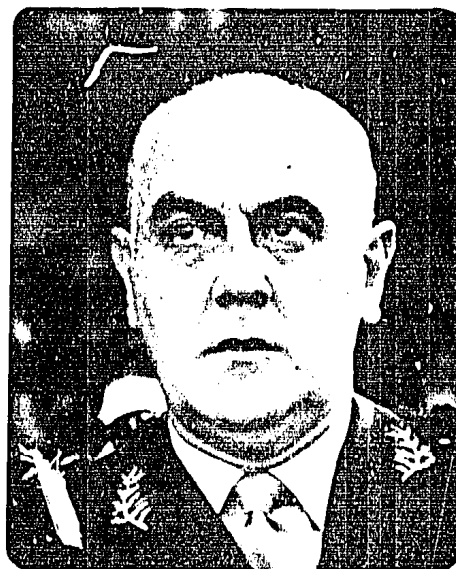
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cabinet apparently resulted from a deliberate attempt on the part of the military chiefs to broaden the base of the government by including civilians from most of the major political factions. General Lanusse reportedly hopes that this tactic will allow the government to woo some of these people away from their traditional political loyalties and perhaps to buy time to accomplish the goals it has set for itself.

Domestic Politics

Having pledged itself to an early return to constitutional government, the Levingston administration, according to General Lanusse, has as its first priority to prepare the nation for free elections. The regime does not plan to permit existing political parties to reorganize but hopes to create a broad-based party similar to one of the major parties in the United States.

In approaching this task, however, the new leadership faces a dilemma that has plagued every Argentine government since 1955. The strongest political force in the nation is composed of followers of former dictator Juan Peron, who was ousted in that year and now is exiled to Spain. The current military leaders are adamantly opposed to any return to power by the Peronists as long as the aging dictator lives. General Lanusse reportedly has stated flatly that the army is not prepared to accept a Peronist victory at this time and that elections cannot be held until the movement is splintered, either by the death of Peron or by a realignment of political forces. The government apparently hopes to dilute Peronist power by submerging the movement in a newly created political organization. Well aware that structuring a new party will take a long time, the regime has begun to hedge on a timetable for elections. According to a recent report, no elections are planned for at least three years and no preparations will begin before that time. To date there has been little public reaction to the delay.



General Alejandro Lanusse,
Commander in Chief of the Army

Economic Policies

There has been considerable anxiety within the government over economic policies. Proponents of stabilization fear that the Levingston administration will adopt measures leading to an accelerated inflationary spiral, wiping out gains made under the Ongania government.

President Levingston has sought to reassure the supporters of stabilization by stating publicly that Ongania's policies will be continued. Goals that he detailed in a nationwide broadcast on 25 June differed little from the most recent aims of the Ongania administration: rapid and sustained growth, a more equitable distribution of income, and development of basic industries and infrastructure. The over-all tenor of the speech, however, suggested that the new regime was reordering priorities, and that increased real wages and social welfare needs would no longer be secondary to price stability.

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The government devalued the peso shortly after taking office. The minister of economy justified the move by arguing that an undervalued peso would protect exchange reserves and preserve the nation's economic autonomy by making it unnecessary to subordinate economic policy to the need to satisfy foreign financial centers. Most Argentine businessmen, bankers, and economists, however, consider this move premature and even unnecessary. In spite of countervailing tariff and tax measures, the devaluation will probably add to inflationary pressures and weaken investor confidence. The vague and sometimes contradictory statements of the new minister of economy have done little to allay the fears of the business community.

Labor

Despite the Levingston administration's antipathy toward the Peronists, it has been actively courting the powerful, Peronist-dominated General Confederation of Labor (CGT) in an effort to ensure social peace. A Peronist has been appointed secretary of labor, and negotiations for a wage increase and a return to the collective bargaining system outlawed by Ongania are being considered.

Long splintered into warring factions, the trade union movement recently achieved a somewhat shaky unity at a CGT congress when representatives of the five major factions won seats on the governing board. The net effect of the congress was to gloss over the deep political and economic differences that have long divided the movement, and union leaders apparently were encouraged to renew demands on the government that had been abandoned in 1969 because of dissension within the CGT.

The fragility of this recently achieved unity will probably cause the labor movement to operate in a low key fashion in the short run. The immediate goal of the CGT leaders appears to be participation in planning the nation's economic policies. Should the Levingston government fail

to heed their demands on wage/price issues, however, they are likely to present a more combative posture in the future.

National Security

The Levingston government is currently faced with the threat of growing guerrilla and terrorist activities in urban areas, carried out for the most part by roving bands of leftist youths.

During the first four months of this year, terrorist attacks, mainly on military and police guard posts, were generally executed by groups of four or five individuals who left markings indicating membership in revolutionary Peronist or pro-Communist organizations. During this period many bank robberies were also committed by small groups.

Since President Levingston came to power, however, several larger scale raids, which appear to have been coordinated, have been carried out. On 1 July a 15-man commando group of left-wing Peronist orientation cut telephone lines, occupied the police station, and robbed a bank in a small town near Cordoba. The group called themselves the "Montoneros," as did the terrorists who kidnaped and murdered former president Pedro Aramburu. Four weeks later, a similar raid was conducted on a town near Buenos Aires by a group calling itself the Revolutionary Armed Forces that may be connected with the left-wing Peronist Armed Forces.

The insurgency situation is exacerbated by the involvement of dissident Roman Catholic priests of the Third World Movement who are dedicated to bringing about a socialist form of government in Argentina. As part of a stepped-up police and military effort to counter the insurgency, the Levingston government has attempted to launch a campaign to discredit the movement.

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The government is being aided by the church hierarchy, which has denounced the activities of the Third World priests as a deviation from doctrinal orthodoxy.

Foreign Affairs

The Levingston government is pro-Western and strongly anti-Communist, but it plans to maintain diplomatic relations with all nations. It dreams of playing an influential role as an intermediary between the "great powers" and the less developed nations of the world.

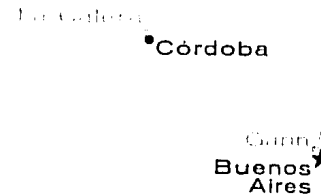
With respect to neighboring countries, the administration is actively attempting to cultivate better relations with Chile, which it sees as the country closest to Argentina in terms of economic development and human resources. It is somewhat concerned that a leftist regime may come to power in Chile following the September presidential election there, but it reportedly has no plans to intervene militarily if that should occur.

The government is also concerned that Bolivia may become more leftist. A recent visit there by the Argentine foreign minister was described as an attempt to strengthen the political center in Bolivia. Argentina has also expressed an interest in helping Bolivia to develop the provinces contiguous to its own territory.

President Levingston plans to meet with President Pacheco of Uruguay soon in a continuation of the personal diplomacy instituted by Onganía.

Because both Argentina and Brazil have military governments, their concert of interest has tended to mitigate somewhat the rivalries and suspicions that have existed historically between the two nations. The Levingston government does not appear to have made any special overtures to Brazil, however.

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Prospects

As an interim government, the Levingston administration probably will concentrate on domestic problems. In the face of increased internal instability due to terrorist and guerrilla activities, it probably will try to buy social peace with concessions to other potential troublemakers. Among these, the labor unions are the most likely antagonists. The government may therefore sacrifice the economic stabilization program in order to buy the support of lower and middle-class workers.

The government probably will drag its feet with respect to political normalization. Given the apathy with which the public has greeted the delay in setting up a timetable for elections, the announced three-year moratorium on political activity may be stretched to five or more.

When elections are held, they will probably be staged by the military with handpicked candidates, as there is no training ground for fledgling politicians under the present governmental system. Participation in the trade union movement could conceivably provide the necessary exposure for emerging leaders, but they would probably be Peronists and consequently unacceptable to the military.

The Argentine public, although disillusioned by the ineptitude of the old political groupings, is not likely to respond enthusiastically to a fabricated party. Participation in elections will probably therefore be minimal, and the majority of Argentine citizens will remain estranged from the political mainstream in their country

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