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DAILY INTELLIGENCE CABLE

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ARGENTINA: New President

General Galtieri, who was named to replace President Viola yesterday, will have more power to deal with Argentina's manifold problems than his predecessor.

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The 55-year-old Galtieri will retain his post as Army commander after he assumes the presidential duties on 22 December. Unlike Viola, he probably will receive strong support from fellow members of the three-man ruling military junta. He recently strengthened his position through adroit changes in the Army hierarchy.

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Although Galtieri's power base is secure, he faces a growing consensus among Argentines that military government has exhausted itself and is incapable of effective rule. The military regime has come under sustained fire from the political parties, the press, the Church, and organized labor for its failed economic policies, its human rights record, and for official corruption.

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Galtieri initially will project a strong presidential image that Argentines will respect. He is inexperienced in making policy, however, and tends to act on impulse. Galtieri also lacks ties to important civilian groups, and he probably will have trouble rallying their support for key government programs.

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Economic problems will pose the sternest test for Galtieri. He will be under pressure to achieve quick results in stabilizing the peso, curbing resurgent inflation, and restoring production in industry, where unemployment has grown.

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Galtieri, who is strongly pro-US, is likely to support most of Washington's foreign policy objectives in the hemisphere. In Argentina's territorial disputes with Chile and the UK, however, he probably will be even less flexible than Viola.

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