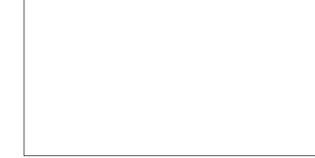


The  
National Intelligence  
**Daily**

3.5(c)

~~TOP SECRET~~



*Published by the Director of Central Intelligence for Named Principals Only*

Copy No. **261**

MONDAY APRIL 11, 1977

VOLUME 4, NUMBER 083

3.5(c)

NR



3.5(c)

~~TOP SECRET~~

**Page Denied**

~~TOP SECRET~~

## WESTERN HEMISPHERE

**Argentina: Support for President Videla**

President Videla, beginning his second year at the head of the Argentine government, has apparently overcome the divisiveness in the armed forces that for a time threatened to cause him considerable difficulty. Only a few weeks ago there was widespread talk of impending changes, possibly to include the replacement of Videla himself either as President or as a member of the ruling junta. Such talk has now ceased. In the face of newly reaffirmed army support for the President, both the navy and air force, which from time to time have expressed dissatisfaction with him, have fallen into line, at least for the present. The strengthening of Videla's position means a considerable gain for those officers who, like him, favor a relatively moderate approach to governing.

Videla and the junta marked the first anniversary of their takeover with characteristically austere statements and low-key public observances. The President's address to the nation pointed to the progress that has been made during the past year in controlling the leftist subversives and in improving the economy. As is his custom, he promised nothing except that the armed forces would not be deterred from pursuing economic and political success.

Videla made it clear that he believes the junta has accomplished enough in its first year so that a new, more constructive phase can begin. This phase entails no "electoral schedule," as he put it, but does envision a "fluid dialogue." In other words, there will be no early return to free-wheeling politics, but civilian opinions on a variety of subjects will now be welcome through informal channels.

**Videla's Style**

On March 15, Videla assembled all army generals to review the government's performance during the past year and to outline its plans for the future. The President evidently anticipated criticism of his performance, and he skillfully neutralized it. The session, which lasted an entire workday, was a resounding success for the President. He was able to assuage the air force and navy leaders by stressing the supremacy of the interservice junta and playing down his own role.

The President announced at the meeting that the government structure, with himself remaining as chief executive

and army commander in chief, would continue through March 1979. He refuted the notion, widely discussed among Argentines in recent months, that he would relinquish either the presidency or his post in the three-man junta.

Videla himself may have had a hand in encouraging the public discussion. He probably judged that such a "debate" would do him no harm and might even help. Subsequent developments have borne this out. In the first place, no serious contenders to replace him emerged. Second, no really damaging criticism of him came to the surface during the meeting, even though some individuals indulged their own personal dislike of him. Finally, no substantially different ideas of how to solve Argentina's problems were brought forth.

The process seems to have demonstrated that the present government, with Videla at the top, is still the most desirable choice and perhaps the only practical one. The "debate" may also have served as an escape valve for Argentina's highly politicized citizenry, deprived for the past year of normal outlets for political expression.

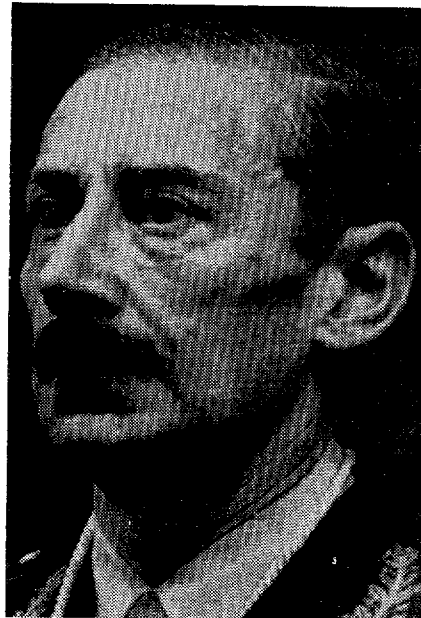
**The Government and Labor**

The ascendancy of Videla and his moderate line will have an important impact in the crucial area of government-labor relations, where a definite policy has yet to be enunciated.

The military has been unable to agree on how to treat organized labor. Union activities have been suspended since the coup. Some military men believe labor, the long-time stronghold of Peronism, must be permanently shorn of its potential political power. Others, including Videla, favor an accommodation with organized labor.

Developments on the labor scene over the past year have worked to the advantage of Videla and weakened the arguments of those calling for punitive measures. There have been numerous violations of the junta's ban on strikes, but the government has not used force, nor has labor defied the junta on the massive scale some officers anticipated in a year of imposed economic austerity.

As a result, the way now seems clear for the emergence of a labor policy that is not as vindictive as the so-called hardliners would want. The new labor code, which will still be restrictive, will probably allow unions to join together in federations, but



President Videla

they would be prohibited from open political activity. There will probably be no provision for still larger groupings like the Peronist General Workers' Confederation, through which labor long flexed its political muscle.

The General Workers' Confederation will not have government backing, as it did during the Peron regimes, but it will probably not be specifically banned, as some officers have recommended. Videla presumably hopes the workers will recognize and accept the new law as a compromise that will permit the unions some, but by no means all, of their accustomed importance.

**The Government and Civilians**

Conditions also seem favorable for implementing Videla's policy of encouraging communication with representative civilians. At the meeting with army generals, the President indicated his intention of pursuing this course but made it clear that he envisions no program formally reincorporating civilians into the governing process. This is in keeping with Videla's public statements on the role of civilians; he has repeatedly declared that he has no timetable for the re-emergence of an elected legislature or free political parties.

Civilian opinion leaders will be disappointed—but not surprised—that the political "opening" many of them had begun to predict some weeks ago is not around the corner. Most of them will take heart, however, at least privately, in the

fact that it is Videla, not a hardline general, who is clearly in the driver's seat.

**Counterinsurgency**

The strengthening of Videla's hand does not necessarily mean that the junta will greatly improve its record on human rights. When it comes to the pursuit of leftist guerrillas—the issue that has generated almost all the alleged abuses—Videla is not, and cannot afford to be, any less tough than the "hardliners."

The President may attempt to make sure that the security forces pay more attention to legal guarantees. To justify such a stance to the "hardliners," Videla could argue that combating the subversives, obviously hurt by the government's tough campaign so far, no longer requires the harsh measures employed at the height of the fight.

A resurgence of the terrorists—who are by no means out of business—would, however, rapidly undermine any effort to moderate the procedures used in the antiguerrilla struggle and oblige Videla to take tough measures.

The activism that Videla has displayed in foreign diplomacy has helped the President's position at home. He has visited the capitals of Chile, Peru, and Bolivia, and he plans trips to Venezuela and Paraguay.

The point Videla seeks to make is clear: after a period of enforced withdrawal from hemispheric affairs because of political turmoil at home, Argentina is now ready to claim its rightful place as an important regional power. The message Videla carries to the heads of other authoritarian governments in the area is one of solidarity in the face of international pressure for greater respect for human rights.

The austere General Videla is well suited to the task of rebuilding his country's influence without antagonizing Brazil, the historic rival that has pulled far ahead of Argentina by almost any economic or other measure. With his reserved style, Videla seeks to assure the Brazilians that his country is not out to make gains at their expense. For the moment, at least, the Brazilians probably take him at his word, seeing virtually no prospect for Argentina to contest seriously the regional dominance Brazil has established.

The importance of Videla's diplomatic ability and style is not lost on his military colleagues at home. His success has more than outweighed the resentment some navy men may have felt over his upstaging the foreign minister, a rear admiral.

**Outlook**

The military consensus that Videla has established is fragile. The officers who have in the past been the most troublesome to Videla, navy chief Admiral Massera, for example, are quiet, at least for now. Still, Massera has a long history as a "spoiler," and he is not likely to remain in the background indefinitely.

Political conditions in the country could change, perhaps rapidly, with disruptive effects on military unity. Organized labor, for example, may react violently if a new labor code is not forthcoming soon or if it is enacted and, in their view, it is too restrictive. Terrorists may launch a spectacular last-ditch offensive. Such events could give new force to the hardline officers and weaken Videla.

Videla realizes the frailness of the consensus among his fellow officers. He will continue to move with great caution on all fronts in order to preserve it. Policy-making and policy implementation will continue to be slow and cumbersome. It has taken many months for the junta to come as far as it has in devising a new labor code. It would be difficult for it to decide how to handle fast-breaking problems.

~~TOP SECRET~~

3.5(c)

3.5(c)

NR

**Page Denied**