ARGENTINA

GOVERNMENT CONDUCTS ANTITERRORIST SWEEP.

(S/NFD/CD/CNISICHI) Violence by leftist and rightist elements has reached the highest level since Mrs Peron became President in July 1974. There have been some 25 killings in the last few days alone. In a sweep through two key provinces, police have arrested more than 100 persons since 20 March, when an alleged plot by the People's Revolutionary Army (ERP) to cripple the country's industry was revealed. The ERP had intended to achieve a shutdown by laborers of key industries northwest of Buenos Aires. With the arrests, the police have scored a victory against the ERP, greatly reducing its chances for an economically oriented offensive in the area. However, because of the police action, workers have occupied several factories to protest the detention of left-wing union leaders. This has increased the potential for further violence.

(S/NFD/CD/CNISICHI) Political intrigue also continues, as elements in and out of the Peronist movement vie for a greater role in the government which has been weakened by power struggles since the death of Juan Peron. The latest tension is apparently caused by key labor leaders wanting more influence in the administration. Last week's emergency Cabinet meeting, called to consider the threat against the industries, was probably a device to halt the influential leadership of the Peronist-controlled labor movement from plotting against Mrs Peron's key advisor, Lopez Rega, who is also the Social Welfare Minister. The meeting, however, ended inconclusively possibly because of opposition to Lopez Rega from some Cabinet members.

(S/NFD/CD/CNISICHI) Most key political elements are apparently now opposed to the Social Welfare Minister. Within labor circles and in Congress, the opposition seems to be crystalized, and contingency planning for a constitutionally acceptable replacement for Mrs Peron is under way, should she refuse to oust

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him. This planning reportedly involves the military but only in an "exploratory" fashion. Although some dissatisfaction, primarily against Lopez Rega, exists in the armed forces and some navy officers are plotting, a move against the President or Lopez Rega is not now planned. Most officers probably prefer that Mrs Peron stay in office until the 1977 elections.

(S/NF/CD/WSISMI) If the level of violence, political intrigue, and opposition to the Social Welfare Minister continue to increase, the military will probably opt for a constitutional solution. This could entail the retention of Mrs Peron without Lopez Rega or a designation by Congress of a president who is acceptable to the military to serve until the elections. The armed forces, however, are not likely to take up the reins of government again soon. (XSOS 2)

SOURCES: 211250Z Mar 75 (C/NF); Emb Buenos Aires 2006 21 Mar 75 and 1958 20 Mar 75 (C); (S/NF/CD/WSISMI).

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