CONFIDENTIAL

DTG 072045Z FEB 97 FROM FM (b)(3):10 USC 424 TO TO RUEKDIA/DIA WASHDC CONTROLS ← O N F + D E N T + A L SECTION 01 OF 02 (b)(3):10 USC 424 CONFIDENTIAL SERIAL: (U) IIR (b)(3):10 USC 424 /\*\*\*\*\*\* THIS IS A COMBINED MESSAGE \*\*\*\*\*\*\*\*\*\*/ BODY COUNTRY: (U) ARGENTINA (AR). SUBJ: IIR (b)(3):10 USC 424 CHIEF OF STAFF DENIES REPORTS OF HIS RETIREMENT (U) WARNING: (U) THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE. REPORT CLASSIFIED CONFIDENTIAL DEPARTMENT OF DEFENSE DOI: (U) 970203-970204. REQS: (U) (b)(3):10 USC 424 (b)(3):10 USC 424 (b)(1);(b)(3):10 USC 424;1.4 (c)

C. (U) DAILY NEWSPAPER, "LA NACION", BUENOS AIRES, ARGENTINA, 970203 (U), IN SPANISH. AN INDEPENDENT-MODERATE NEWSPAPER WHICH APPEALS TO THE UPPER CLASS AND INTELLECTUALS. TENDS TO REPORT U.S. ISSUES OBJECTIVELY. INFLUENTIAL WITH TOP POLICY MAKERS, GOVERNMENT OFFICIALS, POLITICIANS, AND THE MILITARY.

D. (U) DAILY NEWSPAPER, "CLARIN", BUENOS AIRES, ARGENTINA, 970204 (U), IN SPANISH. AN INDEPENDENT-MODERATE NEWSPAPER WITH NATIONALIST ORIENTATION WHICH PRESENTS A WIDE RANGE OF VIEWS AND INFORMATION. CRITICAL OF THE MENEM ADMINISTRATION, PARTICULARLY IN ECONOMIC AND SOCIAL MATTERS. INFLUENTIAL WITH TOP POLICY MAKERS, POLITICIANS AND CONGRESSMEN.

SUMMARY: (U) A PROMINENT NEWSPAPER REPORTS THAT THE ARMY CHIEF OF STAFF HAS DECIDED TO REQUEST RETIREMENT IN THE NEXT FEW MONTHS. ON THE FOLLOWING DAY, THE CHIEF OF STAFF DENIES THE REPORT.

TEXT: 1. (O) ON 3 FEBRUARY, A MAJOR BUENOS AIRES DAILY NEWSPAPER ISSUED A REPORT CONCERNING THE ARMY CHIEF OF STAFF, GENERAL **MARTIN ANTONIO** ((**BALZA**)), UNDER THE HEADLINE "BALZA DECIDED TO LEAVE THE ARMY." IN THE ARTICLE IT WAS REPORTED THAT GENERAL BALZA WOULD REQUEST RETIREMENT WITHIN A FEW MONTHS. THE CHIEF OF STAFF WAS SUPPOSED TO HAVE TOLD SOME OF HIS "CLOSEST FRIENDS" THAT IT WAS TIME FOR HIM TO LEAVE SO THAT OTHERS COULD HAVE THEIR TURN AT THE ARMY COMMAND POSITION. IT WAS ALSO STATED THAT THIS DECISION CONFORMED TO THE DESIRES OF THE GENERAL'S WIFE AND CHILDREN. (b)(1);1.4 (c)

(b)(1);1.4 (c)

2. (U) REACTION TO THIS ARTICLE WAS RAPID AND ON THE FOLLOWING DAY OTHER NEWSPAPERS RAN THEIR OWN ARTICLES CONTRADICTING THE PREVIOUS DAY'S STORY. THE MINISTER OF DEFENSE, JORGE ((DOMINGUEZ)) ISSUED A COMMUNIQUE TO THE PRESS STATING THAT GENERAL BALZA TOLD HIM THAT HE HAS NOT PLANNING TO ASK FOR RETIREMENT. THE MINISTER'S COMMUNIQUE STATED THAT THE PREVIOUS DAY'S STORY CONCERNING GENERAL BALZA'S PLANS TO LEAVE THE ARMY WERE SIMPLY UNTRUE. THE MINISTER STATED THAT GENERAL BALZA HAD ASSURED HIM THAT "HE HAD NOT PLANNED TO REQUEST RETIREMENT, EITHER FOR PROFESSIONAL OR PERSONAL REASONS."

(b)(1);1.4 (c)

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