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WESTERN HEMISPHERE BRIEF 120-75.4

1. ARGENTINA: AS ARGENTINE PRESIDENT MARIA ESTELS PERON BEGINS HER ONE-WEEK VACATION ON AUGUST 4, KEY EXECUTIVE FUNCTIONS ARE IN THE HANDS OF A 'MINI-CABINET' LED BY INTERIOR MINISTER BENITEZ.4

THIS GROUP HAS GAINED AN INCREASINGLY SIGNIFICANT ROLE AS THE PRESIDENT'S AUTHORITY HAS ALL BUT DISAPPEARED. SEVERAL OTHER CABINET MINISTERS--NOTABLY FOREIGN MINISTER VIGNES AND LABOR MINISTER CONDITTI--CONTINUE TO BE CRITICIZED FOR THEIR LINKS TO THE OUSTED LOPEZ REGA.4

BENITEZ, WHO IS WIDELY RESPECTED IN ARGENTINA, MAY SOON JOIN THE RANKS OF THOSE BEING MENTIONED AS CANDIDATES TO COMPLETE PERON'S TERM, IF SHE LEAVES OFFICE. OTHERS MENTIONED FOR THIS ROLE ARE SENATE PRESIDENT LUBER, WHO WOULD BECOME INTERIM CHIEF EXECUTIVE UNTIL CONGRESS CHOOSES A SUCCESSOR TO COMPLETE THE TERM, AND BUENOS AIRES PROVINCIAL GOVERNOR CALABRO, WHO HAS TIES TO LABOR AND THE MILITARY.4

OVER THE WEEKEND, THE OUTLAWED LEFTIST PEOPLE'S REVOLUTIONARY ARMY SOUGHT TO EXPLOIT DISSATISFACTION WITH THE GOVERNMENT BY PUBLICLY

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OFFERING TO SUSPEND OPERATIONS IN RETURN FOR THE RELEASE OF ALL POLITICAL PRISONERS, AN END TO THE STATE OF SIEGE, AND THE REVOCATION OF "REPRESSIVE LAWS," INCLUDING THE BAN ON THE GROUP. THE GROUP REALIZES THERE IS ALMOST NO CHANCE THAT THE GOVERNMENT WILL MEET ITS DEMANDS, BUT HOPES TO ENHANCE ITS IMAGE BY DISPLAYING A WILLINGNESS TO BE CONCILIATORY. [REDACTED]

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2.//LATIN AMERICA: DELEGATES FROM 29 LATIN AMERICAN COUNTRIES, INCLUDING CUBA, MEETING IN PANAMA DECIDED ON AUGUST 2 TO RETURN IN OCTOBER TO FORM THE LATIN AMERICAN ECONOMIC SYSTEM. DRAFT STATUTES FOR THE ORGANIZATION ARE TO BE PREPARED BY A COMMITTEE THAT WILL BEGIN ITS MEETINGS THIS MONTH.//4

//THE ORIGINAL PROPONENTS OF THE ECONOMIC SYSTEM, PRINCIPALLY MEXICO AND VENEZUELA, APPARENTLY HAD HOPED TO GET THE ORGANIZATION OFF THE GROUND AT THE CONFERENCE THAT ENDED AUGUST 2. WHILE ALL THE PROSPECTIVE MEMBERS APPARENTLY AGREE ON SUCH OBJECTIVES AS GREATER COORDINATION ON TRADE PROBLEMS AND INCREASING THE FLOW OF TECHNOLOGY TO LATIN AMERICA, THEY DISAGREE IN OTHER AREAS.//4

//SOME COUNTRIES, PARTICULARLY BRAZIL, ARE CONCERNED ABOUT

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THE POLITICAL MILEAGE THAT MEXICO AND VENEZUELA WILL GET FROM FORMATION OF THE ORGANIZATION; SEVERAL OTHER STATES FEAR THE ORGANIZATION WILL DEVELOP AN ADVERSATIVE RELATIONSHIP WITH THE US.//4

//SEVERAL DELEGATES WHO STRONGLY FAVOR THE CREATION OF THE ORGANIZATION INSISTENTLY DENIED THAT IT IS INTENDED TO PROMOTE SUCH AN OUTCOME. THE MOTIVE OF ITS SPONSORS, HOWEVER, IS CLEARLY TO ENABLE THE LATIN AMERICAN STATES TO BRING MORE PRESSURE ON THE US FOR TRADE AND OTHER CONCESSIONS. [REDACTED]

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3. EL SALVADOR: A CLASH BETWEEN SALVADORAN STUDENTS AND SECURITY FORCES COULD BRING MAJOR PROBLEMS FOR THE MOLINA ADMINISTRATION-4

STUDENT UNREST HAD MANIFESTED ITSELF IN THREATS TO DISRUPE THE RECENT MISS UNIVERSE CONTEST. SECURITY WAS MAINTAINED DURING THE PAGEANT, BUT ON JULY 30 SOME 500 STUDENTS DEMONSTRATED IN THE CAPITAL. SECURITY FORCES CLAIMING SELF-DEFENSE OPENED FIRE AND KILLED AT LEAST FIVE STUDENTS; SOME REPORTS PLACE THE NUMBER OF DEATHS AT 12-4

THE NEXT DAY, PRESIDENT MOLINA SAID THAT THE DEMONSTRATION

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WAS PART OF A COMMUNIST CONSPIRACY AND HINTED HE MIGHT IMPOSE A STATE OF SIEGE. HE ACCUSED THE MAIN OPPOSITION PARTY, SOME OF WHOSE DEPUTIES MARCHED WITH THE STUDENTS, OF PROMOTING VIOLENCE. MOLINA'S CHARGES AGAINST THE COMMUNISTS AND THE CHRISTIAN DEMOCRATS, LONG-TIME ENEMIES OF THE ARMED FORCES, ARE DESIGNED TO ENSURE THE SUPPORT OF THE MILITARY.

THE CHRISTIAN DEMOCRATS, ANTICIPATING THE LEGISLATIVE ELECTION NEXT YEAR, HAVE RECENTLY BEEN MORE AGGRESSIVE IN DENOUNCING GOVERNMENT CORRUPTION AND INEFFICIENCY. IT MAY SEIZE UPON THE STUDENT DEATHS HIGHLY UNUSUAL IN GENERALLY PEACEFUL EL SALVADOR, TO WHIP UP POPULAR DISSATISFACTION WITH MOLINA. [REDACTED]

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AUGUST 4, 1975
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