1. Vannuci of UCR (protect) tells us Gen Viola informed Balbin over weekend that at meeting of general officers on Dec 5 decision was made not rpt not to intervene at this time. Two sources close to Army CinC Videla confirm that this was the case. According to Embassy sources, several hard-line generals pushed for an immediate coup. Videla, however, maintained that it would be better to wait another month or two to allow the situation to mature and the govt to fall flatter on its face than it already has. Videla's position prevailed.

2. Thus, it would now seem that there may not be a coup by the end of the year. All sources coincided, however, in describing
Dec 5 decision as a tenuous one. Situation remains very fluid. Climate in military is such that any misstep or provocation on Mrs. Peron's part could cause Dec 5 decision to be reversed. Should, moreover, one or more corps commanders get fed up and declare against govt, there would probably be no one to say "no". In order to preserve institutional cohesion, Videla would probably have to go along. Nonetheless, for the moment the decision has been made not to step in. Country thus has at least temporary reprieve.

3. Videla's position was probably reflected in long article by Alvaro Alsogaray which appeared in BA Herald yesterday (Dec 9) and was reprinted in this morning. In it, Alsogaray cautioned military to be patient for yet a while. They must wait until last moment, he said, when it was clear that only alternative to total political and economic chaos was military intervention. (Wags have commented: "We may reach that point by noon today."

4. Meanwhile, vacuum of power at epicenter of executive branch yawns as blankly as ever and country's decline continues unabated.

5. Additional analysis of situation in light of Dec 5 decision follows.

HILL