



The President's Daily Brief

25 May 1973

45

Top Secret

25X1



[Faint, illegible text, likely bleed-through from the reverse side of the page]

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1)(2)(3)
declassified only on approval of
the Director of Central Intelligence

EYES ONLY FOR THE PRESIDENT
CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

[Redacted]

25X1

May 25, 1973

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

[Redacted]

25X1
25X1
25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1
25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

EYES ONLY FOR THE PRESIDENT

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1
25X1

[Redacted]

25X1

[Redacted]

25X1

EYES ONLY FOR THE PRESIDENT

FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

25 May 1973

PRINCIPAL DEVELOPMENTS

On *Page 1* we appraise the outlook for Argentina under the Peronists, who return to power today with Hector Campora's inauguration as president.

Many NATO members are increasingly skeptical about Soviet intentions on proceeding with MBFR. (*Page 3*)

The Thai leadership has once again sidestepped the succession issue by extending the military duties of Prime Minister Thanom and his deputy. (*Page 4*)

Algeria's Boumediene shows growing concern over Qadhafi's militancy and Libya's proposed merger with Egypt. (*Page 5*)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

ARGENTINA

The Peronists are returning to power today with more moderate policies than those of 18 years ago, but Peron's long-held nationalism and anti-US bias will soon be evident.

Since he was elected president on March 11, Hector Campora has steered a course of moderation in domestic politics. He continues to woo the middle-class Radical Party, Argentina's second largest, and apparently still hopes to entice one or two Radicals into his cabinet. He has been less forthcoming with the armed forces but has made no deliberate moves to antagonize them. In naming new commanders for the three services, he will probably select from the group of senior officers that the high command deems eligible.

In the area of foreign policy and the treatment of multi-national corporations, Campora has given clearer guidance on his--and Peron's--intentions. He has announced that the establishment of relations with Cuba will be one of his first actions, and recognition of North Vietnam, North Korea, and East Germany is likely to follow soon. The Peronists can also be expected to move Argentina into the forefront of those who want a reorganization of the OAS that would exclude the US.

Both Campora and Peron have stated many times that foreign investment is needed if Argentina is to make significant economic progress. At the same time, however, they have made it clear that new restrictions will be placed on profits and activities of foreign businesses. US oil companies, banking interests, and especially ITT may feel the pinch.

So far Campora has given no indication that he is capable of acting independently of his mentor. Peron, however, will probably try to leave domestic policy and the day-to-day running of the government to Campora and his associates. Peron's primary interest seems to be in foreign policy and in pushing for Latin American unity in nationalism and socialism. He seems intent on assuring his place in history as a true Latin American revolutionary. After an initial period of consolidation, he may seek to move Argentina toward more radical policies to give this claim credibility.

(continued)

FOR THE PRESIDENT ONLY

The first real test of the new government's "revolutionary" credentials may develop out of the action of the Trotskyist Peoples Revolutionary Army in extorting \$1 million worth of supplies from the Ford Motor Company. The Trotskyists probably will use any official opposition to such moves as justification for attacking the Peronists as they did the military regime.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

MBFR-CSCE

Recent Soviet statements have added to the doubts of many NATO members that Moscow is in earnest about MBFR. They believe that the Soviets, by insisting that force reduction talks cannot begin until the security conference is ended, have departed from an earlier understanding that the first stage of CSCE should begin in late June and MBFR in September or October. They contend that unless a strong representation is made to Moscow soon, the West will lose the leverage it has obtained in MBFR by not letting CSCE advance too rapidly.

The British have been particularly blunt. A Foreign Office official says that London fears that the US, in an attempt to get MBFR under way in September or October, might put pressure on its allies to move through CSCE rapidly. He urges the US to make it clear to the Soviets that their proposed scheduling is unacceptable.

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

FOR THE PRESIDENT ONLY

THAILAND

The Thai leadership has extended for another year the military duties of both Prime Minister Thanom and his deputy, General Praphat, thereby again sidestepping the potentially troublesome succession issue.

Thanom's retention of his largely ceremonial post as Supreme Commander of the Armed Forces--this is his third extension--is probably at the urging of Praphat. Had Thanom stepped down, Praphat would have moved up and would have been under heavy pressure from the military to turn over command of the army, which is his power base, to his deputy and potential rival, General Krit Sivara.

Thanom had already announced last January that he intended to stay on as prime minister. His and Praphat's continuation in their present roles ensures that Thailand's attack on its most urgent problem--the Communist-led insurgency--will not be pressed vigorously and consistently.

The insurgency has been contained so far, but its containment over the long run depends largely on Bangkok's effectiveness in solving fundamental economic problems. The present leadership has shown little interest in developing and implementing long-range economic policies that could undercut the insurgent potential.

FOR THE PRESIDENT ONLY

ALGERIA-LIBYA-TUNISIA

Prime Minister Boumediene has become increasingly concerned about Middle East developments, particularly Qadhafi's militancy and Libya's proposed merger with Egypt.

Boumediene remains committed to a sharply different course than that espoused by Qadhafi and maintains that the individual Arab states should each develop a strong, independent economic base before directly challenging Israel. Qadhafi's constant badgering of those Arabs who "neglect" the struggle has irritated Boumediene, who believes the struggle should be considered long-term and waged mainly by means of guerrilla warfare.

Boumediene's concern over Qadhafi is driving Algeria closer to Tunisia, and Boumediene recently proposed a union between the two countries. Although such a union seems unlikely in the foreseeable future, the two may consult more closely on common problems, including common responses to problems created by Qadhafi.

Both Boumediene and Tunisian President Bourguiba recognize Qadhafi's potential for causing instability in the Maghreb, and they believe that Libya's merger with Egypt might entangle North Africa too deeply in Middle East problems. They also fear the extension of Egyptian influence westward at their own expense.

FOR THE PRESIDENT ONLY

NOTES

Australia: The Labor government hopes to gain at least limited participation in the operation of the US naval communications station at Northwest Cape when talks on its status begin in Washington on June 11. Northwest Cape is the only US defense installation in Australia in which Canberra does not participate. The government would like to have some change well in hand before the Labor Party conference in July in order to undercut an expected renewal of leftist pressure on the US bases question.

Greece: An abortive plot by naval officers discovered Wednesday is symptomatic of growing dissatisfaction within the armed forces. The government states that retired and active officers planned to take over three ships, sail them to sea, and transmit an ultimatum to Papadopoulos to resign.

25X1

[Redacted]

25X1

India: New Delhi reportedly has instructed its embassy in Washington to place orders for 3 million tons of US grain. It is now clear that this year's harvest will be considerably below earlier expectations.

[Redacted]

25X1

[Redacted] new purchases will not have any early effect on the worsening food situation in a number of Indian states. Civil disturbances caused by insufficient grain in government ration shops are likely to continue and possibly grow worse.

World Trade: At a meeting in Paris this week of the OECD, the countries that will be going into trade negotiations with the US later this year approved the general thrust of the US trade reform bill.

[Redacted]

25X1

Top Secret