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FM THE SITUATION ROOM//TOHAK 13//

TO AL ADAMS FOR THE SECRETARY

T O P S E C R E T SENSITIVE CONTAINS CODEWORD EXCLUSIVELY EYES ONLY
VIA BLACK PATCH WH51098

NSA and DIA review(s) completed.

TOHAK 13

MORI/CDF C02400359

JUNE 29, 1975

MEMORANDUM FOR SECRETARY KISSINGER

FROM: THE SITUATION ROOM

ON-FILE NSC RELEASE INSTRUCTIONS
APPLY

SUBJECT: SUNDAY MORNING SUMMARY

ARGENTINE LABOR CRISIS:

PRESIDENT PERON DELIVERED A SCATHING ATTACK LAST NIGHT ON ARGENTINA'S LABOR MOVEMENT, THE BASTION OF PERONIST SUPPORT FOR 30 YEARS, AND REDUCED WAGE INCREASES NEGOTIATED OVER THE LAST MONTH. MRS. PERON GRANTED AN 80 PERCENT WAGE INCREASE FOR ALL WORKERS, WITH 50 PERCENT EFFECTIVE NOW, 15 PERCENT IN OCTOBER AND 15 PERCENT IN JANUARY. SOME UNIONS HAD BARGAINED FOR INCREASES OF UP TO 100 PERCENT IN JUNE. THERE WOULD ALSO BE A 100 PERCENT INCREASE IN FAMILY ALLOWANCES. AS A SECOND MEASURE, SHE RESOLVED TO STUDY THE POSSIBILITY OF CONVOKING SECTORS TO WORK TOGETHER TO FIND SOLUTIONS TO THE NATION'S PROBLEMS, AND SHE PROMISED TO SEEK WAYS OF CONTROLLING RUN-AWAY PRICES. THE EMBASSY COMMENTS THAT, UNDER THE CIRCUMSTANCES, IT WAS A GUTSY SPEECH. LABOR REACTION REMAINS TO BE REGISTERED. THE INCREASE IN FAMILY ALLOWANCES IS A SMALL SOP UNLIKELY TO SATISFY THEM. LABOR MINISTER DTERO REPORTEDLY RESIGNED SHORTLY AFTER MRS. PERON'S SPEECH.

PORTUGAL FORMS CENTRAL COMMISSION:

ACCORDING TO PRESS, PORTUGAL'S MILITARY RULERS ANNOUNCED YESTERDAY THEY HAD FORMED A STREAMLINED 11-MAN CENTRAL COMMISSION TO MAKE RECOMMENDATIONS FOR RUNNING THE COUNTRY. THE 30-MAN REVOLUTIONARY COUNCIL ALSO ANNOUNCED THE ESTABLISHMENT OF A PARAMILITARY

***** WHSR COMMENT *****

SEC FILE

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POLICE FORCE TO DEAL WITH CIVIL CRIMES. NO DETAILS OF THE EXTENT OF THE NEW POLICE FORCE'S AUTHORITY WERE PUBLISHED. A COMMUNIQUE ISSUED AT THE CONCLUSION OF THE MEETING SAID THAT ALTHOUGH THE GENERAL LINES OF POLITICAL DECISION-MAKING REMAINED WITH THE REVOLUTIONARY COUNCIL THE NEW CENTRAL COMMISSION WOULD GIVE "OPINIONS AND RECOMMENDATIONS FOR THE PROVISIONAL GOVERNMENT AND FOR ORGANS OF THE PUBLIC ADMINISTRATION." IT IS TOO EARLY TO TELL WHETHER THE REVOLUTIONARY COUNCIL HAS CREATED A BALANCE OF POWER BETWEEN MODERATE AND RADICAL ELEMENTS WITHIN THE COUNCIL. A MEETING OF THE FULL 240-MAN ARMED FORCES MOVEMENT ASSEMBLY WILL TAKE PLACE JULY 8.

CHOU EN-LAI'S HEALTH IMPROVES:

A MEMBER OF THE CHINESE POLITBURO HAS SAID THAT PREMIER CHOU EN-LAI IS IN BETTER HEALTH AND HAS LEFT THE HOSPITAL, ACCORDING TO A FRENCH NEWS SERVICE. CHOU'S MEETING ON JUNE 26 WITH A CHINESE-AMERICAN VISITOR WAS NOT DESCRIBED BY THE OFFICIAL NEWS AGENCY AS TAKING PLACE IN THE HOSPITAL, AND A PICTURE OF THE TWO MEN TAKEN OUT DOORS APPEARED ON THE FRONT PAGE OF PEOPLE'S DAILY. CHOU HAD INDICATED TO A VISITOR LAST MONTH THAT HE WAS HOPING TO LEAVE THE HOSPITAL. THE POLITBURO MEMBER SAID, HOWEVER, THAT THE PREMIER WILL STILL HAVE TO WATCH HIS HEALTH AND HOLD TO A REDUCED WORK SCHEDULE.

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