



The President's Daily Brief

21 August 1973

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Exempt from general
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exemption category 5B(1), (2), (3)
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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

Disaffected Chilean Air Force officers have backed down and accepted the replacement of their commander, but Allende now faces an apparently worsening strike situation. *(Page 1)*

The collapse of General Ma's attempt to overthrow the Laotian Government should strengthen Souvanna's hand in wrapping up a settlement with the Communists. *(Page 2)*

The South Koreans are exploring alternate sources of military equipment in anticipation of the eventual termination of US grant assistance. *(Page 3)*

A note on Juan Peron's speech kicking off his campaign for the presidency appears on *Page 4*.

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CHILE

Yesterday evening, air force officers accepted the replacement of their commander, General Ruiz, after a tense day of defying the move as a trick by President Allende. It is not clear why the disaffected officers finally backed down.

[Redacted]

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The acquiescence of the military has become a major asset to the President, who appears increasingly to have accepted the argument of his hardline allies that he must destroy opponents of his government.

Allende's troubles are far from over, however, and today he faces an apparently worsening strike situation. Just as negotiators claimed yesterday that the crippling 26-day truckers' strike was near solution, shopkeepers, professionals, and other union members announced that they were starting strikes of varying duration.

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LAOS

The collapse of General Ma's effort to overturn the government should strengthen Prime Minister Souvanna's hand in wrapping up a settlement in Laos. Souvanna will use the new momentum he has gained from this incident to urge a quick end to right-wing opposition to the draft accord. Moreover, the rightists now have no illusions as to the firmness of US backing for Souvanna and his efforts to form a new coalition government.

Senior Communist negotiator Phoumi Vongvichit expressed his gratitude to the US chargé for the support which the US and the rightists had provided Souvanna. Phoumi stated that the incident "had clarified the situation" for the Communists.

Souvanna suspects that Ma's abortive coup was part of a plot [redacted] to return former rightist strongman Phoumi Nosavan to power.

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Phoumi, an inveterate plotter, has been living in exile in Bangkok since 1965 and may well have been involved or given his blessing to Ma's action. There is no evidence, however, suggesting official Thai complicity.

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SOUTH KOREA

Seoul is exploring alternate sources of military equipment in anticipation of the termination of US grant assistance in the next few years. The South Koreans appear primarily interested in developing a domestic arms industry utilizing foreign technology and capital.

South Korea began pilot munitions projects in 1972. These plants will probably start production this year. During the Consultative Defense Meeting in Seoul next month, President Pak plans to seek US technical support for these projects as well as technical training for the manufacture of heavy weapons.

During the annual meeting in Tokyo next month of Korean and Japanese ministers, [redacted] to explore direct negotiations with the Japanese Government for arms purchases and rights to [redacted]

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Tokyo has a strict policy against providing military equipment to divided countries and even a decision to grant the South Koreans licenses to produce Japanese weapons would probably arouse considerable domestic political opposition. Moreover, Tokyo's irritation with the kidnaping of Korean political exile Kim Tae-chung in Japan last week is likely to cast a pall over the ministerial meeting, if it is held at all. The South Koreans admire Japanese military equipment and technology, however, and will not be easily discouraged.

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NOTE

Argentina: In a speech formally accepting his presidential nomination and kicking off his campaign, Juan Peron made a strong pitch for the support of moderates who form the backbone of his diverse movement. Peron urged the youth wing which has recently grown disillusioned with him, his advisers, and his policies--all of which they regard as too "right wing"--to be patient until "we are firmly in power." He also stressed that reconstruction cannot be accomplished overnight.

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