



The President's Daily Brief

July 7, 1975

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FOR THE PRESIDENT ONLY

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ARGENTINA

The resignation of the cabinet--announced last night--appears designed to attenuate rising opposition to the government by demonstrating that President Peron and not Welfare Minister Lopez Rega, who also serves as her private secretary, is in charge.

President Peron, in accepting the cabinet's resignation, may merely be trying to create the impression that she is lessening her reliance on Lopez Rega. She probably hopes by this device to ease her immediate problem with labor leaders, who believe Lopez Rega was responsible for the government's decision to annul wage hikes negotiated last month and who have scheduled a two-day general strike is to begin this morning. Some leaders of the Peronist labor confederation reportedly feel that Lopez Rega's ouster has become their most important goal.

Opposition politicians have called openly for the dismissal of Lopez Rega; members of the Peronist party are also becoming anxious to see him depart. The military remain cautious in the matter, but in a statement issued over the weekend, the service chiefs--clearly referring to Lopez Rega--cited their concern that the President have "the freedom of action to change the members of her cabinet" during the current delicate situation.

The Buenos Aires press in recent days has joined in the anti - Lopez Rega chorus. Items on his possible departure have proliferated, despite the risk of retaliation from the right-wing terror squads he is said to control.

The alliance of politicians and military officers with organized labor to oppose Lopez Rega is not necessarily a happy one. The politicians and the officers realize that, if a change of government is hastened by pressure from labor, the increasingly undisciplined workers will be difficult to deal with. Even the labor leaders do not wish to force the departure of the President whom, as the legitimate successor of Juan Peron, they consider essential to their efforts to retain control of the labor movement.

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USSR-SOMALIA

During a tour of Berbera on July 4, Senator Bartlett and a group of US government and news representatives were able to substantiate [redacted] reports on the nature of the military facilities in the area and their use by the Soviets.

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The group found Soviet citizens and Russian-language material in the barracks buildings and residential trailers in a compound [redacted] as a Soviet residential area. The barracks and a repair ship in port were flying both the Soviet flag and a Somali ensign.

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The group was barred from both the transmitting and receiving sites of the communications facility. Although these sites were guarded by armed Somali soldiers, the Somali escort said they were Soviet facilities and that he could not give permission for the group to enter. The US experts, however, could confirm the capabilities of the antennas from external examination.

The missile handling and support facility was also guarded by Somalis. Only five members of the Senator's group were permitted to enter. They were escorted by the Somali commanding officer who was unable to answer questions put to him. When members of the inspection group identified a Styx missile crate, they were told that the Somalis have Styx missiles but do not yet have the supporting patrol boats on which to install them. US technicians confirmed that the check-out building is capable of handling any missile in the Soviet inventory and is larger than would be required for the Styx missiles alone.

The tour also included petroleum facilities and the recently identified large new airfield. Both are still under construction and Soviet equipment remains at the sites.

In a meeting with President Siad on July 5, Senator Bartlett commented that the group had been admitted to all facilities to which the Somali government and their escort could obtain admittance. The Senator quoted the escort's statement that if it were in his power, the group would have been permitted to enter Soviet facilities as well. President Siad did not respond to the comment.

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LEBANON

The "Revolutionary Socialist Action Organization" that abducted and has threatened to kill US Army Colonel Ernest Morgan apparently is the same Lebanese radical group that has carried out a series of attacks against American official and private interests over the past two years. The group uses leftist rhetoric and fedayeen tactics to cover what are essentially criminal activities

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A spokesman for the Palestine Liberation Organization last night denied that the fedayeen were responsible for Morgan's abduction. Major fedayeen leaders--including the head of the terrorist Black September Organization--have condemned the recent spate of kidnapings in Lebanon and have threatened to "execute any Palestinian" who engages in such activities.

In a statement released to several Beirut newspapers last night, the kidnapers said Morgan will be released if, by Wednesday night, the US:

--Makes public the statement of the Revolutionary Socialist Action Organization.

--Requests the Lebanese government to stop searching for Morgan.

--Delivers to inhabitants of a poor section of Beirut large quantities of food, clothing, and building materials.

Such conditions are designed to improve the group's image and elicit protection for it among Beirut's poorer population.

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ITALY

Christian Democratic leader Fanfani suffered a major setback last week when center and leftist factions of his party's executive body joined in calling for an early assessment of future leadership and strategy.

The Christian Democratic left--about one fifth of the party membership--has been calling for Fanfani's resignation and an immediate reassessment of party policies following the Communist Party's unprecedented gains in regional and local elections three weeks ago.

Fanfani tried to postpone a leadership and policy review until the party's national congress scheduled for the fall. During last week's executive meeting, however, representatives from the left were joined by the centrists in opposing Fanfani's delaying tactics. These groups agreed, in fact, to begin the policy debate on July 19 at a meeting of the party's national council.

The defection of the Christian Democratic center factions means that Fanfani has lost his majority in the party. It is now probably only a matter of time before he resigns or is eased out of the top post. His fate may be determined at the council meeting.

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NOTES

Thai leaders apparently have decided to decline a North Vietnamese invitation to meet later this month to continue discussions aimed at normalizing relations between the two countries.

The Thais' excuse reportedly will be that Foreign Minister Chatchai is scheduled to travel to Manila and Singapore during the time the North Vietnamese wanted to have the talks. Bangkok has not ruled out the possibility of a future meeting. According to our embassy, the reason for the cancellation of discussions is that the Thais want all details of the agreement worked out before a delegation travels to Hanoi.

* * *

The Laotian communists [] have selected pro-Hanoi hardliners as replacements for three moderate Pathet Lao cabinet ministers.

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[] General Phoune Sipraseuth will replace Phoumi Vongvichit as deputy prime minister and foreign minister; Khamphay Boupha will replace Soth Phetrasy as economics minister; and Thao Ma will replace Souk Vongsak as information minister. We do not know if these replacements are being made on a permanent or temporary basis. It is entirely possible, however, that the Pathet Lao Central Committee has decided that the retention of political moderates in Vientiane is no longer useful or necessary to consolidate their control over the coalition government.

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