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CU	SUBJECT: CIA STORY CONTINUED	
USIA NSC	REF: LISBON 996	5X <sup>-</sup>
CIA/ NSA DOD	1. CATHOLIC7MONARCHIST A VOZ ONLY LISBON DAILY TO PLAY CIA QUESTION FEBRUARY 28.	
AID RS R	2. LEADING EDITORIAL CITES CONGRESSMAN O'HARA'S STATEMENT ON CIA ASSISTANCE TO AFRO-AMERICAN INSTITUTE AND SUGGESTS CIA CAN THEREFORE BE BLAMED FOR MAKING POSSIBLE PUBLICATION ANTI- PORTUGUESE STORIES IN AAI'S "AFRICA REPORT MAGAZINE." EDITORIAL ENDS "WE CAN ONLY CONCLUDE EXTREME CAPITALISM AND EXTREME COMMUNISM IN MANY RESPECTS EQUIVALENT."	
	3. A VOZ CARRIES ANI NEWS REPORT FROM MADRID INDICATING SPANISH PRESS PLAYING UP ALLEGED HEAVY CIA RESPONSIBILITY FOR	
	CURRENT UNREST AMONG SPANISH UNIVERSITY STUDENTS. (ANI ITEM MISSING FROM OTHER PAPERS.)	
	4. IN WEEKEND NEWS REVIEW FEBRUARY 26, JOAO MOUTINHO, INTERNATIONAL TV COMMENTATOR FOR NATIONAL TELEVISION, REFERRED BRIEFLY TO CIA AFFAIR AND SAID THERE WAS NOTHING NEW TO STORY THAT U.S. HAD FINANCED (ON BEHALF WALL STREET INTERESTS) CERTAI GROUPS IN ANGOLA AND MOZAMBIQUE. CONCERNING REPORT THAT PORTUGUESE AND SPANISH STUDENTS WERE BACKED BY CIA FUNDS, MOUTINHO SAID HE COULD NOT REPEAT NOT BELIEVE ANY PORTUGUESE STUDENT WOULD ACCEPT MONEY TO UNDERMINE HIS COUNTRY. COMMENT: IN COMPARISON TO NEWSPAPER CRITICISM, THESE COMMENTS ARE MILD.	2

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-2- LISBON 1006, FEBRUARY 28, 1967

INIS IS MOST FORTUNATE BECAUSE OF TELEVISION'S WIDE POPULARITY AND REACH IN PORTUGAL. MOUTINHO, WHO WAS A RECIPIENT OF A JOINT WHITE HOUSE-STATE USIA-DEFENSE GRANT RECENTLY ENABLING HIM VISIT U.S. AND VIET-NAM, WROTE AN EXCELLENT SERIES OF TEN NEWSPAPER ARTICLES BASED ON FIRST-HAND OBSERVATIONS IN VIETNAM, WHICH WERE FAVORABLE TO U.S. POINT OF VIEW.

5. COMMENT: UNLESS STARTLING NEW REVELATIONS SHOULD BE FORTHCOMING, CIA STORY IS HOPEFULLY SLACKING OFF. HOWEVER,

PAST EXPERIENCE INDICATES INCIDENTS WHICH CAN BE CONSTRUED TO SHOW ANTI-PORTUGUESE ACTIVITY, SUCH AS ALLEGED SUPPORT OF NATIONALIST AFRICAN GROUPS ARE NOT FORGOTTEN. CASE IN POINT IS FORD FOUNDATION HELP TO FRELIMO. CONTROLLED PRESS CAN BE EXPECTED RESUME STORY IF AND WHEN GOP DEEMS IT USEFUL.

GP-3 BENNETT BT