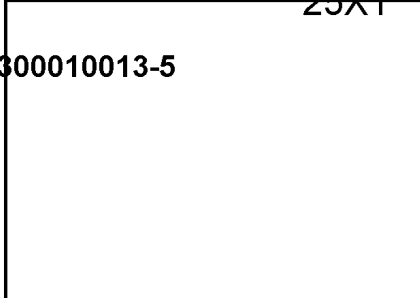


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1.//VIETNAM: HANOI HAS ISSUED A STRONG BLAST AGAINST SECRETARY KISSINGER'S CRITICISM OF THIRD-WORLD COUNTRIES IN THE UN, IN A BID FOR SUPPORT FOR ITS OWN APPLICATION FOR UN MEMBERSHIP. THE COMMENTARY, PUBLISHED IN THE OFFICIAL PARTY JOURNAL NHAN DAN, SUGGESTS THAT HANOI WILL COUNT HEAVILY ON NONALIGNED SUPPORT TO GET INTO THE GENERAL ASSEMBLY THIS YEAR.//4

//IN THE NHAN DAN COMMENTARY, HANOI CHRONICLES A LONG HISTORY OF "CONTEMPTIBLE ACTIONS" BY THE US DESIGNED TO CONTROL THE UN. THE COMMENTARY MAINTAINS THAT IT WAS THE SEATING OF THIRD-WORLD COUNTRIES IN THE EARLY 1960S THAT UNDERCUT US CONTROL AND THAT AFRO-ASIAN-LATIN AMERICAN SOLIDARITY AND EFFECTIVENESS IN THE UN IMPROVED WHEN THESE NATIONS BEGAN TO FOLLOW THE VIETNAMESE MODEL OF STRUGGLING FOR "NATIONAL INDEPENDENCE AND PEACE."//4

//NORTH VIETNAM IS PROBABLY CONFIDENT OF LINING UP THE NECESSARY VOTES AMONG THIRD-WORLD AND SOCIALIST COUNTRIES

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TO GET INTO THE GENERAL ASSEMBLY.//4

//THE VIETNAMESE MAY BELIEVE THEY CAN BUILD ENOUGH PRESSURE IN THAT BODY TO DISCOURAGE A VETO BY THE US IN THE SECURITY COUNCIL. HANOI PREVIOUSLY HAS REGISTERED CONCERN ABOUT THE US ATTITUDE

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2.//LAOS: THE LAO COMMUNISTS, HAVING FORCED A DRASTIC REDUCTION IN THE SIZE AND ROLE OF THE US MISSION, ARE FOCUSING ON THE ACTIVITIES OF OTHER DIPLOMATIC MISSIONS.//4

//THE LAO ARE MOVING RAPIDLY TO ELIMINATE ANY NON-COMMUNIST FOREIGN DIPLOMATIC PRESENCE OUTSIDE OF VIENTIANE—PERHAPS TO GIVE THE COMMUNISTS AN OPPORTUNITY TO INSTALL NEW ADMINISTRATIONS THROUGHOUT THE COUNTRY WITHOUT OBSERVATION. THE THAI, WHO HAVE BEEN SUBJECTED TO VIRULENT PROPAGANDA BARRAGES FOR MONTHS, CLOSED THEIR THREE CONSULATES LAST WEEK BECAUSE OF UNCERTAINTY ABOUT THE SAFETY OF THEIR PERSONNEL. THE LAO HAVE ALSO ASKED

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THE FRENCH TO CLOSE THEIR THREE SMALL MILITARY TRAINING MISSIONS IN THE PROVINCES AND HAVE SUGGESTED THAT JAPANESE AND AUSTRALIAN VOLUNTARY AGENCIES END ALL ACTIVITIES OUTSIDE VIENTIANE. THE GOVERNMENT HAS THROWN UP BUREAUCRATIC BARRIERS TO TRAVEL OUTSIDE VIENTIANE BY FOREIGNERS.//4

//ALTHOUGH OTHER NON-COMMUNIST MISSIONS IN VIENTIANE HAVE BEEN SPARED INTENSE HARASSMENT, PRESSURE IS BUILDING. ALL ARE FINDING IT INCREASINGLY DIFFICULT TO TRANSACT EVEN THE MOST ROUTINE BUSINESS WITH THE GOVERNMENT. IN CONTRAST, THE SOVIETS CLAIM THEY ARE HAVING NO SUCH PROBLEMS. A PRO-COMMUNIST VIENTIANE NEWSPAPER RECENTLY LUMPED THE AUSTRALIANS WITH THE THAI AS OBSTRUCTERS OF PROGRESS TOWARD NATIONAL RECONCILIATION. LEFTIST STUDENT SPOKESMEN ARE SAYING THAT THEY ARE EXAMINING THE SIZE OF DIPLOMATIC MISSIONS SO AS TO RECOMMEND LIMITATIONS TO THE GOVERNMENT. THESE STUDENTS IN PAST MONTHS HAVE BEEN PRINCIPAL AGENTS OF THE COMMUNISTS.//4

// THE FRENCH, BRITISH, AUSTRALIANS, AND JAPANESE PROVIDE MUCH-NEEDED ECONOMIC ASSISTANCE THROUGH SMALL

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AID PROJECTS AND THE FOREIGN EXCHANGE OPERATIONS FUND (FEOF). THE US, WHICH PROVIDED THE MAJOR SHARE OF FUNDS FOR FEOF, RECENTLY MADE ITS FINAL CONTRIBUTION TO IT.//4

//THE COMMUNISTS WOULD LIKE TO CONTINUE TO RECEIVE THIS ASSISTANCE BEYOND THE CURRENT CALENDAR YEAR, BUT THEY MAY INSIST THAT IT BE ADMINISTERED FREE OF FOREIGN CONTROL. USED TO YEARS OF AUSTERITY IN THE CAVES AT SAM NEUA, MOST COMMUNIST LEADERS PROBABLY SEE LITTLE REASON TO END THE RESTRICTIONS ON THE NON-COMMUNIST DIPLOMATIC PRESENCE JUST TO ENSURE CONTINUED AID. [REDACTED]

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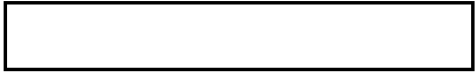
3.//BURMA: FIGHTING IS CONTINUING BETWEEN THE ARMY AND COMMUNIST INSURGENTS IN NORTHEASTERN BURMA. [REDACTED]

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1. ISLAMIC CONFERENCE: THE ISLAMIC FOREIGN MINISTERS' CONFERENCE PASSED A RESOLUTION AT ITS FINAL PLENARY SESSION CALLING FOR THE EXPULSION OF ISRAEL FROM THE UN, UN SPECIALIZED AGENCIES, AND ANY CONFERENCE HELD UNDER UN AUSPICES. SAUDI ARABIA AND EGYPT TRIED UNSUCCESSFULLY TO BURY THE ISSUE IN A SUBCOMMITTEE TO "KEEP THE MIDDLE EAST SITUATION UNDER REVIEW."

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2. LEBANON: PRIME MINISTER KARAMI ON JULY 15 WON A PARLIAMENTARY VOTE OF CONFIDENCE MORE QUICKLY AND BY A WIDER MARGIN THAN ANY LEBANESE PRIME MINISTER IN RECENT YEARS. THIS DEMONSTRATES THE EAGERNESS OF THE COUNTRY'S NORMALLY DISPUTATIOUS POLITICIANS TO CALM THE TENSE POLITICAL AND SECURITY SITUATION IN BEIRUT. THE VOTE DOES NOT REFLECT SPECIAL ENTHUSIASM FOR THE SUBSTANCE OF KARAMI'S POLICY STATEMENT, WHICH WAS UNUSUALLY BRIEF AND COMMONPLACE.

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3. TANZANIA: PRESIDENT JULIUS NYERERE ANNOUNCED ON JULY 10 A NUMBER OF PERSONNEL CHANGES IN THE MILITARY, INCLUDING THE

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REMOVAL OF BOTH THE CHIEF OF STAFF AND THE POLITICAL EDUCATION OFFICER OF THE TANZANIAN PEOPLES DEFENSE FORCES (TPDF). THESE SHIFTS APPEAR DESIGNED TO IMPROVE THE EFFICIENCY AND MORALE OF THE FORCES AND TO FURTHER TIGHTEN CIVILIAN CONTROL OVER THEM.4

BRIGADIER SIMON NKUERA, WHO WAS REMOVED AS CHIEF OF STAFF-- THE NUMBER TWO UNIFORMED MILITARY POST--WAS SHUNTED-OFF TO AN ~~INSIGNIFICANT~~ INSIGNIFICANT CIVILIAN JOB. NYERERE PROBABLY TOOK THIS ACTION BECAUSE OF FRICTION BETWEEN NKUERA AND MAJOR GENERAL ABDALLAH TUALIPO, THE COMMANDER OF THE TPDF. THE NEW CHIEF OF STAFF IS BRIGADIER KIWELU, A YOUNG AND PROFESSIONALLY COMPETENT OFFICER.4

TUALIPO, WHO HAS HEADED THE TPDF SINCE EARLY 1974, IS A FORMER NON-COMMISSIONED OFFICER WITH ONLY A GRADE SCHOOL EDUCATION. HE APPEARS NOT TO BE UP TO RUNNING THE ARMY, BUT IS KEPT ON BY NYERERE WHO PERCEIVES HIM TO BE NO THREAT TO CIVILIAN SUPREMACY.4

NYERERE MAY HAVE NAMED KIWELU AS CHIEF OF STAFF IN PART TO PLACATE ARMED FORCES PERSONNEL FROM NORTHERN TRIBES, ESPECIALLY CHAGGAS. THE NORTHERNERS WERE ANGERED BY THE REMOVAL OF NORTHERN OFFICERS FROM TOP JOBS DURING THE WIDESPREAD MILITARY SHIFTS MADE

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BY NYERERE IN EARLY 1974. KIWELU IS A MEMBER OF THE CHAGGA TRIBE, ONE OF THE MOST DYNAMIC AND COHESIVE GROUPS IN TANZANIA, AND ONE WHICH HAS TRADITIONALLY BEEN STRONGLY REPRESENTED IN THE TPDF.4

IN ADDITION TO SHUFFLING HIGH RANKING OFFICERS, NYERERE TOOK THE UNUSUAL STEP OF APPOINTING A CIVILIAN, MOSES NNAUYE, TO BE CHIEF OF POLITICAL EDUCATION FOR THE TPDF. NNAUYE'S WHOLE CAREER HAS BEEN AS A CIVILIAN OFFICIAL OF THE RULING POLITICAL PARTY, THE TANGANYIKA AFRICAN NATIONAL UNION. HE IS NOW TAKING MILITARY TRAINING AND WILL PROBABLY BE GIVEN HIGH MILITARY RANK. POLITICAL INDOCTRINATION FOR TPDF MEMBERS HAS BEEN GIVEN HIGH PRIORITY SINCE THE ARMY MUTINY OF 1964; USUALLY IT HAS BEEN HANDLED BY MILITARY OFFICERS.

4. AFGHANISTAN: THE SECOND ANNIVERSARY THIS WEEK OF THE MILITARY COUP THAT RESTORED MOHAMMAD DAUD TO POWER IN AFGHANISTAN FINDS HIM FIRMLY IN CONTROL OF THE COUNTRY.4

DAUD HAS USED HARSH AUTHORITARIAN METHODS TO REMOVE OR INTIMIDATE POTENTIAL OPPONENTS. HIS RULE HAS NOT YET BROUGHT MUCH ECONOMIC PROGRESS, BUT EXPECTATIONS ARE LOW AMONG THE

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ILLITERATE, CONSERVATIVE MUSLIM TRIBESMEN WHO MAKE UP THE BULK OF THE POPULATION. MOST AFGHANS--INCLUDING MILITARY OFFICERS--SEEM TO VIEW DAUD AS A STRONG, HONEST LEADER WHOSE GOVERNMENT, DESPITE ITS DEFICIENCIES, IS AN IMPROVEMENT OVER THE CORRUPT AND INEFFECTIVE ROYALIST REGIME IT REPLACED.4

IN FOREIGN AFFAIRS, DAUD HAS MAINTAINED AFGHANISTAN'S STRONG TIES WITH THE SOVIET UNION WHILE ALSO SEEKING GOOD RELATIONS WITH OTHER COUNTRIES. AN EXCEPTION IS NEIGHBORING PAKISTAN; RELATIONS HAVE SUFFERED BECAUSE OF DAUD'S REVIVAL OF A LONG-STANDING BORDER DISPUTE.4

DAUD BECAME THE FIRST PRESIDENT OF THE REPUBLIC OF AFGHANISTAN IN JULY 1973, FOLLOWING THE OVERTHROW OF HIS COUSIN AND BROTHER-IN-LAW, KING ZAHIR SHAH, BY A GROUP OF YOUNG, GENERALLY LEFT-WING MILITARY OFFICERS. DAUD ALSO TOOK THE POSTS OF PRIME MINISTER, MINISTER OF DEFENSE, AND MINISTER OF FOREIGN AFFAIRS. THE COUP ENDED A 30-YEAR HIATUS IN DAUD'S LONG CAREER AS A MILITARY AND POLITICAL LEADER. KING ZAHIR HAD REMOVED HIM FROM THE PRIME MINISTERSHIP IN 1963 DUE TO GROWING DISSATISFACTION WITH HIS

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RELEASING OFFICER

COORDINATING OFFICERS

AUTHENTICATING OFFICER

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REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

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AUTHORITARIAN METHODS AND THE ADVERSE ECONOMIC EFFECTS OF HIS HARD-LINE POLICIES TOWARD PAKISTAN.4

SEVERAL ALLEGED PLOTS TO OVERTHROW THE DAUD REGIME WERE EASILY--AND RUTHLESSLY--QUASHED IN 1973 AND 1974, AND THE REGIME NOW APPEARS TO HAVE NO CHALLENGERS. DAUD ALSO HAS A STEADILY INCREASED HIS OWN POWER WHILE WHITTLING DOWN THAT OF THE "CENTRAL COMMITTEE," A SHADOWY QUASI-GOVERNMENTAL BODY THAT ENJOYED CONSIDERABLE INFLUENCE IN THE FIRST MONTHS AFTER THE COUP. THE COMMITTEE IS DOMINATED BY LEFTIST ARMY OFFICERS. DAUD, UNLIKE THE YOUNG OFFICERS, IS A PRAGMATIST, NOT WEDDED TO ANY IDEOLOGY.4

PRESIDENT DAUD RULES BY FIAT. THERE ARE PERIODIC REPORTS THAT HIS GOVERNMENT IS PREPARING A NEW CONSTITUTION, BUT SO FAR NONE HAS MATERIALIZED. POLITICAL PARTIES REMAIN OUTLAWED.4

DAUD, A MODERNIZER, HAS REDUCED THE POWER TRADITIONALLY WIELDED BY AFGHANISTAN'S ULTRACONSERVATIVE RELIGIOUS AND TRIBAL LEADERS. AIDED BY GENERALLY FAVORABLE WEATHER CONDITIONS FOLLOWING A SEVERE DROUGHT IN 1970-72, HIS GOVERNMENT HAS

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MANAGED TO AVERT FOOD SHORTAGES AND HAS HELD DOWN INFLATION. ECONOMIC DEVELOPMENT HAS BEEN HELD BACK BY AN INEPT BUREAUCRACY AND BY POLICIES THAT DISCOURAGE THE PRIVATE SECTOR, BUT FEW AFGHANS SEEM TO MIND.4

DAUD, NOW 66, HAS DONE LITTLE TO PROVIDE FOR AN ORDERLY SUCCESSION WHEN HE DIES OR BECOMES INCAPACITATED. THERE COULD BE AN OUTRIGHT TAKEOVER AT THAT TIME BY THE SOVIET-TRAINED ARMY, POSSIBLY AFTER A POWER STRUGGLE AMONG VARIOUS MILITARY AND CIVILIAN CLAIMANTS. DAUD'S MOHAMMADZAI CLAN, WHICH HAS DOMINATED AFGHAN GOVERNMENTS FOR DECADES, WILL PROBABLY REMAIN INFLUENTIAL.4

DAUD HAS MAINTAINED AFGHANISTAN'S CLOSE TIES WITH ITS SOVIET NEIGHBOR. MOSCOW HAS LONG BEEN THE LEADING DONOR OF MILITARY AND ECONOMIC ASSISTANCE TO AFGHANISTAN AND ENJOYS CONSIDERABLE INFLUENCE AMONG AFGHAN ARMY OFFICERS.4

AFGHANISTAN'S RELATIONS WITH INDIA HAVE BEEN GREATLY STRENGTHENED; NEW DELHI SHARES DAUD'S ANTI-PATHY TOWARD PAKISTAN AND FURNISHES HIS GOVERNMENT WITH ECONOMIC AND MILITARY ASSISTANCE.

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DAOUD ALSO HAS ENJOYED CONSIDERABLE SUCCESS IN OBTAINING ECONOMIC ASSISTANCE FROM IRAN AND THE ARAB OIL-PRODUCING STATES. HE HAS BEEN FRIENDLY TOWARD PEKING, BUT SINO-AFGHAN RELATIONS ARE LIMITED BY CHINA'S CLOSE TIES WITH PAKISTAN AND BY AFGHANISTAN'S RELATIONSHIP WITH THE SOVIET UNION.4

RELATIONS WITH PAKISTAN BEGAN TO WORSEN SHORTLY AFTER DAOUD'S RETURN TO POWER. THE CAUSE OF TROUBLE WAS HIS DECISION SHARPLY TO INCREASE AGITATION ON THE "PUSHTUNISTAN" PROBLEM, A DISPUTE OVER THE STATUS OF THE TWO PAKISTANI PROVINCES THAT BORDER ON AFGHANISTAN. KABUL HAS LONG CLAIMED THAT THESE PROVINCES, WHOSE PEOPLE ARE ETHNICALLY CLOSER TO AFGHANISTAN'S DOMINANT PUSHTUN TRIBES THAN TO MOST PAKISTANIS, SHOULD BE GRANTED AUTONOMY OR SELF-DETERMINATION. DAOUD HAS STRONG PERSONAL FEELINGS ON THIS ISSUE AND MAY ALSO REGARD IT AS A USEFUL DEVICE FOR RETAINING THE SUPPORT OF HIS FELLOW PUSHTUNS.4

KABUL HAS GIVEN SANCTUARY AND FINANCIAL ASSISTANCE TO THE PAKISTAN GOVERNMENT'S OPPONENTS IN THE TWO PROVINCES. HOWEVER,

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THE DAUD REGIME VEHEMENTLY DENIES PAKISTANI CLAIMS THAT IT IS TRAINING AND EQUIPPING PAKISTANI DISSIDENTS FOR SABOTAGE ACTIVITIES. 4

DAUD HAS SOUGHT TO KEEP HIS DISPUTE WITH PAKISTAN FROM GETTING OUT OF HAND. HE KNOWS THAT PAKISTAN'S ARMY IS MUCH STRONGER THAN HIS OWN, AND HE REMEMBERS THAT HIS MILITANCY ON THE PUSHTUNISTAN ISSUE HELPED CAUSE HIS DOWNFALL IN 1963. LATE LAST SPRING THE DAUD GOVERNMENT REACHED A SECRET AGREEMENT WITH PAKISTAN TO TONE DOWN THE VITUPERATIVE RADIO PROPAGANDA THAT BOTH COUNTRIES HAD BEEN DIRECTING AGAINST EACH OTHER. DAUD INSISTS HE WANTS TO SETTLE THE PUSHTUNISTAN PROBLEM PEACEFULLY, BUT THE POSITIONS OF THE TWO SIDES REMAIN FAR APART.

5. NEPAL: NEPAL IS CHANGING ITS VOTING POLICY TO CONFORM WITH MORE RADICAL POSITIONS AT INTERNATIONAL CONFERENCES. THIS CHANGE WAS FIRST ADOPTED AT THE MEETING IN HAVANA LAST MARCH OF THE COORDINATING BUREAU OF THE NONALIGNED NATIONS. IT MAY BECOME MORE EVIDENT AT THE FORTHCOMING CONFERENCE OF

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NONALIGNED FOREIGN MINISTERS AT LINA.4

THE NEPALESE OFFICIAL IN CHARGE OF UN AFFAIRS AT THE FOREIGN MILITARY RECENTLY SAID THAT NEPAL WILL INCREASINGLY IDENTIFY ITSELF WITH THE MAINSTREAM OF THIRD WORLD POLICIES EVEN IF THIS MEANS ACQUIESCING IN RADICAL OR CONTENTIOUS POSITIONS. HE NOTED THAT IN THE PAST NEPAL HAD REGISTERED A NUMBER OF DISSENTING VIEWS TO RADICAL DECISIONS THROUGH THE MECHANISM OF FORMAL RESERVATIONS. THESE RESERVATIONS, HE CLAIMED HAD HAD NO IMPACT ON THE DECISIONS TAKEN BUT HAD IRRITATED SOME OF THE OTHER MEMBERS OF THE NONALIGNED GROUP. AT THE HAVANA MEETING, THE NEPALESE DELEGATION HAD ABANDONED THE PREVIOUS POLICY AND ACCEPTED THE CONSENSUS PROCEDURE. THE NEPALESE OFFICIAL STATED THAT THIS PRACTICE WOULD BE MAINTAINED IN THE FUTURE.4

NEPAL'S NEW POLICY COULD HAVE SOME IMPACT ON ISSUES OF IMPORTANCE AT BOTH UN AND NONALIGNED MEETINGS. FOR ONE THING, THE NEPALESE CAN NOW BE EXPECTED TO ACQUIESCE IN MORE RADICAL PROPOSALS REGARDING A MIDDLE EAST SETTLEMENT. ACCORDING TO THE

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NEPALESE OFFICIAL, KATHMANDU--ISRAEL'S ONLY FRIEND IN SOUTH ASIA IN RECENT YEARS--WILL NO LONGER ABSTAIN ON VOTES RELATING TO THE PALESTINE QUESTION. HE NOTED, FOR INSTANCE, THAT NEPAL WOULD HENCEFORTH VOTE TO SEAT REPRESENTATIVES OF THE PALESTINE LIBERATION ORGANIZATION IN VARIOUS UN BODIES. HE FRANKLY ADMITTED THAT THE CHANGE WAS DUE PRINCIPALLY TO NEPAL'S NEED FOR PETROLEUM AND OTHER ECONOMIC ASSISTANCE FROM ARAB COUNTRIES. 4

FROM THE OFFICIAL'S STATEMENTS IT APPEARS LIKELY THAT NEPAL WILL ALSO GO ALONG WITH MORE RADICAL POSITIONS ON KOREA AT BOTH THE UN AND AT NONALIGNED MEETINGS. HE EXPRESSED THE VIEW THAT NORTH KOREA WOULD "CERTAINLY" BE ADMITTED TO THE NONALIGNED GROUP AT LIMA BUT WAS LESS CERTAIN ABOUT SOUTH KOREA'S CHANCES.

6. EGYPT-USSR: EGYPTIAN FINANCE MINISTER AHMAD ABU ISMAIL HAS BEEN DISPATCHED TO MOSCOW, ACCORDING TO AN EGYPTIAN PRESS REPORT. ISMAIL, WHO HAD BEEN SCHEDULED TO RETURN TO CAIRO FROM LONDON ON FRIDAY, WILL BE JOINED IN MOSCOW BY OTHER EGYPTIAN

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OFFICIALS.4

THEY MAY WELL BE GOING TO MOSCOW TO DISCUSS ONE OF THE MAJOR IRRITANTS IN SOVIET-EGYPTIAN RELATIONS--THE RESCHEDULING OF PAYMENTS ON EGYPT'S \$1.5-BILLION MILITARY DEBT TO THE SOVIET UNION.4

AN EGYPTIAN DIPLOMATIC CORRESPONDENT SAYS MOSCOW TOOK THE LEAD IN ARRANGING THE VISIT. MOSCOW MAY BELIEVE THAT, BY DISCUSSING THE DEBT QUESTION AT THIS TIME, IT CAN:4

--HEAD OFF SUCH MOVES AS FURTHER RESTRICTIONS ON SOVIET PORT RIGHTS OR ABRIGATION OF THE SOVIET-EGYPTIAN TREATY.4

--BLUNT EGYPTIAN CHARGES OF INADEQUATE SOVIET SUPPORT BY
 MAKING A POSITIVE GESTURE DURING A PERIOD OF INCREASED
 ARAB-ISRAELI TENSION. 25X1

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1. PORTUGAL: RUMORS OF AN IMPENDING EFFORT TO UNSEAT PRIME MINISTER GONCALVES CONTINUED TO CIRCULATE IN LISBON ON THURSDAY, BUT THERE IS NO EVIDENCE OF A STRUGGLE IN THE REVOLUTIONARY COUNCIL SESSION ON WEDNESDAY THAT GAVE GONCALVES THE TASK OF FORMING A NEW CABINET.4

ACCORDING TO COUNCIL SPOKESMAN LOURENCO, GONCALVES WILL DECIDE WHETHER TO REPLACE THE ENTIRE CABINET OR ONLY THOSE PORTFOLIOS LEFT VACANT BY THE SOCIALIST AND THE POPULAR DEMOCRATIC RESIGNATIONS. THE NEW "NONPARTISAN" CABINET REPORTEDLY WILL BE COMPOSED OF BOTH MILITARY AND CIVILIAN MEMBERS, WITH THE CIVILIANS APPOINTED AS INDIVIDUALS AND NOT AS PARTY REPRESENTATIVES.4

MOST OF THE CIVILIANS, HOWEVER, WILL PROBABLY BE PRO-COMMUNIST. SOCIALIST LEADER SOARES HAS SAID THAT NO MEMBER OF HIS PARTY WILL SERVE IN THE NEW GOVERNMENT AS LONG AS THE DIFFERENCES BETWEEN THE SOCIALISTS AND THE ARMED FORCES MOVEMENT REMAIN UNRESOLVED. THE POPULAR DEMOCRATS WILL PROBABLY TAKE THE SAME LINE.4

MODERATE OFFICERS IN THE REVOLUTIONARY COUNCIL REPORTEDLY HAVE

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PLANNED TO BLOCK GONCALVES' EFFORT TO FORM A NEW CABINET. SHOULD HE PRESENT TO THE COUNCIL AND THE PRESIDENT A CABINET LIST HEAVILY WEIGHTED IN FAVOR OF THE COMMUNISTS, THE MODERATES COULD HAVE THEIR OPPORTUNITY TO MOVE. [REDACTED]

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2. SPAIN: THE RECENT SPEECH BY GENERAL FRANCO TO CIVIL WAR VETERANS IN WHICH HE DESCRIBED THE ILLEGAL OPPOSITION PARTIES AS "YAPPING DOGS" HAS DRAWN THE FIRST PUBLIC ACTION BY THE CENTER-LEFT DEMOCRATIC CONFERENCE SINCE ITS FORMATION LAST MONTH. THE NEW GROUP CIRCULATED A MANIFESTO CALLING FOR A BREAK WITH THE FRANCO REGIME.

THE MANIFESTO, WHICH WAS GIVEN TO FOREIGN NEWSMEN, SAID THAT FOR NEARLY 40 YEARS SPAIN HAS BEEN OPPRESSED BY AN ANTI-DEMOCRATIC REGIME WHICH HAS CURTAILED FUNDAMENTAL HUMAN FREEDOMS. THE MANIFESTO CALLED FOR THE "REESTABLISHMENT OF POPULAR SOVEREIGNTY THROUGH AN ESSENTIAL BREAK WITH THE REGIME AND THE BEGINNING OF A CONSTITUTIONAL PERIOD."

THE 116 PARTIES WHICH SIGNED THE DOCUMENT FORMALLY CONSTITUTED THEMSELVES INTO AN ORGANIZATION LAST MONTH AFTER

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DECIDING AGAINST JOINING THE COMMUNIST-DOMINATED DEMOCRATIC JUNTA FORMED IN PARIS LAST YEAR. THE NEW GROUP IS MADE UP OF PARTIES WHICH ARE LIKELY TO DRAW THE LARGEST MEMBERSHIP IF OPEN PARTISAN ACTIVITY IS PERMITTED IN POST-FRANCO SPAIN. THESE INCLUDE FIVE CHRISTIAN DEMOCRATIC AND FOUR SOCIALIST GROUPS.4

GENERAL FRANCO'S STATEMENT TO THE VETERANS THAT IN THE CASE OF ILLEGAL PARTIES TOO MUCH IMPORTANCE IS BEING GIVEN TO "YAPPING DOGS WHICH ARE NO MORE THAN TINY MINORITIES," WILL FURTHER HINDER PRIME MINISTER ARIAS' EFFORTS TO ENCOURAGE THE NON-COMMUNIST PARTIES TO APPLY FOR LEGAL STATUS AS POLITICAL ASSOCIATIONS WILLING TO COOPERATE TO LIBERALIZE THE FRANCO REGIME.

3. CZECHOSLOVAKIA: RENEWED TENSIONS BETWEEN THE CZECHOSLOVAK AND ITALIAN COMMUNIST PARTIES MAY CREATE FURTHER PROBLEMS IN THE ALREADY TROUBLED PREPARATIONS FOR A EUROPEAN CONFERENCE OF COMMUNIST PARTIES. THE BILATERAL SQUABBLE HAS NEVER BEEN FAR BELOW THE SURFACE SINCE THE HUSAK REGIME CAME TO

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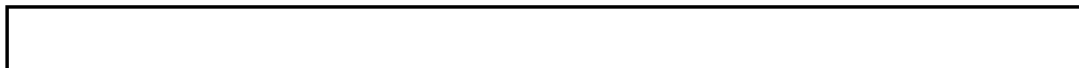
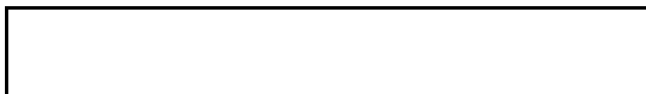
UNITA, THE ITALIAN PARTY'S OFFICIAL ORGAN, ON TUESDAY BLASTED PRAGUE FOR MISTRÉATING "SCORES OF ITS INTELLECTUALS" AND CHARGED THE HUSAK LEADERSHIP WITH VIOLATING "ONE OF THE FOUNDATIONS OF SOCIALIST DEMOCRACY"--FREEDOM OF CULTURE. THE MOVE WAS OSTENSIBLY MADE IN RESPONSE TO THE "TRAGIC LETTER" THAT KAREL KOSIK, A MARXIST PHILOSOPHER IN PRAGUE, SENT TO JEAN PAUL SARTRE. KOSIK'S LETTER DESCRIBED THE INCREASED REPRESSION THAT HAS FOLLOWED HUSAK'S SPEECH ON APRIL 16 CON-DEMNING DUBCEK AND WARNING DISSIDENTS.4

KOSIK'S LETTER WAS MADE AVAILABLE TO WESTERN NEWS SERVICES IN LATE MAY, WHEN ANOTHER COMMENTARY IN UNITA DESCRIBED THE SITUATION IN CZECHOSLOVAKIA AS "EXTREMELY GRAVE." THE ITALIAN PARTY'S DECISION TO REPLAY THE KOSIK LETTER AND TO INCREASE POLEMICS WITH PRAGUE AT THIS TIME MAY BE TIED TO THE PREPARATIONS OF A EUROPEAN PARTY CONFERENCE.4

THE ITALIAN PARTY HAS PLAYED A LEADING ROLE IN OPPOSING SOVIET ATTEMPTS TO FORMULATE A BINDING PROGRAM, AND SEVERAL

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SESSIONS OF THE DRAFTING COMMISSION IN EAST BERLIN HAVE THUS FAR
FAILED TO HAMMER OUT DOCUMENTS ACCEPTABLE TO ALL PARTIES.



1. ARGENTINA: PRESIDENT PERON'S POLITICAL POSITION IS GROWING STEADILY WEAKER. ANOTHER MEMBER OF HER GOVERNMENT TEAM, THE PRESIDENT OF THE CENTRAL BANK, RESIGNED ON JULY 16, 1975 AND LABOR LEADERS HAVE RENEWED THEIR DRIVE TO END THE POLITICAL INFLUENCE OF FORMER SOCIAL WELFARE MINISTER LOPEZ REGA. THE LABOR LEADERS APPARENTLY BELIEVE THAT HE IS STILL HER CHIEF AIDE DESPITE THE LOSS OF HIS OFFICIAL POSITIONS. 4

FOR THE PAST TWO DAYS MRS. PERON HAS BEEN ABSENT FROM THE PRESIDENTIAL OFFICES BECAUSE OF WHAT PRESS AIDES DESCRIBE AS THE "FLU." PRESS REPORTS INDICATE THAT SHE IS ABOUT TO REQUEST A LEAVE OF ABSENCE; INDEED, FOR SOME TIME RUMORS HAVE BEEN CIRCULATING THAT THE PRESIDENT WILL LEAVE OFFICE TEMPORARILY OR EVEN RESIGN BECAUSE OF MOUNTING PRESSURES. 4

THE PESO HAS BEEN DEVALUED FOR THE SECOND TIME IN LESS THAN SIX WEEKS, SPARKING THE RESIGNATION OF THE GOVERNMENT'S SECOND HIGHEST ECONOMIC OFFICIAL, RICARDO CAIROLI, WHO

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STATED PUBLICLY THAT HE HAD NOT BEEN CONSULTED.4

HIS CHARGE, IF TRUE, HIGHLIGHTS THE LACK OF POLICY COORDINATION AT A TIME WHEN ARGENTINA IS THREATENED WITH THE POSSIBILITY OF HAVING TO DEFAULT ■■ON FOREIGN DEBT OBLIGATIONS.4

THE GOVERNMENT HAS NOT BEEN ABLE TO COME UP WITH PROPOSALS FOR DEALING WITH THE WORSENING ECONOMIC SITUATION THAT ARE ACCEPTABLE TO LABOR. MINISTER OF ECONOMY RODRIGO, A PROTEGE OF LOPEZ REGA, IS CONTINUING TO PUSH THE AUSTERITY PROGRAM HE OUTLINED ON JUNE 30, BUT HE IS LARGELY DISCREDITED AND MAY SOON BE FORCED OUT. STRIKES ARE DAILY OCCURRENCES IN VARIOUS CITIES AS WORKERS WORRY THAT EVEN THE RECENT MASSIVE WAGE HIKES SOON WILL BE EATEN UP BY SOARING INFLATION.4

LABOR LEADERS, FORMERLY MRS. PERON'S STRONGEST POLITICAL SUPPORTERS, HAVE BECOME HER MOST PERSISTENT ADVERSARIES. THEY HAVE REQUESTED ANOTHER MEETING WITH HER, UNDOUBTEDLY TO DEMAND THAT RODRIGO BE FIRED.4

THEY MAY ALSO PRESS FOR A COMPLETE RESTRUCTURING OF THE PERONIST POLITICAL HIERARCHY IN ORDER TO ELIMINATE THE

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INFLUENCE OF LOPEZ REGA. THEY HAVE TOLD HIS SON-IN-LAW,
RAUL LASTIRI, PERONIST PARTY VICE PRESIDENT, THAT THEY INTEND
TO CHOOSE NEW PERONIST OFFICIALS SOON. ■4

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