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Thailand: *Praphat's Day Looms Nearer*

Recent cabinet changes strengthen the hand of Deputy Prime Minister Praphat's supporters in the government and lend further weight to the possibility of Praphat's early succession. In reshuffling his cabinet, Prime Minister Thanom retained all previous members, but made one important ministerial transfer and added a politically significant new face.

General Krit Siwara, who has been moving toward closer political ties with Praphat, shifted from the Education Ministry to a specially created post in the Ministry of Defense. The shift can be viewed as a personal triumph for Krit—he has been impatient to move out of Education—and should considerably enhance his standing both within the cabinet and the army, where he is

mentioned more frequently as a successor to Praphat as its commander in chief.

Of potentially greater significance for Praphat forces, however, was Thanom's award of a deputy slot in the Ministry of Economic Affairs to Liberal Party chieftain Senator Prasit, who is one of Praphat's closest supporters and who has long coveted a cabinet post. The timing of his appointment appears to be related to the considerable support he is expected to be able to muster on the government's behalf in Parliament when the controversial budget bill is voted on later this month.

The cabinet changes will strengthen the impression that momentum is building for Praphat's early replacement of Prime Minister Thanom. (~~CONFIDENTIAL~~)



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growth is a fundamental Conservative strategy from which the government will not be diverted.

Taking up the challenge of those calling for an "incomes policy," i.e., explicit, official targets for or even statutory controls over wage and price gains to solve inflation problems, Heath claimed that his program is not less an incomes policy because it is different from, and more constructive than, the policies that have been so described

up to now. He argued that the government's plans for expenditures reform, tax cuts, and industrial relations represent the program on which the Conservative Party was elected and would release Britons from the constraints that have condemned the country to frustration and to short-term expedients. However, criticism is continuing on the adequacy of this policy to solve the present inflationary spiral in wages. (~~CONFIDENTIAL NO FOREIGN DISSEM~~)

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### German Problem Comes Up Again

East German - West German negotiations, the four power talks on Berlin, and the ratification of the Soviet and Polish pacts with Bonn are all at a crucial stage. Available evidence indicates that this is attributable largely to East German

The brevity of the meeting, the end of the harassment, and the use of the words "peaceful cooperation" in the communique indicate that the pact leaders convinced the East Germans to be less rigid toward the four power talks and in