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DE WTE #4525 2592256  
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FM THE SITUATION ROOM//TOHAK 15//

TO COVEY/PASSAGE/ROOMAN FOR THE SECRETARY

T O P S E C R E T SENSITIVE CONTAINS CODEWORD VIA BLACK PATCH WH61265

TOHAK 15

SEPTEMBER 16, 1976

MORI C03205108

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ON-FILE NSC RELEASE  
INSTRUCTIONS APPLY

BRENT SCOWCROFT

SUBJECT:

INFORMATION ITEMS

NEW JAPANESE CABINET NAMED: PRIME MINISTER MIKI SHUFFLED HIS CABINET YESTERDAY, RETAINING SEVEN MINISTERS AND NAMING FOURTEEN NEWCOMERS. THE MOST IMPORTANT CHANGE PUTS ZENTARO KOSAKA INTO THE FOREIGN MINISTRY POST IN PLACE OF KIICHI MIYAZAWA. KOSAKA HELD THE POST EARLIER IN THE 1960S. HE IS INTERESTED IN A RAPID CONCLUSION OF THE SINO-JAPANESE PEACE TREATY, BUT THE CABINET WILL SURVIVE AT THE MOST ONLY A FEW MONTHS AND FOREIGN AFFAIRS INITIATIVES IN THIS PERIOD ARE NOT LIKELY.

VIETNAM SITUATION REPORT: ACCORDING TO THE FRENCH CONSULATE GENERAL IN HO CHI MINH CITY, VIETNAM'S DOMESTIC ECONOMIC SITUATION IS STILL BAD. BECAUSE OF INCREASED CONTROLS ON THE PEOPLE BY THE AUTHORITIES, OVER 400,000 PEOPLE HAVE ALREADY FLED ABROAD AND MANY MORE ARE LEAVING. IMPETUS IS BEING GIVEN TO THE EXPULSION OF FOREIGNERS, AND A NEW TAX SYSTEM IS REPORTEDLY BEING APPLIED TO PRIVATE FIRMS. THE FRENCH BELIEVE THAT FOREIGN FIRMS AND JOINT COMPANIES WILL BE SUBJECT TO THE NEW TAX. FRENCH FOREIGN MINISTRY OFFICIALS TOLD A JAPANESE DIPLOMAT IN JULY THAT FRENCH RELATIONS WITH VIETNAM ARE GOOD AND ARE GOING ALONG SMOOTHLY. THEY SAID FRANCE WOULD ACTIVELY SUPPORT VIETNAM'S ADMISSION TO THE UN THIS YEAR BECAUSE

\*\*\*\*\* WHSR COMMENT \*\*\*\*\*

SEC FILE

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THE REALIZATION OF THIS GOAL WOULD ALLOW VIETNAM TO RETURN TO THE INTERNATIONAL COMMUNITY AND CAUSE HANOI TO FEEL THAT COOPERATION WITH MANY COUNTRIES IS ESSENTIAL. THIS ATTITUDE WOULD, IN TURN, CONTRIBUTE TO THE PEACE AND SECURITY OF THE SOUTHEAST ASIAN REGION.

POSSIBLE REPERCUSSIONS OF IRAQI PRESIDENT'S HEALTH PROBLEMS:

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BAKR'S DECLINING HEALTH IS LIKELY TO STRENGTHEN FURTHER THE ALREADY PREDOMINANT POWER OF THE RULING BAAH PARTY'S CIVILIAN STRONGMAN, SADDAM HUSAYN. NEVERTHELESS, SHOULD HUSAYN ASSUME THE PRESIDENCY, THERE IS LIKELY TO BE INCREASED MILITARY RESENTMENT OF HIS PRIMACY. THE TRANSITION IS LIKELY TO BE REASONABLY SMOOTH, SINCE THERE IS NO EVIDENCE THAT THE RESENTMENT OF ARMY OFFICERS COULD BE TRANSFORMED QUICKLY INTO EFFECTIVE ACTION IN THE FACE OF AN EXTENSIVE SYSTEM OF INFORMERS. FURTHERMORE, HUSAYN WOULD BE ABLE TO CALL ON THE BAAH PARTY'S LARGE MILITIA AND POWERFUL SECURITY APPARATUS TO SUPPORT HIM IN A CRISIS. ALTHOUGH INCREASED OPPOSITION TO HUSAYN WITHIN THE REGIME IS UNLIKELY TO UNSEAT HIM, IT MIGHT DAMAGE THE GROWING U.S.-IRAQI COMMERCIAL RELATIONSHIP (THE U.S. IS IRAQ'S THIRD LARGEST NON-MILITARY SUPPLIER) IF THIS OPPOSITION LESSENER THE REGIME'S STABILITY. HUSAYN, A PRAGMATIC RADICAL, HAS PROMOTED THESE RELATIONS, EVEN WHILE ATTACKING U.S. POLICY IN THE MIDDLE EAST. IF FORCED TO MANEUVER AGAINST SIGNIFICANT OPPOSITION, HE MIGHT FIND IT POLITICAL TO REDUCE THESE TIES. EVIDENCE OF REVENED INTERNAL INSTABILITY AND RADICALISM, A CHRONIC PROBLEM FROM THE 1958 REVOLUTION UNTIL SADDAM'S CONSOLIDATION OF POWER IN THE EARLY 1970'S, COULD LESSEN THE WILLINGNESS OF AMERICAN FIRMS TO DO BUSINESS WITH IRAQ.

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