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USSR-SWEDEN-FINLAND: Premier Kosygin and President Podgorny will go to Sweden and Finland, respectively, next week.

Kosygin's visit will round out the Scandinavian tour that he began with trips to Norway and Denmark in late 1971. Kosygin's talks with Prime Minister Palme are likely to include topics such as European security arrangements, Vietnam, and mutual environmental concerns.

The probable focal point of their talks, however, will be problems in bilateral economic relations. The Swedes plan to raise the matter of their trade deficit with the USSR, and Kosygin will likely point to the inadequate terms Stockholm has offered in proposed extensions of credit.

Podgorny's state visit will be highlighted by ceremonies marking the 25th anniversary of the Finnish-Soviet Friendship Treaty on 6 April. The draft Finland-CEMA economic cooperation agreement, initiated in Moscow earlier this month, may also be signed during his visit. Foreign Minister Karjalainen will head a Finnish delegation to Moscow for treaty celebrations there. The Finns probably will seek to conduct in both capitals further discussions regarding Soviet thinking on a Finnish-EC tie and other issues.

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INDONESIA: The new cabinet represents another step in President Suharto's long process of restructuring Indonesia's government.

The role of experienced civilian technocrats has been further enhanced, and that of the political parties almost eliminated. Although there are only three new faces, there was considerable reshuffling of responsibilities. The overall effect is a modest improvement in the quality of the cabinet. Several corrupt or incompetent ministers have been dropped or renamed to less critical posts.

The major change is the President's decision to relinquish the defense portfolio to General Panggabean, who now also becomes commander in chief of the armed forces. Suharto probably now believes his original goal of centralizing the armed forces under army control has been achieved, thereby freeing him to concentrate on other problems.

Panggabean's appointment also paves the way for his ambitious deputy, General Sumitro, eventually to become commander in chief. Sumitro, long considered the second most powerful man in the country, does not, however, hold a formal position in the command structure commensurate with the degree of confidence Suharto has in him. It seems likely that Panggabean, after a short term as minister, will be named to a major ambassadorial post to make way for Sumitro.

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NOTES

LAOS: Prime Minister Souvanna is optimistic that a new government can be formed by mid-April. Souvanna is encouraged by his recent meeting with Pathet Lao negotiator Phoune Sipraseuth, who has been empowered to negotiate the formation of the new coalition government. Phoune, who had just returned from a short visit to the Communist headquarters near Sam Neua, brought with him a friendly letter from Communist leader Souphanouvong. In the past, Phoune has not been authorized to enter into any meaningful discussions with government leaders, despite his public claims to carry full negotiating powers. Several more meetings probably will be required to see if he is in fact authorized to negotiate on vital issues.

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