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1. BOLIVIA: HUGO BANZER HAS BEEN PRESIDENT OF BOLIVIA FOR FOUR YEARS, A NOTABLE ACHIEVEMENT IN ONE OF THE MOST POLITICALLY TURBULENT COUNTRIES IN LATIN AMERICA. THIS LONG TENURE IS THE MORE REMARKABLE BECAUSE BANZER IS NOT PERSONALLY POPULAR AND HAS LOST MOST OF THE CIVILIAN POLITICAL SUPPORT HE STARTED WITH. Y

HE HAS PROVED ADEPT AT THWARTING ATTEMPTS TO OVERTHROW HIM AND SKILLFUL IN CULTIVATING THE MILITARY HIGH COMMAND. FURTHERMORE, THE COUNTRY'S ECONOMIC POSITION HAS IMPROVED DURING HIS TENURE, LARGELY BECAUSE OF THE DEVELOPMENT OF OIL AND NAUTRAL GAS RESOURCES AND THE RISE IN WORLD PETROLEUM PRICES. Y

WITH POLITICAL ACTIVITY ALMOST NONEXISTENT AND NO IMPORTANT PRESSURE GROUPS LEANING ON HIM, BANZER HAS RECENTLY BEEN STRESSING BROAD ECONOMIC DEVELOPMENT AND FOREIGN AFFAIRS. IN BOTH FIELDS HE HAS SOUGHT TO BUILD UP PUBLIC CONFIDENCE BY MAKING PROMISES AND OPTIMISTIC PRONOUNCEMENTS. TO DATE THERE HAVE BEEN FEW REAL RESULTS.

THE ECONOMY HAS BENEFITED FROM FOUR YEARS OF RELATIVE TRANQUILLITY AND ADMINISTRATIVE CONTINUITY. DESPITE THESE FACTORS AND AN

ABUNDANCE OF NATURAL RESOURCES, BOLIVIA REMAINS THE POOREST COUNTRY IN SOUTH AMERICA.4

IT HAS BEEN UNABLE TO EXPLOIT ITS IMMENSE HYDROELECTRIC POTENTIAL AND IRON ORE DEPOSITS OR TO MAKE FULL USE OF ITS PETROLEUM AND NATURAL GAS SUPPLIES. THE FAILURE IS TRACEABLE TO THE COUNTRY'S LACK OF SKILLED MANPOWER, RUGGED TERRAIN, AND INEPT AND CORRUPT GOVERNMENTS.4

A MAJOR FOREIGN POLICY GOAL HAS BEEN TO REGAIN THE SEACOAST BOLIVIA LOST IN THE 19TH CENTURY WAR WITH CHILE. BANZER TOOK A SHORT STEP TOWARD THIS GOAL WHEN HE RECENTLY REOPENED RELATIONS WITH SANTIAGO AFTER A 13-YEAR HIATUS. STILL, BANZER'S CHANCES OF REGAINING BOLIVIA'S SEACOAST ARE REMOTE.4

HE KNOWS THAT THE MOST BOLIVIA CAN HOPE FOR IS BETTER ACCESS TO CHILEAN PORTS, AND, AFTER WHIPPING UP NATIONALISTIC SENTIMENT FOR A "RETURN TO THE SEA," HE NOW SAYS BOLIVIA SHOULD BE ABLE "TO OBTAIN A RESOLUTION" OF ITS LANDBLOCKED STATUS BY 1980. THIS DISTANT DATE DOES NOT SIT WELL WITH ULTRA-NATIONALISTS IN THE ARMED FORCES.4

AT PRESENT BANZER APPEARS SECURE. MOST OF HIS ENEMIES ARE

EITHER IN EXILE OR TOO DISORGANIZED TO MOUNT A SERIOUS MOVE AGAINST HIM. 4

SECURITY IS NOT ABSOLUTE IN BOLIVIA. SOME CIVILIAN POLITICIANS HAVE BEGUN TO URGE A RETURN TO CONSTITUTIONAL GOVERNMENT. SOME ARMY OFFICERS, PARTICULARLY YOUNGER ONES WHO HAVE BEEN IN ON COUP PLOTTING IN THE PAST, REPORTEDLY ARE UPSET BY BANZER'S REPEATED POSTPONEMENT OF A NATIONAL ELECTION OR BELIEVE THAT THE MILITARY-CONTROLLED GOVERNMENT SHOULD BE MODIFIED TO INCLUDE CIVILIANS. 4

TO STAVE OFF ANOTHER ROUND OF COUP ATTEMPTS, BANZER MAY SOON ACCEPT A FEW CIVILIANS IN HIS GOVERNMENT. EVENTUALLY, HOWEVER, THE CHANCES ARE GOOD THAT ONE OF HIS OFFICERS WHO FEELS THAT IT IS HIS TURN TO BE PRESIDENT WILL MOVE AGAINST HIM. 25X1

2. CUBA: THE CUBAN ECONOMY IS UNLIKELY TO BE SIGNIFICANTLY AFFECTED BY THE PARTIAL LIFTING OF THE US EMBARGO, ANNOUNCED ON AUGUST 21, TO ALLOW US SUBSIDIARIES ABROAD TO TRADE WITH CUBA. 4

THERE WILL BE A SHARP JUMP IN CUBAN PURCHASES FROM US SUBSIDIARIES, MAINLY IN WESTERN EUROPE, CANADA, ARGENTINA, AND MEXICO, BUT MOST OF THE PURCHASES WILL BE DIVERTED FROM OTHER FOREIGN

SUPPLIERS. OVERALL CUBAN IMPORTS PROBABLY WILL RISE ONLY SLIGHTLY. CUBAN IMPORT CAPACITY WILL REMAIN BASICALLY DEPENDENT ON THE LEVEL OF SUGAR EXPORTS. 1

THE IMPACT ON CUBAN ECONOMIC GROWTH IS ALSO EXPECTED TO BE MARGINAL. SOME PARTS OF THE ECONOMY WILL BENEFIT FROM AN INFLUX OF US SPARE PARTS, EQUIPMENT, AND TECHNOLOGY, BUT OVERALL GROWTH WILL STILL HINGE ON CUBA'S ABILITY TO FINANCE INCREASED IMPORTS, ON SUCCESSFUL IMPLEMENTATION OF ECONOMIC REFORMS, AND ON INCREASED AGRICULTURAL OUTPUT; ALL OF THESE ARE ONLY MINIMALLY AFFECTED BY THE US EMBARGO. 4

IN HAVANA, REACTION WAS MIXED. ACCORDING TO A REUTERS PRESS REPORT, PRIME MINISTER CASTRO TOLD A NEWS CONFERENCE THAT THE US DECISION WAS A "POSITIVE GESTURE" RECEIVED WITH SATISFACTION BY HIS GOVERNMENT. HE ADDED, HOWEVER, THAT HE CANNOT BEGIN NEGOTIATIONS WITH THE US ON NORMALIZING RELATIONS UNTIL THE MAIN PROVISIONS OF THE TRADE EMBARGO OF 1962 ARE LIFTED. PRESUMABLY, CASTRO MEANT THOSE PROVISIONS AFFECTING BILATERAL TRADE. CASTRO SAID THIS DOES NOT RULE OUT THE CONTINUATION OF PRESENT CONTACTS WITH WASHINGTON.

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AND HE ADDED THAT THERE CAN BE "NEGOTIATIONS ON HOW TO NEGOTIATE."

CASTRO APPEARS CONFIDENT THAT HE DOES NOT HAVE TO MAKE ANY SIGNIFICANT CONCESSIONS. HE APPARENTLY BELIEVES THAT WASHINGTON IS UNDER MORE PRESSURE THAN HE IS TO MAKE THE NEXT MOVE. ALTHOUGH HE IS OBVIOUSLY ANXIOUS TO MAINTAIN MOMENTUM TOWARD RECONCILIATION.

WHILE THE INITIAL REACTION FROM HAVANA WAS FAVORABLE, SOME IN THE LEADERSHIP WILL VIEW THE MOVE AS PRIMARILY AN EFFORT BY THE US TO END ITS PROBLEMS WITH GOVERNMENTS THAT HAVE URGED WASHINGTON TO ALLOW LOCAL SUBSIDIARIES OF US COMPANIES TO TRADE WITH CUBA. AS A CONSEQUENCE THE MOST HAVANA IS LIKELY TO DO--IF THAT--IS TO RELEASE A FEW US POLITICAL PRISONERS.

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1. THAILAND: THE RIOTING IN BANGKOK HAS SUBSIDED, BUT THE UNDERLYING ISSUES THAT SPARKED WEDNESDAY'S VIOLENCE REMAIN UNRESOLVED.4

[REDACTED] THE THAI CABINET HAS AGREED TO REINSTITUTE LEGAL PROCEEDINGS AGAINST STUDENT AND FARMER ACTIVISTS ARRESTED LAST WEEK. IT WAS THE GOVERNMENT'S DROPPING OF THE CHARGES THAT PROMPTED THE WAVE OF POLICE PROTESTS.//4

IN REOPENING ITS INVESTIGATION OF CHARGES OF KIDNAPING AND ARSON AGAINST THE ACTIVISTS, THE GOVERNMENT IS RISKING A NEW ROUND OF DEMONSTRATIONS BY THE STUDENT COMMUNITY. IT WAS STUDENT PROTESTS AGAINST THE ARRESTS THAT BROUGHT ABOUT THE GOVERNMENT'S CURRENT DILEMMA.4

KHUKRIT NEVER EXPLAINED WHY THE GOVERNMENT DROPPED THE CHARGES IN THE FIRST PLACE, WHICH GIVES HIM SOME FLEXIBILITY IN PLACATING THOSE ON BOTH SIDES OF THE ISSUE. FOR EXAMPLE, THE CHARGES COULD AGAIN BE DROPPED IF THE GOVERNMENT

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DETERMINES THERE IS NOT SUFFICIENT EVIDENCE TO PROSECUTE.4

WHATEVER MEASURES THE GOVERNMENT TAKES TO MEET THE CURRENT PROBLEM, DISTRUST BETWEEN CONSERVATIVES AND LEFTISTS IS NOT LIKELY TO EASE. THE CONSERVATIVES WILL SEE ANY MOVE BY THE KHUKRIT GOVERNMENT TO AVOID PROSECUTING THE ACTIVISTS AS FURTHER EVIDENCE OF THE GOVERNMENT'S WILLINGNESS TO PLACATE DEMONSTRATORS AT THE EXPENSE OF LAW AND ORDER." LEFTISTS ARE LIKELY TO SEE REOPENING OF THE CASE AS A SHARP MOVE TOWARD THE RIGHT BY THE GOVERNMENT AND WILL MOVE QUICKLY TO OPPOSE IT.4

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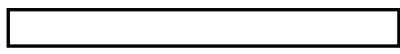
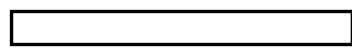
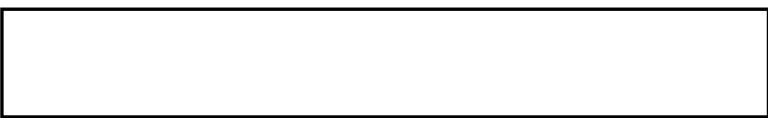
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ORGANIZATION HAVE AGREED TO HOLD A COUNCIL MEETING IN NEW YORK ON SEPTEMBER 24 AT WHICH THE DISSOLUTION OF THE ORGANIZATION IS EXPECTED TO BE DISCUSSED. THAI FOREIGN MINISTER CHATCHAI CHUNHAWAN WILL CHAIR THE CONFERENCE. INDICATIONS ARE THE SEATO WILL BE GRADUALLY PHASED OUT OVER A TWO- OR THREE-YEAR PERIOD, ALTHOUGH THERE MAY BE SOME PRESSURE TO DISSOLVE THE ORGANIZATION SOONER. THE MANILA TREATY WILL PROBABLY BE RETAINED AND THE NONMILITARY SEATO FUNCTIONS TRANSFERRED TO OTHER ORGANIZATIONS.

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1. ISRAEL-SYRIA: THE ISRAELI PRESS IS SPECULATING ABOUT THE POSSIBILITY THAT TEL AVIV MAY MAKE LIMITED CONCESSIONS TO DAMASCUS ON THE GOLAN HEIGHTS ISSUE IF ANOTHER INTERIM AGREEMENT WITH EGYPT IS CONCLUDED. PRESS COMMENTATORS SUGGEST THAT THE ISRAELI GESTURE WOULD BE INTENDED TO MEET US DESIRES TO HAVE SOMETHING FOR PRESIDENT ASAD TO GO WITH AN ISRAELI-EGYPTIAN ACCORD.4

THE PRESS GIVES NO INDICATION, HOWEVER, THAT THE GOVERNMENT IS PREPARED TO ALTER ITS BASIC NEGOTIATING POSITION THAT NO MAJOR ISRAELI PULLBACK IS POSSIBLE ON THE GOLAN IN THE ABSENCE OF A FINAL PEACE TREATY WITH SYRIA.4

THE COLUMNISTS INDICATE THAT TEL AVIV HAS IN MIND ONLY "COSMETIC" CHANGES ON THE GOLAN, EITHER AS A UNILATERAL GESTURE IN CONNECTION WITH THE IMPLEMENTATION OF A NEW SINAI AGREEMENT OR AS THE RESULT OF NEGOTIATIONS WITH SYRIA. THE CHANGES COULD TAKE THE FORM OF SOME MINOR ADJUSTMENTS IN THE PRESENT DISENGAGEMENT LINE, FOR INSTANCE, TO ENABLE THE SYRIANS TO REPOPULATE MORE EASILY SOME

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OF THE VILLAGES IN THE AREA.4

RECENT STATEMENTS BY DEFENSE MINISTER PERES THAT THE GOVERNMENT IS READY TO RENEW NEGOTIATIONS WITH SYRIA FOR AN INTERIM AGREEMENT, PROVIDED THIS DID NOT LEAD TO THE REMOVAL OF A SINGLE JEWISH SETTLEMENT ON THE GOLAN, SUPPORT THIS VIEW. SOME OF THE SETTLEMENTS ARE VERY CLOSE TO THE DISENGAGEMENT LINE.4

PERES' CONDITION HOLDS OUT LITTLE HOPE THAT NEGOTIATIONS FOR AN INTERIM AGREEMENT WOULD BE SUCCESSFUL. PRIME MINISTER RABIN, FOR THIS VERY REASON, IS KNOWN TO FAVOR NEGOTIATIONS ONLY FOR A FINAL PEACE TREATY.4

THE INCREASED PRESS ATTENTION NOW GIVEN THE GOLAN ISSUE IN ISRAEL SUGGESTS, HOWEVER, THAT THE ISRAELIS ARE BECOMING MORE AWARE THAT SYRIAN DEMANDS MUST SOMEHOW BE CONSIDERED IN THE PRESENT NEGOTIATING PROCESS. MANY ISRAELIS WILL, IN FACT, SUSPECT THAT PERES' STATEMENTS AND THE GROWING MEDIA COVERAGE ARE PART OF A GOVERNMENT CAMPAIGN TO PREPARE THE PUBLIC FOR AN EARLY RESUMPTION OF TALKS ON THIS ISSUE.

2. INDIA: A MEMBER OF PRIME MINISTER GANDHI'S LEGAL DEFENSE

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STAFF SAYS HER GOVERNMENT IS FORMULATING PLANS TO REDUCE SIGNIFICANTLY THE POWERS OF THE JUDICIARY. THE POWER OF JUDICIAL REVIEW REPORTEDLY WILL BE FURTHER CURTAILED, AND ADMINISTRATIVE COURTS ON THE FRENCH MODEL ESTABLISHED TO HANDLE ECONOMIC AND ADMINISTRATIVE CASES, WHICH CONSTITUTE THE BULK OF THE JUDICIARY'S BUSINESS.4

THE REVISIONS ARE EXPECTED SOMETIME AFTER THE SUPREME COURT DECIDES ON THE VALIDITY OF THE RECENTLY ENACTED CONSTITUTIONAL AMENDMENT THAT RETROACTIVELY PLACES A PRIME MINISTER'S ELECTION TO PARLIAMENT OUTSIDE THE JURISDICTION OF THE COURTS. ON AUGUST 25, FIVE MEMBERS OF THE SUPREME COURT, INCLUDING THE CHIEF JUSTICE, WILL BEGIN HEARINGS ON THE AMENDMENT. GANDHI MAINTAINS THAT THE AMENDMENT DOES NOT ALTER THE BASIC STRUCTURE OF THE CONSTITUTION AND THEREFORE IS VALID. IF THE COURT CONCURS, THE CASE AGAINST GANDHI FOR ELECTION VIOLATIONS IN 1971 WILL ALMOST CERTAINLY BE VOIDED IMMEDIATELY.4

ALTHOUGH FOUR OF THE FIVE JUSTICES WHO WILL RULE ON THE CONSTITUTIONALITY OF THE DISPUTED AMENDMENT APPEAR TO FAVOR GANDHI, THE COURT IS SENSITIVE ABOUT ITS INDEPENDENCE AND MAY PROLONG THE

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HEARINGS BEYOND THE ANTICIPATED TWO WEEKS OR EVEN RULE AGAINST
 HER. IN THE EVENT OF AN ADVERSE RULING, GANDHI MAY ONCE AGAIN TURN
 TO PARLIAMENT, WHICH IS SUBSERVIENT TO HER, TO SECURE HER
 POSITION. SHE MIGHT, FOR EXAMPLE, CONVERT IT INTO A CONSTITUENT
 ASSEMBLY THAT WOULD MAKE MAJOR CHANGES IN THE GOVERNMENTAL STRUCTURE,
 INCLUDING THE ESTABLISHMENT OF A LESS POWERFUL JUDICIARY. GANDHI
 INSISTS THAT PARLIAMENT SHOULD HAVE SUPREMACY OVER THE COURTS,
 ARGUING THAT LEGISLATORS REPRESENT A MAJORITY OF THE PEOPLE, WHILE
 THE JUDICIARY SPEAKS ONLY FOR A PRIVILEGED MINORITY.

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1. PORTUGAL: ~~XXXXXXXXXX~~ AN APPARENT LAST-MINUTE EFFORT BY CONTENDERS IN THE PORTUGUESE POWER STRUGGLE TO LINE UP MILITARY SUPPORT HAS SET OFF A WAVE OF RUMORS IN LISBON THAT A COUP IS IMMINENT. THE POWER STRUGGLE COULD JUST AS WELL DEGENERATE INTO CLASHES BETWEEN MILITARY UNITS BACKING RIVAL IDEOLOGICAL APPROACHES.4

THERE WERE REPORTS THURSDAY NIGHT THAT A MILITARY ALERT HAS BEEN DECLARED IN COIMBRA, HEADQUARTERS OF THE CENTRAL MILITARY REGION. SOME HIGH-RANKING MILITARY LEADERS, INCLUDING GENERAL OTELO DE CARVALHO AND ARMY CHIEF OF STAFF FABIAO, MET IN COIMBRA THURSDAY IN WHAT COULD HAVE BEEN A STRATEGY SESSION. THE COMMUNIST PARTY, WHICH MAY HAVE GOTTEN WIND OF THESE OR OTHER DEVELOPMENTS IN THE MILITARY, CHARGED LAST NIGHT THAT THE CHANCE OF A RIGHT-WING MILITARY COUP HAS INCREASED.4

ON THURSDAY, PRESIDENT COSTA GOMES REPORTEDLY MET AGAIN WITH MELO ANTUNES, LEADER OF THE ANTI-COMMUNIST FACTION IN THE MILITARY, APPARENTLY TO DISCUSS FURTHER THE ULTIMATUM ANTUNES

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AND CARVALHO PRESENTED THE PRESIDENT FOR THE REMOVAL OF PRIME MINISTER GONCALVES. ACCORDING TO PRESS REPORTS, ANTUNES TOLD COSTA GOMES THAT ANY MILITARY MOVE TO KEEP GONCALVES IN POWER COULD BE DEFEATED IN A MATTER OF HOURS. SO FAR, COSTA GOMES HAS GIVEN NO INDICATION OF HOW HE WILL RESPOND.4

THE PRIME MINISTER VOWED AGAIN ON THURSDAY THAT HE WOULD FIGHT TO THE END TO RETAIN POWER. IN FACT, HE SEEMS TO HAVE PICKED UP SOME SUPPORT WITHIN THE ARMED FORCES. THE NAVY REPRESENTATIVE ASSEMBLY VOTED [REDACTED] TO CONTINUE BACKING ILLEGIB THE PRESENT GOVERNMENT. IT COUPLED THIS ACTION WITH A STATEMENT OF SUPPORT FOR THE POLITICAL ACTION PLAN DRAWN UP BY OFFICERS ASSOCIATED WITH CARVALHO.4

PRIME MINISTER GONCALVES' ARDENT SUPPORTERS IN THE COMMUNIST PARTY ARE BACKING AWAY. ON TUESDAY, PORTUGUESE COMMUNIST PARTY LEADER ALVARO CUNHAL CONCEDED AT A PRESS CONFERENCE THAT THE GONCALVES GOVERNMENT DOES NOT HAVE THE NECESSARY SUPPORT AND SAID THE COMMUNISTS ARE PREPARED TO CONSIDER ALTERNATIVES.4

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GONCALVES' OUSTER WOULD BE THE MOST SERIOUS OF MANY BLOWS FOR THE COMMUNISTS IN RECENT WEEKS. CUNHAL SAID HE BELIEVES MILITARY OFFICERS FAVORING THE COMMUNISTS WILL NOW BE PURGED, A PROCESS THAT HAS ALREADY BEGUN, AND THAT THE ARMED FORCES MOVEMENT, WHICH THE COMMUNISTS HAVE EXPLOITED SO EFFECTIVELY, MAY NO LONGER HOLD THE BALANCE OF POLITICAL POWER. CUNHAL ADDED THAT THE ARMED FORCES COULD "QUICKLY BECOME AN INSTRUMENT OF COUNTERREVOLUTION." HE IMPLIED THAT THEY COULD TURN THEIR GUNS AGAINST THE COMMUNISTS.4

2. ITALY: ITALIAN GOVERNMENT AND PARTY LEADERS ARE STILL GRAPPLING WITH THE CONSEQUENCES OF THE COMMUNIST PARTY'S UNPRECEDENTED GAINS IN THE REGIONAL AND LOCAL ELECTIONS IN JUNE. THE MAIN CONTROVERSY CENTERS ON THE CONTINUING TREND TOWARD CLOSER RELATIONS BETWEEN THE COMMUNISTS AND THE SOCIALIST PARTY, WHICH IS PLEDGED TO SUPPORT THE MORO GOVERNMENT IN PARLIAMENT.4

SINCE THE ELECTIONS, THE SOCIALISTS HAVE SHOWN A CLEAR PREFERENCE FOR ALLIANCE WITH THE COMMUNISTS IN THE NEW REGIONAL

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AND LOCAL GOVERNMENTS. THE SOCIALISTS, WHO GAINED MODERATELY IN THE ELECTIONS, NOW SHARE POWER WITH THE COMMUNISTS IN MOST MAJOR ITALIAN CITIES, 5 OF THE 20 REGIONS, AND NEARLY A THIRD OF THE 94 PROVINCES.4

SOCIALIST LEADER DE MARTINO HAS REBUTTED CRITICISM FROM THE OTHER PARTIES THAT PARTICIPATE IN OR SUPPORT THE MORO GOVERNMENT--THE CHRISTIAN DEMOCRATS, SOCIAL DEMOCRATS, AND REPUBLICANS--BY MAINTAINING THAT HE IS AGAINST A SOCIALIST-COMMUNIST COALITION AT THE NATIONAL LEVEL. SUCH AN ALLIANCE WOULD NOT CONTROL A MAJORITY IN THE PRESENT PARLIAMENT, BUT THAT COULD CHANGE AFTER THE NEXT NATIONAL ELECTION, WHICH MUST BE HELD NO LATER THAN 1977.4

DE MARTINO DREW ADDITIONAL FIRE FROM THE OTHER PARTIES LAST WEEK BY SIGNING A JOINT COMMUNIQUE WITH COMMUNIST CHIEF BERLINGUER ON THE SITUATION IN PORTUGAL. THE COMMUNIQUE CALLED FOR A POLITICAL AGREEMENT IN PORTUGAL BETWEEN THE "DEMOCRATIC" PARTIES--INCLUDING THE COMMUNISTS--AND THE ARMED FORCES MOVEMENT.4

THE FACT THAT DE MARTINO ASSOCIATED HIMSELF IN A JOINT

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STATEMENT WITH BERLINGUER DREW MORE CRITICISM THAN THE DOCUMENT ITSELF. ALTHOUGH THE COMMUNISTS AND SOCIALISTS HAVE CONSULTED DISCREETLY ON POLICY MATTERS IN RECENT YEARS, THEY HAVE NOT ISSUED JOINT COMMUNIQUE'S SINCE THE DISSOLUTION OF THEIR COMMON "FRONT" IN 1957.4

BERLINGUER, FOR HIS PART, SCORED A MAJOR GAIN BY SIGNING A JOINT DOCUMENT ON A FOREIGN POLICY ISSUE WITH A PARTY THAT HAS PARTICIPATED IN MORE ITALIAN GOVERNMENTS FOR MORE THAN A DECADE. THAT WILL HELP HIM DEFLECT THE RENEWED CRITICISM HE HAS COME UNDER AS A RESULT OF HIS PARTY'S RECENT SIGNING OF A JOINT COMMUNIQUE ON PORTUGAL WITH THE SOVIETS THAT SEEMED TO GIVE STRONGER SUPPORT TO THE PORTUGUESE COMMUNISTS THAN BERLINGUER HAS IN THE PAST. ON MANY OCCASIONS, HE HAS PUBLICLY STATED HIS DISAPPROVAL OF PORTUGUESE COMMUNIST STRATEGY.4

DE MARTINO, ON THE OTHER HAND, WILL BE ABLE TO POINT TO THE LESS-THAN-REVOLUTIONARY LANGUAGE IN THE DOCUMENT HE SIGNED WITH BERLINGUER TO SUPPORT HIS ARGUMENT THAT ITALY'S COMMUNISTS ARE DEVELOPING INTO A LEGITIMATE NATIONAL PARTY. THE SOCIALISTS

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HAVE USED THIS LINE TO HELP JUSTIFY GROWING COLLABORATION WITH THE COMMUNISTS.Y

THE SOCIALISTS, MEANWHILE, HAVE SPELLED OUT WHAT THEY REGARD AS A SUITABLE SUCCESSOR TO THE MORO GOVERNMENT, WHICH IS ALMOST CERTAIN TO BE REPLACED BEFORE THE END OF THE YEAR. ALTHOUGH STILL OPPOSED TO GIVING THE COMMUNISTS ANY CABINET POSITIONS, THE SOCIALISTS DESIRE AN ARRANGEMENT THAT WOULD ALLOW THE COMMUNISTS TO PARTICIPATE INDIRECTLY.Y

LAST WEEK, THE SOCIALISTS POINTED TO THE REGIONAL ADMINISTRATIONS IN LOMBARDY AND CAMPANIA AS MODELS FOR THE NEXT NATIONAL GOVERNMENT. ALTHOUGH THE COMMUNISTS ARE EXCLUDED FROM THE CENTER-LEFT GOVERNMENT [REDACTED] 25X1 [REDACTED] FORMED BY THE CHRISTIAN DEMOCRATS AND SOCIALISTS IN THOSE AREAS, THE TWO PARTIES HAVE AGREED TO NEGOTIATE FORMALLY WITH THE COMMUNISTS ON THE REGIONAL LEGISLATIVE PROGRAM [REDACTED]

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3. SPAIN: THE MEETINGS GENERAL FRANCO IS HOLDING THIS WEEK WITH HIS DESIGNATED SUCCESSOR, PRINCE JUAN CARLOS, HAVE SPARKED SPECULATION THAT AN IMPORTANT POLITICAL ANNOUNCEMENT MAY BE MADE

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AFTER THE CABINET MEETING ON FRIDAY.4

FRANCO HAS GIVEN NO INDICATION THAT HE IS READY TO TURN OVER HIS POWERS TO THE PRINCE, THOUGH RUMORS OF SUCH A MOVE CROP UP PERIODICALLY. THERE IS A WIDE RANGE OF OTHER POSSIBLE TOPICS FOR THE TALKS BETWEEN THE TWO, INCLUDING:

--POSSIBLE CABINET CHANGES; RIGHTISTS REPORTEDLY HAVE BEEN PRESSING FOR THE REPLACEMENT OF PRIME MINISTER ARIAS, WHO WAS DAMAGED POLITICALLY BY FRANCO'S RECENT APPOINTMENT OF JOSE SOLIS RUIZ AS MINISTER SECRETARY GENERAL OF THE NATIONAL MOVEMENT.4

--COUNTERTERRORIST MEASURES; TOUGH NEW REGULATIONS ARE PLANNED THAT ARE LIKELY TO DRAW A HOSTILE REACTION FROM SPAIN'S EUROPEAN NEIGHBORS.4

--RECENT MILITARY ARRESTS; SOME OF THOSE ARRESTED REPORTEDLY WERE CLASSMATES OF THE PRINCE AT THE MILITARY ACADEMY.

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4. USSR CSCE: THE SOVIETS HAVE ISSUED AN AUTHORITATIVE INTERPRETATION OF CSCE THAT, NOT SURPRISINGLY, REASSERTS CONCEPTS THEY STRESSED IN THE GENEVA NEGOTIATIONS.4

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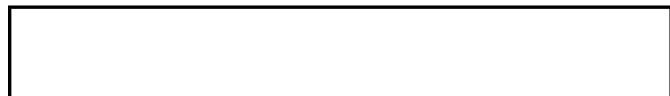
IN A PRAVDA ARTICLE ON AUGUST 20, THE SOVIETS ACKNOWLEDGE THAT THE TEN AGREED PRINCIPLES OF INTERSTATE RELATIONS ARE EQUAL, BUT THEY PUT SPECIAL STRESS ON THE PRINCIPLE OF INVIOABILITY OF FRONTIERS. PRAVDA DISPUTES CLAIMS THAT THE PRINCIPLE, WHICH WAS A CENTRAL SOVIET OBJECTIVE DURING THE NEGOTIATIONS, BENEFITS THE EAST MORE THAN THE WEST, ARGUING THAT IT IS VITAL FOR ALL THE NATIONS OF EUROPE.4

THE ARTICLE GIVES LOW PRIORITY TO CONFERENCE PROVISIONS CONCERNING HUMAN CONTACTS. IT SEEMS TO IMPLY THAT IMPROVEMENTS IN THESE AREAS WILL RESULT FROM, RATHER THAN ADVANCE, DETENTE. DURING THE NEGOTIATIONS, THE SOVIETS WERE UNABLE TO GET WORDING TO THIS EFFECT INCORPORATED IN THE CONFERENCE DOCUMENT. THE ARTICLE ALSO OBSERVES THAT COOPERATION IN THE FIELD OF HUMAN CONTACTS MUST BE SUBJECT TO THE "LAWS AND TRADITIONS OF EACH STATE"—ANOTHER FORMULATION THE SOVIETS TRIED, BUT FAILED, TO HAVE INSERTED IN THE FINAL TEXT.4

A MAJOR PURPOSE OF THE ARTICLE SEEMS TO BE TO DISABUSE THE SOVIETS' DOMESTIC AUDIENCE OF ANY NOTION THAT PUBLICATION OF THE

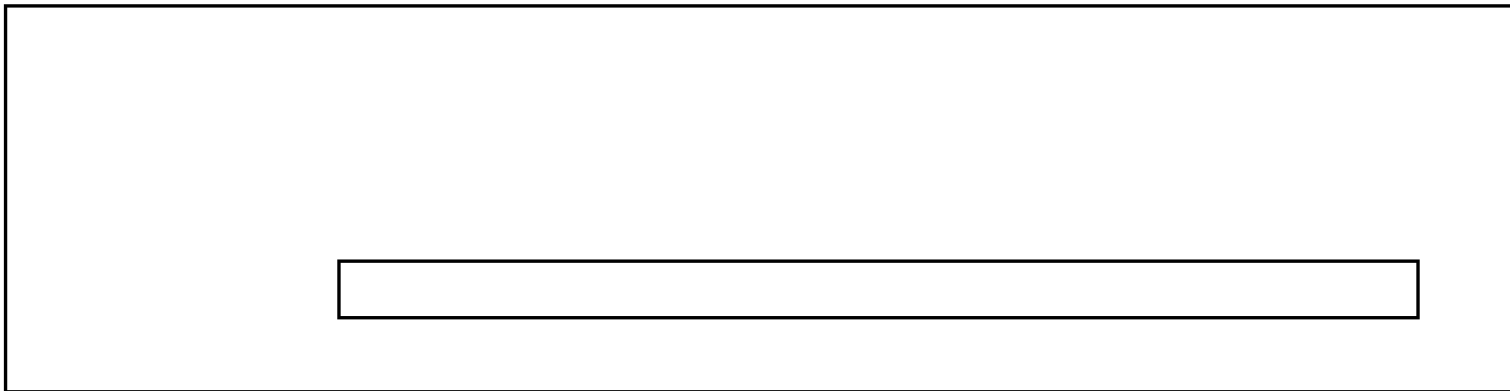
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FULL TEXT OF THE CONFERENCE DOCUMENT IN PRAVDA AND ASSERTIONS BY BREZHNEV AND OTHERS THAT MOSCOW WOULD FULFILL ITS CONFERENCE OBLIGATIONS MEANS THAT THE CONFERENCE WILL LEAD TO MEANINGFUL CHANGE IN THEIR DAILY LIVES.



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