

forced to expand the membership of Frelimo's executive committee to pacify his rivals.

**PIDE's Death List.** Now Frelimo faces another severe internal struggle to choose Mondlane's successor. The leading contenders are Rev. Uria Simango, Mondlane's bearded vice president, and Marcelino dos Santos, his external affairs minister. Simango leans toward Peking, dos Santos toward Moscow, and a prolonged struggle between them could damage Frelimo severely. Nothing, of course, would please Portugal (and PIDE) more, and some Frelimo spokesmen believe that PIDE is behind a plot to wipe out the front's leadership. Certainly, Frelimo leaders have an undisputed penchant for dying of unnatural causes. Only six weeks ago, the deputy chief of Frelimo's armed forces in Mozambique was shot dead under mysterious circumstances, and the murder two years before of a close Mondlane associate has never been solved. Simango himself is said to be on PIDE's death list.

In Lisbon, the controlled Portuguese press blamed Mondlane's murder on the "extreme left-wing faction," but skeptics doubted that version. A source close to Premier Marcello Caetano's government made no secret of his feeling that Mondlane was "a moderate, a man we could eventually talk to, and his disappearance is a loss." In black Africa, the press hailed Mondlane as an outstanding liberation leader, and Tanzanian President Julius Nyerere said that "the best way of crying for him is to increase our efforts for the liberation of Africa." As far as Frelimo goes, at any rate, those efforts have been badly damaged by Mondlane's murder.

## PERU

### Challenging the U.S.

Peru seems headed toward a major diplomatic showdown with the U.S. that could produce serious repercussions throughout South America. It is a highly paradoxical crisis that neither side really wants—or can avoid. The dispute centers on a Standard Oil of New Jersey subsidiary, International Petroleum Co., whose Peruvian oilfields and refinery were seized last October by the country's new military regime, headed by General Juan Velasco Alvarado. The pretext: that I.P.C. years ago had illegally acquired its oil concession in Peru.

Aware of the highly charged nationalistic feelings involved in the I.P.C. case, the U.S. asked only that the junta pay Standard Oil a fair price for I.P.C.'s properties (Peru's Supreme Court had earlier set the figure at \$142 million). If it does not, as the Peruvians well know, the U.S. would be forced under the provisions of the Hickenlooper Amendment to suspend its economic aid to Peru within six months after the seizure unless promising negotiations for equitable compensation

are under way. At present, U.S. aid amounts to \$34 million a year plus another \$45 million in preferential purchases of Peruvian sugar.

Last week, in a highly emotional television and radio address, General Velasco virtually foreclosed any possibility of a negotiated settlement. In an obvious bid to win the support of other nationalist army officers and businessmen, Velasco asserted that I.P.C. owes Peru \$690.5 million for all the oil that it has pumped from Peruvian soil. To recover at least a part of that sum, representing I.P.C.'s entire gross sales for the past 44 years, Velasco plans to auction off the company's properties within the next 40 days.

**Left Face.** Velasco and his colleagues appear to be committed to a collision course. They can hardly back down from such an extreme stand without to-



GENERAL VELASCO ADDRESSING NATION  
Committed to a collision.

tally losing face in Peru. After all, they overthrew President Fernando Belaúnde Terry largely because he failed to execute an outright takeover of I.P.C., settling on a compromise instead. In his speech, Velasco defiantly declared that Peru was willing to accept the consequences of its actions and denounced the impending application of the Hickenlooper Amendment as "economic aggression." In addition, Velasco appealed to other Latin American countries to support Peru in its confrontation with the U.S. because "if they do not demonstrate firmness and unity, tomorrow other countries will succumb to [U.S.] economic pressure."

In a transparent maneuver, the Peruvian generals have tried to prevent the U.S. from applying the Hickenlooper Amendment by doing an abrupt left face in their foreign policy. In the past four months, Lima's military regime has established diplomatic or commercial re-

lations with Rumania, Yugoslavia, Czechoslovakia and Poland. Two weeks ago, the Peruvians agreed to exchange ambassadors with the Soviet Union, leaving only three South American countries (Bolivia, Paraguay and Venezuela) that do not have diplomatic ties with Russia.

**Unlikely to Be Lost.** Sensing an opening, the Soviets immediately dispatched a five-man economic mission to Lima with promises of economic aid and help in running Peru's oil industry. It is an open question exactly how much aid the Soviets could render, but their apparent willingness to help Peru has spurred Ecuador to invite the Soviet mission to drop by for talks and has caused Bolivia to take a more active interest in Soviet offers.

Other South Americans are closely watching the events in Peru. Five of the continent's major countries are ruled by military regimes of various types that tend to emulate one another. If the Peruvians, aided by the Soviets, are able to exert their independence of the U.S. and get away with it, their example is unlikely to be lost on the other generals who today rule more than three-quarters of South America's people.

## BRAZIL

### Annual Vibrations

*Carnaval*, as everyone knows, is the time when Brazil plunges into the world's biggest binge, a wild four-day pageant driven by the intoxicating beat of the samba. There are no politics to *carnaval*, and no Brazilian government—however tough-minded—would dare deny its people their great annual excursion into fun and fantasy (see box following page). Yet there is a slightly unreal air to Brazil this week, as *carnaval* dances toward its pre-Lent climax. Since the military crackdown last December, Brazilians have had to put up with a tough, moralistic, even prudish regime. While revelers are putting the final touches on their colorful *fantasias*, the stunning costumes that give *carnaval* its color, the dour government of President Arthur da Costa e Silva continues its purges and its arrests. Scores of Brazilians are in jail, and some will sit out *carnaval* in virtual exile, on the lonely island of Ilha Grande, 70 miles off the coast.

**Stand-by Alert.** On the surface, it hardly seems to matter. Along Avenida Rio Branco in Rio de Janeiro large stylized figures decorate the curbs, bird cages in their outstretched hands. Huge, brightly colored sunflowers float above the traffic amid a profusion of plastic hummingbirds, cardinals and canaries. "Mother's Heart," an outsized paddy wagon so named "because there is always room for one more," is on stand-by alert—although the cops will haul away only the rowdiest of *carriocas*.

There are really two festivals, one for the rich and another for the poor. For the poor, *carnaval* takes place in