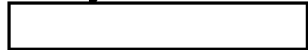
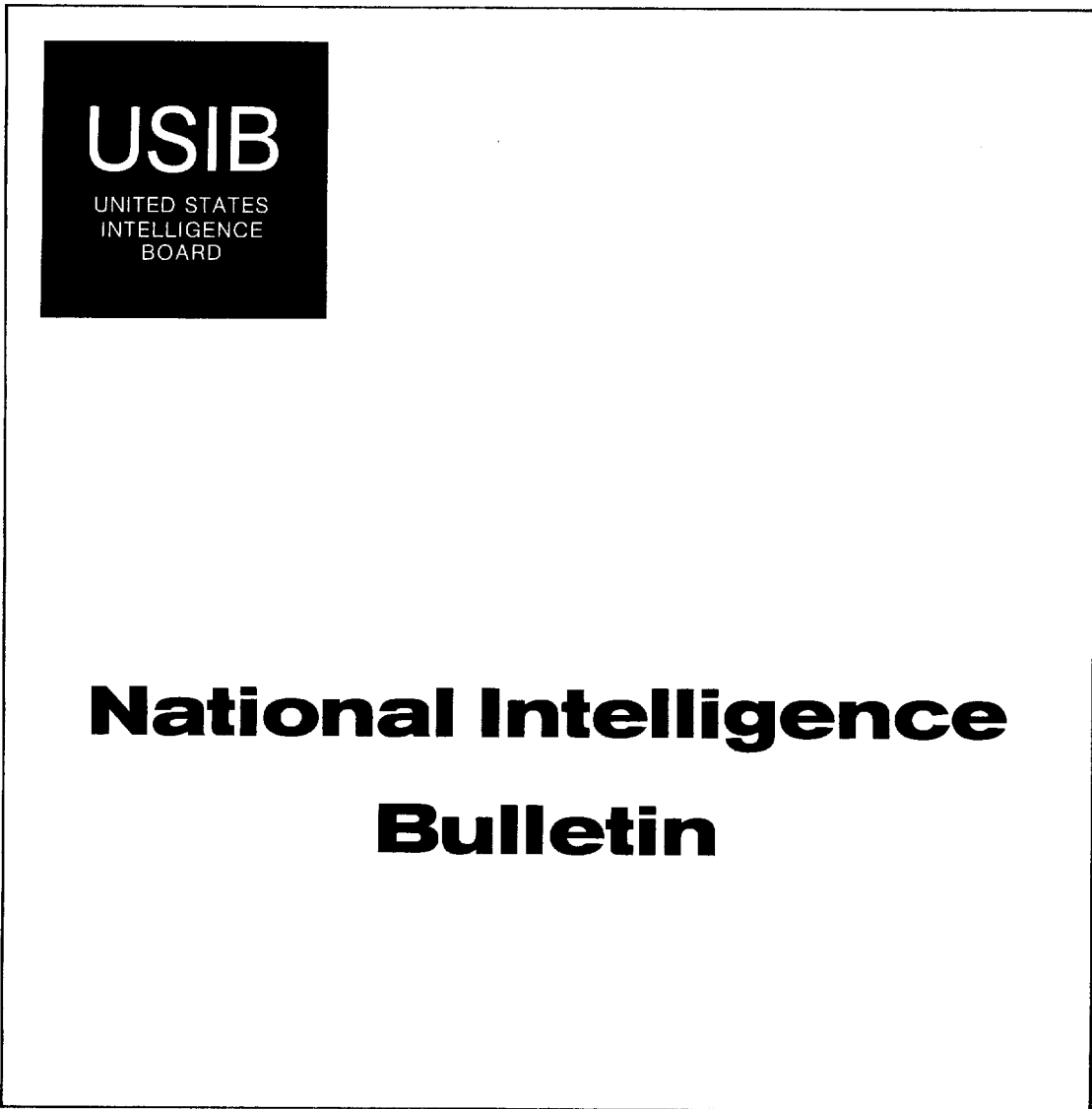


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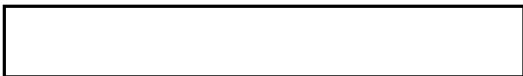
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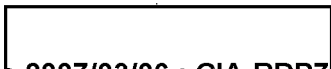
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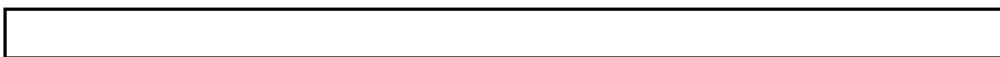
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PORTUGAL

The General Assembly's announcement on Monday that it will seek links with "popular organizations" is bringing pressure on the Socialists to back down from their challenge of the ruling Armed Forces Movement. The details of the assembly proposal are to be ironed out by a working group, and debate within the military on this issue is probably not over; in any case, it will take considerable time to put the proposal into effect.

The Socialists, who have used the issue of the seizure of their newspaper *Republica* to test the Movement's commitment to democratic forms, may have overestimated the leverage they gained from their election victory last month. Even moderate officers appear to have gone along with blaming the Socialists for the current political situation. For some moderates such a position may be self-serving, but many probably genuinely believe the Socialists have pushed too fast and too hard.

The Socialists evidently believe they have a choice—either back down, encouraging the Communists, or quit the government, leaving the field to the Communists. No decision, they said, will be made until another round of discussions is held with the leading military figures later this week. On the other hand, a favorable decision on the *Republica* issue may give them a way out.

Socialist leader Soares, meanwhile, has been in Paris seeking support from several West European Socialist parties. In a *Le Monde* interview, Soares pointed to the contradiction between the Brezhnev policy of detente and the Stalinist attitude of the Portuguese Communists.

Soares confirmed that he had met with Spanish Communist leader Carrillo to discuss the "common problems of socialism and democracy." The Spanish Communists, along with the Italian Communists, have found that events in Portugal are hurting their own efforts to pose as responsible parties that can work within a democratic framework.

The Portuguese Communists have paid little heed to the problems they are causing other European Communists. The Communists are saying they are the vital link between the Armed Forces Movement and the people. The Communists have called for a demonstration, which they describe as supporting the Movement. The demonstration, set for today, will coincide with the beginning of shore leave in Lisbon for US and other NATO ship crews who have been on maneuvers off the Portuguese coast.

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LEBANON

Lebanese President Franjiyah yesterday completed consultations with leaders of the country's several political and religious factions in preparation for designating a new prime minister. According to press reports from Beirut, he may announce his choice this morning.

The new government may be composed primarily of persons not members of parliament, according to reports reaching the US embassy. Representatives of extremist right- and left-wing political parties presumably would be excluded to provide the cabinet a neutral image less likely to elicit partisan criticism.

The Phalangists would probably tolerate such a cabinet, pending evidence of its ability to restore civil order. Phalangist leaders are in a weak position to demand more; their preferred solution—the military cabinet—met with overwhelming opposition from all Muslim and even some Christian groups.

Lebanese leftists and the fedayeen would endorse such a cabinet if it were headed by a prime minister acceptable to them and to Syria. Sunni Muslim leader Rashid Karami, who is scheduled to meet with President Franjiyah today, is still the front runner and would meet these requirements.

Scattered small-arms fire continued in several parts of Beirut yesterday, but the city was quieter than at any time in the past week. Authorities claim to have arrested a number of snipers from far-left groups attempting to spark new violence, and have called on all government employees to return to work this morning. The general strike proclaimed by leftist groups on May 24 has been suspended.

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LAOS

After several days of very difficult negotiations with Pathet Lao government ministers and communist-inspired demonstrators, the US charge has reached an agreement to end the week-long occupation of the USAID and defense attache compound in Vientiane. US officials hope to reoccupy the compound today and release the two US Marine guards and one American civilian who have been barricaded inside since the disturbances began.

We have received the official text of the agreement, and its provisions include:

- the withdrawal of most demonstrators from inside the compound, except for a small "protest committee"—ostensibly composed of Lao employees of USAID—who are to continue "working in a normal manner";
- the stationing of students and "mixed police" outside the entrances to the compound to maintain security and to "observe";
- "guarantees" by the "protesting group" not to threaten or physically harm Americans or other USAID employees regardless of nationality;
- reentry of essential American and third-country-national USAID officials and employees into the compound to begin the phase-down and termination of USAID operations;
- payment of the back wages of Lao employees of USAID and agreement to keep them on the payroll until operations cease.

The agreement also formalizes the previously announced US intention to dissolve USAID, to withdraw all of its American personnel, and to turn over all USAID equipment and facilities to the Lao government (consistent with the terms of past bilateral assistance pacts) no later than June 30, 1975.

The charge finalized negotiations on the agreement at considerable personal risk. He was forced to shuttle between the US embassy and the coalition's Economics Ministry for eleventh-hour dealings with chief minister Soth Phetrasy—a Pathet Lao member and main go-between with the demonstrators. Approximately 150 to 200 unruly student demonstrators, including a student "commando" unit, had gathered outside the ministry. The students threatened that if no agreement on the USAID compound was reached, they would destroy the charge's car, hold him hostage, and move on to "destroy" another US government installation in Vientiane. Even after the agreement was consummated, student protesters threatened to kill the charge and other US officials in the event that it subsequently unravels.

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Elsewhere in Vientiane, looters remained on the rampage at the large US residential housing complex in the capital's northern suburbs and at Wattay airport, where the household effects of many departing Americans are temporarily stored. Pathet Lao "security guards" at both sites made no effort to intervene.

The Pathet Lao have beefed up their military contingents at both installations. At least one Pathet Lao combat battalion is reported to be camped along the main runway at Wattay, and a number of 23-mm. and 37-mm. antiaircraft artillery pieces now ring the airfield. Meanwhile [redacted] 60 Pathet Lao combat troops and several field guns have been positioned near the entrance to the American housing compound north of Vientiane. A maximum effort will be made today to complete the evacuation of the estimated 80 or so Americans still in the compound.

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After some prodding from the US embassy, the local diplomatic corps in Vientiane has finally bestirred itself and joined in trying to pressure Pathet Lao Deputy Prime Minister Phoumi Vongvichit to call off or at least moderate the current round of anti-American demonstrations. Over the past few days, the Soviet, French, British, Australian, and Indian ambassadors have made diplomatic representations to Phoumi.

According to several of his Western diplomatic colleagues, Soviet Ambassador Vdovine cautioned Phoumi that the communist-dominated coalition was playing a dangerous game, and that its actions were risking a break in relations with the US and every other Western country with an embassy in Vientiane. [redacted]

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SPAIN

Ultrarightists are using the issue of continued unrest in the Basque provinces to renew their demands for the removal of Prime Minister Arias.

Ultraright opposition actions spread last week to Madrid, where a memorial mass for victims of Basque terrorism—including several policemen—concluded with a march to police headquarters to express disapproval of Arias' handling of Basque unrest and his alleged tolerance of Basque separatist activities. Leaflets urging Arias to step down were circulated, including one that alluded to President Ford's visit to Madrid this weekend by calling for a leader who would be representative of the people and who would "defend the bases." The police made no effort to halt the demonstration.

The ultraright is trying to exploit popular revulsion to the killing of policemen to further its goal of ousting the Prime Minister, who is identified with the drive to liberalize the political system. The rightists are not likely to succeed in having Arias removed now, but they probably believe they can induce Prince Juan Carlos to choose another prime minister when he succeeds Franco.

The government is resorting to tougher countermeasures to deal with the unrest. Last week, Madrid ordered a domestic news blackout on all but official reporting from the two Basque provinces where a state of emergency was imposed last month. The ban followed reports of widespread arrests and mistreatment of political suspects and was intended to prevent antiregime elements from exploiting the government's problems with the Basques.

The lines are being drawn on the issue of public order. The commanding general of the sixth military region, during a visit to security forces in the Basque area, pointedly told the police that the army is behind them but noted that it is the police, not the army, that is entrusted with maintaining public order. The Spanish bishops' conference has issued a statement repudiating violence in terms that make it clear that violence, even in the name of public order, is unacceptable.

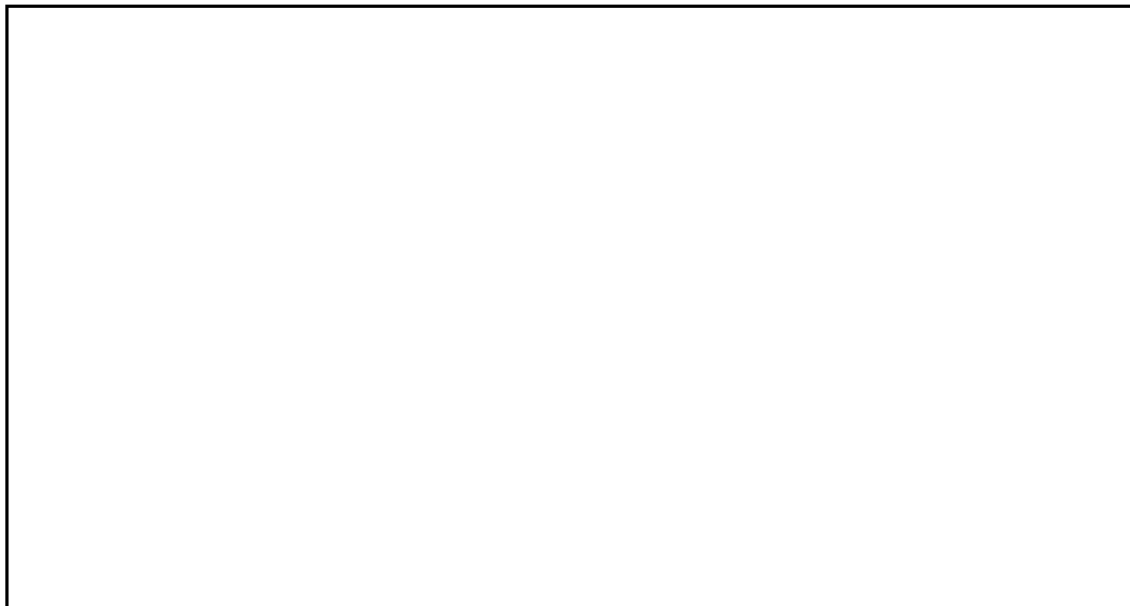
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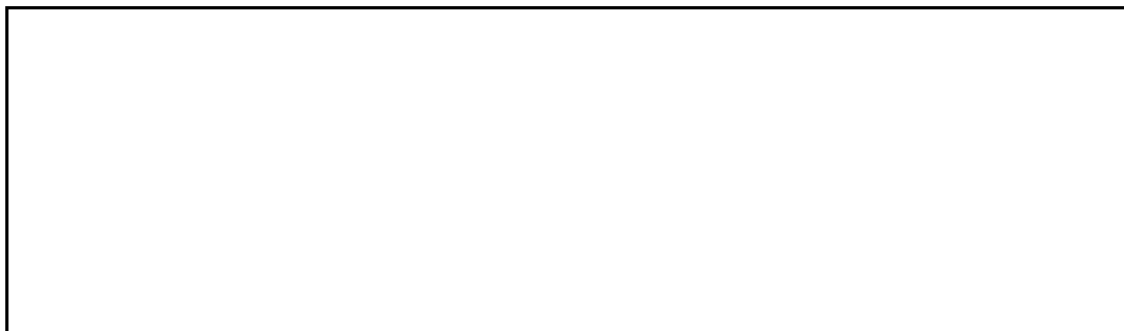
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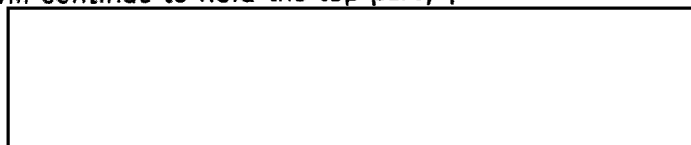


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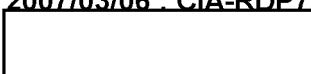
Czechoslovakia: The Czechoslovak party Central Committee yesterday named party chief Gustav Husak to succeed President Ludvik Svoboda, who has been ailing for more than a year. Husak's "election" will be formalized at a meeting of the Federal Assembly today. He will continue to hold the top party post at least until the party congress next spring.



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