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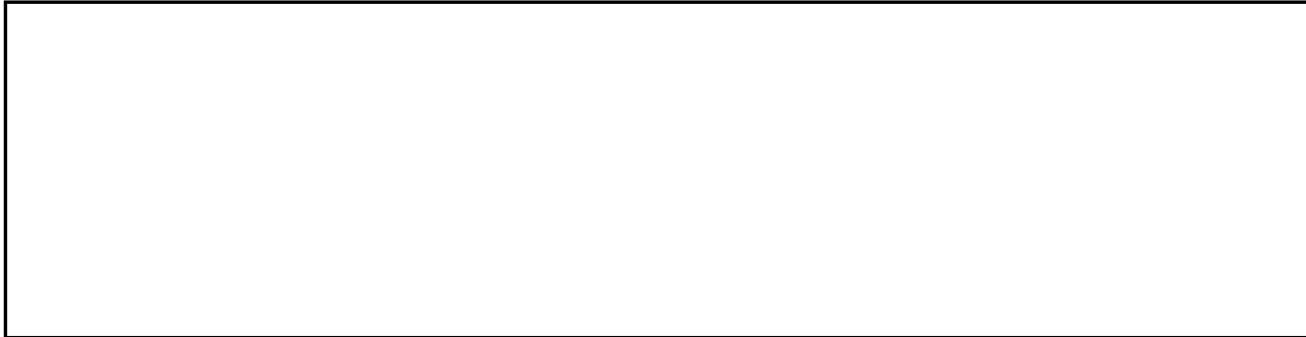
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Portuguese Ruling Triumvirate Unlikely to  
Resolve Differences

The formation of the executive triumvirate in Portugal is probably intended to bridge the three opposing currents in the ruling military, but it is more likely to increase the differences among them. The triumvirate is unlikely to repair the deep divisions in the country as a whole or to solve Portugal's critical domestic problems.

Differences between security chief Otelo de Carvalho and Prime Minister Goncalves--who appeared to emerge from the Armed Forces General Assembly deliberations on Friday in the strongest position--appear to be unbridgeable. This is probably also the case for Otelo and the third member of the triumvirate, President Costa Gomes, who appealed in the assembly meeting for a slowdown in the revolution because it was out of touch with the people.

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Reaction to the triumvirate from the Communists has been lukewarm at best, suggesting that they may be apprehensive about the elevation of Otelo--whom they have good reason to fear--to such a position of authority.

It must also be evident to the Communists not only that their future is linked with that of Goncalves, but also that the moderates--both in the military

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and in the democratic parties--are not ready to capitulate.

It is unclear what the next move by moderate military officers will be. Seeing that their effort to unseat Goncalves would fail in the radical-dominated assembly meeting, key moderate officers refused to attend, in spite of entreaties by Costa Gomes and others. Instead, they held their own meeting at the foreign ministry.



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Although a move by the moderates could come this week, their strategy may not be spelled out until Foreign Minister Antunes, who will accompany Costa Gomes to the European security conference in Helsinki, returns to Portugal.

Both the Socialists and the moderate leftist Popular Democratic Party have expressed opposition to the new triumvirate. The Socialists have sought to identify closely with the moderate, pro-Western remarks made by Costa Gomes during the assembly. Both the Socialists and the Popular Democrats have denounced the new governing body as illegal.

Socialist Party leader Soares yesterday called on President Costa Gomes to break away from the triumvirate and form a government. Soares said that only Costa Gomes could unify and save the nation from a radical leftist dictatorship. Soares spoke at a party rally in a northern port city.

The rally yesterday was peaceful, but a Socialist protest rally on Saturday night in Evora was attacked by the Communists, resulting in dozens of injuries.

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Portuguese troops were required to intervene as some 6,000 Socialists and Communists battled with clubs and rocks.

Catholics in the far northern town of Braganca defied the military yesterday by holding a rally protesting the seizure of the church radio.

The Popular Democrats were said to be planning a rally on the island of Madeira, which, according to one unconfirmed press account, is rumored to be considering a declaration of independence. Radio Lisbon reported yesterday that "reactionary forces" remain active on the island and that clashes between them and troops reportedly occurred Friday night.

The chances of the triumvirate winning some breathing space may become clearer when--and if--a new cabinet is announced, either today or tomorrow. Any respite seems likely to be brief, given the continuing turmoil in the country, the economic problems that are expected to come to a head in the next few weeks, and problems in the Azores and Angola.

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Norwegians Criticize US Oil Firm

The Norwegian government and labor organizations have launched a campaign for better working conditions and higher wages for employees of the US-owned Phillips petroleum corporation that is drilling in the Norwegian sector of the North Sea oil fields.

The campaign was triggered by sensational press coverage of a recently published government report critical of working conditions, employment security and safety on the Phillips oil rigs. The stories chided local unions for not defending adequately the plight of the "exploited" foreign workers. The unions subsequently joined the fray, and an interdepartmental committee was formed to study the situation and make recommendations.

Phillips' spokesmen defended the company's practices by pointing out that conditions were better for most foreign workers on the rigs than what they would encounter at home for similar work. Some workers, they said, even welcome the non-union scale which permits them to make more money in the long run by working longer hours. The oil company officials, opposing obligatory union membership for their workers, said the study was exaggerated. A Phillips spokesman admitted that safety could be improved, however, and offered to work with government experts on the problem.

As many as 750 British, Spanish, and Iranian workers could be affected by the dispute and by environmental legislation

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to be considered by the Norwegian parliament this fall. Talks between Phillips and the unions will probably lead to settlement of the dispute, but this is almost certain to increase the costs of exploiting Norway's off-shore oil deposits.

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EC-Arab Dialogue: One Step Forward

EC and Arab League economic representatives, during a three-day meeting in Rome last week, made progress in establishing procedures for a detailed examination of areas for economic cooperation. The next meeting is scheduled for November in an as yet undetermined Arab city.

The formal opening of the so-called dialogue has taken more than a year and a half to get started. The EC's stand on Middle East issues caused the Arabs to delay agreement on procedural steps a number of times. The first joint meeting was finally held in Cairo last month and the two sides agreed to set up six joint steering committees of experts.

The more radical Arab members subsequently demanded that the Rome session be cancelled because of a resolution by the European Parliament condemning violence in Jerusalem by the Palestine Liberation Organization. The Maghreb countries, irritated by the slow pace of their trade negotiations with the EC, also harshly criticized the EC Nine and tried to postpone the meeting. In the end, only Libya decided not to attend.

The six working groups have been directed to study prospects for cooperation in such areas as industrialization, financial cooperation, and agriculture. About 130 experts participated in drawing up documents outlining future work programs; both sides have described the progress as satisfactory.

Despite the business-like start--and the relative success of the participants in sidestepping political issues during the meetings--the dialogue will continue

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to be a fragile undertaking. EC opposition to such developments as the Arab moves to suspend Israel from the UN, for example, could easily cause the Arabs to postpone the next meeting or even discontinue the dialogue.

There is little doubt that the Arabs will continue to push for a political dimension to the talks as opportunities present themselves. Moreover, once agreement has been reached on specific economic accords, the Arabs will probably try to extract political concessions from the EC. At the moment, however, almost all participants clearly see advantages in having the dialogue continue. Even the PLO, which is represented in the "de-nationalized" experts' groups, seems anxious for the talks to succeed because it would lose these contacts with the non-Arab world if the dialogue were to collapse and the discussions reverted to unilateral channels.

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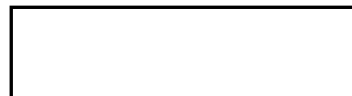
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Italian Socialists Push Larger Role for  
Communists

The central committee of the Italian Socialist Party over the weekend unanimously supported party chief De Martino's stand opposing any future national government that does not have "at least indirect" Communist support.

De Martino suggested that Communist abstention in a confidence vote on a new government might be an acceptable form for such support. If the Christian Democrats eventually agree to such a formula, it would be seen in Italy as a first step toward eventual Communist membership in the government. Socialist entry into the government was preceded by a similar arrangement in 1962.

De Martino also won his party's backing for continuing efforts to maintain working relations with the Christian Democrats. With the exception of a small left-wing faction, the Socialists endorsed De Martino's rejection of any return at the national level to the "frontist" alliance with the Communists of the early postwar period.

Some Socialists have been talking about a revival of the "frontist" alternative, following last month's regional and local elections in which the Socialists and Communists came close to winning an absolute majority. Although the two parties govern

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together in many localities, De Martino-- and the Communists--are still reluctant to try it at the national level.

The Christian Democrats emerged in disarray from their national council meeting last week and are not yet in a position to respond authoritatively to the Socialists' demands. The lengthy and inconclusive internal battle waged by the Christian Democrats over a replacement for Fanfani--national council president Zaccagnini was tapped to serve temporarily--precluded any serious consideration of policy changes. In the coming weeks, moreover, the party will be preoccupied with maneuvering aimed at lining up a majority of the factions behind a new leader in time for the Christian Democratic congress in the fall.

The indecision at the top of the Christian Democratic Party has contributed to uncertainty among the party's local leaders and seems to be encouraging some to abandon their opposition to granting the Communists a more important role in government. That appears to be the case in the key northern region of Lombardy where the new center-left government, led by the Christian Democrats, has solicited the "active cooperation" of the local Communists.

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