



The President's Daily Brief

May 28, 1975

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FOR THE PRESIDENT ONLY

May 28, 1975

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LAOS

The US chargé has reached an agreement with the communists to end the week-long occupation of the AID and defense attaché 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.

The official text of the agreement provides for:

--Withdrawal of most demonstrators from inside the compound, except for a small "protest committee"--ostensibly composed of Lao employees of AID--who are to continue "working in a normal manner."

--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 AID employees, regardless of nationality.

--Re-entry of essential American and third country national AID officials and employees into the compound to begin the termination of AID operations.

--Payment by Americans of the back wages of Lao employees of AID and agreement to keep them on the payroll until operations cease.

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

The chargé negotiated 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 communist and the principal go-between with the demonstrators. Approximately 150 to 200 unruly student demonstrators, including a student "commando" unit, gathered outside the ministry and threatened that if no agreement on the AID

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compound was reached, they would destroy the chargé's car, hold him hostage, and move on to "destroy" another US government installation in Vientiane. Even after the agreement was concluded, student protesters threatened to kill the chargé and other US officials in the event that it subsequently unravels.

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 stored temporarily. Communist "security guards" made no effort to intervene. The last Americans left the housing compound this morning.

The communists have strengthened their military contingents at both installations. At least one combat battalion is reported to be camped along the main runway at Wattay, and a number of 23-mm. and 37-mm. anti-aircraft artillery pieces now ring the airfield.

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The local diplomatic corps in Vientiane has finally bestirred itself and joined the embassy in trying to pressure Lao communist Deputy Prime Minister Phoumi Vongvichit to call off, or at least moderate, the anti-American demonstrations. During the past few days, the Soviet, French, British, Australian, and Indian ambassadors have made representations to Phoumi.

According to several of his Western 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.

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The Chinese, apparently on their own initiative, have also made known their concern.

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[Redacted]

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CHINA-US-USSR

Peking is stressing [redacted] that the US is the most important strategic counterweight to Soviet power in Europe and Asia.

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Senior Chinese officials have asserted that the US was overextended in Indochina and that its power to influence events elsewhere was thus diluted. Vice Premier Teng Hsiao-ping and Foreign Minister Chiao Kuan-hua have told Westerners that the US, freed from its Indochina burden, can now concentrate on more fundamental commitments in Europe and Japan.

During his mid-May visit to France, Teng stressed US-European partnership in countering Moscow's strategic aims in Europe. [redacted] he called in public for increased European economic and political unity [redacted]

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The Chinese have been equally insistent on a continued strong US presence in Asia, especially because of their growing concern over the potential for Soviet gains in the region. The deadlock in Sino-Japanese negotiations over the hegemony clause of a peace treaty, which in part resulted from Soviet pressure on Tokyo, has fueled Peking's concern.

The Chinese also have expressed concern that Moscow's friendship with Hanoi, the death of Chiang Kai-shek, and the early withdrawal of remaining US forces from Taiwan might result in increased Soviet influence in the region. [redacted]

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[redacted]

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Within days of the fall of Saigon, Chiao implied to a group of British journalists that Washington should play a more active role in East Asia as a counter to the Soviets. Senior Chinese spokesmen have subsequently reaffirmed this theme. In addition, a *People's Daily* editorial last week commenting on Mao's statement of May 20, 1970, which criticized US intervention in Cambodia, depicted problems stemming from US intervention in Asia as a matter of history and pointed to the USSR as a present source of regional trouble.

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PORTUGAL

The armed forces general assembly's announcement on Monday that it will seek links with "popular organizations" is bringing increased pressure on the Socialists to back down from their challenge to the ruling Armed Forces Movement.

The details of the assembly proposal were 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 are using 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 do not like their choices--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 leading military men 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 an interview with *Le Monde*, Soares pointed to the contradiction between Brezhnev's policy of detente and the Stalinist attitude of the Portuguese Communists.

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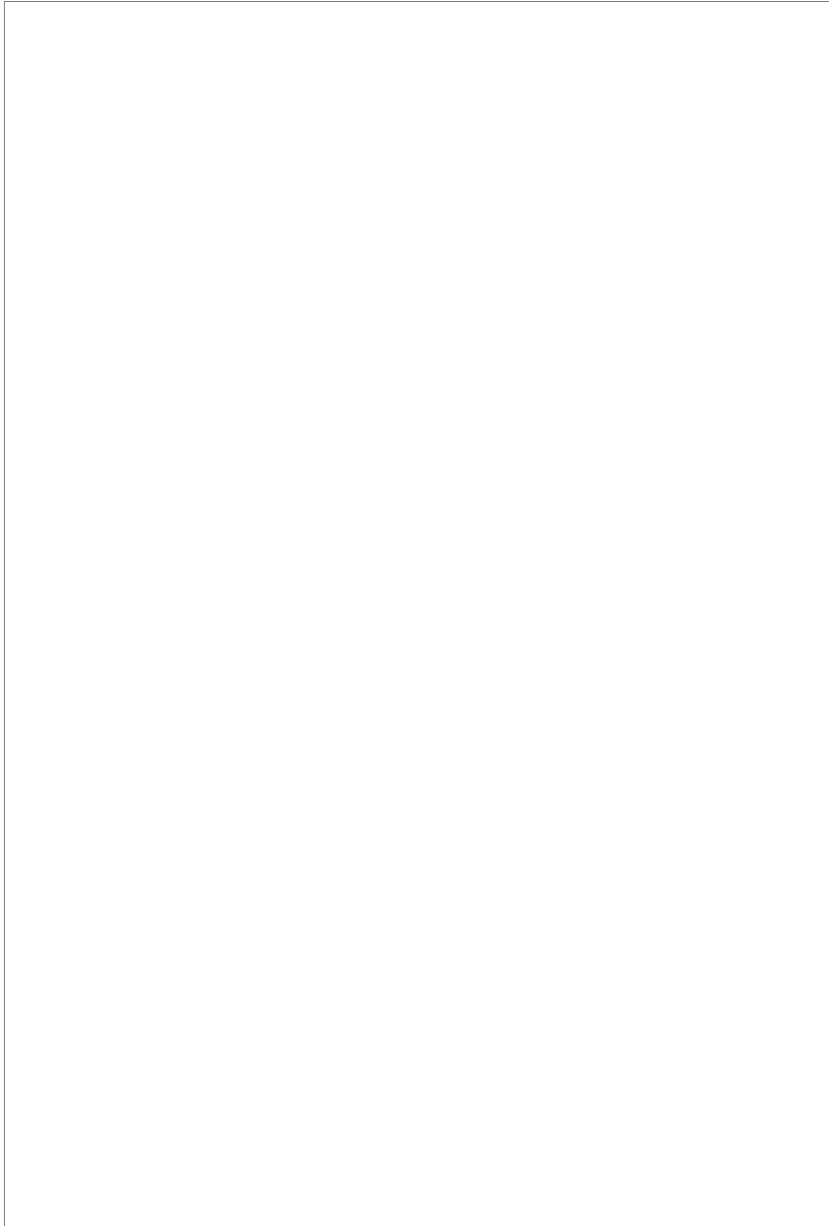
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Soares confirmed that he had met with Spanish Communist leader Carrillo to discuss the "common problems of socialism and democracy." The Spanish Communists, along with the Italian Communists, have found that events in Portugal are hurting their own 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. They have called for a demonstration, which they describe as being in support of 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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SYRIA-ISRAEL-EGYPT



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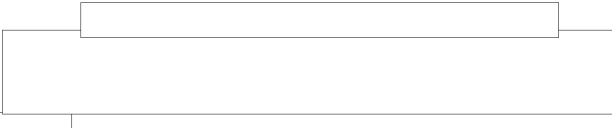
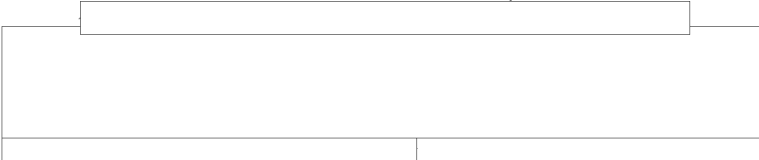
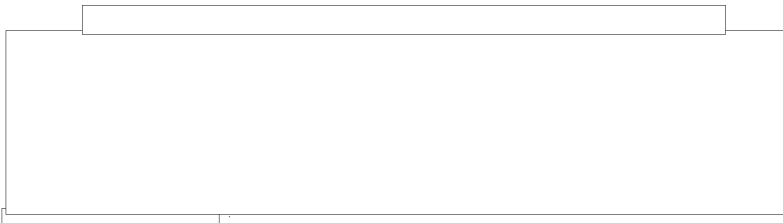
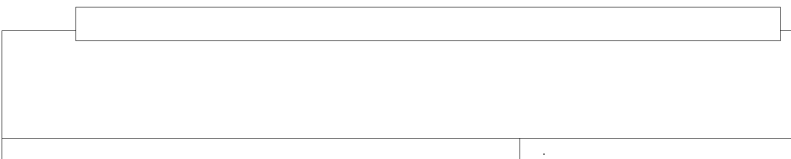
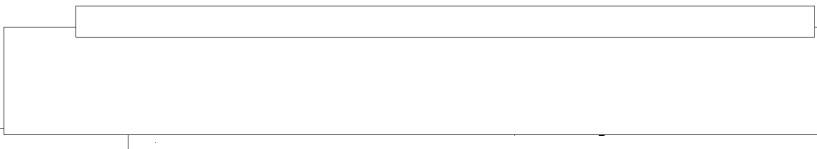



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EGYPT

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LEBANON

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 largely exclude members of parliament, according to the US embassy. Representatives of extremist right- and left-wing political parties presumably will be omitted in order to reduce 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 last Saturday has been suspended.

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NOTES

The Zaire-based Popular Revolutionary Party, which was responsible for kidnaping three American students and a Dutch student in Tanzania last week, is one of several rebel groups operating in the rugged mountainous area of eastern Zaire bordering Lake Tanganyika.

The rebels are remnants of a variety of private armies, regional political organizations, and secessionist movements that flourished in the early years of Zaire's independence; some of them received some support from China, but none is believed to be so supported now. The kidnaping of the students is the first operation of its kind by the party or by any of these eastern rebel groups. The party's present leader is one Laurent Kabila

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The Zairian government's counterinsurgency capability in this area is poor.

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Thai Foreign Minister Chatchai that Thailand and North Vietnam have agreed in principle to establish diplomatic relations.

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The North Vietnamese are reportedly ready to take the step if Chatchai goes to Hanoi for the signing and announcement. The Thai cabinet reportedly has agreed to Chatchai's trip, perhaps as early as next month.

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