

Turnover of AID by June 30

U.S. Hopeful on Laos Deadline

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VIENTIANE, June 5 — U.S. officials are still being subjected to petty annoyances, but diplomatic sources were optimistic today that the Agency for International Development would be turned over to Laotian authorities well before the June 30 deadline.

These sources also denied a charge by Prime Minister Prince Souvanna Phouma that the United States had threatened to break diplomatic relations with Laos while anti-American students were occupying the AID office and warehouse compound here.

The Premier told a newsman earlier this week that U.S. embassy officials had made the threats "two or three times" and that at one point he walked out of discussions with the officials.

According to Embassy sources, Charge d'Affaires Christian Chaurmat had told Souvanna that the week-long occupation of the compound had raised questions in Washington over whether American

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diplomats could continue to carry out their duties in Laos.

"You're threatening me," the ailing, 73-year-old Souvanna reportedly told Chapman. "There is no threat," Chapman was said to have replied, "just a statement of fact."

Following an agreement reached last week among the embassy, the Laotian government and the student demonstrators to withdraw all AID personnel and turn the agency's property over to Laos, the level of harassment has subsided markedly.

However, AID personnel involved in the turnover are being subjected to illegal police searches of their cars as they enter and leave the compound. U.S. officials also feel that Laotian negotiators are bogging down in details, rather than simply preparing to accept the huge infrastructure AID has built up over the years.

The talks are being held between AID and embassy officials and a group of 22 Laotians representing all government ministries and the Lao Student Federation.

Despite the evident heel-dragging, one embassy official said, "We hope to turn over everything well in advance of June 30," the deadline set by the agreement. The United States is rushing the discussions, the official said, "because we want to avoid a clinch." He said that the embassy "had already lost control of the situation on the ground."

The withdrawal of all AID of-

ficials is expected to set the stage for decisions on whether the United States will provide economic assistance to Laos without conditions, as the Pathet Lao-controlled government insists. U.S. officials have repeatedly noted that some sort of U.S. supervision is required by law.

The \$62 million economic and military aid package expires at the end of this month, but a proposal for next fiscal year is not expected to follow automatically. "The whole question of aid is up in the air," said one embassy source, adding that it is not yet sure that a new proposal would be presented to Congress at all.

An even more basic question to be settled once AID is out is the continuation of diplomatic ties. Embassy officials said that the removal of the large, "highly visible" AID staff would enable the two governments to "establish relations on a sounder basis."

Souvanna, the neutralist leader of the nominal coalition government, and top Communist officials have stressed repeatedly that they want both diplomatic and economic relations with the United States to continue, although at a different level.

In all likelihood, the U.S. embassy will have a maximum of 50 staff members after AID's dissolution. As diplomats visualize it, the mission would be primarily a listening post or window on Laos and its two neighboring Communist neighbors, Vietnam and Cambodia.

Although some Western diplomats doubt that Laos would

want to maintain relations with the United States if it does not receive economic assistance, there is some belief that it would not want to cut itself off altogether.

"Mind you, it wouldn't be easy for the Americans if Congress says no on future aid," commented one diplomat from Western Europe. "The embassy people remaining behind would always be on the edges of their chairs, never knowing when the Pathet Lao would decide to slam the door."