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**American Aides in Laos
Are Safe but Restricted**

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VIENTIANE, Laos, Friday, May 16 — Student demonstrators who seized three American aid officials in Savannakhet Wednesday have reportedly allowed them to go to their homes under voluntary house arrest, but are demanding that the Americans testify against local Laotian officials at a hearing into corruption charges.

An account of the events in Savannakhet, a city in central Laos, was given last night by John Everingham, a freelance photographer, on his return here from the city. He said that the students had taken over control there and that more than 5,000 were occupying the official Government compound.

The demonstrators also occupied the compound of the United States Agency for International Development, the organization that administers foreign aid overseas. They have demanded that Americans leave and that Government representatives join them in talks about economic difficulties and other grievances.

Others Are Not Restrained

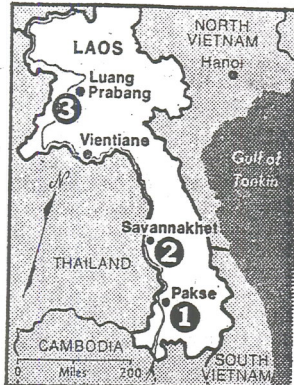
The 13 other Americans in the city were reportedly being allowed to move about unchecked. United States Embassy officials here said there would be no attempt to evacuate Americans from Savannakhet until all the hostages were released from house arrest and the situation was stabilized.

A joint Government negotiating team arrived in Savannakhet yesterday to try to arrange the release of the Americans. The team was headed by colonels representing both the Pathet Lao, the leftist side of the governing coalition, and the Vietiane, or rightist side.

Reports from the royal capital of Luang Prabang said that students who ransacked the American A.I.D. mission there Wednesday were still inside the agency compound.

Since last weekend, an A.I.D. official said, all Americans have been withdrawn from the Luang Prabang mission and from Long Tieng, once the site of an American intelligence operation. He said that three had returned to Pakse, a town where anti-American demonstrations broke out several weeks ago.

Meanwhile, it appeared that the neutralist Premier, Prince Souvanna Phouma, would attempt to continue the year-old coalition Government in which



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U.S. aides who left Pakse (1) because of unrest have returned. Students still held three aides hostage in Savannakhet (2) and occupied mission in Luang Prabang (3).

the Pathet Lao and the Vietiane side were to have equal representation. Last Friday, however, four ministers and a deputy minister, all of the rightist side, resigned.

According to the Government spokesman, Ouday Souvannavong, the Cabinet's Secretary Information, it was decided at a Cabinet meeting Wednesday night that Prince Souvanna Phouma would assume the posts of those who quit. This arrangement, Mr. Ouday said, would be temporary. A new attempt to fill the posts was expected next week.

Mr. Ouday, speaking to news-

men, said in response to a question that the Pathet Lao general, Khamouan Boupha, who is the Deputy Defense Minister and has been acting as chief of the armed forces since the resignation of Defense Minister Sisouk na Champassak, would not be considered an interim defense minister. "That position has been taken over by the Premier," the spokesman said with some firmness.

On Monday the general announced that he was the nation's Defense Minister and issued orders grounding the air force and halting all movement of troops and military equipment. Premier Souvanna Phouma had announced that the general would "take charge of the armed forces," but the Premier's statement fell short of appointing him Defense Minister.

The Cabinet resignations and the Government's general shakiness stemmed largely from the atmosphere created earlier Friday when 3,000 students and teachers, protesting rising prices and the effect of foreign influences, joined in a Vientiane demonstration in which the American Embassy was briefly attacked.

The demonstrations, and events that have followed, are aimed both at the American aid program here and in part at the rightist side of the coalition.

Americans Reported Unharmed

The three Americans under house arrest at Savannakhet were said to be unharmed and going about their official duties, but within their residences. They are Stanford J. Stone, 58 years old, of Cleveland, area coordinator for A.I.D.; Daniel P. Sher, 28, of Columbus, Ohio, an economic affairs officer, and Charles R. Percy, 63, of Salem, W. Va., a property officer.

Mr. Everingham, the freelance photographer who is on an assignment for The New York Times, said he had interviewed Mr. Stone at his villa in Savan-

nakhet and Mr. Stone had given this account.

Shortly before 7 A.M. Wednesday the students entered the A.I.D. compound, seized its radio transmitter and demanded to be shown various parts of the building. They then marched to the three Americans to the provincial governor's residence and questioned them at some length.

"They seemed to have a misunderstanding about the way our aid program is operated," Mr. Stone was quoted by Mr. Everingham as saying; "they think we give money out, but we don't put money into the hands of local governors."

Mr. Everingham said Mr. Stone stressed that no hostility was shown to him or the other captives. After a few hours the Americans volunteered to put themselves under house arrest and the students acceded. Before their release, the Americans were told that the students wanted them to testify in the corruption hearing.

'Stay Off the Streets'

Mr. Everingham said Mr. Stone had the impression that the students' principal concern was local corruption, particularly on the part of rightist government leaders in Savannakhet. Mr. Everingham said that most of the student leaders wore Patet Lao badges on their caps.

Mr. Everingham said Mr. Stone had granted a request from the students to use his agency's automobiles and gasoline and that in turn the students had granted a request of his own: To use the compound's radio to transmit two brief messages to Vientiane, which the students monitored. Mr. Stone said that his telephone line had been cut.

At no time, the photographer quoted Mr. Stone as saying, did he fear for his personal safety, but, "for our own good, they told us to stay off the streets."