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THE INTERNATIONAL NEWSMAGAZINE

# Newsweek

May 5, 1975

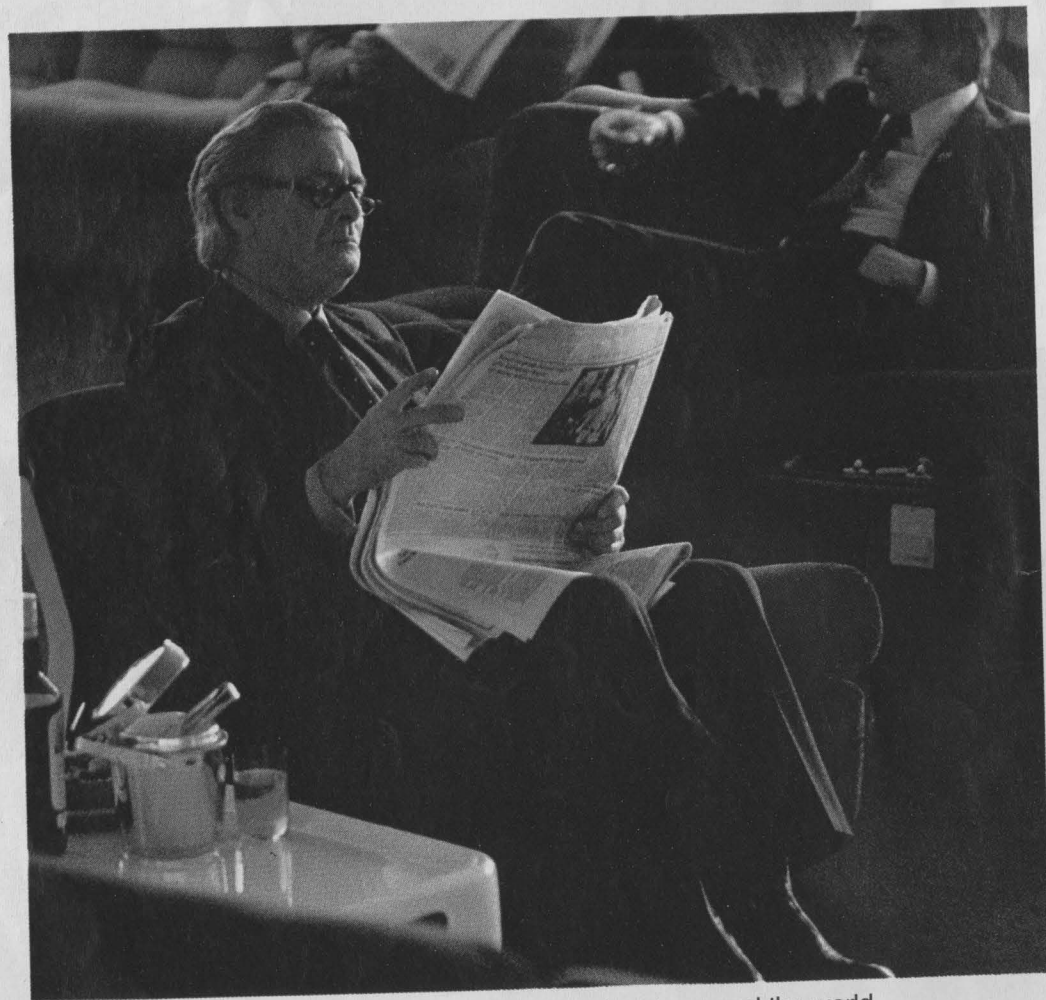
## The Last Days

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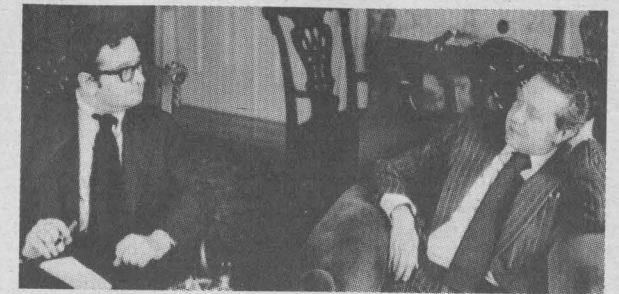
## Top of the Week

### Indochina: The Last Days Page 6

The war in Indochina "is finished as far as America is concerned," said U.S. President Gerald Ford last week. But the ending was not quite as tidy as that, and some final, anguished scenes remained to be played out. In Saigon, a tearful South Vietnamese President Nguyen Van Thieu finally stepped down, lashing out bitterly at the U.S. for its alleged failure to deliver on its promises to the Saigon government. Later Thieu left the country, leaving behind his successor, Vice President Tran Van Huong, and a clutch of rival politicians who continued to squabble over what to do even as Communist forces tightened their iron



ring around the capital. Meanwhile, an evacuation airlift flew thousands of Americans, their South Vietnamese dependents and other refugees out of the country, as a huge U.S. armada stood offshore, poised for a final evacuation effort that could still turn ugly. In Saigon, correspondents **Loren Jenkins** and **Nicholas C. Proffitt** reported on South Vietnam's final hours, while other correspondents covered the mass evacuation of Vietnamese to Guam, the Philippines and California. From their files, a team of writers under the direction of Foreign Editor **Edward Klein** tells the story of the agony of Vietnam and Cambodia for the cover report. Accompanying the stories is an eight-page pictorial review of the long, costly tragedy that engulfed Indochina in fire and blood and left the American nation deeply wounded and divided. In a companion piece, Contributing Editor **Donald Horne** provides an Australian view on the meaning of the Indochina collapse. (Cover photo by Nik Wheeler—Sipa-Liaison).



Soares (right) and Behr: A historic election

### A Triumph for Portugal's Moderates Page 36

For the first time in 49 years, the Portuguese people went to the polls. And in a stunning setback to the country's leftist military rulers, they gave more than 60 per cent of their vote to moderates led by Socialist Mario Soares. **Edward Behr** and **Miguel Acoca** report on the vote and Behr interviews a key junta leader, Adm. António Coutinho.

### A Sea Change in Manila Page 32

For decades, the U.S. and the Philippines have had a special relationship. But last week, in the wake of the collapse of Cambodia and South Vietnam, President Ferdinand Marcos threatened to reconsider those ties. Asian Regional Editor **Richard M. Smith** reports.

### The Anonymous Empire Page 46

It is a huge multinational trading firm with branches scattered around the world and it shuns both politics and publicity in order to keep such highly diverse customers as the Republic of South Africa and the People's Republic of China. With reporting from **John Herbert** in Copenhagen, **Kenneth Labich** profiles Denmark's little-known—and immensely successful—East Asiatic Co., Ltd.



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# Newsweek

THE INTERNATIONAL NEWSMAGAZINE

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# New Products and Processes

## Strike Up a Lamp

Piezoelectricity is that electric current produced by pressure on certain crystals. The phenomenon was discovered in 1880 by Pierre Curie and his brother Jacques and since then has found use in such things as safety igniters for stoves. There has even been some experimentation with piezoelectric ceramics in the production of flat-screen television. But the General Electric Co. in Nela Park, Cleveland, Ohio, has now put piezoelectricity to its first photographic use with its FlipFlash lighting array. Unlike flashcubes, which are somewhat bulky and can produce only four flashes each, the FlipFlash is a thin pack that easily fits into a pocket and gets eight flashes to an array. The FlipFlash cannot be used with regular cameras. But Eastman Kodak will soon be marketing two new lines of cameras, the Trimlite Instamatic and the Tele-Instamatic, that incorporate piezoelectric strikers.

## Range Finder

RCA Corp.'s Government Communications and Automated Systems Division is developing a range-finding device that uses a laser to determine distance. Called the AN/GVS-5, this lightweight, binocular-like unit (photo) completely eliminates human error in range finding. When an object is sighted and focused on, its range is accurately found by activating the laser. The reflected energy from the target being sighted is taken in by the unit's receiver system. To determine range, the system calculates the time it took for the laser's light beam to make the round trip to the object being sighted. This range, expressed in meters, is then displayed within the sighting eyepiece. The AN/GVS-5 is being developed for military use, but its basic design and function make it easily applicable to surveying and sporting uses.

## Book Pack

A Finnish company, Pussituote Oy, has come up with a new system for packaging books or records for shipment by mail. Called Pandaroll-Pak, the system features a long tubular envelope into which the books are placed. They are then rolled up in the envelope with cardboard used as a stiffener between each rolling for added protection. Because of the tubular nature of the envelope, which is easily cut to desired length, only as much packaging material as is needed for each order size is used. The Pandaroll-Pak thus alleviates the need for a variety of package sizes. As a result, the paper savings over conventional systems are considerable (up to 25 per cent). According to the manufacturer, the Pandaroll-Pak system, in a semiautomatic mode, can form up to 3,600 packages an hour, as compared with 700 packages an hour with current packaging systems.

## Plug-In Signs

A stunningly visual lighting-display system that can be assembled in minutes is now being manufactured by SEFLI of Morangis, France, and distributed by Intergros of Paris. Called Self-Lite, this Swedish-designed invention eliminates the need for bulky wires in electrical advertising-display panels. The secret of the system is the panel itself,

which is composed of layers of electrically conductive material. When spear-mounted lights are pushed into the panel they form a complete lighting circuit. Since the Self-Lite system's lights have different spear lengths, making an exciting lighting display becomes as easy as pushing pins. The Self-Lite system is expected to find wide use in window, theater marquee and other forms of display lighting.

## Coated Screws

Brookes (Oldbury), Ltd., and British Industrial Plastics, Ltd., of Warrley, England, have devised a method of extending the life of the injection machine and extruder screws that are at the heart of modern plastic-making machinery. Called Brux 900 Bimetallic Screws, they are made by a metallurgical treatment in which the screw surface is coated at high temperature and velocity in a controlled atmosphere with a specifically formulated nickel/chrome/boron alloy. The depositing of this alloy on the extruder-screw metal can be very accurately controlled with the Brookes and British Industrial method, so that after treatment the screws can still be machined to their proper tolerances. Brux 900 Bimetallic Screws come in sizes ranging from 25 mm. to 90 mm. in diameter and have up to six times greater life than untreated screws.

—STEPHEN KINDEL



For further information, write Newsweek New Products Dept., 444 Madison Avenue, New York, New York 10022.





Vietnamese refugees arrive in California: There would always be the pain of knowing that the war ended with a humiliating loss

## The End of an Era

Back in another America, people used to dance in the streets when a President declared the end of a war. Last week, on a steamy night at Tulane University in New Orleans, Gerald Ford spoke the words that all of the United States had longed to hear: the war in Vietnam, the President said, "is finished as far as America is concerned." But it wasn't as simple as that. Whatever sense of relief the U.S. experienced at hearing Ford's unilateral declaration of peace was matched by a feeling of grief. There was still one final scene to be played out—the evacuation of the last Americans in Saigon—and that could yet turn ugly, and perhaps even bloody. Then, too, there was the anguished realization that it would be impossible for the U.S. to rescue all of the thousands of South Vietnamese who had staked their lives on America's commitment to their country. And there would always be the pain of knowing that while the war was finally over, a traumatic era was ending with a humiliating U.S. loss.

North Vietnam's armies stood massed at the gates of Saigon, able at the drop of a command to capture the capital city. South Vietnamese President Nguyen Van Thieu resigned with a venomous attack on the United States and a pledge "to stay close to you all in the coming task of national defense." Four days later, he fled to Taiwan. Into Thieu's office stepped his feeble and aging Vice President, Tran Van Huong, but the Communists branded that exchange a "ridiculous puppet dance." Power passed to Duong Van (Big) Ming, the one man acceptable to the Reds (following story). In the face of the

certain North Vietnamese victory, the Ford Administration sought to mount a last-hour search for a negotiated end to the debacle. But just in case that didn't work, a task force of evacuation ships, fighter planes, helicopters and combat-ready U.S. marines formed up off the shores of South Vietnam—ready to fight to save American lives in the last pullout from Indochina (page 14).

Every war scars nations as well as people. But only one conflict in American history—the Civil War—ever divided the United States more brutally than Vietnam or imprinted such an album of nightmarish images on the national psyche (page 20). Ford labored hard in his speech at Tulane to rekindle a sense of pride and confidence that would illuminate the post-Vietnam era. "These events, tragic as they are," he said, "portend neither the end of the world nor of America's leadership in the world." That was true enough, but the Vietnam adventure diluted the confidence of America in its ability to influence events abroad—and its faith in itself to cope with problems at home.

For more than a decade, Vietnam convulsed every aspect of American life. The war drew the executive and legislative branches of the government into bitter conflict over the control of American foreign policy—a clash that ended with the Congress legislating stern limits on that once-sacrosanct Presidential power. It undermined the American economy and touched off an inflationary spiral so severe that for years to come no politicians would dare to promise both guns and

butter. While it produced no national heroes at arms—no Sergeant York, no Audie Murphy—it assembled a mixed bag of historical footnotes—men as disparate as Abbie Hoffman, William Calley and Daniel Ellsberg.

Perhaps the cruelest intrusion of Vietnam upon America was what it did to a generation of American youth. It sent thousands of men fleeing into self-imposed exile and turned their neighbors and their nation against them. It turned thousands of others into radicals—if only temporarily—and brought violent riots to city streets and college campuses. It claimed the lives of 55,000 American men.

### AN AIR OF MYSTERY

There was a lingering fear in Washington last week that, in the chaos of the final collapse of Saigon, even more American lives might be lost. The Administration's goal was clearly a negotiated settlement, and while the White House hoped for an interim coalition it knew it might have to settle for an immediate South Vietnamese surrender. American, French and Soviet officials created the impression that an earnest diplomatic campaign was under way, but if so, it was shrouded in mystery.

The President's right-hand man, Donald Rumsfeld, set off to attend a NATO meeting in Turkey, but the trip sparked speculation in Washington that Rumsfeld had borrowed Henry Kissinger's old secret agent's cloak and was engaged in a diplomatic mission on Vietnam as well. For his part, Kissinger referred in Congress to negotiating "efforts"—but refused to specify what they might be. Even the North Vietnamese flashed some encouraging signals, at one point passing the word through intermediaries that they had no desire to humiliate the U.S. But they refused to say whether—or what—they were willing to negotiate.

With sixteen well-armed divisions encircling Saigon, the Communists clearly saw no need to compromise on their demands. They seemed determined to hold the city hostage and force South Vietnam's impotent government to surrender or face savage destruction within the capital. Pentagon analysts maintained that the battlefield lull was no humanitarian gesture to permit the U.S. a graceful exit from Saigon; rather, it was a tactical pause, aimed at triggering a panic in the city and ending all possible resistance to a Communist take-over.

No more than 1,100 Americans remained in Saigon by the weekend, but the Administration also hoped to bring out as many as 130,000 South Vietnamese. Top priority went to American dependents, but the lists also included 75,000 "fireside relatives"—in-laws and children of Americans—and 50,000 "high risk" Vietnamese—former U.S. government employees and some government officials and intellectuals whose lives were believed to be at risk. All week long, giant jets lumbered away from Saigon carrying out about 5,000 persons a day. Some went to tent cities on the Pacific islands of Guam and Wake, others to military bases in the U.S. itself, where the vast majority was expected to be resettled. Arrival in America did not mean that the refugees' problems were over. U.S. officials acknowledged that an era of difficult assimilation almost certainly lay ahead for the newcomers.

The airlift of Americans and South Vietnamese met no interference from the Communists, but there was continuing concern in the U.S. Congress that such luck might not last. Congressional leaders called on the Administration again last week to speed up the evacuation of Americans. The Senate,



Wally McNamee—Newsweek

Ford at Tulane: The war in Vietnam 'is finished as far as America is concerned'

by a vote of 46 to 17, gave the President full power to send in U.S. forces to aid the departure of Americans and their dependents. The measure also allotted \$327 million to pay for the operation and for humanitarian aid to South Vietnam, but it placed stringent limits on Ford's authority to deploy U.S. troops. The bill specifically stipulated that only those forces "essential" to the pullout of Americans and their dependents could be deployed and that none could be used in unrelated evacuations of South Vietnamese.

### THE SADDEST CHAPTER IN A CENTURY

Within the Ford Administration as well there was a growing desire to get the Americans out. Defense Secretary James Schlesinger urged that the U.S. presence in Saigon be slashed drastically—to no more than about 200 officials—and that only in case of a dire emergency should American troops be sent in to aid the evacuation of dependents from South Vietnam. Secretary Kissinger finally confided to the House Appropriations Committee that the Administration's pitch was in fact designed to achieve an orderly withdrawal of U.S. citizens. Ford in effect acknowledged the same thing with his declaration that America's war in Vietnam was finished. "The time has come," the President then said, "to look forward to an agenda for the future, to unify, to binding up the nation's wounds and to restoring it to health and optimistic self-confidence."

It will not be easy. The war has been the saddest chapter in the past century of American history, and it will take years for the U.S. to come to grips with what it did to Vietnam—and what Vietnam did to America. The faith of Americans in their leadership was practically destroyed, and many were left convinced that they had been both seduced and deceived by their government. The war added a cynical new vocabulary to the American idiom—"light at the end of the tunnel," "protective reaction," "smart bombs," "peace with honor"—and it eroded the legitimacy of authority throughout the country.

"The times they are a-changing," wailed Bob Dylan, the



Huong: Blind to reality?



Big Minh, NVA soldiers: Hanoi was playing the cat—and Saigon was the mouse



Derek McKendry

## 'La Guerre Est Finie'

nasal troubadour of his generation. Vietnam brought incalculable changes to American life. The society had already been shaken by the revolt of the blacks; Vietnam accelerated the transformation. Out of the protests and mass movements grew a life-style that came to be called the "counter-culture." Some of the manifestations were as evanescent as Day-Glo paint, but others seeped into the soul of the nation's young. Protest over the war led to a whole new politics that ultimately involved the rights of women, homosexuals and every other alienated sector of society.

### A BITTER REMEMBRANCE

Vietnam also warped the relationship between America and its allies. The world has a different view of America because of Vietnam: some nations blame the United States for what it did in Vietnam, others for what it didn't do, still others for the manner in which it finally got out. The war strained the country's ties with some of its traditional partners in Western Europe and antagonized those nations that compose the Third World. At the same time, the war made the United States suspicious of that outside world, and while America will surely never revert to its old brand of isolationism, the shaken nation has already shrunk from some global responsibilities out of fear of "another Vietnam." Such is the legacy of Vietnam: a bitter remembrance of things past that is sure to haunt the future.

—RICHARD STEELE with MEL ELFIN, HAL BRUNO and THOMAS M. DeFRANK in Washington

Nguyen Van Thieu, the consummate Oriental politician who had ruled South Vietnam for the past decade, was suddenly gone, and the sprawling Independence Palace in the center of Saigon stood empty. Now, the country's fate was in the hands of a nearly blind Confucian scholar named Tran Van Huong, who rarely ventured out of his stuccoed villa three blocks up the street. And there one morning last week, sitting erect before him was Duong Van (Big) Minh, the burly ex-general who seemed the only man with whom the Communists would strike a bargain. Both men sought a solution to Saigon's mortal crisis, but they couldn't agree on what to do. Minh wanted the Presidency for himself, but Huong peered dimly at his guest through a pair of powerful lenses and refused to yield it. "It is incredible," said one Western ambassador in Saigon. "Totally mad. They simply don't realize that for every hour they dither South Vietnam dies a little bit more."

To outsiders it seemed astonishing they couldn't agree, but after 30 years of civil war, those Vietnamese who had thrown in their lot with the south were immobilized by the prospect of living under their mortal enemies—the Communists. By all accounts, handing power to Minh was the only hope Saigon had to save itself from a final assault by the 140,000 enemy troops massed outside

the city. But instead of relinquishing power, the 71-year-old Huong could not bring himself to permit an abject surrender. He also invited—and got—a rebuff from Hanoi when he tried to start negotiations on his own. And after that failure he went to the National Assembly with a half-hearted offer to resign if the legislators wished it. But even with the enemy at the gate, Saigon's French-educated politicians could not make up their minds. Scrambling for titles and portfolios in an endless series of caucuses spread out across the city, they rejected his offer and let the search for a government of reconciliation drag on into the weekend. After 48 hours of wrangling, they bowed to the inevitable and handed the Presidency over to Big Minh. The legislators' decision may have been hastened by the Communists' first rocket attack on the city since 1972—which seemed an ominous warning of events to come.

The Communists seemed vaguely amused by the unfolding psychodrama—Hanoi called it "a dance of the puppets"—and fully prepared to play the cat to Saigon's mouse until the government fell of its own dead weight. Simultaneously the Communists demanded that the constitution be abandoned and a dictator installed to bargain with them, and refused to name a single man who would be acceptable to them. Minh

emerged as a likely candidate by a process of elimination—the only figure of stature the Communists failed to rule out. The paralysis at the top quickly spread to the levels below and the city was gripped by a state of approaching panic. The wealthy offered suitcases of money to escape while the poor stitched up white flags and black pajama suits against the day when the enemy marched in. With every passing hour it grew clearer that things had fallen apart; the center could not hold.

In fact, the civilians were in such disarray that the military finally formed a "directorate" of its own, led by Chief of Staff Gen. Cao Van Vien and former Vice President Nguyen Cao Ky. But the directorate couldn't do much. Even in a week of lull on the battlefield, sixteen North Vietnamese (NVA) divisions chipped away steadily at the capital's defenses. South Vietnam's Army (ARVN) was ordered to abandon three more province capitals to consolidate its defense. Fierce fighting raged at several points and Western intelligence men believed the NVA was setting up for a five-pointed drive (map, opposite) that could smash its way to the heart of Saigon in less than 72 hours. When the Reds got close enough to fire 122-mm. rockets into the city for the first time in three years, it was clear that Saigon was faced with a loser's choice: surrender or die.

### BITTER WORDS

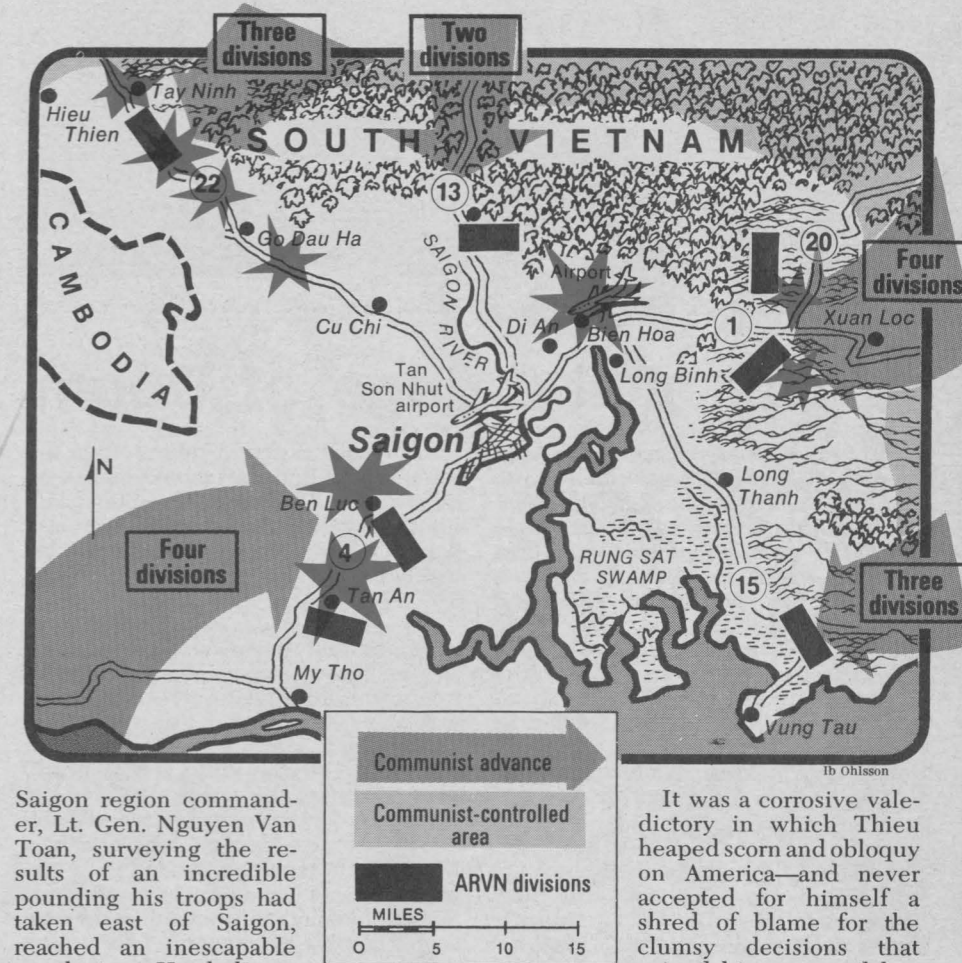
The last act of the tragedy began early in the week, when Thieu quit. As he announced the decision, tears welled in his eyes and bitter words for his former allies poured from his lips. His own countrymen had denounced him as an incompetent failure. His own family had tried to talk him into leaving. But Thieu was a creature of stubborn vanity. He refused to believe that Washington would not bail him out with a dollop of military aid and a few quick raids on Hanoi, and he refused to concede that there was no way left to rally the morale and fighting strength of his shattered army. He holed up in his palace and barred his door to the bearers of bad news. Urgent business went unattended; telephone calls, even from generals in the field, went unanswered. Through it all, said one Western ambassador who saw him just before the end, "Thieu stayed convinced that he was the only man who could save South Vietnam."

What finally convinced him otherwise was a smashing moral retribution not from Hanoi or Washington but from the government troops he had sent to guard his own native village outside the coastal city of Phan Rang. As a force of three or more North Vietnamese divisions smashed its way down the coast, the lightly manned garrison at Phan Rang panicked and mutinied. In a final Asian act of insult, they drove bulldozers to the ancestral burying ground of the Thieu family and plowed the tombs into the earth. The rebellious units—marines

and rangers—were among Thieu's favorites. In a culture that holds ancestor worship as the key to social harmony, the destruction of his ancestors' graves was the most devastating possible repudiation of Thieu and all he stood for.

When word of the desecration reached him, say friends who were there, Thieu's wooden countenance suddenly writhed in anguish. Walking with heavy step, he went to his basement bomb shelter, locked the door and spent the next 24 hours sulking in a mood of humiliation and despair. He was still in the bunker next day when yet another blow fell. His

Communists. Since they would never talk to Thieu, he must resign. Thieu spent the night brooding over his predicament and consulting with his oldest, closest military adviser, Gen. Dang Van Quang. By morning he had decided to throw in the towel. He summoned government leaders—and Ambassador Martin—to tell them of the decision. At nightfall the government loudspeaker network in the streets abruptly announced that curfew had been set back from 9 p.m. to 8—and the moment the streets were clear, Thieu's image flickered on TV screens throughout the city.

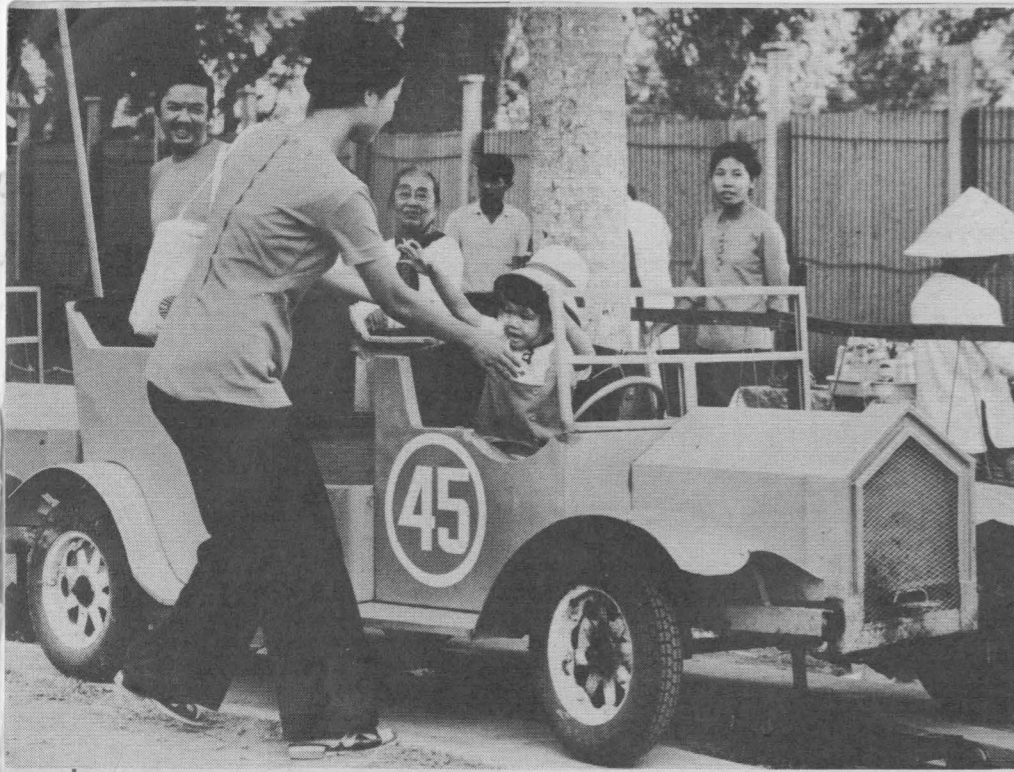


Saigon region commander, Lt. Gen. Nguyen Van Toan, surveying the results of an incredible pounding his troops had taken east of Saigon, reached an inescapable conclusion. He helicoptered to Saigon to pick up Chief of Staff Cao Van Vien, then flew to the palace. Thieu, ashen and nervous, personally ushered the two generals into his office. Toan wasted no time on pleasantries. "Monsieur le Président," he said, "la guerre est finie."

Thieu listened with sinking heart to Toan's report. The NVA had cut Saigon's eastern defense to ribbons and decimated even fresh units that were thrown into the line at Xuan Loc. Four Communist divisions were pushing inexorably toward Saigon on that front alone—and three more coming down the coast might soon join them. The government had no more reserves to plug the gap. The situation could not be retrieved and the only alternative was to bargain with the

It was a corrosive valedictory in which Thieu heaped scorn and obloquy on America—and never accepted for himself a shred of blame for the clumsy decisions that ruined his army and lost the war in a single month. "The Americans promised us—we trusted them," Thieu said. "But they have not given us the aid they promised." To fight, he said, "we have to have ammunition and the wherewithal... We lost tanks, we lost artillery. The United States, when this happened, should have reacted... You [Americans] signed the Paris agreement, which said you would do this." Thieu also claimed he had extracted a pledge from Richard Nixon to intervene militarily if North Vietnam launched an offensive. "I won a solid pledge from our great ally," he said, "leader of the free world, that when and if North Vietnam renewed its aggression, the United States would actively and strongly intervene."

But the Americans, Thieu charged,



Smiles of a spring afternoon in Saigon amusement park: 'You only die once'

## A City at the Edge of Doom

The Saigon immortalized by Graham Greene in "The Quiet American"—a city of colonial charm and unruffled Oriental grace—has long since given way to a swarm of whining motorbikes. By last week, a Brechtian horde of beggars, pimps and pickpockets trudged up and down sidewalks covered with trash. With each passing day, Saigon's mood settled deeper into gloom and fear. Everyone in the capital knew that the end was at hand, and as the Communist armies drew ever closer, NEWSWEEK's Hong Kong bureau chief cabled this profile of a city on the edge of doom.

By Loren Jenkins

By chance, the celebrations in honor of Hung Vuong, Vietnam's first King, happened to fall last week. According to Vietnamese tradition, if the rites are not observed properly, the nation will suffer. Despite the depressing news from the battlefronts, Nguyen Van Thieu announced that he would attend the ceremony at the ornate Hung Vuong Pagoda in the Botanical Gardens and deliver an important address. Advance men laid out a red carpet, tough South Vietnamese paratroopers toting M-16 rifles stood guard. The ghostly music of Buddhist drums and gongs mingled with the noisy squawk of walkie-talkies gripped by security guards.

Then, without warning, an army truck arrived, the red carpet was rolled up, the wooden reviewing stand dismantled, the Presidential flags furled. Instead of the President's shiny limousine, an antique, 1950 blue Peugeot bearing the lowly

Minister of Education pulled up at the pagoda. The Buddhist monks looked on impassively. That night Thieu resigned. Four days later, his stand-in was also deposed. Hung Vuong had extracted his revenge.

Behind the Botanical Gardens in a small amusement park, a squad of paratroops in combat gear watched the mock war planes and Grand Prix sports cars that whirled lazily around four small carousels, carrying little boys in neatly pressed shirts and short pants and pretty little girls in straw bonnets and frilly Sunday frocks. Nguyen Van Khanh, a hospital administrator, smiled for a moment as his wife leaned over to sweep his 3-year-old daughter from one of the race cars. Then his face sagged. "All we can do is wait, try to enjoy our last days of freedom and give our daughter a good time," he said quietly. "What the hell, you can only die once."

Across town at the still-exclusive Cercle Sportif, the tennis courts were jammed with prosperous businessmen in spotless whites. From the terrace, plump French planters with red faces studied the lobs and volleys. At the side of the club's Olympian swimming pool, waiters in white suits threaded their way skillfully through the sunbathers, distributing iced Pernod and beer among the deck chairs. Harried governesses clucked over toddlers in the children's wading pool—and on the sun deck, love-

ly nymphets lounged in tight bikinis.

Brigitte and Gina, two teen-age students at the exclusive Lycée Marie Curie, dawdled on the deck over studies for final exams they knew would never take place. "Everything is changing every minute," shrugged Brigitte, daubing her long, smooth legs with suntan cream. "No one can make plans. I don't understand anything about politics but I know we are in for a bad time. We come here because it is nice and makes everything outside seem unreal and far away. We might also meet a husband here who could take us away." There was a splash as a diver knifed into the pool. Overhead a United States Air Force C-141 Starlifter loaded with escaping South Vietnamese roared off through the pale blue sky, bound eastward on the evacuation run from Tan Son Nhut airport to the safe haven of Guam.

Within the white, iron spike fence around the United States Embassy's consular compound, hundreds of Americans and South Vietnamese queued up to apply for exit papers. By the main door of the passport and visa office, the line suddenly broke down and a crowd of Vietnamese pushed forward. When a Vietnamese packing a sheaf of letters of introduction elbowed his way to the front, the Marine sergeant shoved him back, bellowing, "Get outside or I'm going to tear up those letters and throw you the hell out of here." Down the line, a thin, beautiful girl clutched at the arm of a passing American consular officer and showed him a telegram from the United States that read: "Phuong, I love you. I want to marry you. Tom." The cable was the only document she could produce to support her application for evacuation to the United States. According to the regulations of the American



Hard days, soft drinks for the Buddhists:

Embassy, a love note was not enough. The official looked at her sadly for a moment—then moved away.

A little before 4 a.m., I finished a telephone conference with New York, lay in bed and tried to go back to sleep. Suddenly the phone jangled again. When I answered, the voice at the other end of the line identified itself as the telephone operator who had handled the New York call. He had eavesdropped on a discussion of the evacuation from Tan Son Nhut. "You are the only American I know," he said. "You must help me. I am so afraid. I can't eat. I can't sleep. I don't want to live under Communism." He reported that the Viet Cong had killed several of his relatives and that he was certain that if he and his wife, three months pregnant, stayed in Saigon, they too would be slain. "If you can't help us, we will all commit suicide," he said. "If we live in Saigon under the Communists we will die gradually—and that is worse." Before the week was out the phone rang over and over with similar pleas from travel agents, receptionists, a South Vietnamese newsman, a doctor, an interpreter and the comely young girls from the Cercle Sportif.

At the common mess of the defense attaché office, a well-guarded stronghold on the sixth floor of the Brinks Building, waitresses in red and white uniforms gathered at a table near the cash register, giggling, chattering and wondering whether their American boyfriends will marry them and carry them off to safety in the U.S. Suddenly there was a rush of air and the windows rattled as a distant explosion reverberated across the city. North Vietnamese 130-mm. shells had just slammed into Bien Hoa air base,



Hung Vuong took his revenge on Thieu

touching off an ammunition dump. In the panic, a table was knocked over, china shattered on the floor and the air-conditioned room rang with the shrieks of the panic-stricken waitresses.

In the Ham Nghi Market, another explosion tore through a stall, killing or wounding half a dozen shoppers and merchants. Pools of blood spread across the sidewalks, terrified shoppers fled, jittery soldiers shot their M-16s in the air, and ambulances carried off the hapless victims. Within minutes of the blast, Indian merchants along Tu Do Street raised the black-market rate of the dollar to more than five times the official rate of 720 piasters. The city's Indian merchants have already begun a mass exodus from Saigon—a sure portent that business-wise expatriates have concluded that Saigon is lost.

By a peculiar quirk of irony, journalists are briefed regularly on the course of this war by both sides—the Government of South Vietnam and the Viet Cong. Each day, promptly at 3:30 p.m., ARVN Col. Le Trung Hien steps before a lectern in a second-floor auditorium above the press center on Tu Do Street. Then, standing in front of the yellow and red striped flag of South Vietnam, he details the government's version of Communist "truce violations." The pace of events is too much for any briefer to keep up with. Four days after President Thieu's resignation, Thieu's photograph still hung in the place of honor behind the podium.

Every Saturday, Colonel Hien herds a small mob of journalists into an ARVN bus and drives them off to the Viet Cong's delegation compound, a barbed-wire redoubt in the heart of Tan Son Nhut air base. There, Col. Vo Dong Giang, a gaunt guerrilla with eyes of steel, delivers his weekly rejoinder to the ARVN. He stands in a screened barracks in front of the gold-star flag of the Provisional Revolutionary Government. Instead of a portrait of Thieu, the main prop is a giant photograph of Ho Chi Minh.

Neither briefing helps much. Saigon shies away from admitting defeats, and since there have been no victories, the briefings are painfully short. Colonel Giang delivers useless propaganda. The Viet Cong do have a certain sense of style—and plenty of brass. They have become masters of the telephone communiqué. Hardly had Thieu finished his resignation speech when phones started ringing at news agencies all over Saigon. It was the Viet Cong cranking out a denunciation of the resignation as a "ridiculous puppet dance."

Nowhere is the city's atmosphere of unreality more palpable than in the Café Givral, a shabby coffee shop with Formica-top tables and garish neon



Peace demonstration at Saigon cathedral

lights. Planted in plain view of the whitewashed National Assembly, it is an institution where South Vietnamese intellectuals, journalists, lawyers, civil servants and politicians exchange gossip each day over cups of strong French coffee. By last week the mill had churned out a swirl of fantasies: the United States Marines had landed at Vung Tau; there had been a coup d'état in Hanoi; the North Vietnamese armies now standing poised to attack Saigon were being withdrawn to the north.

After the 8 p.m. curfew, Saigon becomes a ghost town. Street lights cast eerie shadows and the humid night air throbs with the boom of outgoing artillery fire on the edge of the capital. Only two weeks ago, disciplined, battle-hardened troops patrolled the streets, stringing their hammocks from the traffic lamps. Now they are gone, pulled out to bolster the collapsing front lines. Their replacements consist of a mixed bag of public-defense militia forces, half-clad paratroopers with bunches of fragmentation grenades hanging from their belts like pineapples, and schoolboys in blue uniforms—armed with .30-caliber carbines. One night last week, I was stopped in John F. Kennedy Square by a band of armed schoolboys. A kid of 12 demanded cigarettes. As a nonsmoker, I was forced to cough up 500 piasters to satisfy him. Then I walked five long minutes up the street to the Continental Palace Hotel. The echo of laughter faded behind me. The image of the carbines did not.



had dishonored Nixon's word—and dishonored themselves in the process. "The United States has not respected its promises," he said. "It is unfair. It is inhumane. It is not trustworthy. It is irresponsible." Later he added that the debate in Washington over how much aid South Vietnam needed to survive reminded him all too much of "bargaining at the fish market . . . I could not afford to let other people bargain over the bodies of our soldiers." Many Vietnamese were plainly delighted with the speech—and not just for the fact that Thieu had finally gone. Their departing leader had given voice at last to the smoldering resentment many of them felt at the foreigners who had left them seduced and abandoned. "That was his best speech in ten years," said one Saigon journalist. "He really covered the United States with shame."

#### THE GREAT ROUT

Whatever the South Vietnamese may have felt, however, a good many Americans were simply exasperated by Thieu's charge that Saigon had lost out because of inadequate American aid. The fact was that the U.S. left \$5 billion in military equipment for South Vietnam when the last GI packed his bags in 1973. Saigon had 600 fighter-bombers and 900 helicopters, thousands of tanks and artillery pieces and enough light arms to equip a ground force of 700,000 men.

True enough, as some Pentagon partisans pointed out, much of the equipment was secondhand. But the U.S. also gave South Vietnam millions of dollars' worth of parts and spent more millions hiring American technicians to take care of machinery Saigon couldn't maintain by itself. And even if U.S. appropriations were falling, South Vietnam's arsenals were chock-full when the offensive began. The Pentagon hadn't even spent \$175 million of the 1975 appropriation for ammunition when the shooting began. The rout that put Saigon in its predicament was the product of Thieu's poor generalship and the default of officers.

At the end of the hour-and-a-half oration, Thieu vowed to stay on and fight. "I resign but I do not desert," he said. "From this minute I will put myself at the disposal of the President and people. I will continue to stay close to you all in the coming task of national defense." They were brave words, but somewhat hollow. Thieu did stay on in the palace for several days and even for a time tried to direct government operations as usual. But five days after he spoke, he packed 15 tons of baggage into a U.S. Air Force

C-118 transport and flew off to exile in Taipei. Though the U.S. said it would look with sympathy on a request to come to the U.S. if Thieu made one, indications were he would ultimately settle in England.

Thieu's departure, cited for years as the main stumbling block to a peace settlement, did nothing to quiet Saigon's fears. Thousands of upper- and middle-class Vietnamese who didn't qualify for U.S. evacuation were still trying to get out any way they could. Their demand for hard currency shot the black market rate to 5,000 piasters a dollar, seven times the official rate. Vung Tau, the last seaport near Saigon still in government hands, was so jammed that panic erupted



VC spokesman: Watching the puppets dance

and police closed the road to keep refugees out. At one point during the week Alan Carter, the U.S. Embassy's public-affairs counselor, appeared on Vietnamese television in an effort to quell rumors that U.S. aid was being ended. And the rush to get out spread to the foreign community as well. Half a dozen embassies closed down and U.S. oil companies reportedly abandoned \$100 million they had invested in offshore fields that at one point promised to make South Vietnam a major force in world energy markets.

Saigon's fears stemmed largely from a sense that Thieu's departure was only the start of a time-consuming political process that could well be ended by a Communist assault. Thieu's successor, Huong, is lame and ill. His brief reign as Premier in the mid-1960s was brought to an end by a military coup after he

showed himself something less than a master administrator. "He is a very old and very tired man," one Western diplomat remarked. "Much will depend on how well he recognizes that."

His confrontation with Minh, and its aftermath, seemed to indicate that Huong either failed to fully grasp the depth of Saigon's problem or couldn't bring himself to make the necessary decisions. Instead of coming straight to the point with Minh, informants reported, Huong engaged the general in a verbal fencing match that never dealt directly with how to get the Communists to the negotiating table—or who might have to run the government to entice them there. When General Minh turned down his offer to become Premier instead of President, Huong decided to make a stab at setting up negotiations on his own. With the cooperation of Ambassador Martin, Huong booked one of his ministers onto the weekly American liaison flight to Hanoi and announced that talks were starting soon. But Hanoi contemptuously turned back the effort by refusing to allow the airplane to make its scheduled flight until the South Vietnamese minister had debarked.

#### NO OTHER CHOICE

Finally, Huong threw the problem into the lap of the National Assembly. In a twenty-minute address to the legislators, he said: "We have now been abandoned by the United States and it is clear our friends do not want to help us any more. We have no other choice than to negotiate." Huong asked the Assembly itself to decide whether and how he should hand over power to Minh. That seemed reasonable on the surface, but it provided no solution. The legislators spent ten hours wrangling over what to do—and in the end managed to confuse the situation even more. They approved Huong's own unsuccessful peace efforts but said he could, "if necessary, choose a man to replace him." Huong's candidate would himself have to gain Assembly approval, however, and that left room for diehard anti-Communist deputies to veto Minh if they wished. Rumors circulated in Saigon that Huong would soon step down in favor of Minh, but there was no telling when that might happen.

No matter how the political infighting ended, the turmoil in Saigon seemed to be playing right into the Communists' hands. If the South Vietnamese finally installed Minh in power, they would hand the Viet Cong a ready-made non-Communist front man who could easily be controlled from behind the scenes. Minh's main claim to fame was his role in overthrowing the regime of Ngo Dinh Diem back in 1963. Afterward, he governed the country for just three months before his fellow generals tired of his slow-witted, indecisive manner and threw him out. On the other hand, if the Saigon politicians rejected Minh and named another right-wing leader, they would of course give the Communists

the excuse they needed to mount a final military drive against the city.

And it was altogether possible, in the view of some, that they had a third goal in mind—the rapid disintegration of the Saigon government itself. Indeed, one high-ranking diplomat who was in contact with both sides last week suggested that was precisely what the Viet Cong were up to. Noting that the Communists have so far given no direct assurance they would deal with any non-Communist politician—including Minh—the diplomat said he believed the Viet Cong are now "too mean-spirited to ease Saigon's discomfort [in any way]. They are cold and calculating and they know now they have all the power. What we are seeing is elemental politics and elemental diplomacy. They may simply refuse to deal with any government and try to



South Vietnamese trying to obtain visas at the American Embassy: 'They are all afraid of being left behind'

force a total collapse before they enter the city."

For the Communists, there was a certain risk in that strategy. The one South Vietnamese institution that could do them the greatest damage—the army—was resisting collapse. Ironically, the shame of last month's debacle in the north seemed to have stiffened the ARVN's back just as the military situation became truly hopeless. The ARVN's new directorate ordered many South Vietnamese units to abandon exposed positions so as to form a tight defense ring around the capital against the expected offensive.

The results showed up on the battlefield almost immediately. Though they faced overwhelming enemy forces, ARVN troops successfully fought their way out of a Communist trap at Xuan

Loc, 40 miles east of Saigon, and withdrew in good order from Ham Tan, the last port north of Vung Tau. The escaping troops set up new defense lines east of Saigon to protect the Catholic refugee suburbs of Bien Hoa and Honai, and the vital ammunition dumps at nearby Long Binh as well.

#### MAIN RICE ROAD

The army also withdrew its last regular units from Tay Ninh, 45 miles northwest of Saigon—leaving behind only a thin line of militiamen—and set up new defenses closer to the capital. A sizable area of the Mekong Delta was also abandoned so that the ARVN Ninth Division could be brought northward to reinforce the troops fighting to keep Saigon's main rice road open.

In addition to those field maneuvers

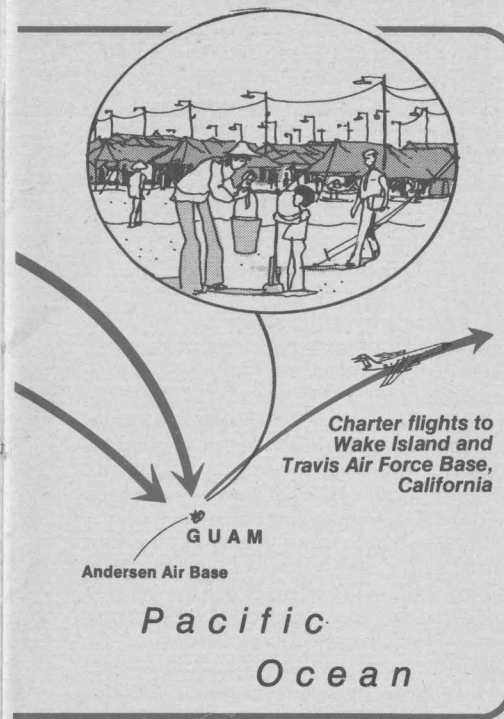
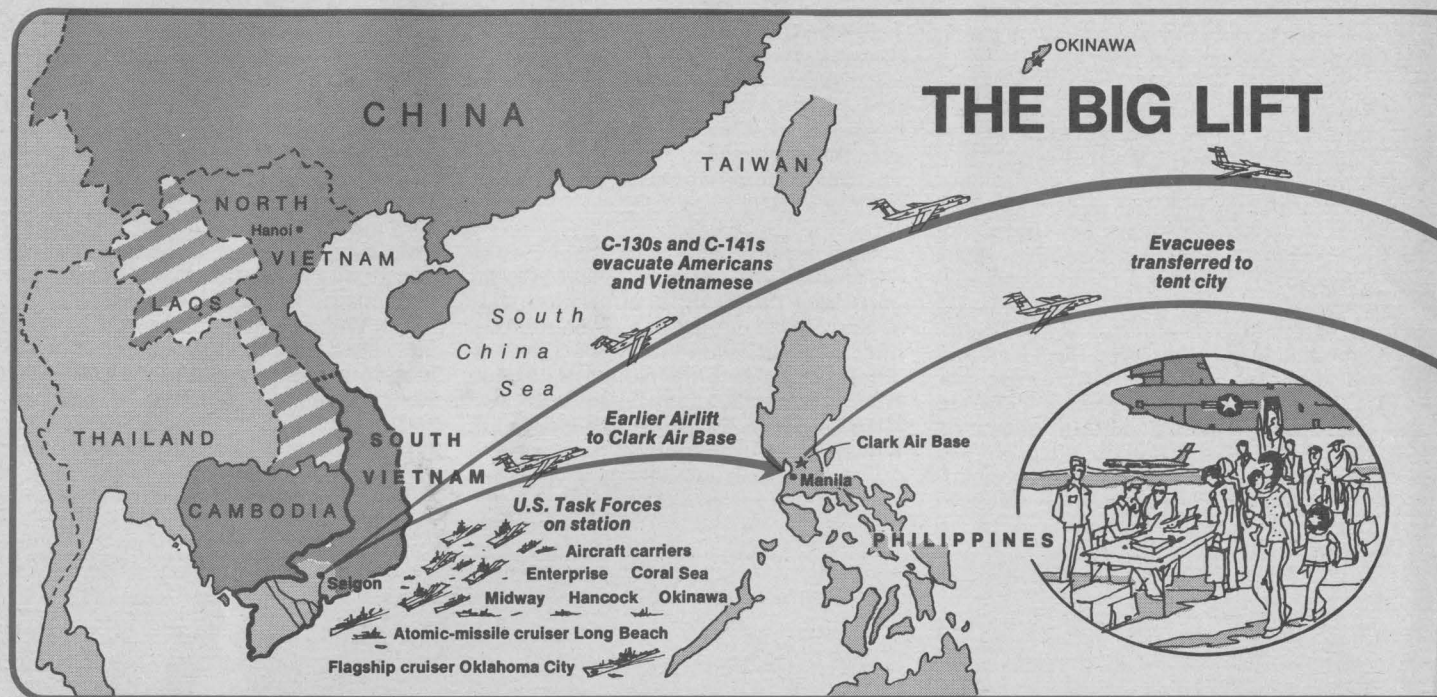
the Communists finally decided to fling themselves against the capital's 60,000 defenders, they could be certain of ultimate victory. "If the NVA want to club us into the ground they can," said one dispirited ARVN colonel. "Some of my fellow officers say they want to stand and fight to the death, and that is exactly what it would be—to the death." But any such assault would exact a terrible price in blood and devastation from both the city and the attacking force, and that gave the North Vietnamese at least some reason to hang back from the final battle while the fumbling South Vietnamese politicians tried to decide whether they would surrender or not.

Just how Hanoi would move no one could say. But the betting in Saigon was that the longer South Vietnam's politicians stalled on forming an acceptable

government, the more the Communist military pressure would increase. The likeliest moves would be massive artillery attacks on Bien Hoa and Long Binh combined with terror raids on Saigon and its airport at Tan Son Nhut. In the meantime the NVA might well decide to spend several days—or even weeks—working over the ARVN units outside Saigon before moving on the capital itself. "The war of Mao is over," one Western intelligence man remarked last week. "What we see now is pure and classical Clausewitz. Destroy the other side's formations and you win the war. One day the South Vietnamese are going to wake up and discover they have no more army." When that happens the war will finally have come to an end.

There was no way that any of those moves would change the end result. If

—KIM WILLENSON with LOREN JENKINS and NICHOLAS C. PROFFITT in Saigon



Good bye to all that: Though some Americans grumbled about swelling the welfare rolls, most opened their arms to the Vietnamese

## Last Exit From Saigon

They rolled gently in the swell of the South China Sea—some 40 U.S. warships, the most powerful naval armada assembled since the Christmas 1972 bombing of Hanoi, standing ready for the last American operation of the Vietnam war. Aboard the cruiser Oklahoma City, Vice Adm. George Peabody Steele, commander of the Seventh Fleet, awaited the signal from Washington. Closer in to the Vietnamese coast on the carriers Hancock, Midway and Okinawa, the marine pilots of 70 Jolly Green Giant helicopters, who only two weeks ago plucked the last handful of Americans out of the besieged Cambodian capital of Phnom Penh, geared up to do it again—this time from Saigon. "If it's a controlled situation, then it'll be a cinch," said one U.S. officer. "But if it's under fire or there's panic and chaos, all I can say is it will be very hairy."

In preparation for the striking of the American colors, wave after wave of Air Force C-141 and C-130 transports flew into Saigon last week to carry out all but the 1,100 U.S. Embassy officials, journalists and others who will remain in Vietnam to the end. The Americans who left on the flights ranged from Foreign Service officers and businessmen to hundreds of ex-GI's reluctantly heading back home with their Vietnamese families. The U.S. also undertook a massive evacuation of Vietnamese—"fireside relatives" and "high risk" cases who would be prime targets for execution following the Communist take-over. Thousands tried to beg, buy or steal their way aboard

the American jets for the flights to U.S. bases in the Philippines, Guam and Wake Island (map, page 30). Fear was the great equalizer. Wealthy families arrived at Tan Son Nhut airport in chauffeur-driven Mercedes limousines to queue for hours under the broiling sun behind Saigon bar girls clinging to their half-American children.

By and large, Americans followed their traditional instinct of reaching out to embrace the fleeing and homeless. U.S. wives in beehive hair-dos lined the tarmac of Clark Air Base in the Philippines to greet the refugees arriving on the first leg of the trip to the United States. One hundred thirty Vietnamese orphans—many lame and crippled—were adopted by the tiny town of Mount Angel, Ore., and bedded down in the community's Oktoberfest beer hall. "We thought only last week the war was so far away," said Sister Antoinette Traeger. "Now the Lord has dropped 130 orphans in our lap. We are grateful the Lord has that much trust in us."

### 'WHAT A ZOO!'

Others, however, clearly had strong reservations about letting up to 130,000 Vietnamese—including more than a sprinkling of crooked bureaucrats, expolice torturers and prostitutes—make the U.S. their new home. "What a zoo!" exclaimed San Francisco district immigration director Richard Williams as the first planeloads of refugees descended on Travis Air Force Base. California officials began to panic at the thought of

San Francisco suffering a fate like the Cubanization of Miami, and politicians talked of legal action to bar the Vietnamese from their state. "We can't be looking 5,000 miles away," argued Gov. Edmund G. Brown Jr., "and at the same time neglecting people who live here."

Indeed, there seemed to be a widespread feeling that the Vietnamese were unassimilable Asian aliens who couldn't have arrived at a worse time—in the middle of a severe economic recession and during a period of soul-searching when Americans did not want to live with human reminders of their country's traumatic experience in Indochina. Still, a number of Americans felt the U.S. had a responsibility to give the Vietnamese a home. "These are people who would be strung up," said AFL-CIO president George Meany, who dismissed talk that the Vietnamese would hurt American workers by competing for scarce jobs.

The Ford Administration agreed. Attorney General Edward H. Levi, in a letter to the Senate Judiciary Committee, announced he was using his parole power to waive immigration restrictions and let up to 130,000 refugees from Vietnam and Cambodia into the country.\* And special Presidential representative L. Dean Brown, head of the White House task force coordinating refugee evacuation, was mounting a maximum effort to get as many endangered Vietnamese out as he could in the remaining time.

\*The parole power was used in the 1950s to admit 40,000 Hungarian refugees and in the 1960s to admit 675,000 Cubans.

refugees and welcomed them to new homes

While the U.S. tried to carry off its airlift with a minimum of publicity, other nations were less subtle about abandoning Vietnam. The British, Australians, Canadians, Italians, Thais, Laotians and New Zealanders all shut down their embassies last week—and in their haste to flee, the British left behind not only many of their Vietnamese employees but even some of their own subjects as well. A dozen British passport holders who hadn't found the right Saigon officials to bribe for exit visas pleaded at the embassy gates to be taken along. British Ambassador John Bushnell was unmoved. In a clipped voice, he said: "We really can't break the rules laid down by a government, now can we?"

### THE FINAL EVACUATION

American Ambassador Graham Martin, however, remained determined not to run, and in this he was supported by Secretary of State Henry Kissinger. As WASAG—the Washington Special Action Group—met twice at the White House last week, Defense Secretary James Schlesinger and Kissinger were at odds on the timing of the final American evacuation. "Schlesinger would have had the Americans out of there a week ago," a Pentagon source said. "It's Kissinger who has been holding things up on the evacuation because he is concerned about the impact in Saigon." But with each passing day, Schlesinger seemed more concerned about how difficult it might be to get the last Americans out if the withdrawal was not completed before the North Vietnamese launched a big assault on Saigon.

The armada on station in the South China Sea seemed ready for almost any contingency. Stretched out in a crescent

about 100 miles long, the task force boasted five carriers, the guided-missile cruiser Long Beach, and two dozen support ships and destroyers. As it became increasingly unlikely that the 130,000 Vietnamese the State Department hoped to save could be taken out by air, consideration was given to trying to take a final group of Vietnamese refugees off by ship from Vung Tau at the mouth of the Saigon River. The Navy moved eleven amphibious vessels with 4,000 marines aboard into position off Vung Tau, and late last week, a chartered transport ship, the Green Wave, actually made it safely down the river and out to sea with 600 refugees it had taken aboard in Saigon.

The Pentagon was also planning for a "worst case" situation: an attempt by either Communist forces or South Vietnamese troops to block the final American departure. The tennis courts at the U.S. military compound at Tan Son Nhut were cleared last week to make a giant pad for the Jolly Green Giants, and sandbags were thrown up around the perimeter to give the marines who would guard the evacuation site defensible positions. Ten F-4 "Wild Weasel" planes equipped with electronic gear designed to search out SA-2 missile batteries were dispatched to Khorat Air Base in Thailand, from which to accompany Navy carrier-based fighters providing air cover. U.S. military officials said that if all went well, they could probably succeed in evacuating the final 1,100 Americans—along with 1,000 other foreigners—in nine to twelve hours.

Until two weeks ago, Ambassador Martin—determined not to push the South Vietnamese Government over the brink with a premature American withdrawal—was as stubborn as the British in insisting that those leaving the country comply fully with Vietnamese laws. As a

result, Americans trying to flee found themselves unable to get exit visas and clearances for their Vietnamese wives and children unless they were willing to pay bribes often running more than 1 million piasters (\$1,330).

Beyond that, Ambassador Martin's own consular officers dragged their bureaucratic heels as well. Ronald A. Clifford, 26, a helicopter mechanic who had been trying for three months to get his Vietnamese wife and children out of the country, said every time he visited the U.S. Embassy, he encountered a new problem. When it was discovered that he had signed one document "Ronald Anthony Clifford" and that his Vietnamese marriage license listed him as "Ronald A. Clifford," a consular official insisted he have his marriage license changed. "That took another three weeks," Clifford said. "The American Embassy wasn't helping us one bit."

### NO TIME FOR BUREAUCRATS

When word finally came from Washington that all but essential Americans were to be out of Vietnam last week, however, the embassy suddenly realized it had made a serious miscalculation. Its evacuation plans had been based on a figure of 7,000 or so Americans. But when retired U.S. diplomats and Army deserters began showing up with their Vietnamese wives, children and in-laws, embassy officials belatedly recognized the number of Americans and dependents to be evacuated was perhaps 35,000. With that, Ambassador Martin concluded there was no more time for bureaucratic niceties. A movie theater at Tan Son Nhut airport was turned into a vast processing center, and affidavits that until then had taken weeks to obtain were fixed up on the spot.

As part of the pretense that only a few Vietnamese were departing, all of the



Guam tent city: Along with prostitutes and tiger-cage guards, 'some fine people'



Marines prepare to link up with armada: Planning for a 'worst case' situation

names on the evacuation flight manifests were American. Each time a name was called, an American in sport shirt would shoulder his luggage and amble toward the gate, invariably with a family of Vietnamese—sometimes his own, sometimes someone else's—trailing nervously behind. Typical of those leaving last week was Lawrence Zablan, who was followed onto the plane by Nguyen Thi Muoi Zablan, Nguyen Than Hung Zablan, and four other Vietnamese Zablans. Officials issued documents to dependents in the "fireside relative" category—spouses, parents and unmarried children—and other relatives slipped through as well. One 28-year-old American got his wife's 31-year-old sister out by listing her as his daughter.

#### A MOOD OF PANIC

While it was clear from the diminishing number of Americans on Saigon's streets that the big exodus was finally under way, it was only at the U.S. Embassy that the dimensions of the pullout became apparent. Whole sections of the embassy ceased to function entirely last week as their American officers disappeared—often without even canceling their appointments.

To anyone around Tan Son Nhut Airport, moreover, it was obvious that thousands of "high-risk" Vietnamese—such as those who had worked for the U.S. in military and intelligence activities—were being evacuated as well. The Vietnamese leaving on the huge C-141s, in fact, outnumbered Americans by as much as 20 to 1. "Hell, look around you," a U.S. official said, surveying the throng. "They can't all be U.S. dependents unless we were a hell of a lot more prolific

than we thought." And to keep South Vietnamese police and airport workers from interfering, U.S. officials promised they, too, would be evacuated.

A mood of panic began to develop late in the week after the Voice of America reported that 12,000 Vietnamese had thus far been evacuated. Within an hour of the VOA broadcast, thousands of frantic Vietnamese were mobbing the embassy gates, pleading to be put on one of the evacuation flights. Ambassador Martin was forced to call in the police to break up the crowd. One distraught embassy official, later surveying the crowd of Vietnamese being held at bay down a side street, shook his head sadly and said: "They are all afraid of being left behind."

Many Americans, however, were reluctant to leave. A retired 58-year-old U.S. diplomat, who had stayed on in Saigon after leaving the Foreign Service, said he had found Vietnam "a good place to live on a pension." But, he added wistfully, "I can no longer get to Vung Tau to go fishing, and now the golf course at Tan Son Nhut is about to close." Another American less than eager to return home was Sherman Johnson, 27, a black ex-GI who had been working for a U.S. electronics firm. "Like, man, I hate to go," Johnson said. "My wife thinks the U.S. is going to be paradise. But hell, if it was that much of a paradise, we wouldn't all be here."

Nevertheless, America beckoned tens of thousands of Vietnamese, many of whom were willing to pay any price to get there. Jim Scrivellito, an aircraft technician from Reno, Nev., said he saw a Vietnamese hand over a thick roll of greenbacks to an American at Tan Son

#### THE WAR IN INDOCHINA

Nhut with a plea to "put me on the list." The Vietnamese, he said, made it. But another family paid an employee of the defense attaché's office 10 million piasters (about \$13,300) to get them aboard an evacuation flight—and then they were left behind. "It was stupid to pay the money," one member of the family was heard arguing angrily. "It would have been stupid not to use the money now," another replied. "In a few days, it will be good only for wrapping paper."

Hundreds of other Vietnamese who seemed reconciled to staying behind themselves tried desperately to get their wives or children out to safety. A South Vietnamese Army captain got his young son out by forging a birth certificate in the name of a neighbor and persuading the neighbor to take the boy on the plane as her son. The captain then sent a letter to his sister, who lives in Lodi, N.J. "Please take care of my son," he wrote. "Quan is the last drop of blood in our family. If you have time, pray for us."

As the airlift picked up momentum, the refugees quickly swamped the facilities of Clark Air Base in the Philippines. By midweek, more than 6,000 evacuees were jammed into the hot barracks, and officials began desperately erecting a tent city on the grassy parade field to house the overflow. Then suddenly—amid hints that President Ferdinand Marcos was becoming nervous about Hanoi's reaction to the huge influx of Vietnamese into the Philippines—the U.S. announced it was shifting the transfer point for refugees to Guam.

#### 'TIN VILLAGE'

As 20,000 Vietnamese refugees descended on Guam late last week, representatives of several of the American firms that had employed them arrived to meet them. One well-dressed American wandered about Andersen Air Base's "Tin Village"—the cluster of tin barracks where many evacuees were housed—carrying a sign reading "IBM Employees Gather Here." The Columbia Broadcasting System greeted its Vietnamese workers with news that they would continue to receive salaries—and be absorbed into the CBS organization.

Late in the week—with the Guam refugee camps filled past overflowing—the U.S. hastily opened a new evacuation center on Wake Island. And to relieve the mid-Pacific jam, the government stepped up the airlift of processed Vietnamese to California. As old women dressed in *ao dais* and clinging to small children emerged from the jetliners at Travis Air Force Base, many appeared stunned. For some, there were tearful reunions with relatives. But others were left standing outside the terminal, trying to cope with cab drivers hustling them for \$25 fares to San Francisco or bus schedules they didn't understand.

Many Americans, however, tried to help the new arrivals. One group of 154 Vietnamese evacuees who arrived in California without any documents was

sent to the Los Gatos Christian Church to be held for immigration processing. The church choir greeted them with a program of hymns, and soon the Vietnamese and Los Gatos women were jointly cooking large meals. Said the Rev. Marvin Rickard: "We bought out all the fish sauce around."

#### 'EVERYBODY GETS SOME'

But there were also signs last week that the Vietnamese could look forward to a less than universal welcome. Rep. William Randall of Independence, Mo., said he had received dozens of calls from constituents saying: "We want no part of them in our area." When an amendment was offered in Congress to study the cost of caring for the refugees, California Rep. John L. Burton Jr. called out in a loud voice: "Everybody standing [to vote for the bill] gets some."

Not all of the refugees, by any means, are candidates for the unemployment and welfare rolls. Many of them are college-educated, speak good English, have worked with Americans for years and seem willing to "do anything" for a start. Nguyen Trac, 24, a cocky former helicopter pilot, thought he could join the U.S. Air Force. One noted mathematician at Dalat University was planning to look up some old contacts from his days at Berkeley. Qui Nguyen, 42, manager of Saigon's Caravelle Hotel, wanted to find "some work in a hotel in the United States."

Many of the Vietnamese seemed to view the future with greater confidence than the homeward-bound Americans. A



'Tin Village': Bedding down the first night

#### THE WAR IN INDOCHINA

number of returning ex-GI's, in fact, talked of keeping right on moving—or perhaps finding a job now in the Midwest. Ralph Baird, 59, an aircraft mechanic with a Vietnamese wife and three stepchildren, said he was hoping to obtain work in Saudi Arabia. Others just didn't know what they would do. Howard Wyckoff, a 38-year-old retired soldier, said he would take his wife Nam back to Missoula, Mont., and "try to figure it out." Lawrence Whitman, 45, however, was not planning to take his Vietnamese wife and children back home to North Carolina. "Now that I've got an Asian family," he said, "I think I'd be better off on the West Coast."

Despite the obvious human plight of the Vietnamese refugees, few nations showed much inclination last week to give any of them a home. Informal soundings by the State Department in Indonesia, Thailand, Taiwan and the Philippines found a disposition to regard the Vietnamese refugees as exclusively a problem of the United States. Moreover, when Washington finally began directly asking other nations to help, the most it could get was vague agreement from Italy, Argentina, Brazil and Chile that they "might" take some of the refugees. Assistant Secretary of State Philip Habib told Congress last week the Administration was "operating on the assumption that the great majority of them will come to the United States."

#### RESETTLEMENT CAMPS

The big question, however, was where? In the resettlement effort that followed the Hungarian uprising in 1956, staging areas were set up in Austria and Italy where specialists for U.S. voluntary agencies carried out preliminary screening of refugees that facilitated their placement in the United States. The voluntary agencies claim they cannot carry out these screening and resettlement procedures on remote Pacific islands like Guam, however, because of the problems of communicating with local affiliates. So the Ford Administration was hastily scouting around last week for six or seven sites it could use as resettlement camps where the refugees could remain for up to two weeks. One leading possibility was Fort Chaffee in Arkansas, which has room for about 20,000 persons. Camp Roberts in California and Camp Pickett in Virginia were also reported under consideration.

One factor threatening to complicate an already difficult problem, however, was the bitter quarrel brewing last week between the State Department and the voluntary agencies. Officials of the seven organizations representing Catholic, Jewish, Protestant and nondenominational voluntary agencies complained of being virtually ignored by the governmental task force working on the refugee evacuation. In an effort to keep the feud from getting out of control, Edward Kennedy, who chairs a Senate subcommittee on refugees, arranged a meeting



Mauldin © 1975 Chicago Sun-Times

'My father's name is Kennedy Johnson Nixon Kilroy'

between Ambassador Brown and the voluntary agencies.

While it was clear the government would need the agencies' help in placing the refugees, it seemed likely that the agencies would need some of the government's money. Congress normally votes funds for the care and maintenance of refugees, but it normally does not pay for resettlement—a highly expensive undertaking that runs from \$2,500 to \$3,000 per family unit. The voluntary agencies—which have handled this in the past with a minimum of government aid—are financially strapped as the result of inflation and the recession. Agency leaders were passing the word last week that they would welcome a grant of \$500 per family unit to defray costs.

While some of the better-educated Vietnamese will probably get on their feet in America quickly, others will clearly require assistance for a considerable time. Even some of the middle-class refugees—Vietnamese journalists, government translators—can expect rough going as the hunt for scarce jobs and find their old skills not in much demand. A few of these, however, were already making plans last week to adjust to their new situation. Several Vietnamese who worked for a U.S. newspaper in Saigon said they planned to use their severance pay to buy a farm. "If we have land, we can use it as a base point from which to make our way into American society," said one. And government officials remained confident last week that most of the refugees will in the end be resettled with a minimum of difficulty. Said Ambassador Brown: "We're going to get some fine people out of this."

—MILTON R. BENJAMIN with LOREN JENKINS in Saigon, RON MOREAU at Clark Air Base, BERNARD KRISHER in Guam, WILLIAM J. COOK at Travis Air Force Base and LLOYD

# 'We Beat the Americans'

After days of martial drum rolls, funeral marches and an occasional folk song, Radio Khmer Rouge interrupted its regular program last week with a special bulletin. The speaker was Khieu Samphan, commander in chief of the victorious rebels and Cambodia's new strongman. "The enemy died in agony," he said cheerfully, and then went on to report that the people of Cambodia were "beating the victory drum." True, the Khmer Rouge still had to form a government, clean out a few stubborn pockets of resistance, work up at least a temporary *modus vivendi* with Thailand and dis-

airstrip near the temples of Angkor Wat so he could return one day with the ashes of his mother—who died in Peking at the weekend. The business of running the revolution clearly belonged to the Khmer Rouge, Sihanouk noted. "I'll come back to Peking to give receptions. Then I'll go and harass the United States at international conferences and the United Nations," he told a correspondent of *Le Monde*. "I'm not going to nightclubs, just to great restaurants."

The bill of fare before Khieu Samphan was considerably more homely. The new Communist-led government began evac-

may yet wind up as Cambodia's roving Foreign Minister without portfolio. A real threat to Khieu Samphan's power may come from a group called "the Hanoi cadre" around the U.S. State Department. The band is made up of about 6,000 guerrillas who made the trek to Hanoi for training in the early 1960s. Led by Saloth Sar, an experienced political infighter, the Hanoi cadre dislikes Samphan's "conservatism," opposes his pro-Russian orientation—and sneers at the bourgeois cast of his supporters.

In Thailand, nervous politicians hoped—a bit wistfully—that the three groups would fall into civil war. For the moment that prospect appeared unlikely. The new regime scheduled three days of celebrations—and a week of mourning for the war dead. Then it went about the business of occupying the country. Advance guards of the Khmer Rouge entered Cambodian villages, posting signs telling the locals to surrender their firearms in the town squares. Mostly the order was followed. But at the Preah Vihear Temple on the Thai border, a group of 150 armed loyalists dug in to make a last stand. "This is the Khmer Republic," said one lieutenant bitterly. "It's very small now."

### TRIGGER-HAPPY

Tension elsewhere along the Thai border erupted in gunfire. Near Poipet, Khmer Rouge troops fired into a crowd of 350 fleeing Cambodian Muslims, killing more than a dozen. Other trigger-happy Khmer Rouge border guards peppered away at Thai reconnaissance planes. "This can't go on," snapped Thailand's Army Chief of Staff Kris Srivara. "Our border police must have permission to fire back if they are fired on." For the moment, however, a showdown with the Khmer Rouge was the last thing Thai leaders in Bangkok wanted.

Another kind of crisis was at hand in Phnom Penh. Within the compound of the French Embassy, 515 French nationals—and 95 other foreigners, including Soviet, East German, Indian and Pakistani diplomats, relief workers and newsmen—were under virtual house arrest. For the first time since the fall of the city, French officials in Paris expressed alarm over the safety of the group. A planeload of food and medicine donated by French humanitarian groups stood by for days in Vientiane, but Pochentong Airport remained closed. The shortage of food and water, reported officials in Paris, was becoming precarious. "We're getting nothing out of Cambodia," added a worried expert in Washington. "We don't know what's going on there."

—TOM MATHEWS with HARRY ROLNICK in Bangkok and LLOYD NORMAN in Washington



The victors: At the Thai border, Khmer Rouge troops protest a barbed-wire barricade

pose of an embarrassing throng of foreigners holed up in Phnom Penh's French Embassy. But if it was a time for sober reflection, it was also an occasion for gloating. "We did what they said we could never do," chortled Prince Norodom Sihanouk from his exile in Peking. "We defeated the Americans."

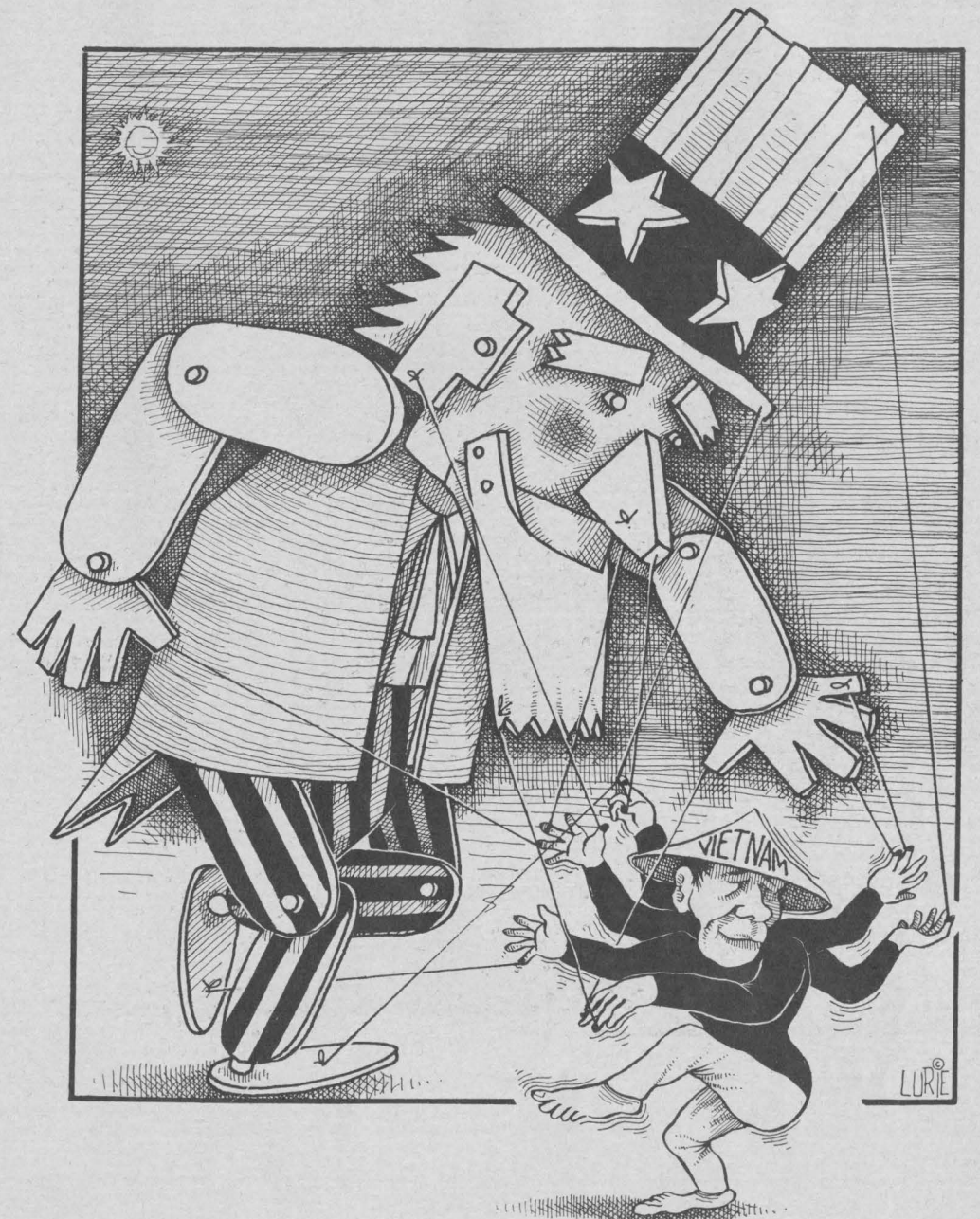
### RUNNING THE REVOLUTION

Having sat out the fighting for the past five years, the Prince discreetly let the word drop that he was in no hurry to return to Phnom Penh—even though the Khmer Rouge gave him lifetime tenure as a figurehead Chief of State. Those who knew Sihanouk well, however, guessed that he would lose no time in parlaying his vaunted popularity with the Cambodian peasantry into a place of honor, if not leadership, in postwar Cambodia. For the moment, however, he asked only that the ascendant guerrillas patch up an

uating some of the 1.4 million refugees who had crowded into Phnom Penh by spreading the rumor that the U.S. was planning to bomb the capital. With rice already in short supply, bringing in the crop could take some time—and delays could turn into a real political problem. "The Khmer Rouge would prefer a lot of small riots in the countryside," observed one senior Defense Department official, "to one big one in the capital."

The emergence of Khieu Samphan as first among Communist equals appeared to solve the immediate problem of leadership in Phnom Penh, but three separate factions were competing for political influence. Khieu Samphan headed the strongest group—a clique that consisted primarily of Khmer Rouge veterans with middle-class family backgrounds and French educations. A second splinter group of Sihanouk supporters appeared outmanned—though Sihanouk himself

## LURIE'S OPINION



# Remembrance Of Things Past

For fourteen harrowing years, America lived with a great foreign obsession—Vietnam. And though now that era is finally coming to an end, its stark images linger in the world's memory.

At the outset, a young President saw South Vietnam as an experiment in fighting future brush-fire wars. That view, as even John Fitzgerald Kennedy came to realize, was naive. And like France before it, America embarked on a passage of blood and fire in Indochina.

Instead of turning back, the United States steadily expanded and deepened its commitment, ensnaring itself in the Byzantine politics of Saigon. President Lyndon Johnson cast the final die by ordering American combat troops into the first land war in Asia since Korea.



JFK inspecting airborne troops at Fort Bragg, N.C., 1961

AP



An antiwar Buddhist monk sets himself on fire, 1963

AP



Lodge swims in Saigon, 1965

Jill Krentz



The assassination of President Diem in Saigon, 1963

Paris-Match



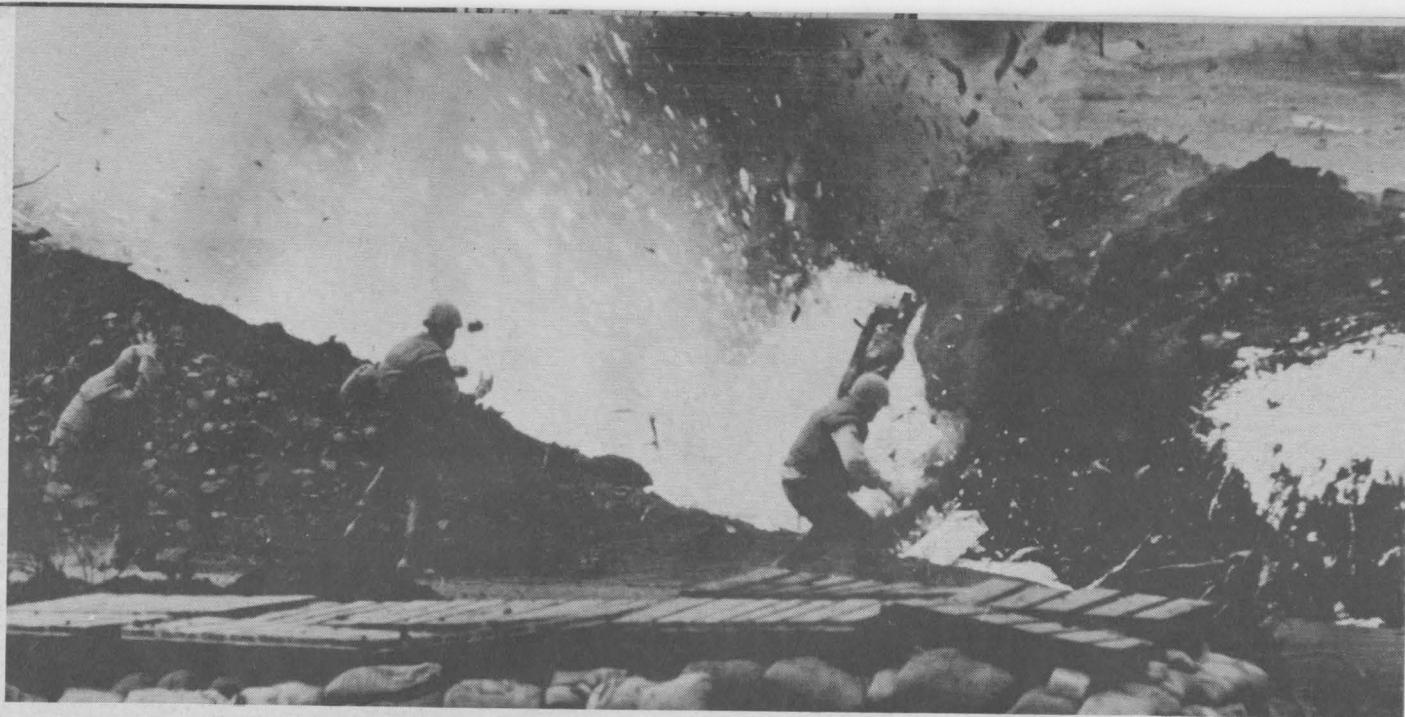
Smiles from Madame Nhu (with daughter), 1963

AP



The first U.S. marines storm ashore near Da Nang, 1965

AP



Robert Ellison—Black Star

Viet Cong mortar rounds touch off an ammunition dump at the besieged U.S. base at Khe Sanh, 1968



David Douglas Duncan

Snipers select targets of opportunity at Khe Sanh, February 1968



UPI

Exhausted marine, 1967

### A Gathering Fire Storm

The United States had never lost a major foreign war. Yet suddenly American soldiers were locked in an unwinnable battle with a new kind of enemy. For a while the body counts seemed to favor the U.S. and Saigon. Then came the shock of the 1968 Tet offensive.



Entrenched in Khe Sanh, 1968

Newsweek, May 5, 1975



McNamara's charts, 1966



Photos by Dennis Brack—Black Star

Westmoreland sees some light, 1967



Marshal Ky and wife, 1966

Newsweek, May 5, 1975

U.S. Embassy, Tet, 1968

AP

Newsweek

23



Police chief Loan executes Viet Cong, 1968



Marine burns hut, 1965



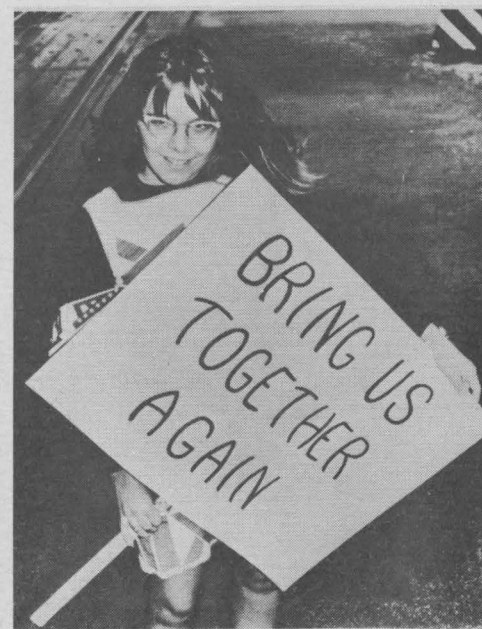
Nixon with troops in Vietnam, 1969



Victims of My Lai massacre, 1968



GI's with Saigon whore, 1969



Ohio girl's plea to Nixon, 1968

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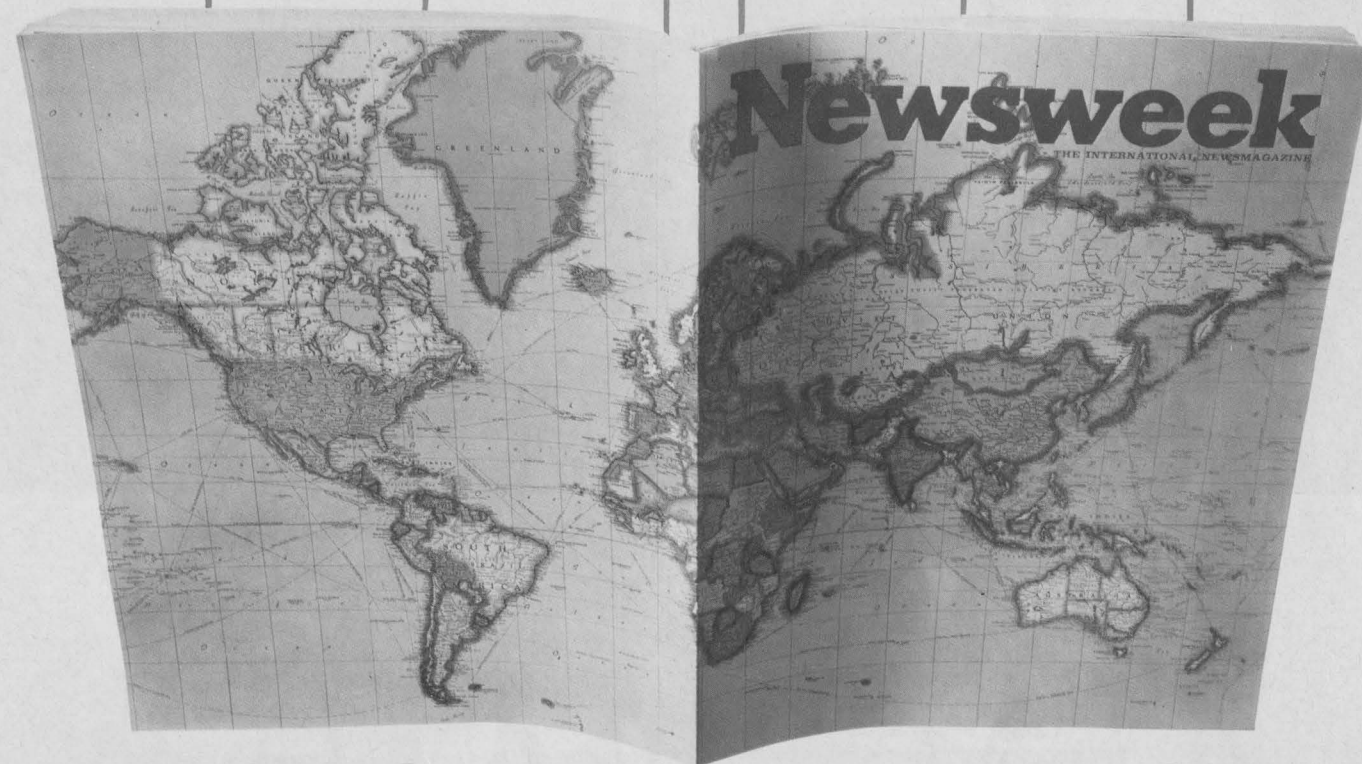
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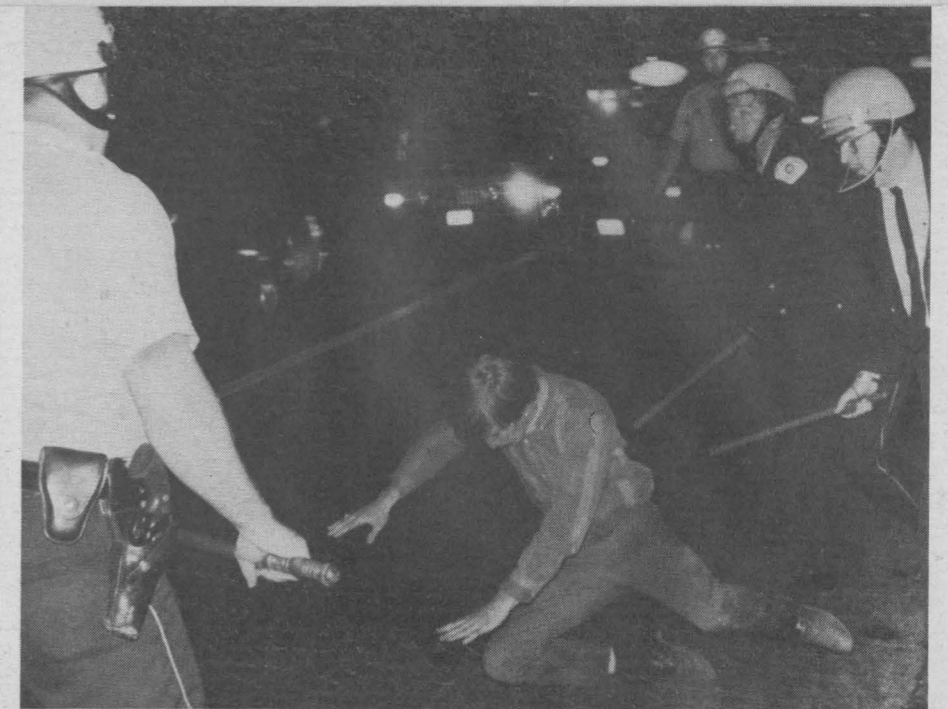


David Levine © 1966 N.Y. Rev. Inc.

War-scarred Lyndon Johnson, 1966

### The War Comes Home

The Tet offensive brought the shock of reality to the United States, and the horror of the Vietnam war soon began to be mirrored in America's own domestic agony. Peaceful demonstrations gave way to violent conflict both in the streets and on the campuses, where the body count mounted. The domestic turmoil forced the abdication of Lyndon Johnson as President and buoyed the White House ambitions of former Vice President Richard Nixon, who promised the country peace with honor.

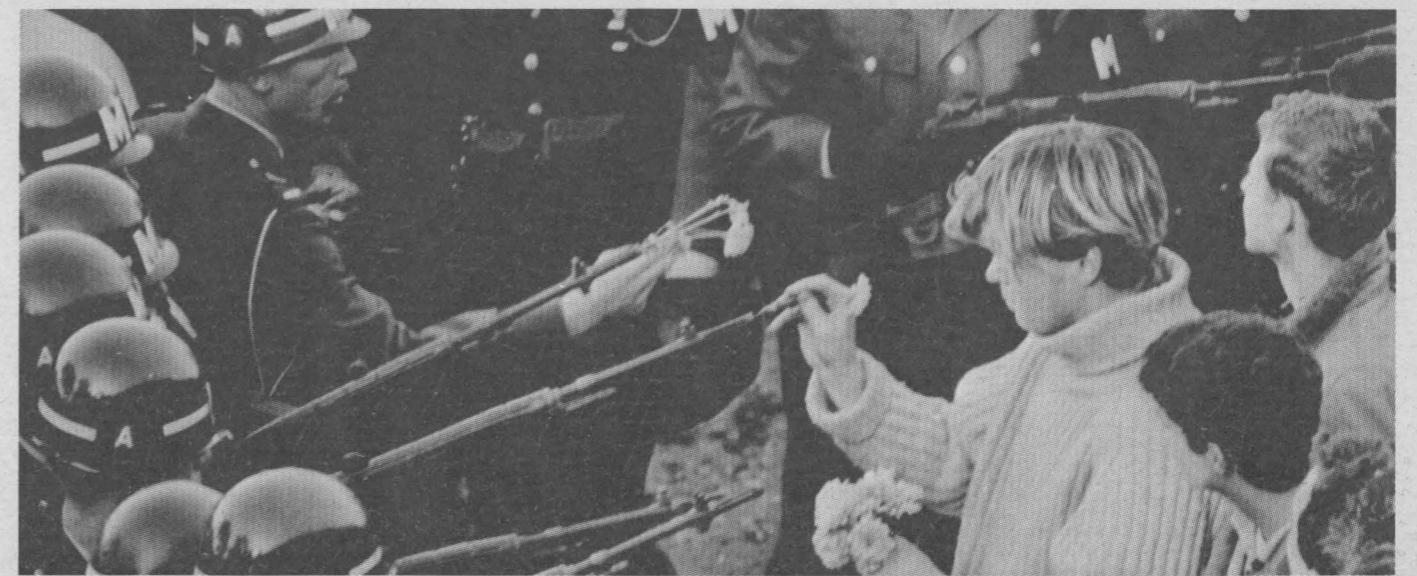


The Democratic convention in Chicago, 1968



John A. Darnell—Life Magazine © Time Inc.

National Guardsmen fire into a crowd of students at Kent State, 1970



Bernie Boston—Washington Evening Star

Outside the Pentagon, antiwar demonstrators spike the guns of military police with flowers, 1967



ARVN soldier retreats from Laos, 1971

AP



'Decorated' GI sports a flower and a peace symbol, 1971

AP

### Crumbling Morale

Winding down the war was sometimes as painful as fighting it. In the final years of the conflict, there seemed to be a breakdown of morale—and ever more brutality.

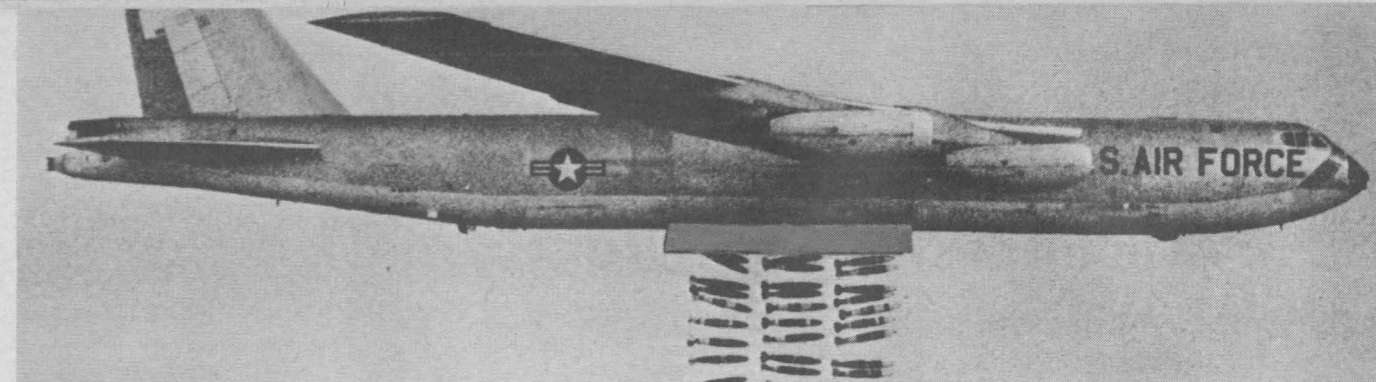
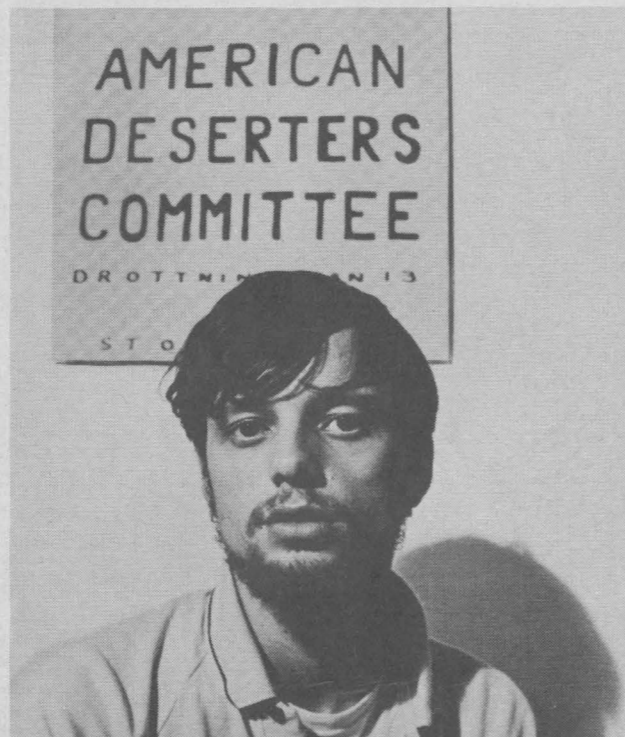


South Vietnamese prisoner in 'tiger cage,' 1970



North Vietnamese capture U.S. pilot, 1972  
American army deserter in asylum in Sweden, 1968

Knut Andreassen



B-52 'Stratofortress' rains bombs on North Vietnam during renewed U.S. air strikes at Christmas, 1972

### The End Game

Under Henry Kissinger's prodding—and carpet bombing by U.S. B-52s—Hanoi agreed to negotiate a peace. American prisoners of war returned to the embrace of their families, the future of Vietnam's war-scarred children appeared to improve immeasurably and Kissinger won the Nobel Peace Prize. Soon, however, the Paris accord collapsed. The end finally came by northern conquest, but even the winners could take little comfort. Too many people had suffered or died for that.



Screaming with pain, children flee misdirected napalm attack, 1972

AP



POW comes home, 1973

Dennis Brack—Black Star



North Vietnamese hospital, 1968

Bertolino



Kissinger and Tho (right) in Paris, 1972

Gamma



**ASIA**



Subic Bay Naval Base; President Marcos at the podium: Making the hard sell

# A Sea Change in Manila

The five Philippine television networks were alerted to expect "an important foreign-policy announcement" and they promptly canceled their regular programming. For fully four hours, the cameras dutifully captured every detail of a lavish Presidential banquet—the guests devouring their filet mignon dinner, a Supreme Court justice telling interminable off-color jokes and a slightly tipsy torch singer urging Defense Secretary Juan Ponce Enrile to "dance with me, Johnny." But finally it was time for President Ferdinand Marcos to take the podium and within minutes it was clear that Marcos's speech would live up to its advance billing. After decades of a special relationship between the Philippines and the U.S., he declared, America's defense commitment to his nation was now in doubt; the time had come for Manila to reconsider its security ties with the U.S. and perhaps even to take over the American bases on its soil.

Coming as it did on top of the collapse of Cambodia and South Vietnam and the Thai Government's decision to oust U.S. bases, the President's declaration sent a shudder through the U.S. Embassy in Manila. Only a small minority of observers believed that Marcos really entertained notions of taking over or closing down such mammoth U.S. installations as Clark Air Base or the Subic Bay Naval Base. But the President's tough talk did serve to highlight the sea change that has taken place in Philippine foreign policy. First gradually, and then swiftly in the wake of the Indochina debacle, Manila has been moving away from its traditional role as a U.S. client state and toward the Third World and the newly emerging powers in Southeast Asia, Hanoi and Peking. And even if the links between Manila and Washington can be kept

intact, Marcos and other Filipinos have served notice that they are going to be more hard-nosed than ever before in dealing with the U.S.

The shift toward broadening Manila's foreign-policy options in fact began months ago. Faced with a smoldering Muslim rebellion in the southern part of the country and an acute shortage of petroleum during the world oil squeeze, Marcos began moving quietly and with some success to cozy up to the Arab nations of the Middle East. Then last September, he dispatched his No. 1 traveling diplomatic troubleshooter—his wife, Imelda—to Peking to explore contacts with the Chinese. At the same time, the Philippines gradually began to play a more active role in ASEAN, the Association of Southeast Asian Nations.\*

**Leak:** With the beginning of the Communist onslaught in Indochina, the pace of Filipino moves picked up still more. Marcos announced he was going to Peking himself, probably later this summer, to open diplomatic relations. When Phnom Penh fell to the Communists, the Philippines joined with the rest of ASEAN to offer recognition to the Khmer Rouge. And on the very day last week that South Vietnam's President Thieu resigned, Philippine officials leaked stories to the local press that Manila was moving to open relations with Hanoi. "All of a sudden," said one Westerner in Manila, "the Filipinos have become more Asian than the Asians."

To pull off his Asian initiative, Marcos apparently felt it was necessary to put some diplomatic distance between Manila and Washington. In his foreign-policy address, the Filipino President questioned whether the balky U.S. Con-

\*The ASEAN nations are Indonesia, Malaysia, the Philippines, Singapore and Thailand.

gress would live up to its defense commitment to the Philippines. Going one step further, Philippine Foreign Secretary Carlos Romulo even suggested that the presence of the U.S. bases might be more of a "magnet" for aggression than a shield against it. "In World War II," he told me, "the Japanese came here to attack the U.S. flag. Isn't it possible that someone else may come here to attack that flag? Besides, if Thailand throws out the Americans, we will be the only ones left in the region harboring U.S. bases. We could be suspected of being an American Trojan horse."

**Retreat:** Marcos and most Philippine officials insist that they want future discussions with Washington to be cordial. But some Filipinos are not so gentle. Lately, some American diplomats say, Filipino generals have taken to reminiscing about World War II days when the U.S. urged the Filipinos to retreat to Bataan to await U.S. reinforcements—and then decided to focus its attention on the war in Europe instead. Some Filipino columnists have sounded even tougher. "If friendship with the U.S. will mean doing their dirty work and exposing ourselves to the ire of America's enemies," wrote Teodoro Valencia, one of Manila's leading commentators, "then that is the friendship we will be forced to turn down."

The problem for Marcos is to walk the narrow line between showing independence from Washington and alienating the U.S. completely. Most Filipinos agree that to throw the U.S. out—just now at least—would be disastrous. U.S. military spending accounts for upwards of 10 per cent of the nation's GNP. The U.S. provides the Philippine armed forces with most of their hardware and continued U.S. aid seems the only way

the Filipino Army can replace the heavy matériel losses it has sustained at the hands of the Muslim insurgents. And further such losses seem likely. Even though Marcos made a major concession to the rebels last week by announcing that he was reorganizing government in the south to give more power to Muslims, the hard-core insurgents in the hills of Mindanao seemed sure to continue their fight.

**Aid:** Under the circumstances, it seemed unlikely that the Filipinos would want to close the bases entirely, but they are expected to ask for more aid or for an outright rental agreement. Such an arrangement, one official explained, would have fewer political strings attached to it than the current 25-year lease. For their part, American military officials appear to accept that the use of the facilities at Clark and Subic is worth more than the \$13.8 million the United States gave Manila in military aid last year. "You just can't put a price tag on what it would cost to duplicate a base like Subic," was the way Brig. Gen. Jack Sadler, chief of the U.S. Military Advisory Group, put it. (By one estimate, naval repairs done at Subic cost the U.S. one-half of the cost of operating at Guam and one-quarter of what it would take to bring the craft back to the American West Coast.) U.S. officials, in fact, are said to have completed a study showing that a fair "rent" for the two installations might come to twice the current bill.

Whether the U.S. Congress would approve such an expenditure is another matter. And the question of the security commitment is murky. Marcos seems to recognize that he probably can't get a new commitment from Congress or even a stronger statement of principle from President Ford. "What Marcos wants is to hear from the U.S., not necessarily on paper but at least in the form of a quiet reassurance," said one Western diplomat. "He wants that security deal in his pocket as he makes his moves toward Hanoi and Peking." Now, as the Philippines reassess the shifting balance of forces, the hard sell is on—toward the new Asian powers and the U.S. alike.

—RICHARD M. SMITH in Manila

**KOREA:**

**Journey to Peking**

Among his own people, Kim Il Sung basks in the sobriquet of "respected and beloved leader, the genius of revolution and the great sun of the nation." With a personality cult like that, the North Korean President rarely feels the urge to leave home. Thus when Kim recently invited himself to neighboring China for the first time since 1961, both his Peking hosts and experts in the West speculated that he must have something urgent on his mind. Predictably enough, that something concerned his non-Communist neighbor to the south. Exulting over Communist victories in Indochina, Kim told a cheering audience at his first

official banquet that the collapse of "the colonial rule of U.S. imperialism in South Korea" would soon follow. More ominously, he threatened to achieve the reunification of North and South Korea by force.

Such threats were hardly new. What gave Kim's speech—and his Peking visit—special significance, however, was the sudden collapse of Cambodia and South Vietnam. With the Americans retreating from Southeast Asia, Kim evidently decided the time was ripe to lobby with China for some help in pushing the U.S. out of the Korean peninsula as well. As if to confirm that, Kim arrived in Peking with his Chief of Staff and air-force commander.



Hsinhua—UPI

Mao greeting Kim: Despite the friendly handshake, the answer was no

As befits a visiting Communist chieftain, Kim received the most lavish reception Peking could arrange. Hundreds of thousands of workers and schoolchildren greeted him with paper flowers, streamers and balloons. Eighty-one-year-old Mao Tse-tung returned from three months in the countryside to welcome Kim and ailing Premier Chou En-lai conferred with him at a hospital in Peking. Behind the friendly façade, however, the diplomatic reality was far different. At a meeting in the Forbidden City, the Chinese reportedly rejected Kim's military adventurism; indeed, Teng Hsiao-ping, the No. 3 man in the Chinese hierarchy, spoke out publicly in favor of "peaceful unification" of the Korean peninsula. According to Western diplomats, the Chinese had good reason for refusing to underwrite a North Korean offensive. For one thing, they wish to preserve their fragile détente with Washington. Equally important, they hope to avoid any crisis in northern Asia that

might frighten Japan into acquiring its own nuclear weapons.

Despite Chinese coolness toward Kim, his trip to Peking jolted South Korea. "The South Koreans see themselves as possibly the first Asian domino outside Indochina," one State Department expert explained. In actual fact, South Korea seemed to have little immediate cause for worry. Its strategic importance to the U.S. is far greater than that of Vietnam, and unlike Vietnam, South Korea is protected by a security treaty approved by the U.S. Congress. The presence of 42,000 American troops ensures that any North Korean probe would involve the U.S. Beyond that, South Korea's ground forces are larger and

generally better equipped than those of the north.

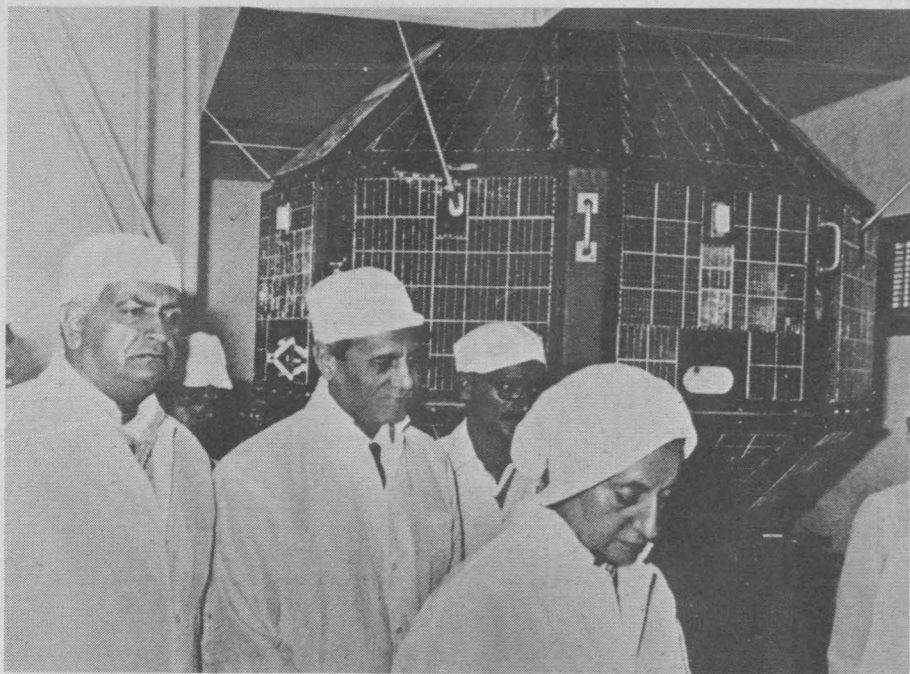
Even so, Seoul's security guarantee is far from ironclad. Thanks to the dictatorial rule of President Park Chung Hee, South Korea's international image has become badly tarnished in recent years. And in the event of prolonged dissension and repression in Seoul, some future U.S. Congress could be tempted to water down America's commitment to defend South Korea.

—FAY WILLEY with SYDNEY LIU in Hong Kong and bureau reports

**INDIA:**

**Aryabhata in Orbit**

Although it ranks high on anyone's list of the world's most impoverished countries, India nevertheless manages to support a large and talented scientific community. Last spring Indian scientists stunned the world by exploding their



Prime Minister Gandhi inspecting satellite: The Russians gave a lift

country's first atomic device. And last week, eleven months after joining the nuclear club, India became the eleventh country in the world to orbit an earth satellite. Like the nuclear device, the satellite was unlikely to contribute immediately to the solution of India's pressing problems of poverty and overpopulation. Yet the launching provided yet another proud day for a country sorely in need of good news. "Although economically underdeveloped, technologically we are as good as any," boasted the Times of India after the lift-off.

According to Indian officials, the 800-pound spacecraft, which was named Aryabhata after a fifth-century Indian astronomer, was launched for purely scientific purposes. "This is an experiment," declared Satish Dhawan, chairman of India's space commission. "It is the first important step to use space science and technology for national purposes. We have no plans to put a man in space." But while a team of 70 young Indian scientists supplied the basic design for Aryabhata and built the satellite at a research facility near Bangalore, the Indians turned to the Soviet Union for help in getting the satellite off the ground. Indeed, the launch took place on Russian soil, atop a powerful Soviet booster rocket. Under an agreement signed with India in 1972, the Russians also provided a tape recorder for gathering data and batteries for storing electricity during Aryabhata's six-month lifetime.

**Expand:** All told, Aryabhata cost \$6 million and took more than two years to complete. Despite this price tag, however, Indian scientists intend to expand their space program. Last week they signed another agreement in Moscow for the launching of a second satellite, originally built as a back-up to Aryabhata, from Russian soil in 1977. By the following year, they hope to be orbiting spacecraft from their own launching pad.

In line with Jawaharlal Nehru's dictum that "it is science alone that can solve the problems of . . . vast resources running to waste, of a rich country inhabited by starving people," Indian officials expect that eventually their space program will include their own communications, meteorological and earth resources satellites. But there is no denying that such spacecraft would be useful for military surveillance too. And though India has refused to admit it, Aryabhata—and its accompanying rocket research program—could prove to be the forerunners of a military missile force.

#### AUSTRALIA:

### Lifting the Green Bans

Not too long ago, Sydney was a paradise for real-estate developers and speculators. Building laws were lax and rarely enforced and an economic boom helped fuel a wild development spree that transformed whole areas of one of Australia's most beautiful cities into stark miniature versions of Los Angeles. Says Sydney architect Norman Edwards: "Back then progress was defined as newness for its own sake. Big business had the power to demolish or build where it pleased."

And demolish it did. Historic sites, parks and residential areas were all easy prey—until, that is, "green bans" were instituted. Angered by the chaotic and destructive pace of development, an environmentally conscious group of construction workers imposed more than 40 work bans over the last five years on projects that their union considered ecologically harmful or damaging to the city's historic landmarks. Led by Jack Munday, a fervid environmentalist and a fiercely independent Communist, the New South Wales branch of the powerful Builders and Construction Workers

#### ASIA

Union simply refused to work on such projects. Surprisingly enough, other unions, seized by a new ecological awareness, backed up Munday's work embargoes. By 1974, Sydney's green bans had become so pervasive that nearly \$4 billion in redevelopment projects had been blocked by the unions.

But now Munday's idealistic movement appears to be coming apart at the seams. Faced with the harsh realities of an economic recession, construction workers have found it increasingly difficult to get jobs and have rapidly begun to lose their interest in ecology. Last week, after a long, bitter dispute within the union, 25 environmentally conscious union leaders, including Munday himself, were ousted from their posts. And one of the new leadership's first acts was to lift a green ban blocking the destruction of rows of old mansions in the Kings Cross area of Sydney. More important, the newly elected officers promptly promised to reconsider the merits of dozens of other green bans during the next few weeks.

To some extent, Munday and his colleagues have no one to blame but themselves for their defeat. Several times, they almost whimsically enforced their construction bans in support of debatable causes. Once, for example, they halted construction at MacQuarie University because one of its residential colleges expelled a homosexual student. Later, a similar ban was slapped on Sydney University when its professorial board refused to allow a philosophy course in feminist thought. But for the most part, Munday's defeat was caused by the familiar experience of ecological and esthetic considerations taking a back seat to the need for employment during hard times. Said a Sydney town planner: "The green bans were fine while there were plenty of jobs, but now the union rank and file would rather eat than preserve old buildings."

—ANDREW NAGORSKI with CHRISTOPHER SWEENEY in Sydney



Rob Walls

Munday: Hard times for ecology



BY DONALD HORNE

Research Fellow, University of New South Wales

## IN THE AFTERMATH

I have just spent a couple of hours looking over old magazines and clippings to find out why for more than six years I have chosen to write nothing about the war in Indochina. When I dug back to 1968 the reason was clear: that was the year the United States was defeated. Since then, in a world context, there has been nothing new to say about Indochina.

There has been plenty to say about death: the mad tragedies of Cambodia had not even begun in 1968. And year after year there has been plenty to say about the long clearance sale of United States policy. But on March 31, 1968, when President Johnson announced his abdication and signaled American readiness to get out of Vietnam, the American dream of victory through superior technology was finished. If the United States was ready to keep half a million troops in South Vietnam forever it couldn't be beaten. But neither could it win. And since it was politically impossible to keep troops indefinitely in South Vietnam there was defeat.

Those who still saw the object of the war as fencing off Communists had to put their hopes on the maintenance of the coherence and morale of the South Vietnamese Army. I would guess that by the end of 1968 most of the original supporters of the American action had stopped believing the Communists in South Vietnam could be fenced off and expected that at some point the anti-Communist government would collapse. But they still saw American military and economic power as an essential part of world order and they wanted it to stay that way.

#### LOOKING FOR AN OUT

I was one of those people. Apart from a concern for fellow humans, our main interest in Indochina was that the United States should find a satisfactory way of getting itself off the hook while still looking as if it cared about the rest of the world and could do something about it. Those of us who live in or near Southeast Asia also hoped that American relationships with Russia and China would be such that when the government in South Vietnam collapsed, Russia and China would not provide more than token encouragement to insurgents elsewhere in Southeast Asia and would not prompt Hanoi to support, or create, such insurgencies. The general idea was that somehow, in a haze of conferences and compromises, the United States would just

fade out of Indochina, still giving some assistance to the South Vietnamese Government but leaving no doubt that if things went wrong it would not be the fault of the United States but of the Government of South Vietnam.

If there had to be a collapse, the collapse of the Vietnamese Army that began last month was the kind of denouement that, in a calculus of disaster, we had hoped for: one that could leave the United States in the clear. When President Thieu, always more efficient at keeping himself in power than in running the military, ordered a retreat that caused his army to disintegrate and a billion dollars of American equipment to be abandoned, the credibility of the United States as an ally was not involved. The fault was that of the government and army of South Vietnam. The abandoned equipment was there to prove that the Americans had done all that might be expected of them.

#### BACK ON THE HOOK

Why hasn't it turned out like that? Partly, I suppose, because in his arguments with Congress Henry Kissinger himself put the United States back on the hook by suggesting that continuing aid to a client obviously in the last extremities is an essential test of American world credibility. Even if that were true, he shouldn't have said it: the last of the hard-liners can now go on demoralizing themselves with the cry of American perfidy for years. But is it, in fact, true? Kissinger's suggestion that nations will not take the United States seriously unless it is faithful to every commitment on every occasion ignores the fact that many nations see themselves as more important to American interests than South Vietnam, and better bets as allies. They may even welcome the idea of "selective reliability" on America's part, imagining that it includes them.

But what has more seriously gone wrong has been Congress. In 1968 we hadn't allowed for this. Given a background of American opinion polls showing a disinclination to save even Western Europe from invasion, it is conceivable that Congress rather than the executive branch of the United States Government may henceforth run United States foreign policy. If this becomes so, there may no longer be a meaningful United States foreign policy—and the rest of us will have to accommodate ourselves to that catastrophe.

I think there is a special reason for all of this: Cambodia. We don't know all that happened, but Nixon's intervention in Cambodia seems to have been completely immoral. Unlike Kennedy's and Johnson's interventions in Vietnam, which were principled in intent but went wrong in action, the Cambodian adventure showed a readiness to bring a whole nation to disaster without any concern at all about its interests, merely in the hope of gaining a strategic advantage. In 1968, when we thought up ways for the United States to fade out of Indochina, we did not imagine it extending its commitment to another country in Indochina in a way that would directly challenge its credibility until the very last days. Yet it was the Cambodian drama that provided the background mood to the collapse in South Vietnam.

#### SENSIBLE OPTIMISM

I doubt that either the collapse of South Vietnam or its manner of passing will have much effect on Western Europe, which probably still sees itself as the true center of the world. But I wonder what is happening in Japan. The Japanese would seem as unlikely as the Europeans to judge their relations with the United States by the relations America had with a relatively insignificant state like South Vietnam. But since Japan is even more dependent on American strategic strength than Europe, what is Japan's attitude to the possibility of continued, vacillating interference in foreign policy by Congress and the possible interpretations of such interference by North Korea?

In Southeast Asia itself optimism makes as much sense as anything. The optimistic view is that the insurgents in northeast Thailand are out for a better deal for their impoverished and neglected region rather than the control of all Thailand, that the insurgency in Malaysia is small and still Chinese-led, which limits its potential in a Malay-dominated society, that the would-be insurgents of Indonesia and Singapore are in jail (together, unfortunately, with many innocent people), that the Muslim rebellion in the Philippines is only a minority matter and that when the five ASEAN nations hold their next meeting in Kuala Lumpur in May they will be facing a situation they have all been preparing for: a world in which they have to rely on themselves and at the same time look for new friends.



Socialist leader Soares receives a salute: "The election was a victory for the Portuguese people"

## Portugal: A Moderate Win

Exactly one year to the day after the revolution that toppled Europe's oldest dictatorship, the Portuguese people went to the polls. It was the first free election in Portugal in 49 years and people turned out by the millions to cast their ballots. In Lisbon, the mood was fiesta-like. Starting at midnight, honking automobiles and singing, chanting pedestrians swarmed in the streets to celebrate the anniversary of the revolution. Young girls gaily handed out red carnations, the symbol of the Flower Revolution, and eager voters converged on the polling places before dawn. In the villages, people came to vote on foot, bicycle and mule cart, many dressed in their Sunday best. The people of Portugal were celebrating, said mechanic Amadeo da Silva, "because we are free, because we can say what we like and vote how we choose."

As the final results made clear, a large majority of the Portuguese wanted to put their authoritarian past behind them and establish a government based on Western European concepts of parliamentary democracy. Despite a vigorous, expensive campaign, the Communists managed to win only 13 per cent of the vote, even less than had been expected. More significant yet, even though the left-wing Armed Forces Movement (MFA) attempted to stem the anti-Communist

tide by urging voters to cast blank ballots, the Portuguese gave a decisive 38 per cent of their vote to the Socialists and 26 per cent to the moderate Popular Democratic Party (PPD). "Our vote was higher than I expected," exulted Socialist leader Mario Soares. "The election was a victory for the Portuguese people."

Although government officials, fearing violence at the polls, had placed the army on a precautionary alert, the election went off with scarcely a hitch. Troops with machine guns guarded the state broadcasting station and buildings where the votes were counted. But despite the long lines and heavy turnout (a staggering 92 per cent of the eligible voters participated), the atmosphere remained calm. Typical of the voters was Maria Freitas, an illiterate seamstress, who went to her Lisbon polling place with the Socialist Party's clenched-fist symbol pasted on the palm of her hand to make certain she didn't vote for the wrong people. "I think I did it right," she exclaimed. "I was so worried I would make a mistake and lose my vote. It's the first time in my life I vote, you know. Imagine my worry and my happiness."

Still, for all their election-day enthusiasm, the Portuguese were participating in a vote that, in the end, was largely devoid of real meaning. The election was not for a new government but rather for

247 members of a constitutional assembly—a group that is expected to draw up the new constitution. And well before election day, the military junta had forced the nation's political parties to sign a "pact" giving the soldiers who run the country dictatorial power for the next three to five years. The junta will not only have the power to dictate the shape of the constitution but will also name the President, have veto power over the appointment of the Premier and control Portugal's economic and defense policies. "It's our duty," said a Revolutionary Council member last week, "to guarantee the implementation of a constitution which is progressive and moves the country toward socialism."

**Feisty:** The Communist Party, which has powerful allies on the Revolutionary Council—the 28-man group that guides the Armed Forces Movement—readily endorsed the concept of continuing military rule. But eleven other parties signed the pact only with reluctance and then launched into a surprisingly feisty campaign. Candidates spent millions of escudos and covered the walls of cities and villages with posters showing the hammer and sickle of the Communists, the clenched fist of the Socialists and other party symbols. They organized rallies and unleashed hurricanes of leaflets—most of which went unread because 40

per cent of the 9.1 million population are illiterate.

The Socialists, under the leadership of Soares, mounted a particularly aggressive campaign. Unlike Communist Party chief Alvaro Cunhal, who rarely mixed with the crowds, the dynamic Soares pumped hands, spoke tirelessly and generated the most enthusiastic crowds of all. He did not attack the military directly, but he made it plain that his party would not lick the boots of those who had, in his words, only recently learned to "stutter the word socialism." At ever more well-attended Socialist rallies, middle-aged Lisbon ladies joined farmers and workers in shouting: "Socialism, yes, dictatorship, no!"

**Discount:** However, Soares's resounding victory last week was not expected to bring about any softening in the junta's line. Indeed, it seemed probable that the military—with the help of the Communists, who may now become even more servile toward the MFA—would try to discount the vote. "Many people have been induced to vote for parties which are not in their best interests," Army Capt. Vasco Lourenço said after the election. Otelo de Carvalho, chief of the country's security forces was even blunter. "The election is not necessarily the expression of the people's will," he declared.

In anticipation of a possible Communist-MFA alliance, some Portuguese were fleeing. "I don't feel safe here with all these hammers and sickles," complained one businessman who planned to move to Spain. But Socialist Soares and other moderate politicians appeared to be unintimidated. For them, the important consequence of the election was not that civilians had any greater chance of ruling the country—at least not in the foreseeable future. It was simply that their victory might oblige the MFA to move more cautiously. "With this vote, they will not be able to make any big decisions without taking us into account," said one PPD leader.

Ultimately, too, the moderates hoped that last week's vote would stand as a warning to the more authoritarian members of the junta, serving notice that the people of Portugal were in no mood to exchange the right-wing tyranny of António Salazar and Marcello Caetano for a leftist military tyranny. But just how far the junta was prepared to heed the voice of the people remained to be seen.

—RAYMOND CARROLL with EDWARD BEHR and MIGUEL ACOCA in Lisbon

### TERRORISM:

#### Diplomatic Inferno

Shortly before noon one day last week, a young German strolled past the five armed guards and the attack dogs that patrol the diplomatic enclave on Stockholm's fashionable Embassy Row. Stepping inside the four-story West German

## 'They Don't Eat Children

Although he did not take part in Portugal's Flower Revolution last spring, Adm. António Alva Rosa Coutinho, 49, has since become one of the most influential figures in his nation's new military government. A handsome man with a commanding personality, he is devoted to transforming Portugal into a socialist state and could quite conceivably eventually emerge as his country's new President. Last week, just before

elements in both the Algerian and the Yugoslav way of doing things. One principle is vital, however; it has to be socialism from the grass roots upward.

**Q.** Recently you were quoted as saying that Portugal has to shun both Soviet and U.S. imperialism.

**A.** We want to be free of all kinds of imperialism. Still, for all our concern for the Third World, we know that Portugal is a European country, with European neighbors. Perhaps the most remarkable Portuguese quality is our faculty for getting along with other people. That is why we may be a European bridge to the Third World.

**Q.** What's your opinion of the Portuguese Communist Party?

**A.** The PCP has followed the MFA line in an exemplary fashion. Of course, there may have been an element of calculation in doing this. But one must still give them their due.

**Q.** What do you think of Henry Kissinger's recent reported statement that Portugal will either be Communist within a year or else be a neutralist country actually run by the PCP?

**A.** I don't agree with Mr. Kissinger's assessment. It shows he doesn't know Portugal and is thoroughly obsessed by anti-Communism. We regard the PCP as we would any other party. We can live and work with them.



Ingeborg Lippman

Coutinho: "We're not professional politicians"

the election Coutinho discussed his vision of Portugal's future with NEWSWEEK's European Editor Edward Behr.

**BEHR:** Why has the Armed Forces Movement chosen a socialist path for Portugal?

**COUTINHO:** We were the poor relative of Europe. When we freed ourselves from Fascism we felt too poor and *déclassé* to go the same way as Western Europe. For us the socialist path was a short cut to development.

**Q.** What form of socialism are you after—the Soviet kind, the Yugoslav kind or the Algerian kind?

**A.** It's much too early to answer. We're not professional politicians. We've been thrust into a political role and we're only now feeling our way. There are excellent

We don't think they eat little children for breakfast.

**Q.** And what about the Socialists?

**A.** They have been subject to too many foreign pressures. They can become an authentic Socialist party only if they can manage to get rid of all these foreign influences.

**Q.** You have talked about a grand political design for Portugal, including an MFA oriented party. What do you mean by this?

**A.** The MFA must remain aloof from politics. It's not up to the MFA to be involved in politics, except for the next three to five years. What we would like to see is some kind of civilian counterpart of the MFA, constituted as a political group.



Police struggle with terrorist as flames engulf West German Embassy in Stockholm: A twelve-hour reign of terror

UPI

Embassy, the young man quietly slipped past two plain-clothes men with guns and asked a receptionist whom he should see about obtaining a passport. Before she could reply, five more men brandishing submachine guns and carrying 33 pounds of dynamite burst into the embassy. Herding together a dozen screaming hostages, the terrorists proceeded to unleash a twelve-hour reign of terror. By the time Swedish police finally captured the gang, three people were dead, 30 more were injured and the reinforced-concrete embassy building lay charred and twisted.

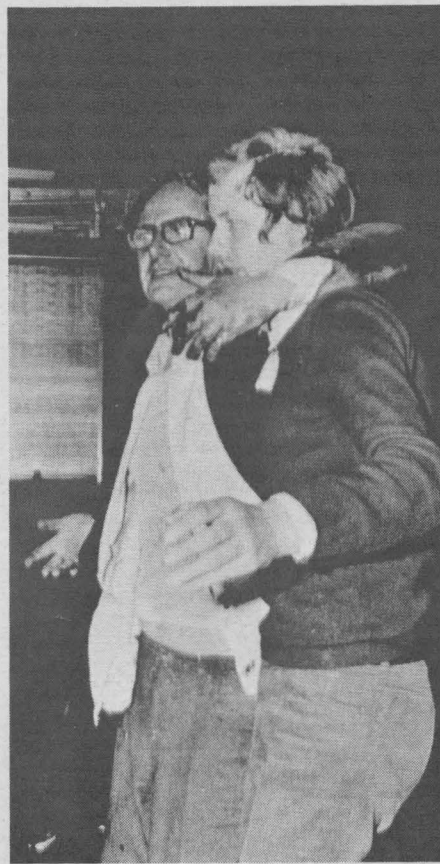
**Crisis:** Inevitably, the deadly drama played out in the embassy building also engulfed the governments of both Sweden and West Germany. In Stockholm, Prime Minister Olof Palme called his Cabinet into emergency session and, fearing that more terrorists might be at large, ordered tight controls at Sweden's borders. In Bonn, Chancellor Helmut Schmidt summoned his advisers for a series of crisis meetings. Finally, in an agonizing decision that touched off the eventual holocaust, he refused to meet the terrorists' prime demand: freedom for 26 members of the Baader-Meinhof gang, a group of anarchists who have terrorized Germany since the early 1970s.

As their objective suggested, the Stockholm terrorists were members of an anarchist group loosely affiliated with the Baader-Meinhof network. Only two months ago, a similar gang, known as the

June 2nd Group, engineered the spectacular election-eve kidnaping of West Berlin mayoral candidate Peter Lorenz, and the same kind of methodical organization that characterized Lorenz's abduction was apparent in last week's operation. Within minutes after the seizure of the embassy a note was delivered to the German Press Agency office in Stockholm revealing the terrorists' identity. "This morning," it read, "we have taken members of the embassy staff hostage for the purpose of freeing political prisoners in the Federal Republic. We will blow up the building if we are attacked." It was signed "Commando Holger Meins," a name chosen in honor of a member of the Baader-Meinhof gang who died last autumn following a prison hunger strike.

The Holger Meins anarchists wasted no time in drawing blood. Moments after they had seized the embassy—and long before their demands could have been relayed to Bonn—they gave Swedish police exactly two minutes to clear out of the building. When the police delayed in complying with the order, the anarchists pumped four bullets into the West German military attaché, Lt. Col. Andreas Baron von Mirbach. Then, together with their hostages, including West German Ambassador Dietrich Stoecker, they barricaded themselves on the top floor of the embassy.

Palme's response was to surround the building with 500 police and to dispatch



Injured Ambassador Stoecker: Free

AP

his Minister of Justice to inform the terrorists of the German Government's rejection of their ultimatum. But the dumfounded anarchists refused to believe that Schmidt really intended to defy them. And so Palme himself telephoned the embassy to confirm the word from Bonn. "I tried to engage them in a conversation but they hung up on me," the Prime Minister recalled later. "It sounded like they were getting nervous." Meanwhile police prepared for an assault on the embassy, calling in anesthesiologists to gas the building and even setting up a temporary hospital across the street in the Norwegian Embassy. At 10:21, however, 21 minutes after the terrorists' ultimatum expired, another fusillade of shots rang out in the embassy. The terrorists had threatened to kill one hostage for every hour past their deadline and they were true to their word. The Holger Meins gang's second victim: German commercial attaché Heinz Hillegaart.

**Devastation:** A few minutes later, however, three female hostages walked out of the building unharmed and police thought the ordeal might finally be over. In fact, the worst was yet to come. Twenty minutes before midnight, two devastating dynamite explosions ripped through the embassy, rattling windows in downtown Stockholm. Fire broke out immediately, but the remaining hostages, silhouetted against the flames, managed to help each other scramble to safety out the windows. As for the terrorists, five of them made an attempt to flee, only to be captured by the mob of police waiting outside. The sixth anarchist stayed inside the diplomatic inferno and put a bullet through his head.

In the aftermath of the violence, Swedish and German officials stoutly defended their handling of the tragic affair. Schmidt, who last March had agreed to

release five anarchists in return for Lorenz's life, was convinced that his decision not to submit to the terrorists this time around was the right one. As he saw it, succumbing to blackmail would only have encouraged more extensive terrorism in the future. But the Chancellor's stonewalling had political implications as well. With crucial state elections in North Rhine-Westphalia less than a week away, any sign of softness by the Social Democrats might have tipped the electoral balance toward the Christian Democrats, who have been pounding away at Schmidt for an alleged breakdown in law and order in West Germany.

Still, German satisfaction with Schmidt's stand was mixed with concern. While the most formidable Baader-Meinhof leaders remained behind bars, their allies who kidnaped Lorenz were still on the loose. And that in turn left open the possibility of yet another desperate attempt to free Andreas Baader and Ulrike Meinhof before they go on trial for murder in a specially constructed steel-and-concrete courtroom near Stuttgart in late May. As Schmidt himself told Parliament, "We know that now the anarchists might want to stake everything on a single card."

—SUSAN FRAKER with JOHN HERBERT in Stockholm and MILAN J. KUBIC in Bonn

## NUCLEAR POWER: 'Das Ding'

When the full force of the Arab oil embargo slammed into the Western economies a year and a half ago, it set off a frantic scramble among European governments to speed up development of nuclear reactors as alternative sources of power. Desperate to cut its dependence on Mideast crude, France announced that it intended to build no fewer than 40



Captured anarchist handcuffed to stretcher: When will the gang strike again?

EUROPE



Michel Lambert—Gamma

Normans protest atomic power plant

reactors by 1985. And West Germany, which already had eleven operational nuclear plants, decided that it would build 32 more within fifteen years. "We don't have much choice," argued Hans Karl Filbinger, the president of the West German state of Baden-Württemberg. "If we don't build atomic plants, the lights will go out in 1980."

As plans for nuclear projects have multiplied, however, so have fears of the hazards they might pose to the environment and to the people living near the power plants. And of late those fears have surfaced in a wave of public outcries so strident that some planners are beginning to wonder openly just what sort of future the nuclear reactor—or "das Ding" (the thing), as German environmentalists derisively term it—may have as a future source of energy in Western Europe.

The anti-nuclear protests have flared from Kaiseraugst in Switzerland to Flamanville on the coast of Normandy and the ports of Great Britain. But by far the most significant demonstration took place early this winter in the German village of Wyhl on the Rhine. Determined to block construction of a nuclear reactor in the area, a group of 150 environmentalists occupied the site. Police were called in with water cannon and attack dogs to disperse the squatters. But three days later the protestors were back, their ranks swelled to over 20,000 by sympathizers brought in by car from all over West Germany, France and Switzerland. Stymied by the protest army, a local court late last month temporarily halted work on the nuclear-power project, a move that prompted Pierre Schmidt, an Alsatian school-teacher among the demonstrators, to declare: "A Europe in defense of the

quality of life has been born here."

The issues in the Wyhl confrontations, like those in the other anti-nuclear protests across the Continent, run the gamut. Local farmers are worried that the moisture given off by the plant's cooling towers will create fogs that would cut the amount of sunlight and thus ruin the grapes that go into the region's prized Kaiserstuhl wine. Others fear that the air and water in the area will be polluted by nuclear leakage. And one anti-nuclear activist, Helmut Wüstenhagen of the Karlsruhe-based German Federation for Citizens' Action, argues that in protecting the plant from terrorists the community would be saddled with massive security problems. "You never hear a word about this from the government," says Wüstenhagen. "They gloat about atomic energy as if it were a new kind of 'washday miracle'."

**Hazard:** Even more basic than these immediate worries, however, is the concern over the long-term effects of a nuclear presence. A recent poll taken in the area showed that 84 per cent of the local people were afraid of possible health hazards connected with an atomic plant. And while some of that fear is no doubt fanciful, Dr. Jörn Bleck of the University of Bremen warned recently that "damage to health has to be expected even from so-called permissible radioactive doses." It's a warning the residents of Wyhl do not take lightly. "The people worry about their bones and about their blood cells," says Siegfried Gopper, a prosperous local hog farmer. "And if something goes wrong with the nuclear plant, no amount of government insurance will undo the damage."

Not surprisingly, officialdom is quick to dismiss such worries. Authorities in Bonn insist that even if a nuclear plant accidentally blew up, the risk of death from radiation would be ten times less than that of being hit by lightning. And in France officials point to villages where nuclear plants have been humming along for years without incident. As for the fears voiced in Wyhl, Hans Voeringer, head of the energy department of the Stuttgart regional economics ministry, says simply, "There is a lot of nonsense being spread among the villagers."

Nonsense or not, the debate over the future of nuclear power has made it clear that the public's nervous questions must be answered if Europe is to replace oil with the atom. And perhaps the most important question was raised recently by a group of leading British scientists in a petition to Prime Minister Harold Wilson. Calling for a moratorium on nuclear-plant construction until safer plants can be designed, the scientists warned that the country's power policy may be "jeopardizing the safety of future generations and their environment for our own short-term energy benefits and the comforts that go with them."

—CARTER S. WISEMAN with MILAN J. KUBIC in Bonn, SCOTT SULLIVAN in Paris and bureau reports

**THE NETHERLANDS:  
Axes to Grind**

For almost a decade, sewing-machine mechanic Tjerk Vermaning was the golden boy of Dutch archeology. Guided, so he claimed, by a sixth sense, he made a series of sensational discoveries in Neanderthal sites that brought him acclaim from eminent archeologists and about \$53,000 from Dutch museums that purchased the artifacts he uncovered. But last month, to the great embarrassment of the authorities, amateur archeologist Ver-



Vincent Mentzel

**Vermaning and finds: Visions of Neanderthal men**

maning's finds seemed to suffer the same fate as the Piltdown Man, the Vinland map and similar sensations. After a year of investigation, Dutch scientific experts charged that many of his "discoveries" were out-and-out forgeries.

Vermaning's archeological career started in 1966, when he turned up at the University of Groningen in northern Holland with a collection of stones that he had dug up in the nearby village of Hoogensnilde. After initial doubts, archeology Prof. H.T. Waterbolk decided that the stones were not only genuine Neanderthal tools, but also 130,000 years old—60,000 years older than any other signs of prehistoric man ever found in the Netherlands. Vermaning received a cash payment, a cultural prize and an offer of a retainer from the university for reporting future finds.

But the inspired amateur, who never had more than a third-grade education, demanded more. And when Waterbolk refused to recommend him for an honor-

ary doctorate, Vermaning decided to remain an independent archeologist. In that enterprise he was remarkably successful. Over the next few years he came up with a succession of surprising discoveries. They included a collection of 428 Neanderthal spear points, stone axes and other artifacts that he unearthed in a potato field in 1968 and a huge mammoth-hunters' camp that he found four years later. With his reputation established, Vermaning had no trouble selling artifacts to such prestigious institutions as Amsterdam's Museum of Anthropology and Prehistory.

The 46-year-old Vermaning, who says he is "the Messiah of Dutch prehistory," credited his uncanny skill in locating archeological sites to visions he'd had of Neanderthal men. But as the number of his finds increased, some archeologists began to suspect more concrete forms of assistance. And when two foreign experts expressed their doubts about the authenticity of the discoveries, Dr. Daniel Stapert of the University of Groningen started a rigorous scientific investigation of the artifacts. The study, said Stapert, showed without doubt that most of the findings were clever fakes. "I can prove," he declared, "that most of the sharp sides and edges of the stones have been whetted artificially." Examination also showed that Vermaning's incredible finds contained colors and patinas lacking in genuine prehistoric artifacts. Stapert's guess: Vermaning prepared the objects from firestones, buried them, and then simply "re-discovered" every one.

Stapert's conclusion was ruefully supported by Waterbolk and Prof. Jan van der Waals of Leiden University, both of whom had previously written scholarly papers about the artifacts. (Waterbolk, however, stood by his opinion that Vermaning's original find was authentic.) As for Vermaning, he has been charged with obtaining taxpayers' money under false pretenses. If he is found guilty, he could face three years in jail.

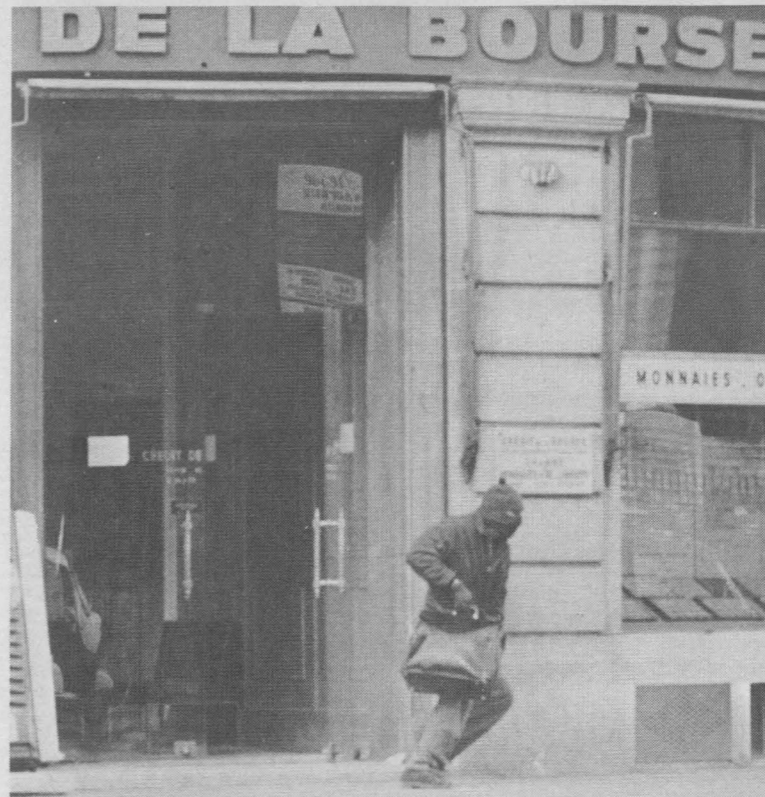
—PETER GWYNNE with FRISO ENDT in Rotterdam

**FRANCE:  
Flics Under Fire**

Detectives shoot up a car in the center of Paris, killing an innocent salesman whom they have mistaken for a member of a blackmail gang. Bank robbers holding ten hostages successfully elude police, but not two carloads of reporters. An elite anti-bandit police squad opens fire on gangsters in a Boulevard Saint Ger-

main café and then, for no apparent reason, viciously assaults two prominent Algerian lawyers who happen to be sitting nearby. In Nice, a successful cat burglar turns out to be a uniformed policeman by day. And, back in Paris, a group of flics is found to have systematically looted cars towed away for parking violations.

Bizarre as it sounds, that is only a small sample of the stories about police blunders and brutality that have recently been making the rounds in France. True,



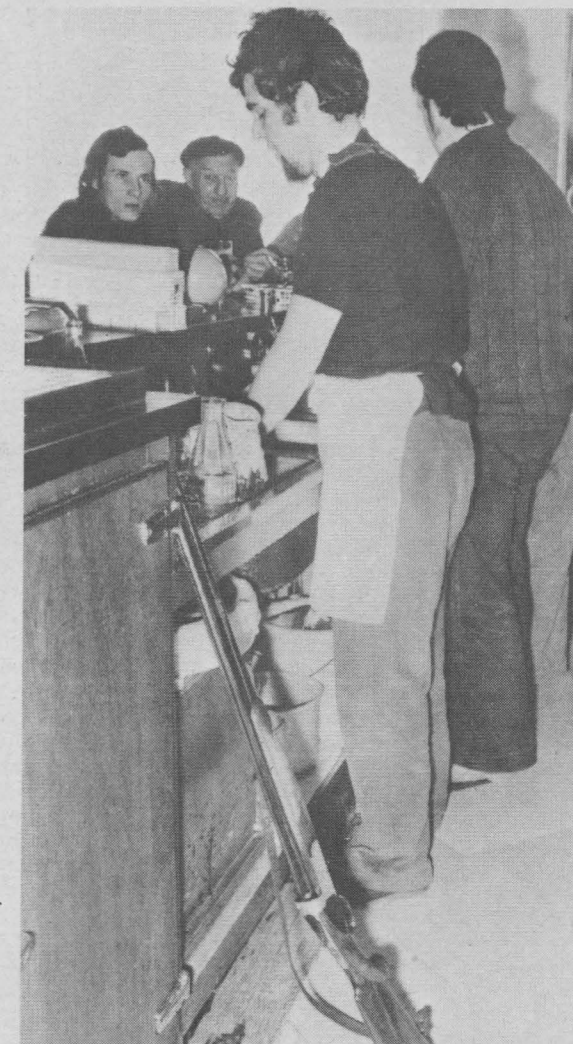
AFP—Pictorial

**Robber flees bank holdup, vigilante bartender: Intolerable situation**

the French police have never been showered with affection by their countrymen, but now criticism of their performance has reached a near fever pitch. Coupled with a 26 per cent rise in violent crime in the last year, the reports about police misconduct have turned into a political football—with Socialist leader François Mitterrand and the Communist newspaper L'Humanité accusing Interior Minister Michel Poniatowski of doing nothing to curb the abuse of police power. And Robert Badinter, one of France's best-known lawyers, has even charged that police violence is being deliberately nurtured by the government as an occult means of instilling fear in the population.

For their part, Poniatowski and other police officials have so far maintained a Gallic aloofness in the face of their critics' charges. Those officials who do acknowledge some mistakes in their men's performance ascribe the rise in crime to the country's rapid urbanization and the leniency of the courts. According

to one top police executive, the changing character of French criminals also deserves much of the blame. "Police penetration of the underworld has almost stopped. There is no organized milieu and many of today's criminals organize a bank robbery or a holdup on the spur of the moment," he declares. Police apologists also contend that criminals are now shooting faster and taking hostages more often, a change that has caused some officers to become trigger-happy out of fear and frustration.



Sipa Press

But most critics lay the rise in crime at the doorstep of the police themselves. A particular target is a woefully inadequate training system, which allows a young man to become a full-fledged plainclothes inspector in just three months. Driven to desperate expedients by the retirement of many veteran cops hired right after World War II, police officials have even cut the training period down to six weeks in some cases. Significantly, in the incident of the slain salesman in Paris, the inspector in charge had only been on the street for one year. The gendarmes' critics also argue that police bureaucracy should be revamped. They note, for instance, that it now takes eight days for a "Wanted" notice to circulate throughout France and claim that scores of officers do nothing more than stand guard over politicians' homes.

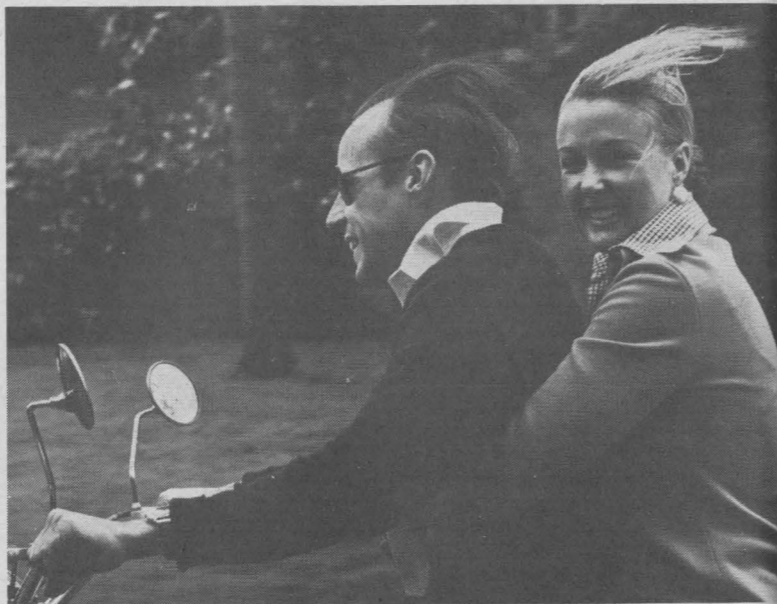
Whatever the cause, the police now appear to be swamped by the gathering

crime wave. And, as a result, many city mayors have become increasingly alarmed. Nancy's Marcel Martin, for example, has considered forming special vigilante squads of volunteer citizens to halt the spread of violent crime in his city. "The situation is rapidly becoming intolerable," he said last week. "We had nineteen burglaries in a single day here over Easter. There are up to 50 cases a day of old ladies being robbed or mugged." And in Nice, Mayor Jacques Medecin nervously points out that in the

past twenty years, while his city's population has nearly doubled and its crime rate increased tenfold, the number of police has remained the same.

Though Poniatowski has vetoed the idea of vigilantes, he has promised to beef up police forces in provincial cities. But that is not likely to quiet the minister's critics. Indeed, it is doubtful that Poniatowski, faced with budgetary restrictions and an entrenched bureaucracy, can make any major changes in police methods or morals in the immediate future. And that may well mean that the French police will continue to be at the center of an increasingly violent political storm during the weeks and months to come.

—KENNETH LABICH with EDWARD BEHR in Paris



Mark Sennet—Los Angeles Magazine

John and Maureen Dean: Squeaky-clean mates

Valérie-Anne Giscard d'Estaing: NATO's Azalea Queen

She didn't like all the press attention, and the security guards made her nervous. "I don't get this in France, but then I don't wish to," she explained. Otherwise **Valérie-Anne Giscard d'Estaing**, the 21-year-old daughter of the French President, allowed as how she was delighted with the round of parties and presentations that accompanied her crowning as Azalea Queen at a festival honoring NATO in Norfolk, Va., last week. Valérie-Anne clearly impressed the gathering by wearing a succession of designer originals, though she did take the bloom off some festival officials when she nipped back to Washington to attend a glittering soirée in her honor at the French Embassy and to take a White House tour conducted by Susan Ford, daughter of the U.S. President. But when she returned to Norfolk and appeared for the coronation in a floor-length white gown from the House of Chanel, there were smiles all around.

Prince **Charles**, 26, was all suave decorum in the distracting company of **Margaret Trudeau** and other stunning belles at a gala ball in his honor at Canada's Government House. One Parliament member's young wife ignored the hosts on the receiving line and made a beeline for the Prince, who exchanged chitchat with her while surreptitiously jerking his thumb toward Governor-General Jules Léger and his wife at the head of the line. The woman finally realized her faux pas and moved away



Margaret Trudeau and Prince Charles: VIP guests

looking mortified, but the heir to the British throne passed her table later and bent down to offer consolation. "Don't feel badly," he whispered. "I've done the same thing myself." After his royal rounds in Ottawa, Charles headed north for a tour of Eskimo country in the Canadian Arctic—where, said the world's most eligible bachelor, "I'm going to be very careful whom I rub noses with."

Is there really a photograph in existence showing a topless **Maureen Dean** on the back of a motorcycle with her arms around a boyfriend in her single days? Yes—according to *New Times* magazine. No—according to Mo in an interview that she and husband **John W. Dean III** have given to *Los Angeles Magazine* in their current hometown. "It's a terrible lie," says the wife of the former White House counsel about the *New Times* reference to her "swinging" past. "It's a sad reflection on our society, isn't it, if being squeaky-clean is a crime." Mrs. Dean is candid in the interview about the cool image she has often presented on TV and in photographs. "What can I do?" she asks. "My face photographs bland and plastic. I have a natural look of indifference. I can't help it." Strictly by coincidence, the *Los Angeles* article is illustrated with a photo of the Deans on their motorcycle.

**DALEY'S SON TO WED HOOD'S DAUGHTER**, said one of the Chicago headlines that touched off another skirmish in the endless war between Mayor **Richard J. Daley** and the press. His Honor saw no reason for the newspapers to dig into the family history of his son John's fiancée, Mary Lou Briatta, whose father was once named by a U.S. Senate rackets committee as a member of Chicago's crime syndicate and is still reputed to be a mob figure. "What about your father?" Daley challenged a reporter. "Can you say everything was clear about him? My ancestors in Ireland may even have had a bounty on their heads." Mary Lou is "a fine Catholic girl," said the mayor, and in his opinion the engagement coverage amounted to a "low blow. But then you can never go as low as a newspaper. A newspaper is the lowest thing there is."

—BILL ROEDER

## NEWSMAKERS

## TRANSITION

**OUSTED:** Gen. **Oswaldo López Arellano**, 53, as President of Honduras; in a bloodless coup following allegations that he had accepted more than \$1 million in bribes from an American banana company. López had been on shaky political ground since February, when a group of young army officers seized control of the Supreme Council of the Honduran Armed Forces and began a purge of senior military officials.

**RETIRING:** **Jean Monnet**, 86, the self-trained French financial wizard who conceived Europe's Common Market; announced in Paris last week. Monnet has decided to devote himself to writing and "thinking" in private after 25 years as guiding spirit of a unity movement that revolutionized European economics while influencing the region's politics to a lesser but still important extent. Monnet's decision to step down as chairman



UPI

Jean Monnet: 'Father of Europe'

of his Action Committee for a United States of Europe caused the committee to disband for want of someone to replace the "father of Europe."

**DIED:** **Percy Julian**, 76, U.S. scientist and black civil-rights leader; of cancer, in Waukegan, Ill., April 19. Grandson of slaves, Julian became a millionaire through his research as an organic chemist. Working with soybeans, he developed synthetic drugs that are widely used in the treatment of arthritis, glaucoma and other ailments.

■ **Jacques Duclos**, 78, long a leader of France's Communist Party; of a heart attack, in suburban Paris, April 25. Duclos, a former pastry chef, rose to such influence in the Communist world that he had a hand in ousting the late Earl Browder as U.S. Communist boss in the 1940s. In 1969, as an also-ran behind the late Georges Pompidou in the French Presidential election, Duclos drew an impressive 21 per cent of the votes.



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# International Marketplace

## British Government to Take Over Leyland

Prime Minister Harold Wilson laid months of speculation to rest last week by announcing that his government will take a majority interest in Britain's biggest auto manufacturer, British Leyland. The company, which has been in trouble ever since its creation through the merger of British Motor Corp. and Leyland in 1968, has recently sought heavy state aid to keep it afloat in the face of mounting losses. That, inevitably, made it one of the prime targets of Sir Don Ryder's new National Enterprise Board, the organization charged with implementing the Wilson government's scheme for selective takeovers of major British businesses (NEWSWEEK, March 17). Ryder has recommended that the NEB supply Leyland with more than \$1.6 billion in new capital over the next four years and up to \$1.2 billion from 1978 on. He has also called for sweeping reorganization of Leyland's corporate structure and the consolidation and modernization of its manufacturing facilities, many of which are antiquated and highly inefficient. Perhaps most important, Ryder has plumped for new management techniques designed to win greater cooperation from Leyland's work force, which has conducted repeated and crippling unauthorized strikes in recent years.

## Exxon Sells Oil for the Ships of China

The Exxon Corp. has signed an agreement with the People's Republic of China to supply bunkering fuel to two separate merchant fleets. The contract calls for delivery this year of 560,000 barrels of bunkering fuel at prevailing world prices. The fuel will be divided between the China National Chartering Corp., which charters foreign ships for the Chinese Government, and the China Ocean Shipping Co., which operates Chinese-flag vessels. Together with similar contracts Peking has signed with British Petroleum and Shell, the Exxon deal will give China's ships much greater operating range in international waters.

## South Africa Reveals New Uranium Process

Although American and Russian scientists are crowing over a new laser process for separating out uranium isotopes at low cost (page 50), South Africa revealed its own advanced process for doing the same thing more than a year ago. And rather than being several years away from practicality as the potentially less expensive U.S. and Russian techniques are, the South African system for uranium enrichment is ready now. In fact, a \$150 million plant, which uses an aerodynamic technique, opened six weeks ago near Pretoria and the South African Atomic Energy Commission is already planning a second \$1.4 billion plant that could produce 5 million units of enriched uranium by 1986. This is only half the amount projected for a plant to be built by the French-led Eurodif consortium. But the market for nuclear fuels is expected to grow so rapidly that the uranium-enrichment business could yield South Africa \$1 billion a year in export revenues.

## Hertz Plans Portugal Pull-out

The world's leading auto-rental firm, America's Hertz Rent-A-Car, has decided to get out of Portugal. So far this year Hertz has earned as much in Portugal as it did in the comparable period of 1974, but the company nonetheless plans to liquidate all its Portuguese interests within six

months. The company's reasoning: in most of the world, car-rental firms do a large part of their business with commercial travelers and other businessmen, but in Portugal the health of the rent-a-car industry depends primarily upon the health of the tourist industry—and in Hertz's view Portugal's tourist prospects are not rosy. "Until last year, Portugal was a popular tourist spot," says a Hertz spokesman. "Now it is not."

## Lagos Port Snarl Forces Peugeot Airlift

The Nigerian Government has announced plans to spend \$33 million to improve cargo-handling facilities at the port of Lagos. The decision came after Nigerian Chief of State Gen. Yakubu Gowon discovered during a tour of the port that more than 100 ships were awaiting berths and that for most of them the waiting period was running to 90 days. Since then, the average waiting period has been cut to 60 days, but some shippers cannot wait for the planned improvement of the Apapa Docks. In order to supply its new factory at Kaduna, France's Peugeot has decided to resort to an airlift. Chassis, engines and spare parts from Peugeot's factory in eastern France will be flown to Kano, Nigeria, and then trucked to the Kaduna plant.

## Common Market Ends Cheese War With U.S.

The two-month-old "cheese war" between the U.S. and the Common Market has ended in a qualified U.S. victory. The trouble began when American dairy farmers charged that their survival was threatened by EEC export subsidies that had enabled European cheesemakers to win an unprecedentedly large share of the U.S. market. Responding to the dairymen's pressure, Washington hinted that it was prepared to slap tariffs on European cheese high enough to counteract the EEC subsidy. In a Solomonian move, the Common Market Commission decided to suspend its subsidies on just two types of cheese—Gruyere and Emmentaler. This is expected to cause a 50 per cent decline in EEC cheese exports to the U.S., which currently run about \$70 million a year.

—STEPHEN KINDEL with bureau reports

## BUSINESS AND FINANCE

# Facing A No-Job Summer

The day starts early for Bobby Barnhart, a 17-year-old black who lives in Washington, D.C. He begins his rounds of personnel offices at 9 a.m., and he has made the frustrating circuit nearly every weekday since November, when he quit high school to help his parents support six children. "I don't feel right," Barnhart says softly, fingers drumming the desk top in yet another office where he will be turned away. "I went to all the hospitals, I went to all the stores downtown and I filled out all the applications. But none of them call you back."

The day starts late for Jimmy Hampton and James Wallace—both dropouts, both 18, both unemployed. They don't start to cruise 63rd Street, mainstem of Chicago's fire-scarred Woodlawn ghetto, until well after noon. They spend hours prowling the crowded sidewalk, stopping at a corner newsstand to swap street talk—or to brood. Once they picked up leads to odd jobs at the newsstand, but now even those jobs are gone. The two friends say they are still looking for work, but they also speak of other ways to get along. "You have to get some money," says Wallace. "So you might steal some, or sell a little smoke [marijuana]."

Thousands of other black, Puerto Rican and chicano teen-agers from East Los Angeles to East Harlem are just as frustrated as they search for jobs these days. They have always been at the bottom of the U.S. economic heap, with the highest jobless rate of all groups, and now they are getting crushed in the recession. Even in prosperous times, employers are not eager to hire young, unskilled and sometimes uneducated workers. Now, with the U.S.'s unemployment rate at 8.7 per cent among all workers, the rate among minority teen-agers is a record 41.6 per cent.

Many community workers suggest that government figures understate the problem and that the jobless rate among black and Hispanic youths is really closer to 60 per cent. And the number should swell very soon, as summer vacation dumps thousands more teen-agers into the street to join the competition for the dwindling supply of beginners' jobs. "We used to get a little help from places like supermarkets, dry cleaning stores and the like," says Louis



Unemployed teen-agers at a New York City youth agency: 'Bottom of the heap'

Rose, who runs the Neighborhood Youth Corps office in Harlem. "But those places are cutting back, too, because of the recession, and they aren't taking anyone on now." The most menial jobs are often claimed by older, more experienced workers who might have spurned them in former days.

There will still be federally funded job programs for the young this summer, as there have been every year since the riots of the mid-1960s. President Ford has asked Congress for \$412.7 million, which he will probably get, to provide 760,000 jobs. This is the same number of positions offered last summer, and city officials say they need more jobs this year. In Detroit alone, at best an estimated 25,000 jobs will be open—for 100,000 applicants. Detroit's budget is already so strained that the city shut down its recreation department for April, in the hope of saving enough to go full tilt all summer and absorb the energies of idle youth. "That will help," according to Walter Douglas, vice president of New Detroit, Inc., the high-powered civic group that was founded to rebuild the inner city after the 1967 riots. "But kids don't want to play basketball all day. A kid wants to accumulate a little cash."

What happens when legitimate cash is hard to come by? "It's a highly volatile situation," says executive director Vernon Jordan of the National Urban League. "I'm not predicting riots. But I do say the situation in the black ghetto areas of our big cities is a powder keg." St. Louis is already seeing some explosions among its unemployed young, according to Arthur J. Kennedy Sr., director of the mayor's Office of Manpower. "Just walk down Martin Luther King Drive and you'll see what the kids are doing," Kennedy says. "It's plain hell around here. They're pushing dope, they're in prostitution and they're into mugging. It's not because they want to do this, but dammit, there is little left for them to look forward to." In central Harlem,

Louis Rose agrees: "Those kids aren't thieves by nature. But what are they going to do if they have no job and nothing to keep them busy?"

**Cautions:** The Ford Administration insists that summer-job funds will prove adequate, and cautions against scare-mongering. "I don't sense the kind of riot trouble that some people have been talking about," says William B. Hewitt, an associate manpower administrator at the Department of Labor. Even U.S. Administration critics in the AFL-CIO and hard-pressed cities concede that big-scale riots are unlikely, although they do expect more street crime. "The '60s were a different thing altogether. People had a militant leadership, and they were motivated by other forces in addition to unemployment," says William Butler, a youth expert with Washington, D.C.'s, manpower office. "Things have changed. The level of toleration is higher." Sociologist Sar Levitan, however, sees a deeper danger—the erosion of future potential. "Even if we escape social dynamite, we will have serious problems that will last for years," predicts Levitan, chairman of the National Manpower Policy Task Force. "We will not be giving these youngsters critical experience in the labor market."

Many of the teen-agers despair of getting that experience any time soon. "All I ever do is fill out papers," said Ronald Mims, 17, as he stood with other job applicants at a community "Teen Post" in Los Angeles. Most of the jobs the Teen Posts have last only a few months, and that is not what Ronald Mims has in mind. "I want a job to keep until I'm 65. Nobody understands that I just want a job to grow old in," he said. For Mims, as for the rest of the last-hired, first-fired teen-agers, that goal will be a long time coming, even after the recession fades.

—LYNN LANGWAY with ANGUS DEMING in New York, MARTIN WESTON in Chicago, HENRY MCGEE in Washington and bureau reports

**TRADE:**

**Denmark's Quiet Giant**

In Denmark, a reference to "the Company" draws a quick nod of recognition. But elsewhere, few people outside international financial circles have ever heard of it. The Company hired its first public-relations man just last summer and only the chairman is usually permitted to speak to the press on the record. Even then, a reporter who gets too nosy about sensitive issues (e.g., the Danish royal family's connection with the firm) is politely shown the door. Such carefully preserved anonymity may seem an anachronism in today's business world, but it is difficult to argue with results. And for all its low profile, Det Ostasiatke Kompagni, the East Asiatic Company, Limited, ranks as the biggest corporation in Scandinavia and the largest trading house in Europe.

Even though EAC outstrips such Nordic giants as Volvo and SKF, to refer to the Company as Scandinavian or even European is deceptive. Fully 86 per cent of EAC's \$3.4 billion business turnover last year was carried on outside Denmark and 158 of its 197 subsidiaries are registered abroad. The Company is, in fact, a multinational trade and industrial empire with 68 branch offices and holdings scattered around the world—from plantations in Malaysia to sawmills in Brazil, from port facilities in the Virgin Islands to import activities in Nigeria.

EAC has had a far-flung character from the start. Founded in 1897 by a sea captain named Hans Niels Andersen (who, the legend goes, launched his business by renting a Bangkok brothel for his crew), the Company scored its first successes by peddling Thai teak and Malayan rubber in Europe, then shuttling European textiles and machinery back to Southeast Asia. After decades of shipping raw materials around the world, EAC shifted its emphasis until today it deals largely in semi-finished products and the export of technical and production know-how to the 51 nations with which it deals.

**Neutrality:** The Company manages to steer clear of conflicts with its diverse trading partners by adhering firmly to an apolitical stance. "We don't break the local rules," says Bent Andersen, director of EAC's trading operations. To the evident distaste of some churchmen and critics back home in Copenhagen, that corporate neutrality extends to the white supremacist governments of South Africa and Rhodesia. EAC's operations in those two countries, as well as in some

underdeveloped Third World nations, have aroused charges of neo-colonialism and exploitation—a charge that EAC vigorously rejects. "The Company conducts business on all five continents, under widely different social systems," says EAC chairman Mogens Pagh. "Our presence in one particular country is not an expression of opinion of the host country's political conditions."

Pagh's sentiments on this score are uniformly echoed by his subordinates. Such unanimity is not surprising since Pagh and virtually all other EAC executives have been carefully molded by the Company's rigid training program. The trainees are invariably boys just out of high school. "We don't mind them getting a higher education," says training-school official G.A. Englemann, "but we want to give it to them." All the young recruits have demonstrated an aptitude

trainee Hans Larsen. "And you can't keep them if they aren't satisfied."

One of the Company's most satisfied customers has been the People's Republic of China. EAC's ties to the mainland date back to 1900 when the firm opened a Shanghai office under the name of "The Precious Prosperity Company." Operations were scaled down after the 1949 Communist take-over. But things began to perk up again in the late 1950s when Peking asked the EAC for help in setting up China's first Canadian wheat deal. Through its subsidiary in Vancouver, the Company obtained Canadian visas for Chinese trade officials, arranged their accommodations and acted as guides. Predictably, EAC was selected to carry the wheat and later picked up more business when Canada began exporting zinc to China. The Company also earned points in Peking during the



EAC hosts Chinese delegation; founder Andersen: A simple philosophy and satisfied customers



EAC seal



Robert R. McElroy—Newsweek

for management and are willing to endure the monk-like conditions imposed by the Company for the first five or six years of employment—close-cropped haircuts, no smoking and no marriage. After two or three years in the austere home office, working under close supervision of the Company's nearly all-male staff and attending daily classes in business subjects and foreign languages, the recruits are shipped off to one of the Company's foreign branches for the balance of their training.

Life can be harsh in those outposts, and many trainees return to Denmark suffering permanently from tropical diseases. Given such rigors, roughly half of each class drops out or is dropped before the training tour is complete. But those who survive are usually loyal EAC employees for life. And they all seem to share a simple business philosophy. "It's to keep our customers," says 22-year-old

Cultural Revolution when it agreed to guarantee commodity shipments for nervous Canadian exporters.

Since then EAC has handled a succession of business deals—both official and unofficial—with China and has become probably the country's biggest corporate trading partner. Working out of a Peking hotel, the Company's two-man resident staff oversees an increasing flow of trade. EAC also represents dozens of U.S. firms in Peking at the specific request of the Chinese Government and now hopes to be the first foreign company to reopen an actual branch office on the mainland. It also hopes to play a major role in aiding China in the development of its petroleum reserves.

**Plans:** EAC's success in China is largely due to careful planning and to an understanding of Chinese needs and character. Twice yearly, the Company holds trade seminars in China, dispatch-

ing technicians and engineers to explain to the Chinese what EAC has to offer. All have studied EAC-assembled personal profiles of leading Chinese trade officials. And almost all of the Company's top officers speak Chinese.

Perseverance helps too. Recently, a Chinese delegation arrived in Stockholm to study the workings of electronic presses and furnaces that Peking has purchased from the Swedes; this consummated a deal that EAC worked on for twenty years. Yet all EAC's perseverance would probably have failed to produce such close ties with Peking were it not for another EAC policy: it has never traded with Taiwan. "We would have made a nice short-term profit by trading with Taiwan," says Bent Andersen. "But the Company's policy has always been to concentrate on the long term."

The Company's search for long-term profits now seems to be pointed in the direction of the Middle East and its gush of petrodollars. This spring EAC is beefing up its staff in Jidda and opening new offices in Beirut and Teheran. "We are novices in the Middle East," admits Andersen. "But we are there to stay now and we expect growth that is slightly more rapid than we are used to."

—KENNETH LABICH with JOHN HERBERT in Copenhagen

**CHAMPAGNE:**

**Fizzled**

It has been almost 300 years since the French cellar master and monk Dom Perignon first uncorked a bottle of champagne in the caves owned by Moët & Chandon. Lifting the bubbly golden liquid to his lips, Dom Perignon is said to have sighed: "My God, I am drinking stars." But even as some stars burn out, so has the market for the deliciously haut-snob wine that has traditionally brought class to anniversaries, weddings and birthdays around the world. While sales of Moët & Chandon's Dom Perignon have held up, the over-all market for champagne has gone flat.

In 1974, world champagne sales fizzled, dropping more than 15 per cent to an undistinguished 105 million bottles. In the United States alone, the bubbly market plummeted 25 per cent, down about 1 million bottles from the previous year. "There are no more stage-door Johnnies trying to lead a chorus girl astray with a bottle of pink champagne," laments Smitty Kogan, the director of the Champagne News and Information Bureau in New York. "It is the current morose atmosphere all around us," sighs Joseph Dargent of France's Champagne Producers Committee. Some champagne houses are dumping their products into Paris supermarkets at \$3 a bottle.

But the prestigious producers are bearing up. In a paroxysm of anti-snob, the industry is attempting to democratize champagne's luxe image by urging restaurants and distributors to lower prices. To drop the price even lower in the U.S.

market, Moët & Chandon has bought 2,000 acres in vine-rich California and is the first French wine firm to grow its grapes abroad. To push the bubbly beverage's multipurpose qualities, the prestigious champagne house hosted a luncheon in New York last month; five different champagnes were poured for five courses. If the promotions don't work, the producers might try drinking more champagne themselves—the perfect way to chase the blues.

**INVESTIGATIONS:**

**An Inside Job?**

The Sponge Rubber Products Co.'s Plant No. 4 in Shelton, Conn., had been a money-losing operation—and when the two-block-long factory exploded and burned to the ground last March 1, there were dark mutterings around the drab mill town that a desperate management had put the torch to the plant in order to collect millions in insurance money. Last week, after the biggest arson investigation in its history, the Federal Bureau of Investigation agreed. It charged ten men with the crime and arrested eight of them—including Charles D. Moeller, the reclusive president of the company that owns Sponge Rubber Products.

The FBI pieced together a Byzantine tale that linked Moeller and a 47-year-old Southern Baptist minister and self-styled clairvoyant named David N. Bubar in a bizarre arson scheme. Bubar is said to be Moeller's longtime spiritual adviser—and he claims that his psychic powers helped him predict the conflagration several days in advance. According to Federal authorities, Bubar's pre-science was somewhat less remarkable than it seemed; they say he helped Moeller hatch a plot to destroy the ailing factory and to pin the blame on the radical Weather Underground.

**Option:** Moeller, 48, is president of Ohio Decorative Products, Inc., a \$35 million-a-year manufacturing firm that he, his brother and two partners organized 25 years ago in Spencerville, Ohio. Through a subsidiary—Grand Sheet Metal Products Co., which Moeller also heads—Ohio Decorative bought the five-plant Connecticut sponge-rubber operation from B.F. Goodrich Co. last year for \$13 million. Goodrich retained ownership of the factories, leasing them to the new operators for \$4 million with an option to buy. Part of that option provided that any insurance benefits from fire damage to the Shelton plants

**PEPSICO EARNINGS**

In last week's issue, NEWSWEEK misstated the earnings of PepsiCo, Inc., for the first quarter of 1975. The correct earnings figure is \$16,155,000, an increase of 9 per cent over the first quarter of 1974.

**BUSINESS AND FINANCE**

**Worldwide Stocks**

Most Active Issues Traded April 21-April 25, 1975

1974-75		Close	
High	Low	April 18	April 25
<b>TOKYO</b>			
403	119 Tokai Electrode	Yen 377	393
640	305 Kumagai-Gumi	Yen 618	640
378	155 Gunze	Yen 311	325
228	122 Nippon Sanso	Yen 226	227
340	185 Shionogi Pharm.	Yen 260	328
488	261 Mitsui & Co.	Yen 461	478
273	210 Yamanou. Pharm.	Yen 253	268
248	180 Sankyo	Yen 239	241
<b>SYDNEY</b>			
4.53	3.3 CSR	A\$ 4.38	4.37
1.27	.64 Thomas Nt. Trsp.	A\$ 1.04	1.04
.38	.1 Oil Search	A\$ .35	.37
.99	.54 Wdsd. Bur. Oil	A\$ .64	.61
1.22	.87 Bougainville	A\$ 1.01	1.05
6.3	4.07 Bk. of N.S.W.	A\$ 5.84	6.12
3.03	2.1 Natl. Bk. of Asia	A\$ 2.57	2.67
1.96	1.53 Western Mining	A\$ 1.7	1.76
<b>HONG KONG</b>			
32.5	7.89 HK Shg. Bk. (L)	H\$ 15	15.5
9.95	3.5 HK Land	H\$ 6.8	7.05
8.9	1.26 Hutchison	H\$ 2.45	2.6
23	6.25 HK & Kw. Wharf	H\$ 11.9	12.9
33.25	11.25 Jardine Matheson	H\$ 28.3	28.9
7.45	2.2 Kowloon Mtr.	H\$ 4.5	5.35
3.65	.88 New World Dev.	H\$ 1.38	1.43
6.25	1.25 Wheelock Mar. 'A'	H\$ 2.75	2.8
<b>SINGAPORE</b>			
4	1 Haw Par Bros. Int.	S\$ 2.5	2.57
4.92	1.47 Sime Darby	S\$ 3.26	3.36
1.03	.415 San Holdings	S\$ 7.45	.74
3.72	1.52 D.B.S.	S\$ 3.12	3.1
2.09	.75 Faber Merlin	S\$ 1.1	1.08
1.9	.63 City Devpt.	S\$ 1.33	1.34
2.58	1.06 Malayan Credit	S\$ 2.25	2.26
5.7	1.7 Un. Overseas Bk.	S\$ 4.58	4.54
<b>NEW YORK</b>			
34%	15 Polaroid	\$ 31	30%
11%	5% Comwlth. Oil	\$ 14%	11%
17%	11% U.O.P.	\$ 13%	17%
11	8% Southern	\$ 10%	10%
51%	44% Am. Tel. Tel.	\$ 48%	48
51%	21% Disney	\$ 48%	48
11%	3% Ponderosa	\$ 10%	11
58%	43 Minn. M.M.	\$ 54%	58%
<b>TORONTO</b>			
24.75	18.75 Alcan Alum.	C\$ 24	23.375
25.75	21.75 MacMillan Blodel	C\$ 24.75	23.125
10	4.9 Kaiser Resources	C\$ 9.375	9.5
28.375	21.25 Int. Nickel 'A'	C\$ 27.375	26.5
34	23.875 Texasgulf	C\$ 32.125	33.5
28.625	21.75 Imperial Oil 'A'	C\$ 26.875	26.875
14	10.25 Cadillac Fairview	C\$ 13.875	13.5
17	9.75 Bow Valley	C\$ 16.5	15.5
<b>ZURICH</b>			
2280	660 Juvena Bearer	Fr 1100	1220
3950	2050 Nestle Bearer	Fr 3060	3370
945	620 Ciba-Geigy Nom.	Fr 700	720
1420	810 Ciba-Geigy Br. Prt.	Fr 1250	1330
1850	1135 Ciba-Geigy Bearer	Fr 1655	1770
1980	970 Aluisse Bearer	Fr 1290	1280
1300	820 Brown, Boveri 'A'	Fr 1210	1250
141	42 Juvena Br. Prt.	Fr 80	78
<b>FRANKFURT</b>			
282	180 Siemens	DM 279.3	264.8
87.3	54 Thyssen-Huette	DM 85.8	87.3
350	222 Deutsche Bank	DM 341	348
255	133 Mannesmann	DM 248.8	246
125	70 VW	DM 114.3	107.5
160.6	110 BASF	DM 157.4	154.4
138.8	101 Bayer	DM 126	124.3
255	152 Dresdner Bank	DM 247.5	247
<b>LONDON</b>			
249	115 ICI	p 245	237
245	93 Marks & Spencer	p 237	230
127	50 Courtaulds	p 122	108
398½	152 Unilever	p 388½	369½
288	119 Shell Transport	p 261	287
345½	149½ Brit.-Am. Tobacco	p 337½	304½
271½	110½ Beecham	p 247½	264½
272	89 Boots	p 228	239½
<b>PARIS</b>			
578	362 Rente 4½% 1973	Fr 528.9	519.5
1334	491 Michelin 'B'	Fr 1199	1194
3281	1061 Carrefour	Fr 2313	2264
398	164 Moulinex	Fr 346.8	315
335	102 Perrier	Fr 133	142.5
218	89 C.S.F.	Fr 195	215.5
1689	873 C.I.T. Alcatel	Fr 1456	1578
249.8	103.1 Thomson-Brandt	Fr 209.4	213.5

Quotations from Foreign Commerce Bank, Bellariastrasse 82, 8038 Zurich, Switzerland.

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## Foreign Exchange

Country	\$ 1.00 is Worth*	Central Rate
Australia	0.75	0.760 dollar
Bangladesh	14.00	8,000 taka
Brunei	2.30	2,340 ringgit
Burma	19.00	6,250 kyat
Canada	1.02	1.00 dollar
Fiji	0.80	0.800 dollar
France	4.16	4,600 franc
Germany (West)	2.36	2,670 mark
Hongkong	4.85	5,085 dollar
India	8.80	8,150 rupee
Indonesia	427.00	415,000 rupiah
Israel	6.05	6,000 pound
Japan	292.00	308,000 yen
Kenya	9.70	7,140 shilling
Khmer Republic	10,000.00	1,650,000 riel
Korea (South)	525.00	485,000 won
Laos	3,000.00	606,000 kip
Lebanon	2.25	2,340 pound
Macau	5.10	5,085 pataca
Malaysia	2.29	2,340 ringgit
Nepal	11.75	10,560 rupee
Netherlands	2.38	2,780 guilder
New Caledonia	81.00	83,710 franc
New Zealand	0.80	0.760 dollar
Pakistan	10.00	9,900 rupee
Philippines	7.25	7,100 peso
Singapore	2.29	2,340 dollar
South Africa	0.76	0,670 rand
Sri Lanka	14.50	10,150 rupee
Switzerland	2.53	2,600 franc
Tahiti	81.00	83,710 franc
Taiwan	40.00	38,000 NT\$
Tanzania	18.00	7,140 shilling
Thailand	20.30	20,000 baht
Uganda	40.00	7,140 shilling
Vietnam (South)	3,500.00	720,000 piastre

	Pound is Worth*	Central Rate
Egypt (U.A.R.)	1.50	1.70
Eire	2.35	2.40
Great Britain	2.35	2.40

\*Based on April 25, 1975. Foreign Banknote Selling Rates of DEAK & CO., (Far East LTD., 406 Shell House, Hong Kong.

## BUSINESS AND FINANCE

between April 1, 1974, and March 31, 1975, would go to Grand Sheet Metal. The amount could be enormous. One day after Moeller's arrest, Grand Sheet Metal's Sponge Rubber subsidiary filed a \$62.6 million insurance claim—the maximum allowable under the policy—for losses incurred in the fire-bombing.

The operation at Plant No. 4 was never more than marginally profitable, and Grand Sheet Metal was hard-pressed to come up with the \$4 million it owed Goodrich. As Federal investigators tell it, Moeller and Bubar decided the easiest way out was to fire-bomb the factory and collect the insurance money. To that end, authorities say, Moeller gave Bubar \$35,000 in company funds that the minister used to recruit eight accomplices. They allegedly helped him acquire dynamite, blasting caps and detonating wire along with 24 drums of gasoline and a truck to transport the load to Shelton. On the evening of March 1, says the FBI, the band briefly kidnaped Plant No. 4's two watchmen and a boiler attendant, set their explosives and fled—telling the watchmen that they were Weathermen bent on helping "working people."

The "Weatherman" connection was quickly discounted by the FBI. Ironically, the agency's first big lead came from Bubar himself. The first thing investigators did was to compile a list of everyone who had been at the plant the day of the bombing. Bubar was on the list. He had shown up, they say, under the guise of installing a water-purification system. Authorities contacted him in New York, where he ingeniously announced to them: "I predicted the fire. I'm psychic, you know." That promptly raised official suspicions, and a full-scale probe of Bubar was launched and quickly established his tie to Moeller.

At the same time, investigators were checking out reports of a rented truck that had appeared at the factory the same day, ostensibly to deliver a load of lime

for the nonexistent water-purification system. After poring through thousands of rental records, agents located the truck and through it managed to come up with the names of Bubar's alleged accomplices. By last week, six of them had been located and arrested; two others were still being sought.

Bubar, who claims he predicted the death of Sen. Everett Dirksen, Hurricane Camille and a number of other things, was arrested at his home in Memphis. Until recently, he ran the Spiritual Outreach Society in that city, offering solace to troubled souls. At his arraignment, Bubar denied any involvement in the bombing. His attorney—a Hackensack, N.J., lawyer named Rudolph L. Zalowitz who calls himself "The Lion of Judah"—charged that Bubar was the victim of religious persecution.

**Amazement:** Moeller made no public statements, but neighbors in Spencer-ville expressed amazement that he could be involved in such a scheme. Moeller is highly regarded in the small, northwestern Ohio town. Residents characterized him as a hard-working, religious man who was well liked although he generally kept to himself. "It's out of character for the man," said editor Tony Beebe of the weekly Spencerville Journal News. "It's like you or I bought a gun and started shooting people on the street."

In Shelton, where 900 workers lost their jobs as a result of the bombing, there was bitterness but not much surprise. "We all said from the start that this thing had come from the top of the company," noted one man. Whatever the outcome of the government's case, it won't do Shelton much good. Although two-thirds of Plant No. 4's workers have been rehired by Sponge Rubber's other plants, Moeller's indictment—and the resulting loss of insurance coverage—may force the operation to close.

—ALLAN J. MAYER with STEPHAN LESHER in Washington and JON LOWELL in Detroit



Ruins of Shelton factory: Bitterness, but not much surprise

## BOOKS

### Getting to Know You

JAPAN: THE FRAGILE SUPERPOWER. By Frank Gibney. 347 pages. Norton. \$10.

In the three decades since U.S. nuclear bombs leveled Hiroshima and Nagasaki, Americans have played a singular role in the history of Japan. As a consequence of a benevolent occupation followed by a mutually beneficial economic partnership, U.S. roots in Japan run deep. Yet despite almost 30 years of peaceful interaction, the American perspective on the Japanese remains extraordinarily shortsighted. To Americans, writes Frank Gibney, "the Japanese [still] appears as a short, bowing character whose motives are as impenetrable as his contrived smile. He is regarded as an exotic or an adversary; either the little man in the kimono... on his way to drink sake at a vaguely improper geisha house or the purposeful businessman on his way to sell ever more cut-rate cars or transistors."

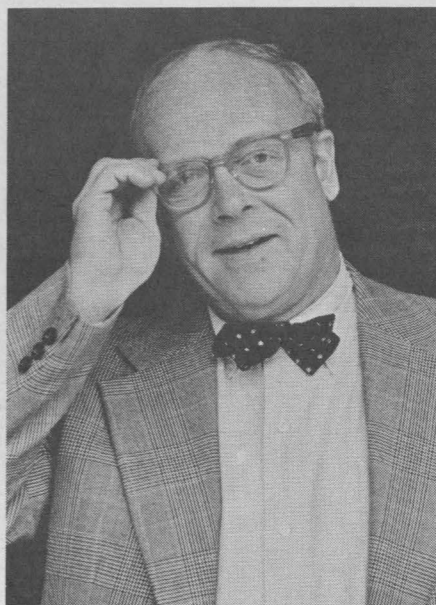
Gibney, a U.S. journalist turned businessman who has lived in Japan on and off since 1945, tries to get at the people behind the kimonos. In this instructive analysis of the Japanese soul, he draws on history, anecdotes and his own observations to compile a kind of sociological primer on Japan. And though his reflections on the interminable power struggles of medieval Japan supply a helpful historical perspective, the best sections of his book focus on modern Japan and the reasons for its extraordinary devotion to hierarchy, ritual and compromise.

Japan's penchant for ceremony and its emphasis on how things are done—not why—are by now familiar and frequently exasperating habits to Westerners. Store clerks dignify the cheapest purchase by wrapping it carefully and artistically. On the same platform where thousands of commuters jam into rush-hour trains, a stationmaster, wearing white gloves and standing at attention, salutes the arrival and departure of major intercity expresses. And in the simple act of drinking tea, the Japanese have carried ritual almost to the point of absurdity. But as Gibney points out, all this serves an important purpose. "Ritual is not a waste of time to the Japanese, whatever foreigners may think of it," he writes. "It is their way of reminding all parties concerned that nothing is perfunctory."

Gibney also believes that ceremony and amenity are two reasons why Japan's 108 million people have not fallen victim to the alienation and spiritual confusion that have engulfed America and much of the rest of the Western world. In Tokyo, a hopelessly chaotic city of 11 million people, robberies average about two a day, compared to 200 in New York. Another reason Tokyo keeps its sanity, says Gibney, is that at heart its people are villagers. Each neighborhood has its own stores, schools, shrines. Moreover,

neighborhood living has inspired a sense of loyalties that the Japanese carry with them to their jobs. The corporation becomes the village and within it, as within the neighborhood, people feel that they belong.

Underlying the highly structured landscape of Japanese society is the concept of *amae*—literally, dependence on the affections of someone close to you. This pervasive sense of dependence creates certain problems, such as parents' overindulgence of badly behaved children and employers' reluctance to fire incompetent workers. But *amae* is also a partial key to Japan's postwar economic success. When the dependency needs of the Japanese worker are sated, he feels secure and the organization he works for prospers.



Lester Sloan—Newsweek

Gibney: 'Ritual is not a waste of time'

The quest for unity, says Gibney, is almost as important to the Japanese as the need for *amae*. "The words *manjo-itchi* (the whole house as one) have a magic ring to them in any Japanese meeting," he writes. And, as he explains, unity comes naturally to the Japanese after long years of incubation in their island society. The Japanese impulse for consensus also frequently gives rise to quirks that dumbfound Westerners. The Japanese, for example, do not like lawyers. As of 1973 there were precisely 9,954 lawyers in Japan, compared to 300,000 in the U.S., which has a population only twice as large as Japan's. "The Japanese are not a litigious people," says Gibney, "at least in the sense that they prefer compromise agreements to an open and shut decision."

Although Gibney is quick to see the strengths of Japanese society—the loyalties, cooperation and security it inspires—he also criticizes its weaknesses: its unnecessary compartmentalization, its aloofness, its pursuit of economic growth at the expense of almost every-

thing else. And just as he says Americans must learn to be more tolerant of Japan, so he suggests the Japanese should break out of their diplomatic diffidence and learn to play a role in the world other than that of traveling salesman. His book goes a long way toward giving both sides the ground rules for a new relationship.

—SUSAN FRAKER

### The Election Connection

A CITY ON A HILL. By George V. Higgins. 256 pages. Knopf. \$7.95.

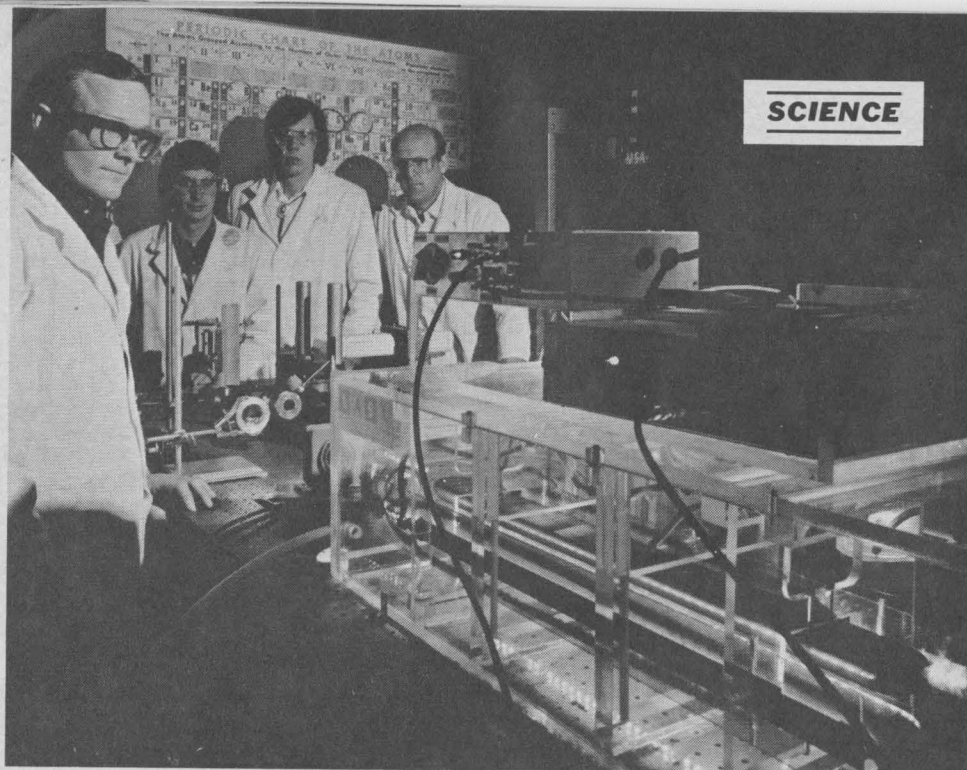
George V. Higgins doesn't tell stories; he allows us to eavesdrop. In "The Friends of Eddie Coyle" and its two successors, "The Digger's Game" and "Cogan's Trade," we slid down a rabbit hole into a Boston underworld where small-time hoods were already hard at work, swapping guns and diversionary anecdotes. What they were really up to was our job to figure out. One thing we soon figured out was that Higgins's realistic dialogue—like that of Hemingway and O'Hara—was as formalized as an eclogue. Posing as a tough-guy documentarian, Higgins is an experimental virtuoso.

Higgins's fourth novel is his most extreme experiment. He shifts to Washington—at a specific moment, the summer and fall of 1973, when the Nixon Administration is beginning to fester—to write a political novel about a non-election year. The threat of violence that impelled us through the Boston novels is removed; but so is the expectation of a big finish at convention or election day. For two-thirds of the book, in fact, the only suspense is wondering whether anything at all will happen. Dave Cavanaugh, a Congressional aide, moves from Nantucket to the Midwest trying to drum up support for the '76 candidacy of a senator who failed to win the '72 nomination. He fails to light any fires. "Jesus Christ," exclaims a fellow aide when Cavanaugh returns from a fruitless trip, "we've got a real barn-burner going here, haven't we, folks?"

Recent speculation that Edward Kennedy may be available after all for a '76 draft gives the book a topical relevance, for what Cavanaugh finds in 1973 is that a black judge in Chicago and a powerful Michigan pol are unwilling to move until Kennedy's position is clarified. This novel about a stand-still political moment could turn out to be prophetic.

Having eliminated action from the book, Higgins elaborates his reliance on dialogue and attempts the most convoluted recording of conversations-within-conversations since the demise of Joseph Conrad's raconteur, Marlow. I could wholeheartedly recommend Higgins's earlier books. This one is for those who want to see him extending his reach, partially flopping, partially gaining new ground. I admire his effrontery and his daring—and his terrific ear.

—WALTER CLEMONS



**SCIENCE**

Robinson (third from left) and research crew with laser: A key to cheap uranium

**A Mixed Blessing**

For a decade now, scientists have been searching for a faster and less expensive way to prepare the type of uranium used in nuclear reactors and weapons. As it is found in the ground, uranium exists as an impure mixture of the scarce but valuable isotope U-235 and its virtually useless but copious cousin U-238. Past attempts to separate the two isotopes have been costly and tedious; purifying the uranium used in the first atomic bomb, for example, required more than 3,000 separate steps. But last week, independent groups of scientists at the Los Alamos Scientific Laboratory in New Mexico and at the Institute of Spectroscopy in Moscow announced a new, one-step technique for separating isotopes. And energy experts agree that it can be readily applied to uranium—a mixed blessing that could hasten the advent of cheap nuclear power, and at the same time intensify the global nuclear arms threat.

All 92 elements, from hydrogen through uranium, possess isotopes, and many of these are valuable as tracers in medicine and industry. But the isotopes of a particular element differ so slightly in their chemical behavior that they defy separation by standard chemical techniques. Then in 1973, Dr. C. Paul Robinson, director of the Los Alamos Laser Laboratory, suggested that an intense laser beam could be used to separate families of isotopes at a surprisingly low cost. And apparently by coincidence, the technique Robinson's group eventually developed, and revealed for the first time last week at a meeting of the New York Academy of Sciences, is amazingly similar to that of the Soviets.

Both systems employ a strong carbon-

dioxide laser to produce a beam of infrared light. The light is then focused through a germanium lens to a fine point where it strikes a gaseous mixture of isotopes. The salient feature of the technique is that the laser light can be tuned, much like a radio, to a particular frequency—one that corresponds to the vibrations of the molecules of a certain isotope in the gas. This matching singles out the molecules of one isotope and causes them to break down. With their behavior now changed, a standard and simple chemical technique is used to extract the isotope in a pure form.

One measure of the success of the new technique is in terms of the price of obtaining a pure isotope. Five years ago it cost about \$8,500 to get a pure gram of sulphur-34 by so-called "magnetic separation techniques." Now with the laser separation process, Robinson's group has been able to obtain pure sulphur-34 for about 40 cents a gram.

So far, neither Robinson's group nor the Soviets have succeeded in extending the laser separation technique to the heaviest element of all, uranium. But both groups are clearly working toward that goal. "I would estimate," says Robinson, "that we will have the first commercial uranium separation plant by the mid-1980s."

The ease with which pure uranium-235 could then be produced—and possibly used in nuclear weapons—has aroused the concern of scientists and politicians alike. One indication: in the wake of last week's announcements a U.S. Senate committee began to draw up new legislation for a tight system of checks and balances on the global use and distribution of American-produced uranium.

—Charles Panati

**SPORTS**

**Killer on the Court**

Whether he is slashing viciously at a tennis ball or retorting angrily to his non-admirers in the galleries, Jimmy Connors always has a tendency toward overkill—and he has never indulged himself more than he did last week in Las Vegas. After weeks of promoting his "heavyweight championship" battle against Australian John Newcombe, Connors needed only a few brilliant passing shots to establish his superiority and turn the long-awaited match into an anticlimax. In fact, Jimmy may have destroyed not only his opponent but the entire challenge-match concept. His 6-3, 4-6, 6-2, 6-4, victory was so convincing that the slickest promoters in Vegas will be hard-pressed to find another rival worthy of a legitimate shot at Connors.

**Tempo:** The match was a textbook illustration of how Connors can break down an opponent's resistance. Newcombe was depending on his own serve, but was so keenly aware of Connors's devastating returns that he often pressed too hard—and committed seven double-faults. The experienced Newcombe also hoped to dictate the tempo and perhaps catch 22-year-old Jimmy off-balance. But it was Connors who maintained control, gradually seized the initiative—and captured about \$500,000 while loser Newcombe consoled himself with the sum of \$300,000.

The first hint of the result came just after Connors broke Newcombe's serve in the first set. Newcombe fought back to get six break points—but Jimmy's iron will held off the charge. At another decisive moment, Jimmy benefited from one controversial line call. But the cocky champion left the distinct impression that with or without breaks, he can whip anybody just about any time he pleases.



UPI

Connors: Iron will and perfect shots

**MOVIES**

**Beginning of the End**

Bertrand Tavernier is an unlikely looking genius. Tall, stooped, myopic and going lavishly to fat at 35, he has the pallor of a pathological movie buff. (Which, indeed, he is.) But for all his unprepossessing looks, Tavernier is the hottest new director to appear on the Paris cinema landscape in a decade. His second full-length feature, *Que la Fête Commence...* ("Let the Party Begin"), which opened last month, has been hailed as signaling a renaissance in French filmmaking. And some critics have even begun to liken Tavernier to such masters as Jean Renoir and René Clair.

What makes Tavernier's instant apotheosis even more impressive is the fact that his film is a historical reconstruction of France's lusty Regency period. French filmmakers have never considered themselves especially talented in the swashbuckling field. If anything, the conventional wisdom among Paris film people—until three weeks ago—was that there was no audience for such fare. "You've got to be kidding," more than one producer told Tavernier when he first tried to peddle his treatment. But the fact is, Tavernier has pulled it off, creating a fast-moving, visually stunning historical canvas that is attracting moviegoers in droves and, at the same time, overwhelming the critics with its originality and authenticity.

**Tale:** The technique, as Tavernier explains it, is extremely simple: "I tried to imagine that the movies already existed in 1719 and to treat the story as if it were a contemporary tale." Cutting expository material to a minimum, Tavernier plunges the spectator directly into scenes of the epoch: a wind-swept castle in Brittany, where a handful of impoverished noblemen plot against the tyranny of Paris; the tumultuous streets of the capital, where royal soldiers openly kidnap men and women "volunteers" for the underpopulated colony of Louisiana; the sumptuous court at Versailles, where Philippe d'Orleans, the uncle of the boy-king Louis XV and Regent of France, spends his days governing with a measure of enlightened liberalism—and his nights in frenetic orgies.

Tavernier catches his characters at an important but little-known turning point in Regency history. In 1719, a handful of Breton barons rise in revolt. Their leader, the Marquis de Pontcallec, is arrested in a Paris bordello where he has stopped on his way to parley with the court. But the Abbé Dubois, the Regent's Prime Minister, wants to inflate the importance of the rebellion for his own political purposes. He arranges for the Marquis's escape, has him recaptured and then urges the Regent to execute him. Philippe, exhausted by his excesses, embittered by the failure of his plans for reform, isolated among his faithless courtiers and supported only by his

adolescent trollop, gives in to Dubois's pressure. De Pontcallec's execution signals the start of Philippe's descent into political impotence and near madness.

Director Tavernier, who spent more than ten years as a film critic and as public-relations man for French and American moviemakers, enriches the period flavor of his story with one device after another. All the dialogue, much of it shockingly obscene, comes from documents of the time. The hauntingly pessimistic score is adapted from music written by the Regent himself. The camera lingers on such details of daily court life as porcelain urinals hand-held by liveried valets, dead rats in the corridors of the Louvre, the elaborate birdlike masks worn by eighteenth-century surgeons to guard against infection. And all the exteriors were shot, at historically appropriate locations, during the autumn, in order to give the "sense of the ending year, the ending reign."

**Flawless:** For all its breakneck action, its festoon of naked bodies and the sometimes hilarious antics of the Regent's corrupt courtiers, the film is a very sober work indeed, filled with the Regent's pessimism and self-hatred, constantly evocative of the boiling revolu-



Director Tavernier on the set (above); Noiret, Pascal and Rochefort at work: A visually stunning historical canvas



tion that was one day to sweep the court and its "little suppers" into oblivion. Three top French actors, Philippe Noiret, Jean Rochefort and Jean-Pierre Marielle, contribute flawless performances as the Regent; as the Abbé Dubois, his foul-mouthed, cynical Prime Minister, and as the Breton nobleman who leads the hopelessly romantic rebellion. Christine Pascal, a teen-age newcomer whom Tavernier discovered, adds an unforgettable portrait of a young, tough, yet terribly human prostitute.

"So you have the liberal, the cynic, the romantic and the whore," Tavernier sums up, with obvious self-mockery. In

his view, however, none of his characters has the answer to France's dilemma—or rather none of the individual characters does. It is the people "who must make the country's future," Tavernier insists. And he makes the point in a gripping last scene: after an especially lurid orgy, the Regent and Dubois go racing over the countryside in their carriage. The carriage strikes and kills a peasant child. The aristocrats run for cover as the child's friends and relatives upset and burn the carriage. The flames are unmistakably those that will consume the Bastille 60 years later.

—SCOTT SULLIVAN in Paris

## 'We Are Through the Worst'

Fifty-nine-year-old David Rockefeller, chairman of New York's Chase Manhattan Bank and the younger brother of U.S. Vice President Nelson Rockefeller, is a man courted by world leaders, Communist and capitalist alike. On a recent visit to London where he delivered a lecture on multinational corporations, Rockefeller discussed their role and the world economic outlook with NEWSWEEK's John Barnes.

**BARNES:** Do you see any signs that the recession is ending?

**ROCKEFELLER:** There is evidence that we are through the worst. If we haven't totally bottomed out, we're very close to the bottom—although I'm afraid that we may see a fairly lengthy bottom. On the other hand, there are a number of encouraging signs in the United States that lead one to feel that things will really improve in the coming months. Short-term interest rates have declined sharply, and that is bound to be encouraging to industry, particularly the construction industry. There has also been a radical change in inventories, which were accumulating at a very alarming rate in the fourth quarter of 1974 but which are now being reduced at a sharp rate.

**Q.** But don't you think President Ford's anti-recessionary policies will lead to an even greater inflation?

**A.** I certainly think it would be fair to say that the program that Congress has adopted is not as good as the one the President recommended. It involves an ongoing reduction in taxes, which will undoubtedly contribute to recovery in the U.S. in the short run. But I think there is a considerable risk that it could have an inflationary impact on the long-run future.

**Q.** If Britain votes to leave the Common Market during next month's referendum, would the American multinational companies pull their European headquarters out of London?

**A.** Many of the multinationals came here before Britain became a member of the Market. So it doesn't necessarily mean that they would seek to change their headquarters; Britain is still an important market. And so, while I personally hope that Britain will not pull out and believe she would benefit if she didn't, I don't think the end of the world will come if she does. And I don't see any mass exodus of multinational companies.

**Q.** During your visit in Britain you

have stoutly defended the multinationals. Why?

**A.** I think there has been a growing criticism of multinationals based to some extent on ideological ground and to some extent on misunderstanding of the facts. I thought it was time that someone exploded some of the myths which surround them.

**Q.** What myths?

**A.** For example, there is a theory that they exploit the countries in which they invest and drain funds and resources from those countries without benefiting



Tony Rollo—Newsweek

**Banker Rockefeller: 'Encouraging signs'**

them. But the fact of the matter is that once a multinational company makes an investment in another country, that country possesses means at its disposal to regulate that company. If it doesn't like what the multinational is doing, it can expropriate it. So I don't think the countries in which investments are made are by any means defenseless. I think most complaints are exaggerated. The developing nations in particular need the capital and the organization of their own resources which the multinationals can provide.

**Q.** But aren't the arguments made against multinationals now being used in the U.S. against Arab investment?

**A.** There is a debate in Congress and in the U.S. on that subject. Partly this is because of the fear that Arab-controlled companies might be used as a means of

discriminating against Israel or Jewish interests in the United States. My feeling is that these fears have been exaggerated; the Arabs are interested in investment in the U.S. because they want their funds in a stable country. They are not interested in getting control. With their limited managerial manpower, they have difficulty in running their own businesses, let alone other peoples'. And frankly, even though the United States has more capital than most countries in the world, we are still short of capital and so we should not be imposing restrictions on its inflow.

**Q.** What kind of impact has this inflow had on the value of the dollar?

**A.** A positive one. But on the other hand, the sharp decline in short-term interest rates in the U.S. has to some extent caused short-term capital to move away from the United States in order to take advantage of higher European interest rates. But my own feeling is the dollar is undervalued at the present time. The weakness we've seen in the last several months has to a considerable extent been psychological—uncertainties about the United States economy. In the longer run the dollar is likely to strengthen.

**Q.** What impact will recent events in Indochina have in the Middle East?

**A.** It's hard to say. Some people think that the Israelis are now wondering whether they can count on U.S. support as much as they have in the past. But there is no question that there is still a very strong feeling in the U.S. that the state of Israel is here to stay and that it will continue to have the backing of the people of the U.S.

**Q.** During your recent trip to Europe and the Middle East have you found national leaders wondering whether the U.S. was turning toward isolationism as a result of the Vietnam debacle?

**A.** They understandably raise the question and I think there are some people in our country who would like to see us less involved with the rest of the world. But this is one of the prices one pays for democracy—that everybody speaks his mind and speaks it in public. If one believed the words of every congressman, you'd be alarmed. But I don't think the fundamental trend of the U.S. is toward isolationism. The majority of the people and the majority in Congress will support a continuation of a strong U.S. role in the world.

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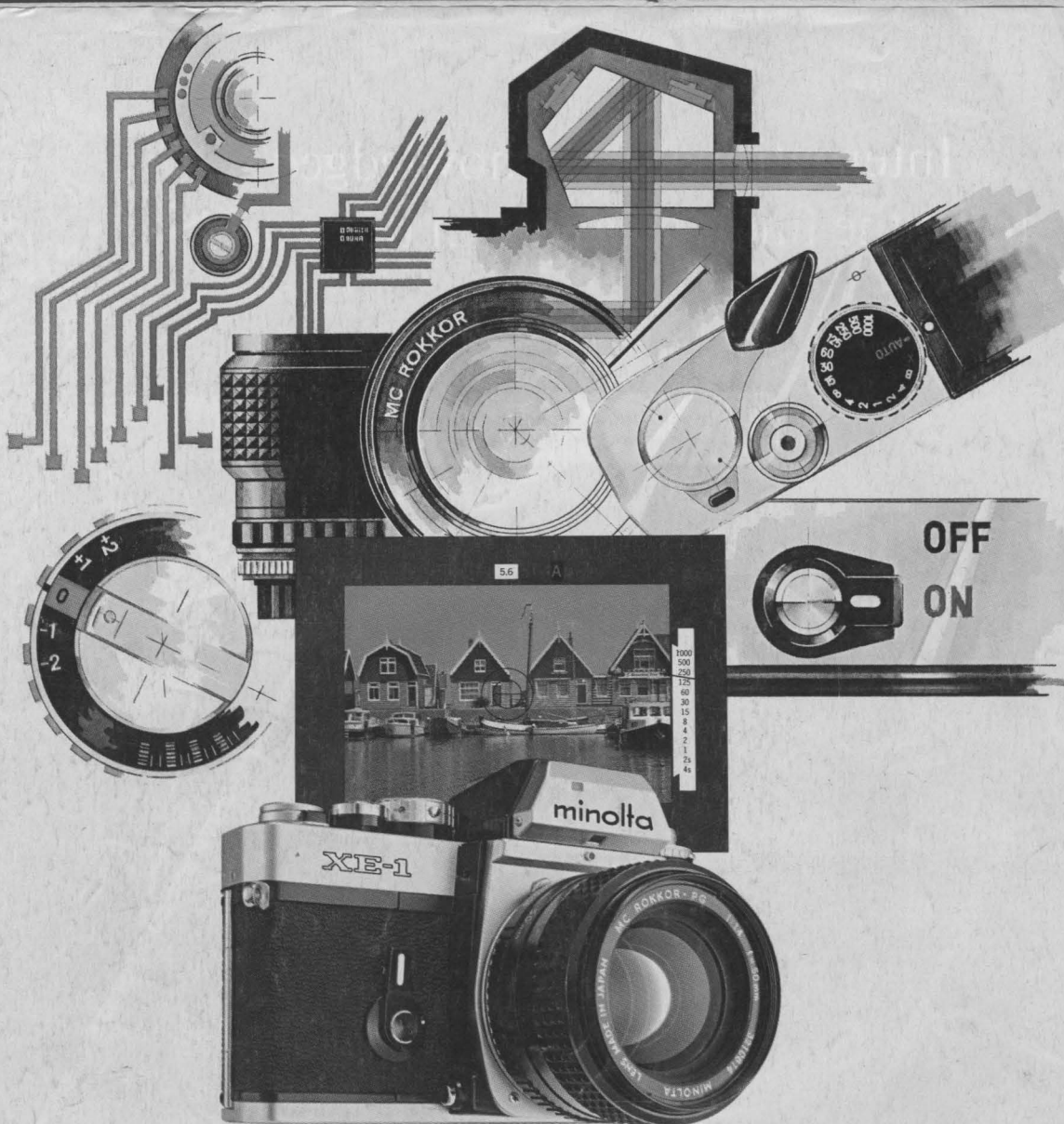
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