
S E C R E T

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SECRETARY GENERAL ASSAR THEN THANKED THE PRESIDENT FOR MEETING WITH THE GROUP AND FOR HIS WORDS OF ENCOURAGEMENT. HE SAID THAT THE MINISTERS ARE AWARE, AS THE PRESIDENT HAD POINTED OUT, THAT THE SITUATION FOR CENTO HAD CHANGED GREATLY BUT THEY STILL THOUGHT THERE WAS A NEED FOR THE ALLIANCE AND HAD DISCUSSED IN THEIR MEETINGS TRACING A COURSE FOR THE FUTURE.

THE PRESIDENT RESPONDED TO ASSAR BY REVIEWING AGAIN THE CHANGES SINCE THE FOUNDING OF CENTO. HE THEN SHIFTED INTO HIS STANDARD RUNDOWN OF THE SITUATION IN THE MIDDLE EAST. NO SURPRISES.

FOLLOWING THAT THE PRESIDENT DISCUSSED THE PRAGMATIC NATURE OF OUR POLICY TOWARD THE SOVIET UNION, THE DIFFICULTIES OF SALT, ETC. -- ALL IN STANDARD TERMS. HE MOVED ON TO THE PRC AND TALKED ABOUT THE NEED FOR A DIALOGUE WITH THEM, THEIR INTEREST IN A STRONG U.S., AND THEIR RIVALRY WITH THE SOVIET UNION.

THE PRESIDENT THEN WENT ON TO SAY THAT THE U.S. DIALOGUE WITH OUR POTENTIAL ENEMIES WAS IN SUPPORT OF, NOT IN OPPOSITION TO, OUR FRIENDS. HE POINTED OUT IN CONCLUSION THAT THE MIDDLE EAST, AND EVEN MORE SO CENTRAL EUROPE, WERE VITAL AREAS FOR SUPER POWER RIVALRY. ALLIES AND FRIENDS MUST TRUST EACH OTHER IN THESE CRITICAL TIMES AND THE U.S. WOULD MAINTAIN ITS STRENGTH AND SUPPORT OF ITS FRIENDS.

AS THE GROUP WAS WALKING OUT, CALLAGHAN EXPRESSED THE NEED FOR A NATO DECLARATION AND A TRADE BILL. THE PRESIDENT DID NOT COMMENT ON THE NATO DECLARATION BUT SAID WE WOULD HAVE A TRADE BILL PROVIDED CONGRESS WAS REASONABLE AND AT A MINIMUM DID NOT CUT OFF CREDIT FOR THE SOVIET UNION.

AT LUNCH AT THE BRITISH EMBASSY FOLLOWING THE MEETING, CALLAGHAN REMARKED TO ME THAT HE THOUGHT THE PRESIDENT HAD PUT ON AN AMAZING PERFORMANCE. HE SAID HE WAS MOST IMPRESSED AT THE PRESIDENT'S INTIMATE KNOWLEDGE OF FOREIGN AFFAIRS WITH ALL THE OTHER THINGS HE HAD ON HIS MIND.

WARM REGARDS.

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