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FM THE SITUATION ROOM//TOHAK 010//

TO GOMPERT/ADAMS FOR THE SECRETARY

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MAY 27, 1975
MEMORANDUM FOR SECRETARY KISSINGER
FROM: THE SITUATION ROOM
SUBJECT: MORNING NEWS SUMMARY

THE WASHINGTON POST

JIM HOAGLAND WRITES THAT LEBANON'S FIRST CABINET OF ARMY AND SECURITY OFFICERS, FORMED THREE DAYS AGO TO RESTORE ORDER TO THIS BATTLE-SCARRED ARAB CAPITAL, RESIGNED YESTERDAY IN THE FACE OF HEAVY PRESSURE FROM MOSLEM POLITICAL LEADERS. (A-1)

ACCORDING TO LEWIS SIMONS, IN RESPONSE TO CONTINUING HARASSMENT BY THE COMMUNIST PATHET LAO AND THEIR SUPPORTERS, THE U.S. EMBASSY IN VIENTIANE INTENSIFIED PREPARATIONS TODAY FOR EVACUATING ALL ITS REMAINING PERSONNEL, WHILE CONCURRENTLY PRESSING FOR A NEGOTIATED SETTLEMENT. (A-1)

DON OBERDORFER QUESTIONS WHETHER OR NOT THE SOUTH KOREAN DMZ'S SECURITY HAS BEEN UNDERMINED BY NORTH KOREAN TUNNELS. WHATEVER, THE PLAN BEHIND THEM, THE NORTH KOREAN TUNNELS UNDER THE DMZ ARE IMPRESSIVE SYMBOLS OF THE UNPREDICTABLE AND SEEMINGLY INEXPLICABLE DANGERS PRESENT IN THE KOREAN PENINSULA. THOUGH POTENTIALLY INVOLVED IN ANY CLASH OF THE FORCES POISED ACROSS THE NARROW BUFFER ZONE, ALL OF THE GREAT POWERS MAY BE IN THE DARK ABOUT WHAT THE TUNNELS MEAN AND WHY THE DIGGING CONTINUES. (A-1)

SENATE MAJORITY LEADER MIKE MANSFIELD SAID LAST NIGHT HE SEES "A DANGER OF AN OUTBREAK" OF FIGHTING BETWEEN NORTH AND SOUTH KOREA THAT WOULD ENTANGLE THE U.S. ONCE AGAIN IN WAR ON THE

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PSN:055781 PAGE 01 TOR:147/14:00Z DTG:271656Z MAY 75

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ASIAN MAINLAND. THE SENATE LEADER SAID HIS FEELING AT THE MOMENT WAS THAT NORTH KOREA WOULD NOT SOON LAUNCH "AN ADVENTURE" BY ATTACKING THE SOUTH, "BUT ONE NEVER KNOWS WHAT WILL OR CAN HAPPEN ON THE ASIAN MAINLAND. IT IS A DIFFICULT SITUATION, AND WE ARE BOUND." (A-1)

PRESIDENT FORD WILL IMPOSE ANOTHER \$1 TARIFF ON EACH BARREL OF CRUDE OIL IMPORTED AFTER JUNE 1, A MOVE THAT WILL PUSH THE PRICE OF A GALLON OF GASOLINE ABOUT 1.5 CENTS HIGHER, WHITE HOUSE SOURCES SAID YESTERDAY. (A-2)

ACCORDING TO JIM HOAGLAND, SAUDI ARABIA IS LENDING OMAN \$100 MILLION TO HELP BAIL THAT ARAB OIL-PRODUCING COUNTRY OUT OF DEEPENING FINANCIAL TROUBLES, ACCORDING TO ARAB AND WESTERN FINANCIAL SOURCES. (A-9)

BERNARD NOSSITER WRITES THAT FOREIGN AND FINANCE MINISTERS FROM THE U.S. AND OTHER INDUSTRIAL NATIONS ARE TO OPEN A THREE-DAY MEETING IN PARIS TODAY AIMED CHIEFLY AT REVIVING THE SUSPENDED TALKS WITH OIL-PRODUCERS OVER PRICE AND SUPPLY. YOU CAREFULLY STOPPED SHORT OF ENDORSING THE CLASSIC METHOD OF STABILIZATION -- COMMODITY PACTS THAT PUT A FLOOR UNDER THESE PRICES AND A CEILING ABOVE THEM. ACCORDING TO REPORTS FROM WASHINGTON, YOU WERE HELD BACK BY THE HISTORIC OPPOSITION OF THE AGRICULTURE AND TREASURY DEPARTMENTS TO INTERFERENCE WITH FREE MARKETS. YOUR FELLOW MINISTERS IN PARIS ARE EAGER TO KNOW IF YOU HAVE WON YOUR INTERNAL BUREAUCRATIC BATTLE OR IF YOU MUST LIMIT YOURSELF TO ONLY THE MOST GENERAL OF STATEMENTS ABOUT COMMODITY PACTS. (A-13)

YOU AND TREASURY SECRETARY SIMON ARE SHOWN ON PAGE 13 LEAVING FOR PARIS.

THE PEOPLE'S REPUBLIC OF CHINA HAS THE POTENTIAL TO BECOME A MAJOR EXPORTER OF OIL BY 1980, SENATOR HUBERT HUMPHREY SAID YESTERDAY. HUMPHREY, CHAIRMAN OF THE JOINT ECONOMIC COMMITTEE, SAID HE BASED HIS STATEMENT ON A REPORT PREPARED FOR THE COMMITTEE BY OIL EXPERTS WHO HAVE REVIEWED REPORTS FROM CHINA AND JAPAN. (A-13)

PORTUGAL'S ARMED FORCES MOVEMENT TODAY CENSURED THE SOCIALIST PARTY FOR BOYCOTTING THE COALITION GOVERNMENT AND CALLED FOR FIRM AND RAPID ACTION TO END THE COUNTRY'S POLITICAL CRISIS. A COMMUNIQUE ISSUED AFTER A 15-HOUR MEETING OF THE MOVEMENT'S ASSEMBLY CRITICIZED THE SOCIALISTS' REFUSAL TO ATTEND CABINET MEETINGS UNTIL THEIR DEMANDS WERE MET. (A-15)

BENJAMYN WELLES REPORTS THAT THE U.S. HAS BEEN MOUNTING A QUIET DRIVE TO "SELL" FRANCO SPAIN TO THE NATO ALLIANCE ON THE EVE

PSN:055781

PAGE 02

TOR:147/14:00Z

DTG:271656Z MAY 75

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OF PRESIDENT FORD'S VISIT TO THE NATO SUMMIT AND, INCIDENTALLY, TO MADRID. THE NATO ALLIES, HOWEVER, SEEM TO BE RESISTING. STIFF OPPOSITION TO ANY GESTURE TOWARD FRANCO, HOWEVER, HAS ARISEN FROM THOSE NATO GOVERNMENTS THAT ARE LED, OR INFLUENCED BY, SOCIALIST FACTIONS: NORWAY, HOLLAND, BELGIUM, AND BRITAIN. THEIR IDEOLOGICAL DISTASTE FOR FRANCO'S RIGHT-WING RULE BURNS UNDIMMED EVEN 40 YEARS AFTER THE SPANISH CIVIL WAR. "WHY SHOULD WE SHAKE HANDS WITH FRANCO," THEY SEEM TO BE SAYING, "WHEN THE U.S. HAS A DEFENSE AGREEMENT WITH SPAIN THAT SPARES US THE EFFORT? WE HAVE OUR FLANK PROTECTED FOR US -- AND WE ARE SPARED IDEOLOGICAL POLLUTION." SINCE THE NATO DEFENSE MINISTERS, WHO WILL MEET ON THE FRINGES OF THE "SUMMIT," ARE NOT PREPARED TO ALLUDE TO SPAIN'S DEFENSE ROLE IN THEIR PLANNED COMMUNIQUES, PRESIDENT FORD AND YOU ARE FACED WITH THE UNHAPPY ALTERNATIVE OF (A) TRYING TO RAM THROUGH AN EXPLICIT TRIBUTE TO SPAIN IN THE FACE OF STUBBORN OPPOSITION; OR (B) FALLING BACK ON A UNILATERAL AMERICAN PAT ON THE HEAD FOR FRANCO. (A-16)

JOSEPH KRAFT WRITES THAT EVERY CLICHE EXPERT KNOWS WHAT PRESIDENT FORD IS GOING TO DO ON HIS TRIP TO EUROPE THIS WEEK. HE IS GOING TO REASSURE FRIENDS AND REAFFIRM COMMITMENTS. BUT THE TROUBLE BETWEEN THIS COUNTRY AND ITS ALLIES IS SURELY NOT THAT WE HAVE LET THEM DOWN. NOR THAT THEY HAVE LET US DOWN. THE TRUE DIFFICULTY IS THAT THE U.S. AND ITS FRIENDS ARE CAUGHT UP IN A TWO-FRONT STRUGGLE WITHOUT A TWO-FRONT STRATEGY. THERE IS NO UNIFIED THEORY THAT MESHES THE EAST-WEST STRUGGLE, NOW WANING IN INTENSITY, WITH THE NORTH-SOUTH STRUGGLE THAT GROWS DAILY MORE ACUTE. SO WHAT IS REQUIRED AT THIS JUNCTURE IS HARD THOUGHT ABOUT HOW TO MANAGE ONRUSHING DEVELOPMENTS ALONG FRONTS THAT ARE ONLY OBSCURELY CONNECTED. THAT IS WHAT OUGHT TO COME OUT OF THE PRESIDENT'S TRIP, AND THE TEST OF ITS SUCCESS IS HOW FAR MR. FORD GETS BEHIND THE USUAL CLICHES ABOUT REAFFIRMING COMMITMENTS AND REASSURING FRIENDS. (A-17)

CLAYTON FRITCHEY DISCUSSES THE CRUCIAL QUESTION BEFORE THE AMERICAN PUBLIC, WHICH IS IF NORTH KOREA (A LEFT-WING DICTATORSHIP) AND SOUTH KOREA (A RIGHT-WING DICTATORSHIP) BECOME INVOLVED IN ANOTHER CIVIL WAR, AS SEEMS PROBABLE, IS THE U.S. PREPARED TO INTERVENE MILITARILY OR ISN'T IT? THE AMERICAN PUBLIC'S ANSWER IS "NO." PRESIDENT FORD'S ANSWER IS "YES." UNFORTUNATELY, THAT MEANS THE AYES HAVE IT, FOR THE CHIEF EXECUTIVE IN THE MAYAGUEZ CRISIS DEMONSTRATED THAT HE IS READY TO ACT ON HIS OWN IN SUCH CHALLENGES. CONGRESS WAS ULTIMATELY INFORMED, BUT NEVER CONSULTED ABOUT THE DECISION TO USE OUR ARMED FORCES IN AN ATTACK ON ANOTHER COUNTRY. THE MOST RECENT POLL ON HOW THE AMERICAN PEOPLE FEEL ABOUT BEING DRAGGED INTO A SECOND KOREAN CONFLICT SHOWED 65 PERCENT AGAINST U.S. INTERVENTION, WITH ONLY 14 PERCENT APPROVING. (A-17)

PSN:055781

PAGE 03

TOR:147/14:00Z

DTG:271606Z MAY 75

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JACK ANDERSON REPORTS THAT THE SELECT SENATE COMMITTEE INVESTIGATING THE CIA AND THE FBI HAS IMPOSED AIRTIGHT SECURITY ON ITS OPERATIONS. WE HAVE LEARNED THAT THE COMMITTEE HAS BEEN RIVEN BY DISSSENT, HAS HIRED FEW REAL INVESTIGATORS AND HAS SCARCELY SCRATCHED THE SURFACE OF THE CIA AND FBI SCANDALS. IN A FOOTNOTE, CHURCH DECLINED COMMENT, BUT A SPOKESMAN DEFENDED THE COMMITTEE AS "MOVING ALONG ON COURSE." HE SAID THE CHARGE THAT THE PROBE IS LIMITED TO THE FBI AND THE CIA IS "UTTERLY WRONG," AND THAT MORE INVESTIGATORS WILL BE BROUGHT IN WHEN NEEDED. AT PRESENT, HE SAID, THE NEED IS FOR SKILLED LAWYERS TO QUESTION WITNESSES WHO HAVE BEEN IDENTIFIED. THERE IS SOME DISSSENT IN EVERY GROUP, HE SAID, BUT "SO FAR WE'VE AVOIDED SPLITS. WE'VE BEEN ABLE TO SHOW UNANIMITY." (B-11)

THE NEW YORK TIMES

ACCORDING TO TERENCE SMITH, ISRAEL HAS DECIDED TO IGNORE THE FORD ADMINISTRATION'S REPEATED REQUESTS THAT IT COME UP WITH NEW NEGOTIATING PROPOSALS BEFORE THE MEETING BETWEEN PRESIDENT FORD AND PRESIDENT SADAT IN SALZBURG NEXT SUNDAY. SENIOR ISRAELI OFFICIALS SAID THEIR COUNTRY WANTED EGYPT TO MAKE THE FIRST CONCESSION, AND CITED A DISPLAY OF SUPPORT FOR ISRAEL BY 76 U.S. SENATORS. FULL TEXT TO FOLLOW. (1)

A SPECIAL TO THE TIMES REPORTS THAT THE COMMON MARKET AGREEMENT TO INTENSIFY THEIR TRADE AND AID RELATIONS WITH PORTUGAL IS IN MARKED CONTRAST TO THE RECENT TOUGH LINE TAKEN BY THE U.S. TOWARD THE LEFTWARD DRIFT IN PORTUGAL. ALTHOUGH THEY DID NOT DISCUSS THE AMERICAN POSITION AT TODAY'S MEETING, COMMON MARKET DIPLOMATS SAID PRIVATELY THAT THEY CONSIDERED MR. FORD'S STATEMENTS THAT PORTUGAL SHOULD PLAY A ROLE IN THE ATLANTIC ALLIANCE IF IT BECAME COMMUNIST CONTROLLED AS "CLUMSY" AND "INOPPORTUNE." (1)

CLYDE FARNSWORTH DETAILS THE FUNCTIONS OF THE OECD AND NOTES THAT IT TOOK AN ENERGY CRISIS TO GALVANIZE THIS ONCE SLEEPY FORUM INTO A DYNAMIC ARENA FOR COOPERATION BY THE INCREASINGLY INTERDEPENDENT WESTERN INDUSTRIAL NATIONS. YOUR VISIT IS A SIGN OF THE IMPORTANCE THAT WASHINGTON ATTACHES TO THE MEETINGS OF THIS ORGANIZATION. (2)

YOU ARE PICTURED WITH SECRETARY SIMON ON PAGE TWO.

THE PORTUGUESE SOCIALIST PARTY LEADER, MARIO SOARES, HAS ACCUSED THE COMMUNIST PARTY LEADER IN LISBON, ALVARO CUNHAL, OF ENDANGERING IMPROVED RELATIONS BETWEEN EAST AND WEST. (3)

PSN:055781

PAGE 04

TOR:147/14:00Z

DTG:271656Z MAY 75

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COOPERATION. (A-26)

THE BALTIMORE SUN

THE SOVIET UNION NOW IS FOCUSING ON THAILAND AS A KEY COUNTRY IN ITS EFFORTS TO IMPROVE ITS POSITION IN SOUTHEAST ASIA FOLLOWING THE AMERICAN WITHDRAWAL FROM INDOCHINA. MOSCOW IS OFFERING THAILAND THE "BALANCE" IT IS PUBLICLY SEEKING TO OFFSET AMERICAN, CHINESE, AND JAPANESE INFLUENCE. (A-1)

G. JEFFERSON PRICE SAYS THAT THERE ARE STILL A LOT OF PEOPLE WHO THINK THE ARABS DID THE ISRAELIS A BIG FAVOR WHEN THEY PROCLAIMED THE PLO THE ONLY RIGHTFUL REPRESENTATIVE OF THE PALESTINIAN PEOPLE. SO WHEN THE ARABS PERSUADED KING HUSAYN OF JORDAN TO TURN THE TORCH OVER TO YASSER ARAFAT AND THE PLO, THE CRY WENT UP. "HOW CAN ANYONE EXPECT US TO DEAL WITH A TERRORIST GROUP THAT HAS SWORN TO WIPE OUT THE STATE OF ISRAEL?" THE QUESTION IGNORES THE FACT THAT AT ONE POINT OR ANOTHER THE OTHER ARABS WITH WHOM ISRAEL HAS NEGOTIATED -- EGYPT, SYRIA, AND JORDAN -- ALSO VOWED TO ERADICATE THE JEWISH STATE. BUT TODAY THE LIKELIHOOD OF ISRAEL EVER SITTING DOWN TO NEGOTIATE WITH THE PLO IS AS REMOTE FROM THE ISRAELI VIEW AS THE IDEA OF GOD SITTING DOWN TO MAKE A DEAL WITH THE DEVIL. (A-1)

FOR DOMESTIC POLITICAL CONSIDERATIONS, PRESIDENT FORD IS UNLIKELY TO AGREE TO ANY GIANT STEP TOWARD A "NORMALIZATION OF RELATIONS" WITH THE PEOPLE'S REPUBLIC OF CHINA THIS YEAR OR NEXT. (A-2)

YOU AND SECRETARY WILLIAM SIMON ARE PICTURED ON PAGE TWO.

THE U.S. EMBASSY AND THE COMMUNIST-DOMINATED PATHET LAO STEPPED UP THEIR VERBAL TUG OF WAR OVER THE STUDENT OCCUPATION OF THE USAID COMPOUND WHERE THREE AMERICANS HAVE BEEN LOCKED IN FOR SIX DAYS. (A-4)

A SUN EDITORIAL SAYS THAT IT WOULD BE TRAGIC IF LEBANON'S TIME-FORGED PLURALISM IN CULTURE, RELIGIOUS, POLITICAL, AND ECONOMIC LIFE WERE DESTROYED IN THE CRUCIBLE OF PALESTINIAN IRREDENTISM. HOW MUCH MORE FIGHTING THE FRAGILE LEBANESE BALANCE CAN TAKE IS PROBLEMATIC. IT IS A COUNTRY WITH MORE GUNS IN PRIVATE HANDS THAN DETROIT, AND WHERE CENSUSES ARE NOT TAKEN FOR FEAR OF WHAT THEY MIGHT REVEAL. THE PRESENT TRAUMA APPEARS TO BE TIPPING THE BALANCE BY ALLIING LEBANESE SUNNI MUSLIMS WITH PALESTINIAN REFUGEE GUERRILLAS. THE FAILURE OF THE WEEKEND PREMIERSHIP OF A MUSLIM GENERAL APPOINTED BY THE CHRISTIAN PRESIDENT IS AN ILL OMEN. IT IS NOT DIFFICULT TO IMAGINE THE COUNTRY SLIDING AWAY FROM ITS DISTINCTIVE

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PAGE 06

TOR:147/14:00Z

DTG:271656Z MAY 75

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MOSAIC INTO JUST ANOTHER ARAB DESPOTISM RULED IN THE NAME
OF KORANIC SOCIALISM. (A-10)

A SECOND EDITORIAL SAYS THAT DIPLOMATIC WAVES FROM THE FALL
OF INDOCHINA ARE PULSING THROUGHOUT ASIA. AMERICAN ALLIES LIKE
THAILAND OR THE PHILIPPINES ACTIVELY SEEK DIPLOMATIC OPENINGS
TO COMMUNIST NEIGHBORS THAT WERE ONCE ALL BUT QUARANTINED BY
WASHINGTON. WHAT THESE DEVELOPMENTS SUGGEST IS NEW RELATIONSHIPS
IN WHICH ASIANS CAN HAVE MORE NEARLY NORMAL DIPLOMACY WITH
EACH OTHER AND WITH THE BIG POWERS, AND IN WHICH NATIONS WILL
COMPETE AND TRADE ON THE BASIS OF GEOGRAPHY AND PRODUCTION
MORE THAN IDEOLOGY. MORE RATIONAL RELATIONS IN ASIA CAN
ONLY REDUCE THE ENORMOUS PRESSURES CREATED BY THE COLD WAR
DISTORTIONS. THAT MIGHT REDUCE BOTH THE TENDENCY OF DOMINOES
TO FALL AND THE OMINOUSLY MAGNIFIED APPEARANCE OF ANY THAT
DO FALL. (A-10)

2615

PSN:055781

PAGE 07

OF 07

TOR:147/14:00Z

DTG:271606Z MAY 75

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