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FM THE SITUATION ROOM//TOHAK 39//

TO GOMPERT/RODMAN FOR THE SECRETARY/GENERAL SCOWCROFT

UNCLAS WH58977

TOHAK 39

MAY 29, 1975

MEMORANDUM FOR SECRETARY KISSINGER
FROM THE SITUATION ROOM
SUBJECT: MORNING NEWS SUMMARY

THE WASHINGTON POST

SPENCER RICH NOTES THAT LEADING DEMOCRATS HAVE CONDEMNED PRESIDENT FORD FOR RAISING THE SPECIAL OIL-IMPORT TARIFF AND PREDICTED THAT THE RESULTING HIGHER FUEL PRICES WILL BOOST UNEMPLOYMENT AND PLUNGE THE NATION DEEPER INTO RECESSION. (A-1)

IN THE LEAD STORY, JOHN GOSHKO WRITES THAT PRESIDENT FORD'S STRESS ON REAFFIRMING THAT "NATO IS THE CORNERSTONE OF U.S. FOREIGN POLICY AND HAS THE UNWAVERING SUPPORT OF THE AMERICAN PUBLIC HAS BEEN MADE REPEATEDLY BY AMERICAN PRESIDENTS AND OTHER HIGH-RANKING WASHINGTON OFFICIALS IN RECENT YEARS. (A-1)

BERNARD NOSSITER SAYS THAT YOU WERE CAREFUL TO AVOID SAYING THAT YOU ENDORSED THE PRINCIPLE OF STABILIZING EXPORT EARNINGS AGAINST A SUDDEN DROP, BUT YOU RECOGNIZED THAT "THE KEY ISSUE" FOR MOST RAW MATERIALS PRODUCERS "IS THE NEED FOR RELIABLE, LONG-TERM STABILITY AND GROWTH IN EXPORT EARNINGS." (A-1)

MURREY HARDER WRITES THAT YOU NO LONGER OFFER THE AURA OF SUPER DIPLOMAT WHICH MR. FORD COUNTED ON HEAVILY TO PROTECT HIS ADMINISTRATION FROM CHALLENGE IN FOREIGN AFFAIRS. HOWEVER, THE LAST TWO DAYS IN PARIS PRODUCED A MEASURE OF RECOUPED PRESTIGE. YOU WERE AGAIN AT THE CENTER STAGE AT THE CONFERENCES ON ENERGY AND ON ECONOMIC COOPERATION. IT IS EASIER TO LAUNCH APPEALS THAN TO DELIVER THE SOUGHT-AFTER NEW ALLIED SOLIDARITY. (A-9)

*****WHSR COMMENT*****

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JOSEPH KRAFT COMMENTS THAT PRESIDENT FORD PROBABLY MADE SOME POLITICAL MAY THE OTHER NIGHT WHEN HE LASHED OUT AT THE MAJORITY IN CONGRESS FOR FAILURE TO ENACT AN ENERGY BILL. BUT THAT DOES NOT MAKE THE PRESIDENT'S PROGRAM ANY GOOD. THE SEVERITY OF THE RECESSION AND THE ADMINISTRATION'S NEW ENTHUSIASM FOR APPEASING FOREIGN OIL PRODUCERS COMBINE TO MAKE MR. FORD'S PACKAGE EVEN WORSE THAN IT FIRST APPEARED. (A-19)

NEWS DISPATCHES FROM DAR ES SALAAM REPORTS THAT U.S. AMBASSADOR CARTER TOLD NEWSMEN HE WAS CONCERNED OVER TANZANIA'S REFUSAL TO ACCEPT RESPONSIBILITY FOR THE RELEASE OF THE CAPTIVES. BUT HE SAID HE REMAINED CONFIDENT THAT A WAY WILL BE FOUND TO FREE THEM. ONE DIPLOMAT ALSO SAID ZAIRE HAS OFFERED LITTLE HELP IN ATTEMPTS TO CONTACT THE REBELS. A STATE DEPARTMENT SPOKESMAN DENIED THAT THE U.S. WAS DISSATISFIED WITH THE ZAIRE'S INVESTIGATION OF THE KIDNAPING. (A-24)

THE BALTIMORE SUN

GILBERT LEWTHWAITE COMMENTS THAT THE OECD UNANIMOUSLY AGREED YESTERDAY TO STRENGTHEN THE POSITION OF DEVELOPING COUNTRIES IN THE WORLD ECONOMY, AND PUSH FOR A REOPENING OF THE OIL CONSUMERS-PRODUCERS DIALOGUE WIDENED TO INCLUDE RAW MATERIALS. ALTHOUGH THERE WERE MISGIVINGS ON SOME OF THE FINER POINTS OF YOUR GLOBAL ECONOMIC PROPOSALS YESTERDAY, THE GENERAL APPROACH, WITH ITS EMPHASIS ON COOPERATION RATHER THAN CONFRONTATION, WAS WELCOMED. U.S. OFFICIALS BILLED YOUR TWO SPEECHES IN PARIS THIS WEEK AS THE COMPLETE FORMULATION OF U.S. FOREIGN ECONOMIC POLICY AND THE WAY IN WHICH THE U.S. SEES THE PROBLEMS EVOLVING IN THE NEXT MONTHS. (A-1)

HENRY TREWHITT NOTES THAT THE PRESIDENT WASTED NO TIME GETTING TO WHAT WILL BE THE CENTRAL THEME OF THE TWO-DAY NATO SUMMIT MEETING. NATO MEMBERS ARE MORE CONCERNED ABOUT THE PUBLIC AND CONGRESSIONAL COMMITMENT TO TREATY ARRANGEMENTS THAN THE IMMEDIATE DEFEAT IN SOUTHEAST ASIA. (A-1)

MICHAEL PARKS WRITES THAT PRESIDENT PODGORNÝ TOLD A GROUP OF VISITING AMERICAN GOVERNORS YESTERDAY THAT HE EXPECTS COMPROMISES SOON ON A NUMBER OF ISSUES SLOWING THE IMPROVEMENT OF SOVIET-AMERICAN RELATIONS, INCLUDING BALT AND THE EMIGRATION OF SOVIET JEWS. PRESIDENT PODGORNÝ DID NOT DISCUSS THE ISSUES IN DETAIL, BUT HE IMPRESSED THE GOVERNORS WITH EXPRESSIONS OF SOVIET WILLINGNESS TO COME TO TERMS ON EVEN THE MOST DIFFICULT QUESTIONS. (A-2)

A SUN EDITORIAL CONTENDS THAT AMERICAN POLICY FOR DEALING WITH THE ENERGY SUPPLY PROBLEM REMAINS AS HAZY AS THE CRISIS

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IT IS SUPPOSED TO COMBAT, RHETORICAL FLOURISHES BY PRESIDENT FORD AND YOU WILL NOT FOOL FOREIGN EXPERTS. THIS IS NOT A VERY HAPPY SITUATION, BUT IT IS BETTER TO FACE UP TO IT THAN TO ALLOW PERCEPTION OF THE ENERGY QUESTION TO FOCUS ON POLITICAL SKIRMISHES, FOREIGN AND DOMESTIC, THAT HAVE ONLY FLEETING IMPACT ON MORE DURABLE REALITIES. UNTIL CONGRESS AS A WHOLE FINDS THE WILL TO ACT, THE PRESIDENT WILL BE JUSTIFIED IN ATTACKING THE LEGISLATIVE RECORD AND DOING THE FEW LESS-THAN-SATISFACTORY THINGS WITHIN HIS EXECUTIVE POWERS. (A-14)

THE NEW YORK TIMES

DAVID ANDELMAN WRITES THAT THE EIGHT-DAY OCCUPATION OF THE HEADQUARTERS OF THE AMERICAN AID PROGRAM IN LAOS BY STUDENTS AND EMPLOYEES ENDED TODAY NEARLY AS QUIETLY AS IT HAD BEGUN. THREE AMERICANS WHO WERE TRAPPED IN THE COMPOUND FROM THE START OF THE ANTI-AMERICAN DEMONSTRATIONS WERE FREED UNHARMED. (1)

BERNARD SWERTZMAN REPORTS THAT ADMINISTRATION OFFICIALS SAID YESTERDAY THAT CHINA HAD INDICATED STRONGLY IN RECENT WEEKS THAT SHE HAD CAUTIONED NORTH KOREA AGAINST LAUNCHING A MILITARY ATTACK AGAINST SOUTH KOREA. THE CHINESE DID NOT DIRECTLY STATE THAT THEY HAD SOUGHT TO PERSUADE THE NORTH KOREANS NOT TO START A WAR, BUT THEY LEFT THAT IMPRESSION BY UNDERSCORING THEIR SUPPORT FOR "PEACEFUL REUNIFICATION" OF KOREA AND BY THEIR CONTINUED SUPPORT FOR AN AMERICAN PRESENCE IN ASIA TO COUNTER THE RUSSIANS. (1)

JUAN DE ONIS REPORTS FROM BEIRUT THAT AN ANNOUNCEMENT THAT PRESIDENT SULAYMAN FRANJIYAH HAD CHOSEN RASHID KARAMI TO FORM A CABINET BROUGHT AN IMMEDIATE AIR OF RELIEF TO THIS TENSE CAPITAL. MR. KARAMI WAS ACCOMPANIED TO THE PRESIDENTIAL PALACE TO ACCEPT HIS APPOINTMENT BY PIERRE GEHAVAL, THE LEADER OF THE RIGHT-WING PHALANGIST PARTY. MR. KARAMI SAID THAT FRANJIYAH AND MR. GEHAVAL HAD AGREED THAT "ARMED MEN OF ALL FACTIONS WITHDRAW FROM THE STREETS AND DISMANTLE THE BARRICADES" THAT HAVE DIVIDED THE CAPITAL INTO ARMED CAMPS. (2)

IN A SPECIAL TO THE TIMES FROM TEL AVIV, PREMIER RABIN SIGNALLED ISRAEL'S WISH TO RESUME NEGOTIATIONS FOR A SECOND-STAGE INTERIM AGREEMENT WITH EGYPT. THE ISRAELI LEADER SAID THE OBSTACLES TO A FINAL PEACE WERE INSURMOUNTABLE AT THIS TIME, BUT ANOTHER INTERIM SETTLEMENT COULD PLAY FOR TIME AND CREATE MOBILITY TOWARD PEACE. HE SAID YOUR NEGOTIATIONS IN MARCH HAD BROKEN DOWN MAINLY BECAUSE OF EGYPT'S STAND ON THE DURATION OF THE AGREEMENT. (6)

CRAIG WHITNEY REPORTS THAT THE VALUE OF WEST GERMANY'S EXPORTS

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TO THE U.S. IN MARCH SANK 46 PERCENT BELOW THE LEVEL OF LAST YEAR, ACCORDING TO HELMUT SCHMIDT WHO EXPRESSED PRESSING FEAR ABOUT THE STRATEGIC CONSEQUENCES OF THE SLUMP IN THE U.S. FOR THE WESTERN ALLIANCE. MR. SCHMIDT TOLD A LABOR UNION CONGRESS IN HAMBURG THAT HE WOULD PROPOSE A UNITED ECONOMIC POLICY FOR THE WESTERN ALLIANCE WHEN HE MEETS WITH PRESIDENT FORD AND OTHER LEADERS OF THE NATO IN BRUSSELS TODAY AND FRIDAY. (17)

DAVID BINDER REVEALS THAT A NUMBER OF WESTERN COUNTRIES AND LENDING INSTITUTIONS ARE TRYING TO HELP PORTUGAL OUT OF HER ECONOMIC DIFFICULTIES WITH AID OFFERS. BUT THE POTENTIAL DONORS SAY THE PORTUGUESE SEEM TO BE INCAPABLE OF TELLING THEM WHERE OR HOW TO SPEND THE MONEY. DESPITE PRODDING BY WASHINGTON, ONCE IN MARCH AND THREE TIMES IN APRIL, LISBON HAS YET TO SUBMIT CONTRACTS FOR U.S. ASSISTANCE ON GRANTS AND LOANS. (18)

THE TIMES LOOKS AT THE THIRD NATO SUMMIT CONFERENCE AND FINDS THAT THE MEASURES THE CONCERNED NATO ALLIES HAVE TAKEN IN RECENT DAYS TO SHORE UP THEIR POSITION ARE FAR FROM INSIGNIFICANT. AMERICAN INITIATIVE HAS OPENED THE WAY FOR MORE IMAGINATIVE POLICIES BY THE INDUSTRIAL NATIONS ON RAW MATERIALS, DEVELOPMENT AID AND RENEWED DIALOGUE WITH THE OIL-PRODUCING COUNTRIES, AND IN STIMULATING FURTHER ACTION AMONG THE MAJOR OIL CONSUMERS ON CONSERVATION AND DEVELOPMENT OF ALTERNATE ENERGY SOURCES. THE TIMES CONCLUDES THAT THE DECLINE OF THE WEST, THE ADVANCE OF COMMUNISM, AND THE RADICALIZATION OF THE DEVELOPING NATIONS CAN BE HALTED BY MEASURES OF THIS KIND AND THE REALISTIC PURSUIT OF LIMITED DETENTE, ARMS CONTROL, AND A NEGOTIATED SETTLEMENT IN THE MIDDLE EAST. (34)

JOHN LEWIS AND FRANKLIN WEINSTEIN ASSESS JAPANESE-U.S. RELATIONS AND MAINTAIN THAT AT THE ROOT OF JAPANESE UNEASINESS LIES A BELIEF THAT WASHINGTON'S LIMITED UNDERSTANDING OF ASIA'S CHANGING REALITIES AND, INDEED, INSENSITIVITY TO THOSE MATTERS THAT MOST TROUBLE JAPAN RAISE DOUBTS ABOUT THE POSSIBILITY OF ANY AMERICAN SECURITY GUARANTEES. ROCKED BY A SERIES OF NIXON SHOCKS IN RECENT YEARS, MANY JAPANESE HAVE GROWN FEARFUL LEST AMERICAN LEADERSHIP AGAIN ACT PRECIPITOUSLY. THIS FEAR IS HEIGHTENED BY CONCERN ABOUT THE ADEQUACY OF ARRANGEMENTS FOR JAPANESE-AMERICAN CONSULTATION AND SHARING OF INTELLIGENCE DATA AND BY QUESTIONS ABOUT THE PRECISE MEANING OF THE AMERICAN NUCLEAR UMBRELLA. IT IS IMPORTANT TO MAINTAIN A CLEAR UNDERSTANDING OF THE SPECIFIC HOWS AND WHYS OF IMPLEMENTING U.S. COMMITMENTS IN ASIA. (35)

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