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FM THE SITUATION ROOM//TOHAK 07//

TO AL ADAMS FOR THE SECRETARY
UNCLAS VIA BLACK PATCH WH51957

TOHAK 07

OCTOBER 15, 1975

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

THE WASHINGTON POST

ACCORDING TO H.D.S. GREENWAY, THE CHINESE FOREIGN MINISTRY ISSUED A STRONG STATEMENT MONDAY CONDEMNING THE U.S. FOR ITS "CONNIVANCE AT AND SUPPORT TO" THE ACTIVITIES OF TIBETAN EXILE GROUPS IN THE U.S. THE STATEMENT, UNUSUALLY BITTER, SAID THAT THE U.S. ACTION WAS AN "UNDISGUISED INTERFERENCE IN CHINA'S INTERNAL AFFAIRS AND A FLAGRANT VIOLATION OF THE PRINCIPLES OF THE SHANGHAI COMMUNIQUE." (A-1)

PETER OSNOS REPORTS THAT SOVIET OFFICIALS NOW EXPECT COMMUNIST PARTY LEADER LEONID BREZHNEV TO VISIT WASHINGTON IN MID-JANUARY FOR HIS MUCH-POSTPONED SUMMIT WITH PRESIDENT FORD. WHILE SEVERAL MAJOR ISSUES REMAIN TO BE SETTLED IN THE STRATEGIC ARMS AGREEMENT THAT BOTH SIDES SEE AS A PREREQUISITE FOR THE VISIT, SOVIET SOURCES SAID THE KREMLIN IS CONFIDENT THAT COMPROMISES WILL BE REACHED SOON. (A-1)

DEFENSE SECRETARY SCHLESINGER HAS ASKED THE SENATE TO KEEP THE SAFEGUARD ANTIBALLISTIC MISSILE SYSTEM OPERATIONAL FOR A YEAR AND TO PERMIT TESTING OF AN ADVANCED, MANEUVERABLE WARHEAD FOR THE TRIDENT INTERCONTINENTAL BALLISTIC MISSILE. THE HOUSE-PASSED DEFENSE APPROPRIATIONS BILL CUT OFF FUNDS FOR BOTH PROGRAMS AS PART OF SOME \$7.6 BILLION CUT FROM THE PRESIDENT'S \$97.8 BILLION DEFENSE DEPARTMENT BUDGET REQUEST FOR THE CURRENT FISCAL YEAR. (A-2)

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

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MIGUEL ACOCA REPORTS THAT LIBERAL CATHOLIC LAWYERS HAVE CHALLENGED GENERALISSIMO FRANCISCO FRANCO'S HARSH ANTI-TERRORISM LAW ON THE GROUND THAT IT VIOLATES BASIC CIVIL RIGHTS AS SPELLED OUT IN THE SPANISH CONSTITUTION. (A-6)

MAJOR AMERICAN JEWISH GROUPS ARE GIRDING FOR A STIFF TEST OF THEIR CONGRESSIONAL LOBBYING SKILLS WHEN THE ADMINISTRATION'S \$2.3 BILLION PACKAGE OF AID FOR ISRAEL IS INTRODUCED THIS MONTH. THE SO-CALLED ISRAEL LOBBY, ALMOST INVISIBLE WHILE CONGRESS WAS ENDORSING THE PLACEMENT OF 200 U.S. TECHNICIANS AT MONITORING STATIONS IN THE SINAI, IS PLANNING A MAJOR EFFORT ON THE AID REQUEST. SOME CONGRESSIONAL OFFICES -- THOUGH BY NO MEANS ALL -- REPORTED HEAVY MAIL AGAINST AID COMMITMENTS MADE BY YOU DURING NEGOTIATIONS FOR A SINAI DISENGAGEMENT AGREEMENT. (A-6)

ACCORDING TO MICHAEL GETLER, SAUDI PETROLEUM MINISTER YAMANI CALLED TUESDAY FOR EXTENDING THE CURRENT NINE-MONTH FREEZE ON HIGHER OIL PRICES THROUGHOUT 1976 BUT PREDICTED ANOTHER BATTLE OVER THIS ISSUE AMONG OIL-PRODUCING NATIONS. THE SAUDI OFFICIAL REITERATED HIS BELIEF THAT THE TEN PERCENT INCREASE VOTED AT VIENNA WOULD IN FACT WORK OUT TO LESS THAN THAT BECAUSE OF TECHNICAL PRICE ADJUSTMENTS. (A-6)

MINERALS AND ENERGY MINISTER REX CONNER, ONE OF THE MOST POWERFUL FIGURES IN THE AUSTRALIAN CABINET, RESIGNED TUESDAY, TOUCHING OFF A POLITICAL CRISIS THAT COULD ENDANGER THE ADMINISTRATION OF PRIME MINISTER GOUGH WHITLAM. (A-18)

JOSEPH KRAFT BELIEVES THAT TWO CHEERS ARE IN ORDER FOR PRESIDENT FORD'S DECISION TO HOLD A SUMMIT MEETING WITH LEADERS OF THE OTHER MAIN INDUSTRIAL COUNTRIES IN PARIS NEXT MONTH. IF NOTHING ELSE, THE PRINCIPAL COUNTRIES CAN ARRANGE TO STOP MAXIMIZING THEIR PROBLEMS OF RECESSION AND INFLATION. AS AN ADDED BONUS, COMPARISON WITH OTHER LEADERS MAY CAUSE PRESIDENT FORD TO SEE HOW INADEQUATE ARE THE MEN AND MACHINERY HE HAS PUT TOGETHER FOR MANAGING FOREIGN ECONOMIC POLICY IN WASHINGTON. (A-19)

FEDERAL ENERGY ADMINISTRATOR FRANK G. ZARB SAID YESTERDAY THAT HE HAS ALMOST GIVEN UP HOPE THAT CONGRESS WILL PASS ANY MEANINGFUL ENERGY LEGISLATION UNTIL AFTER NEXT YEAR'S ELECTIONS. "I HAVE TO SAY THERE'S A BETTER THAN EVEN CHANCE THAT WE WILL NOT GET THE CONGRESS TO FOCUS ON THE TOUGH MEASURES UNTIL AFTER THE ELECTION," ZARB TOLD A BREAKFAST GATHERING OF REPORTERS. "I GUESS IT'S JUST NOT THE POLITICAL WAY OF THINGS TO BITE INTO THE TOUGHEST ISSUES BEFORE AN ELECTION." (A-19)

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JACK ANDERSON REPORTS THE MOST CONTROVERSIAL FIGURE IN THE WHITE HOUSE IS TURNING OUT TO BE DAVID HUME KENNERLY, THE FORMER UNITED PRESS INTERNATIONAL PHOTOGRAPHER WHOM PRESIDENT FORD PERSONALLY CHOSE TO BE HIS OFFICIAL LENSMAN. KENNERLY, WHO IS CLOSE TO THE FORD FAMILY AND MEMBERS OF THE INTERNATIONAL JET SET, HAS BROUGHT SOME OF THE WORLD'S MOST GLAMOROUS FIGURES TO THE WHITE HOUSE, CREATING A FEW MINOR SCANDALS IN THE PROCESS. HE IS ALSO BRASH AND DOES NOT HESITATE TO EXPRESS HIS UNSOLICITED VIEWS IN WHITE HOUSE POLICY COUNCILS. HE HAS THUS MANAGED TO OFFEND TOP FORD AIDES, WHO FEEL THAT A PHOTOGRAPHER'S OPINIONS ON PROFOUND DOMESTIC AND WORLD AFFAIRS ARE SCARCELY WORTH LISTENING TO. PRESIDENTIAL PRESS SECRETARY RON NESSEN, SAY THE POST'S WHITE HOUSE SOURCES, IS PARTICULARLY UPSET WITH KENNERLY'S ANTICS. IN AN EFFORT TO EASE HIM OUT, THEREFORE, TOP WHITE HOUSE OFFICIALS HAVE BEGUN SPREADING STORIES ABOUT KENNERLY. (B-18)

THE NEW YORK TIMES

ACCORDING TO LESLIE H. GELB, SUBSTANTIAL MAJORITIES IN TWO CONGRESSIONAL COMMITTEES HAVE AGREED TO PHASE OUT OVER TWO YEARS THE MILITARY AID PROGRAM UNDER WHICH THE U.S. HAS GIVEN AWAY ABOUT \$40 BILLION IN ARMS, AMMUNITION, AND ADVICE TO ITS ALLIES SINCE 1949. THE PROPOSED MILITARY AID BILLS TO BE VOTED ON SOON BY THE SENATE FOREIGN RELATIONS COMMITTEE AND THE HOUSE INTERNATIONAL RELATIONS COMMITTEE ALSO CONTAIN PROVISIONS FOR INCREASING MILITARY CREDIT SALES FOR A SHORT TIME AFTER THE GRANTS -- NOW RUNNING TO ABOUT \$400-MILLION A YEAR -- ARE TERMINATED AND FOR IMPOSING STRINGENT POLICY CONTROLS ON THE WHOLE MILITARY SALES PROGRAM. ADMINISTRATION OFFICIALS INDICATED THAT THEY WOULD EITHER OPPOSE THE PHASING-OUT OF THE SO-CALLED GRANT MILITARY AID OR SEEK TO EXTEND THE PERIOD. (1)

TJALLING C. KOOPMANS OF YALE UNIVERSITY AND LEONID V. KANTOROVICH OF THE SOVIET UNION WERE NAMED BY THE SWEDISH ROYAL ACADEMY OF SCIENCE YESTERDAY AS CO-WINNERS OF THE 1975 NOBEL MEMORIAL PRIZE IN ECONOMIC SCIENCE. (1)

NICHOLAS M. HORROCK WRITES THAT THE FORD ADMINISTRATION HAS BECOME CONVINCED THAT A SIGNIFICANT PART OF THE NATIONAL SECURITY AGENCY'S FOREIGN INTELLIGENCE GATHERING, THOUGH VITAL, MAY BE OF "QUESTIONABLE LEGALITY" AND IT HAS DEVISED A PLAN BY WHICH IT HOPES TO CONTINUE SUCH OPERATIONS WHILE PROTECTING THE RIGHTS OF AMERICANS, ACCORDING TO HIGHLY PLACED ADMINISTRATION SOURCES. THE SOURCES SAID YESTERDAY THAT THE BULK OF THE LAW LIMITING ELECTRONIC EAVESDROPPING

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WAS DEVELOPED IN CONNECTION WITH DOMESTIC CRIMINAL INVESTIGATIONS AND AS ONE SOURCE PUT IT, "NATIONAL SECURITY NEEDS WERE NOT GIVEN SIGNIFICANT CONSIDERATION." THE RESULT, THE SOURCES SAID, WAS THAT THE NSA'S MASSIVE ELECTRONIC SURVEILLANCE TECHNIQUES MAY HAVE BEEN IN "TECHNICAL VIOLATION" OF THE LAW. PRESIDENT FORD, THEY SAID, IS CONSIDERING AN EXECUTIVE ORDER THAT WOULD EMPOWER ATTORNEY GENERAL LEVI TO APPROVE OR DISAPPROVE SPECIFIC ELECTRONIC INTRUSIONS BY THE SECURITY AGENCY. THE PLAN IS NOT COMPLETE, AND SEVERAL SOURCES WERE CONCERNED THAT PUBLICATION OF ITS DETAILS MIGHT ENDANGER NATIONAL SECURITY. THE PROPOSAL MR. FORD IS CONSIDERING WOULD REQUIRE THAT WHEN THE AGENCY RECORDS A COMMUNICATION IT BELIEVES CONTAINS IMPORTANT INTELLIGENCE DATA, THE AGENCY WOULD NOTIFY THE ATTORNEY GENERAL AND HE WOULD BE DESTROYED, UNDER THE PROPOSAL. IF SUCH APPROVAL WAS RECEIVED, THE SECURITY AGENCY WOULD THEN BE ABLE TO DISSEMINATE THE INFORMATION TO OTHER INTELLIGENCE AGENCIES, INCLUDING THE CIA. ULTIMATELY, ADMINISTRATION SOURCES SAID, MR. FORD MAY DECIDE TO ASK CONGRESS FOR NEW LEGISLATION TO COVER "SPACE AGE" ELECTRONIC SURVEILLANCE TECHNIQUES. THE PROPOSAL TO ASSIGN DECISION MAKING RESPONSIBILITY TO THE ATTORNEY GENERAL WOULD PROVIDE A TEST PERIOD TO DISCOVER JUST WHAT NEW LAW IS NEEDED, THEY SAID. (1)

ACCORDING TO DREW MIDDLETON, A NEW LONG-RANGE MISSILE, WHICH THE DEPARTMENT OF DEFENSE HOPES WILL BE TESTED NEXT YEAR, IS ALREADY INFLUENCING ARMS-LIMITATION TALKS WITH THE SOVIET UNION AND SOVIET STRATEGIC CALCULATIONS, UNITED STATES AND EUROPEAN MILITARY ANALYSTS SAY. THE SOVIET MISSILE INDUSTRY, ACCORDING TO REPORTS FROM NATO HEADQUARTERS IN BRUSSELS, HAS INTENSIFIED RESEARCH AND DEVELOPMENT OF A SIMILAR WEAPON, KNOWN AS A CRUISE MISSILE. (5)

GENERAL FABIAO, HEAD OF THE PORTUGUESE ARMY, GAVE IN TO MUTINOUS SOLDIERS MONDAY AND AGREED TO REINSTATE LEFTIST ACTIVISTS PURGED FROM A TRANSPORT UNIT IN THE NORTHERN CITY OF OPORTO, MILITARY AUTHORITIES REPORTED. THE SETTLEMENT CLEARED THE WAY FOR THE END OF THE MUTINY BUT JEOPARDIZED THE PROMISE MADE BY PREMIER JOSE PINHEIRO DE AZEVEDO TO RESTORE MILITARY DISCIPLINE. (A-6)

PAUL HOFMANN SAYS THAT A UN REPORT ON CHILE ISSUED YESTERDAY CHARGES THAT "TORTURE CENTERS" ARE BEING OPERATED IN SANTIAGO AND OTHER PARTS OF THE COUNTRY. THE REPORT SAYS THAT SUCH INSTALLATIONS ARE OFTEN SHIFTED FROM PLACE TO PLACE TO MAKE IT DIFFICULT TO TRACE THEM. (A-8)

A TIMES EDITORIAL SAYS THAT ARAB LEAGUE FOREIGN MINISTERS ARE ABOUT TO CONVENE IN URGENT SESSION TO ATTEMPT A RECON-

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CILIATION AMONG LEBANON'S FIERCELY FEUDING PRIVATE ARMIES. NOTHING LESS THAN THE SURVIVAL OF LEBANON AS AN INDEPENDENT STATE IN THE MIDDLE EAST IS AT STAKE IN THESE TRAGIC WEEKS OF INTERCOMMUNAL FURY. THE NATIONAL GOVERNMENT, ITSELF DIVIDED ALONG RELIGIOUS LINES, HAS BEEN INHIBITED FROM MOUNTING EFFECTIVE POLICE ACTION TO ENFORCE ORDER. YET THE RELIGIOUS CONFLICT IS ONLY A COVER FOR A MORE DELIBERATE AND EXPLOSIVE REVOLUTIONARY SITUATION. EVIDENCE OF MISCHIEF-MAKING BY THE MOST RADICAL FORCES IN THE ARAB WORLD IS TOO OVERWHELMING TO BE DISBELIEVED. LIBYA HAS POURED IN PERHAPS \$40 MILLION TO HELP LEFTIST MOSLEM FACTIONS BUILD UP THEIR ARMED STRENGTH AGAINST THE CHRISTIAN UPPER CRUST. THE TINY COMMUNIST PARTY OF LEBANON NOW RECEIVES AN ESTIMATED \$10 MILLION YEARLY FROM MOSCOW. THE ATTITUDE OF SYRIA IS THE GREATEST IMPONDERABLE, PARTICULARLY SINCE THE LEADERS IN DAMASCUS RESIST EFFORTS BY THE ARAB LEAGUE TO ASSUME COLLECTIVE RESPONSIBILITY FOR RESOLVING THE CRISIS. THE FEAR ALL ALONG HAS BEEN THAT, IF CIVIL ORDER WERE TO BREAK DOWN TOTALLY IN LEBANON, THE SYRIANS MIGHT BE TEMPTED TO MOVE IN WITH FORCE AND RESTORE THE UNITY THAT THE FRENCH COLONIALISTS TOOK APART. SUCH A REEMERGENCE OF GREATER SYRIA WOULD MARK AN IMMENSE UPHEAVAL IN MIDDLE EASTERN POLITICS AND POSE A MAJOR NEW THREAT TO ISRAEL. AS THEY MEET IN CAIRO, THE ARAB LEAGUE FOREIGN MINISTERS MUST BE ASKING THEMSELVES IF THE FORCES OF RADICALISM WERE TO TRIUMPH IN LEBANON, WHICH OF THE OTHER ARAB GOVERNMENTS WOULD FEEL THE HEAT NEXT? (38)

STANLEY KARNOW OUTLINES THE ALIGNMENT OF U.S. CHINESE FOREIGN POLICIES AROUND THE WORLD IN AN EFFORT TO COUNTER THE SOVIET UNION. A KEY QUESTION, HOWEVER, IS WHETHER THE CURRENT SINO-AMERICAN COMMUNITY OF INTERESTS IS GOING TO BE A LONG-TERM PHENOMENON OR WHETHER IT IS MERELY A TEMPORARY EXPEDIENT. FOR THE MOMENT, THE U.S. AND CHINA ARE OPERATING ON THE OLD ADAGE THAT "THE ENEMY OF MY ENEMY IS MY FRIEND," AND THE RELATIONSHIP IS WORKING. (39)

C.L. SULZBERGER SAYS THAT AS THE U.S. AGAIN EXPLORES POSSIBILITIES OF SETTLING THE ARGUMENT BETWEEN GREECE AND TURKEY, IT WOULD HELP TO AVOID ERRORS IF WASHINGTON ACKNOWLEDGED THE PROFOUND CHANGE IN THE PSYCHOLOGICAL RELATIONSHIPS OF ITS EAST MEDITERRANEAN ALLIES. THERE WAS A TIME LAST YEAR WHEN THE U.S. WOULD HAVE BEEN WELL ADVISED TO AVOID EMBARRASSMENT BY ASKING SOME UNINVOLVED ALLIED STATESMAN -- FOR EXAMPLE, WILLY BRANDT -- TO UNDERTAKE THE JOB OF MEDIATION. BUT AMERICA FOOLISHLY IGNORED THIS POSSIBILITY. A FIRST TASK FOR ANY NEW AMERICAN MEDIATION IS TO TRY TO REESTABLISH THE START OF MUTUAL TRUST WHICH SIMPLY DOES NOT EXIST IN EITHER ATHENS OR ANKARA TODAY.

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IF THAT CAN BE DONE -- BUT IT IS EASIER STATED THAN ACHIEVED -- IT IS POSSIBLE TO ENVISION A GENUINE AND EVEN ASTONISHINGLY SWIFT SETTLEMENT, FOR BENEATH THE CLOUDS OF PASSION THAT SURROUND BOTH PEOPLES, EACH IS SENSIBLE AND -- STRANGELY ENOUGH -- THEY ACTUALLY LIKE EACH OTHER, AT TIMES. (39)

THE BALTIMORE SUN

HENRY L. TREWHITT OBSERVES THAT DESPITE PRESIDENT FORD'S BEST EFFORTS, DEBATE ABOUT THE FUTURE OF THE PANAMA CANAL THREATENS TO HOUND HIM THROUGH HIS CAMPAIGN YEAR. EVEN MR. FORD'S OWN SPECIALISTS CONCEDE DOUBT ABOUT THEIR ABILITY TO HOLD DOWN THE VOLUME OF WHAT WILL PROBABLY BECOME A NOISY DEBATE. (A-1)

THE U.S. AND SPAIN HAVE SLOWED ABRUPTLY THE FINAL STAGES OF NEGOTIATION FOR A NEW AGREEMENT COVERING U.S. BASES IN SPAIN AND MILITARY AID TO SPAIN FROM THE U.S. THE DELAY GROWS OUT OF THE RELUCTANCE OF CONGRESS TO DEAL WITH AN AGREEMENT NOW BECAUSE OF POLITICAL TURMOIL IN SPAIN AND THE REPUGNANCE OF OTHER WEST EUROPEAN COUNTRIES. (A-2)

CANADA'S NEW SCHEME OF EMERGENCY PRICE AND INCOME CONTROLS WILL LAST UNTIL DECEMBER 1978, PRIME MINISTER TRUDEAU SAID YESTERDAY. (A-2)

THE MOSCOW BUREAU OF THE SUN NOTES THAT THE KREMLIN MAY HAVE MIXED FEELINGS ABOUT THE NOBEL PRIZE AWARDED TO LEONID KANTOROVICH FOR HIS WORK IN ECONOMICS. ALTHOUGH MOSCOW IS PROUDER OF KANTOROVICH'S AWARD THAN THE EARLIER PRIZE GIVEN TO DR. SAKHAROV, IT RAISES THE QUESTION OF WHETHER THE SOVIETS CAN PERMIT ACCEPTANCE OF ONE NOBEL PRIZE AND FORBID RECEIPT OF ANOTHER. (A-5)

GENE OISHI PROFILES MOGENS-GLISTRUP, ONE OF DENMARK'S FOREMOST TAX EXPERTS AND SINCE 1973 THE LEADER OF THE SECOND BIGGEST FACTION IN THE DANISH PARLIAMENT PLEDGED TO ELIMINATE THE INCOME TAX AND TO REDUCE THE BUREAUCRACY AND PUBLIC EXPENDITURE GENERALLY. (A-5)

MATTHEW J. SEIDEN REPORTS THAT THE EMPEROR AND EMPRESS OF JAPAN RETURNED HOME YESTERDAY AFTER A BUSY TWO-WEEK TOUR OF THE U.S., WHICH THE EMPEROR DESCRIBED AS "DEEPLY MOVING" AND "UNFORGETTABLE." (A-6)

THE SUN APPLAUDS THE FACT THAT THE INDUSTRIALIZED DEMOCRACIES, THE OIL POWERS, AND THE HAVE-NOT COUNTRIES HAVE FINALLY STARTED TO TALK SENSIBLY ABOUT THEIR SHARED ECONOMIC FUTURE. IF A BETTER WORLD ECONOMIC ORDER IS TO BE

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BROUGHT ABOUT, IT WILL RESULT NOT FROM A WRENCHING RE-DISTRIBUTION OF WEALTH, WHICH THE PEOPLES OF THE INDUSTRIAL DEMOCRACIES WOULD NOT TOLERATE, BUT THROUGH COOPERATION THAT WILL RAISE LIVING STANDARDS IN THE THIRD WORLD. (A-14)
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