

TOP SECRET

SENSITIVE

AFD098
 OQ WTE33
 DE WTE #6057 2881124
 M15110Z OCT 74
 FM THE SITUATION ROOM//TOHAK 66//
 TO ADAMS/BREMER FOR THE SECRETARY
 ZEM

DOS Review Completed

T O P S E C R E T SENSITIVE CONTAINS CODEWORD VIA 86970 WH42819

TOHAK 66

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

OCTOBER 15, 1974

MEMORANDUM FOR SECRETARY KISSINGER
 FROM: THE SITUATION ROOM
 SUBJECT: ADDITIONAL INFORMATION ITEMS

KING FAYSAL VISIT TO VENEZUELA: VENEZUELAN MINISTER OF MINES HERNANDEZ ANNOUNCED YESTERDAY THAT SAUDI ARABIA'S KING FAYSAL WILL VISIT CARACAS DURING THE FIRST QUARTER OF 1975. HERNANDEZ WILL MEET WITH SAUDI OIL MINISTER AHMAD YAMANI BEFORE FAYSAL'S TRIP.

BRANDT VISIT TO PORTUGAL: FORMER WEST GERMAN CHANCELLOR WILLY BRANDT WILL MAKE A SEMI-OFFICIAL VISIT TO PORTUGAL BEGINNING OCTOBER 19. HE WILL MEET WITH PORTUGUESE GOVERNMENT LEADERS DURING HIS THREE-DAY STAY. BRANDT WAS INVITED BY FOREIGN MINISTER SOARES. THE FORMER CHANCELLOR WILL PROBABLY DELIVER A MESSAGE FROM CHANCELLOR SCHMIDT, WHO IS NOT INCLINED TO PROMISE MATERIAL AID TO PORTUGAL AT THIS TIME.

VENEZUELAN ACTION ON FOREIGN COMPANIES: THE VENEZUELAN GOVERNMENT HAS INFORMED JAPANESE COMPANIES PARTICIPATING IN TWO JOINT ALUMINUM PROJECTS THAT VENEZUELA'S PRESENT 20-PERCENT SHARE IN THE PROJECTS IS NO LONGER ACCEPTABLE AND WILL BE RAISED TO 80 PERCENT. ALTHOUGH THE NOTIFICATION WAS IN THE FORM OF NEW PROPOSALS, THE JAPANESE FIRMS ARE UNDER NO ILLUSION THAT THEY HAVE ANY CHOICE BUT TO ACCEPT THEM. THE GOVERNMENT'S LATEST MOVE MAKES IT CLEAR THAT PRESIDENT CARLOS ANDRES PEREZ' ECONOMIC NATIONALISM APPLIES NOT ONLY TO VENEZUELA'S OIL AND IRON ORE -- DOMINATED BY U.S. COMPANIES -- BUT TO OTHER INDUSTRIES AND COUNTRIES AS WELL. ON APRIL 29, IN A MAJOR SPEECH ANNOUNCING GOVERNMENT PLANS TO NATIONALIZE U.S. IRON ORE CONCESSIONS, PRESIDENT PEREZ SAID HIS GOVERNMENT ALSO INTENDED TO CANCEL AND RENEGOTIATE CONTRACTS THAT IT HAD WITH JAPANESE AND WEST GERMAN FIRMS.

WESTERN EUROPE -- TRADE DEFICIT: [REDACTED] WESTERN EUROPE'S MASSIVE TRADE DEFICIT WITH THE OIL EXPORTERS THIS YEAR IS BEING AGGRAVATED BY A DETERIORATING BALANCE OF TRADE

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WITH THE U.S. BY YEAR END THE WESTERN EUROPEAN DEFICIT IS EXPECTED TO CLIMB FROM \$1 BILLION TO \$5 BILLION. ALTHOUGH THE VOLUME OF AGRICULTURAL IMPORTS WILL BE HELD DOWN DURING THE REMAINDER OF THE YEAR BECAUSE OF DISAPPOINTING U.S. GRAIN HARVESTS, PRICES SHOULD BE WELL ABOVE THE LEVEL PREVAILING EARLIER. THE TRADE BALANCE OF EACH MAJOR COUNTRY IN WESTERN EUROPE WORSENER WITH RESPECT TO THE U.S. IN A REVERSAL OF RECENT TRENDS, WEST GERMANY'S TRADE SURPLUS WITH THE U.S. NARROWED TO \$770 MILLION. REVALUATION OF THE MARK HAS BEEN AN IMPORTANT FACTOR IN DECLINING SALES OF GERMAN AUTOMOBILES AND OTHER DURABLES TO THE U.S.

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