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SPECIAL CHANNELS

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TO: IMMEDIATE

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PASS TO DDCI FROM HETU

SUMMARY FROM PUBLIC AFFAIRS OFFICE

A. MEDIA PROFILE

1. THE LEAD NEWS STORY IN FRIDAY'S WASHINGTON STAR REPORTS THAT PRIME MINISTER BEGIN HAS ASKED THE US FOR A \$3.3 BILLION, 25-YEAR LOAN TO COVER THE MILITARY COSTS OF RETURNING THE SINAI TO EGYPT AS PART OF THE EGYPTIAN-ISRAELI PEACE TREATY. ACCORDING TO THE STORY, BEGIN'S REQUEST WAS MADE TO SECRETARY VANCE DURING MEETINGS HELD ON THURSDAY IN NEW YORK.

THE WASHINGTON POST'S LEAD STORY CONCERNS THE 0.9 PERCENT INCREASE IN WHOLESALE PRICES, WHICH NOW BRINGS THE ANNUAL INFLATION RATE TO MORE THAN 11 PERCENT.

2. OTHER FRONT-PAGE STORIES: A. THE CARTER ADMINISTRATION AND THE SENATE JUDICIARY COMMITTEE'S SUBCOMMITTEE ON SEPARATION OF POWERS ARE LOCKED IN A CONFLICT OVER THE EFFORTS OF CONGRESS TO FIND OUT THE FULL DETAILS ABOUT TECHNOLOGY SALES TO CHINA. B. THE IMMIGRATION AND NATURALIZATION SERVICE HAS INITIATED PROCEEDINGS THAT COULD LEAD TO THE DEPORTATION OF FORMER SOUTH VIETNAMESE GENERAL AND CHIEF OF POLICE NGUYEN NGOC LOAN, WHO WAS PHOTOGRAPHED KILLING A BOUND PRISONER IN SAIGON IN 1968. INS BELIEVES LOAN SHOULD HAVE BEEN TRIED IN VIETNAM FOR EXECUTION, AND THAT HIS RESIDENT STATUS SHOULD BE RESCINDED ON GROUNDS OF "MORAL TURPITUDE."

B. SUMMARY OF SELECTED ITEMS

3. NEGOTIATORS FROM CHILE AND ARGENTINA ANNOUNCED THURSDAY THAT THEY HAD FAILED TO REACH AGREEMENT OVER THE BEAGLE CHANNEL DISPUTE. NEVERTHELESS, THE STATEMENT URGED BOTH GOVERNMENTS TO CONTINUE TO SEEK A PEACEFUL SOLUTION AND THE POSSIBILITY OF A MILITARY CONFRONTATION SEEMS TO HAVE LESSENED. (NYT)

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4. THE BOLIVIAN CABINET HAS RESIGNED, APPARENTLY IN RESPONSE TO THE DETERIORATING ECONOMIC SITUATION. PRESIDENT PEREDA IS EXPECTED TO FORM AN ALL-MILITARY GOVERNMENT. (POST)

5. EGYPT AVOIDED DIRECT COMMENT ON THE CURRENT ARAB SUMMIT IN BAGHDAD, CONFIDENT THAT THE PARTICIPANTS WOULD NOT PRODUCE A VIABLE ALTERNATIVE TO THE CAMP DAVID AGREEMENT. AN EGYPTIAN FOREIGN MINISTRY SOURCE NOTED THE POTENTIAL FOR DISRUPTING THE PEACE PROCESS IF THE BAGHDAD CONFEREES PERSUADED THE PALESTINIANS ON THE WEST BANK AND GAZA TO BOYCOTT SADAT'S EFFORTS TO BRING A TRANSITION TO SELF-RULE. THE SOURCE COMMENTED, HOWEVER, THAT THE RESULT WOULD BE A STATUS QUO IN TWO OCCUPIED TERRITORIES, A SITUATION IRONICALLY PLEASING TO THE ISRAELIS. (NYT)

6. THE EGYPTIAN NEWSPAPER AL-AHRAM REPORTED TODAY THAT THE EGYPTIAN AND ISRAELI SIDES TO THE WASHINGTON PEACE TALKS HAVE APPROVED THE THIRD US DRAFT TREATY, INCLUDING A CLAUSE SETTling THE WEST BANK AND GAZA ISSUES. (FBIS)

7. WASHINGTON POST CORRESPONDENT WILLIAM CLAIRBORNE ANALYZES THE IRANIAN CRISIS FROM TEHRAN, COMMENTING THAT THE KEY IS ENDING OF THE OIL STRIKE. ONE KNOWLEDGEABLE OBSERVER DESCRIBED THE IRANIAN ECONOMIC SITUATION AS A "ROLLING DISASTER" WITH GENEROUS WAGE SETTLEMENTS ONLY BREEDING MORE LABOR STRIKES. (POST)

8. IN HIS COLUMN, CORD MEYER SPECULATES THAT PRESIDENT CARTER'S EVANGELISM ON HUMAN RIGHTS MAY HAVE JEOPARDIZED THE SHAH'S SURVIVAL. HE STATES THAT RECENT MOVES TO DEMOCRATIZE THE GOVERNMENT AND INCREASE WAGES HAVE NOT PLACATED THE EXTREMIST OPPOSITION GROUPS, AND ALTERNATIVES ARE LIMITED. IT IS TOO LATE TO TURN BACK FROM A LIBERALIZING COURSE, ACCORDING TO MEYER, AND THE WAGE INCREASES MAY FORCE THE SHAH TO SUPPORT HIGH OPEC OIL PRICES.

WITH THE WHITE HOUSE LIMITED TO OFFERING VERBAL SUPPORT, THE SHAH'S BEST COURSE OF ACTION IS TO EXERCISE MORE DECISIVE LEADERSHIP. (NYT)

9. PRETORIA FACES A TWOFOLD THREAT TO ITS OIL SUPPLIES--THE CRISIS IN IRAN AND THE POSSIBILITY OF UN SANCTIONS. SOUTH AFRICA IMPORTS 90 PERCENT OF ITS OIL FROM IRAN AND THE PRESENT CRISIS COULD SLOW THAT TO A TRICKLE. FOREIGN MINISTER PIK BOTHA

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REPORTEDLY HAD A SECRET MEETING WITH THE SHAH OF IRAN LAST MONTH IN WHICH THE SHAH WAS UNABLE TO GIVE ASSURANCES OF CONTINUED OIL DELIVERIES TO SOUTH AFRICA. THE UN, FOR ITS PART, MIGHT APPROVE SANCTIONS AGAINST SOUTH AFRICA IF PRETORIA REJECTS THE UN CALL FOR ELECTIONS IN NAMIBIA. THE AFRICAN BLOC AT THE UN IS PRESSING FOR IMMEDIATE SANCTIONS IF SOUTH AFRICA RESPONDS NEGATIVELY. (NYT)

10. ONE OF THE WORST POLITICAL SCANDALS IN 30 YEARS OF NATIONAL PARTY RULE IN SOUTH AFRICA WIDENED YESTERDAY WHEN A JUDGE RELEASED DOCUMENTS EMBARRASSING TO THE GOVERNMENT. THE DOCUMENTS INDICATED THAT \$18.8 MILLION OF PUBLIC FUNDS WERE USED TO COVERTLY ESTABLISH A PRO-APARTHEID NEWSPAPER, THE CITIZEN, AFTER AN EARLIER UNSUCCESSFUL ATTEMPT TO REIN IN THE LIBERAL RAND DAILY MAIL. PRIME MINISTER P.W. BOTHA RETALIATED BY IMPLYING THAT PROSECUTION WAS BEING CONSIDERED FOR THOSE NEWSPAPERS PUBLISHING STORIES ON THE JUDGE'S PRESS CONFERENCE. (NYT)

11. CHINA IS SENDING A HIGH-LEVEL DELEGATION TO EGYPT LATER THIS MONTH. THE FOUR-DAY OFFICIAL VISIT WILL INCLUDE TALKS WITH PRESIDENT SADAT. (POST)

12. CHINESE OFFICIALS IN PEKING, MEETING WITH A SPECIAL PLO ENVOY, REAFFIRMED THEIR SUPPORT FOR CONTINUED ARMED STRUGGLE BY THE PLO IN THE MIDDLE EAST. (POST)

13. A TOP STATE DEPARTMENT OFFICIAL FLATLY DENIED THE US HAD SET A TIMETABLE FOR ESTABLISHING DIPLOMATIC RELATIONS WITH VIETNAM. THE STATE DEPARTMENT HAS SAID IT IS THE US INTENTION TO ESTABLISH NORMAL RELATIONS WITH VIETNAM, BUT FIRST VIETNAM MUST DROP ITS DEMAND THAT THE US PAY WAR REPARATIONS. (UPI) E2 IMPDET.>
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