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AP photo

Presidents Ford and Sadat meet for talks in Salzburg

Monday, June 2

Ford listens to Kissinger, not Simon, yields to oil nations

By Harry B. Ellis
Staff correspondent of
The Christian Science Monitor

Washington
President Ford listens to Secretary of State Henry A. Kissinger on foreign economic policy, and the message he hears is cooperation, not confrontation, with the oil-producing cartel.

So far, according to top officials, the President rejects the urging of Treasury Secretary William E. Simon that the United States adopt a tough, break the OPEC cartel line toward the oil-producing giants of the Middle East.

OPEC, the Organization of Petroleum Ex-

porting Countries, is the 13-nation group that controls 85 percent of all oil moving in international trade. Since 1973, OPEC has quadrupled the posted price of oil — from \$3.01 a barrel to \$11.65 — and reportedly plans to boost the price again this summer.

Mr. Simon — backed in principle by Assistant Secretary of State Thomas O. Enders, a top Kissinger aide — says OPEC's power will be broken only when the American people refuse to pay an astronomic price for oil.

"You can either cooperate with OPEC," said a source sympathetic to the Simon-Enders line, "or you can work to break it."

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★ Ford listens to Kissinger on oil

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Dr. Kissinger, according to a top official, rejects a tough line as politically unrealistic.

- America's European allies, vitally dependent on Middle Eastern Oil, plan talks this month to deepen Arab-European cooperation.

- With U.S. domestic oil production shrinking, the United States has little leverage to swing against OPEC, unless Americans cut back drastically on their consumption of oil.

Using these and other arguments, according to highly placed sources, Dr. Kissinger has persuaded President Ford to pursue a moderate policy toward OPEC, and toward the developing world which the oil cartel claims to represent.

Thus, at Paris last week, Dr. Kissinger agreed to discuss raw materials in general not only oil, in any resumption of the shattered producer-consumer dialogue.

Algeria, claiming to represent developing nations, had listed such a broad-based discussion as an essential qualification for resuming talks between OPEC, on the one hand, and consuming nations on the other.

Experts say that talks on raw material and commodity exports are likely to lead to price stabilization agreements and, possibly, the formation of new raw material cartels, similar to the OPEC oil cartel, though with less economic and political clout.

Mr. Simon objects to such agreements as abridgements of a free trading system for the world, which he regards as essential to the expansion of international trade and to orderly capital flows.

Popularity of the Kissinger approach was attested to by European ministers, who stressed the need, in a communique of the Organization for Economic Cooperation and Development (OECD), "to pursue the dialogue with the developing countries . . . to make real progress toward a more balanced and equitable structure of international economic relations."

The Washington Merry-Go-Round

THE WASHINGTON POST

Monday, June 2, 1975

C23

Arabs View Ford as a Weak Leader

Jack Anderson
and Les Whitten

In taking over the Middle East negotiations from Secretary of State Henry A. Kissinger, President Ford must first gain Arab confidence.

We have spoken privately to several top Arab leaders. Without exception, they had the impression that Mr. Ford was a weak leader.

This has been corrected somewhat by his bold action in rescuing the merchant ship Mayaguez from the Cambodians. But they still suspect that Congress, not the President, will be calling the shots in the Middle East.

A congressional delegation, headed by Reps. Thomas P. O'Neill Jr. (D-Mass.) and John B. Anderson (R-Ill.), both powers in the House, called upon Egypt's President Sadat and Israel's Prime Minister Rabin earlier this spring.

According to the confidential transcript, they gave the President a negative report. "Sadat and Rabin offered nothing new," said O'Neill. They agreed only, he added, to continue the step-by-step negotiations, with the United States as the mediator.

"I didn't notice, on the other hand, a disinclination to go to

Geneva," warned Anderson. This would move the negotiations to a forum where the Soviets would have a powerful voice.

Thus President Ford began his talks with Sadat from behind the eight ball.

But the Arab leaders, who spoke to us with unusual candor after we agreed not to identify them, said that the Arabs had taken pains to create a favorable environment for the Ford-Sadat talks.

Sadat personally flew to Damascus to persuade Syria's President Assad to extend the life of the United Nations force on the Golan Heights for another six months. As evidence of his own peaceful intentions, Sadat went ahead with the reopening of the Suez Canal.

And Saudi Arabia's new King Khalid backed down from the inflexible Saudi refusal to recognize Israel's right to exist.

The Arab leaders told us what Sadat's strategy would be at the Salzburg talks. The Egyptian leader intended to remind President Ford that the United States was committed to an Israeli pullback to its 1967 borders.

Sadat intended to ask the President, therefore, to put Israel on notice that the U.S. security umbrella extended only to

the 1967 borders. This would increase the pressure on Israel. Sadat reportedly feels, to withdraw.

Nixon Commitment—President Ford, after checking the White House records, has assured congressional leaders that his predecessor, Richard M. Nixon, made no secret commitments to South Vietnam's President Thieu.

Speaking earnestly behind closed White House doors, the President insisted that the "confidential undertakings do not differ significantly from the public releases." There was "no substantive difference," he said, between the private pledges to Thieu and the public statements.

Secretary of State Kissinger then went into detail. He said Nixon had given Thieu "two separate assurances"—first, that the United States "would react to violations" of the Paris peace accords and, second, that the United States would give economic aid to Hanoi "if the North abided by the agreement."

Kissinger stressed: "They were not agreements by the U.S. but statements by Richard Nixon of intentions. These did not differ materially from the public statements."

Washington Whirl—The destroyer escort Holt steamed to the rescue of the merchant ship Mayaguez with a juryrigged 5-inch gun. The gun had failed, a Navy spokesman acknowledged to us, because of a missing part. But he insisted it had been rigged to an alternate power source and would have fired adequately. . . . Actually, the Mayaguez was the eighth U.S. commercial vessel seized on the high seas this year, according to a State Department count. The other seven were tuna fishing boats, which Ecuadorian gunboats took into custody. . . .

Sen. Paul Fannin (R-Ariz.) has urged President Ford to veto the energy legislation that is developing in the Senate. "If we can't sustain a veto," he told the President at the White House, "Congress will take all your petroleum powers away" . . . House Ways and Means Chairman Al Ullman (D-Ore.) sharply attacked President Ford for raising the import tax on oil. Apparently, this surprised the President who had been advised by Rep. Herman Schneebeli (R-Pa.), according to the confidential transcript, that "Al Ullman will continue to try to help in my opinion."

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