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FM THE SITUATION ROOM//TOHAK 114//

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TOHAK 114

THE BALTIMORE SUN

ART PINE NOTES THE UNITED STATES, UNDER PRESSURE FROM ITS ALLIES, BACKED AWAY FROM ITS "PACKAGE DEAL" STANCE ON THIS WEEK'S INTERNATIONAL ECONOMIC TALKS - PAVING THE WAY FOR POSSIBLE AGREEMENTS SOON ON SEVERAL KEY ISSUES.

IN A LAST MINUTE SHIFT, U.S. OFFICIALS REPORTEDLY HAVE AGREED TO POSTPONE UNTIL JANUARY THE CONTROVERSIAL QUESTION OF FLOATING EXCHANGE RATES AND GO FIRST TO OTHER ISSUES ON WHICH THERE IS HOPE OF PROMPT SETTLEMENT. (A-1)

HENRY L. TREWHITT CONTENDS THAT WITH THE UNITED NATIONS GENERAL ASSEMBLY PREPARING TO OPEN ITS SEVENTH SPECIAL SESSION TOMORROW, THE ONLY CERTAINTY IS THAT THE POOR NATIONS OF THE WORLD WILL BE MAKING DEMANDS UNACCEPTABLE TO THE RICH. (A-1)

YOUR PICTURE APPEARS ON PAGE A-2.

THE MOSCOW BUREAU OF THE SUN REPORTS THAT THE EGYPTIAN-ISRAELI MILITARY DISENGAGEMENT APPARENTLY TAKING SHAPE UNDER AMERICAN MEDIATION WILL NOT BRING A POLITICAL SETTLEMENT TO THE MIDEAST AND IN FACT INTRODUCES A COMPLICATING ELEMENT, A SOVIET NEWSPAPER COMMENTATOR SAID YESTERDAY IN THE FIRST OFFICIAL SOVIET REACTION. (A-2)

MICHAEL PARKS SAYS DESPITE EXTENSIVE CRITICISM AND NOISY STREET DEMONSTRATIONS HERE AGAINST PROSPECTIVE SINAI ACCORD, THE AGREEMENT IS WINNING WIDE ISRAELI ACCEPTANCE AND ALMOST CERTAINLY WILL GET APPROVAL SINCE THERE IS NO BETTER ALTERNATIVE.

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

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PAGE 01

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DTG:311716Z AUG 75

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AN AUTHORATIVE PUBLIC OPINION POLL SUMS THIS UP: TWO-THIRDS OF THE ISRAELIS DOUBT EGYPT IS INTERESTED IN A REASONABLE PEACE SETTLEMENT; 80 PER CENT BELIEVE THAT PRESIDENT SADAT OF EGYPT WILL NOT HONOR ANY ACCORD, AND 80 PER CENT BELIEVE THERE WILL BE ANOTHER WAR WITHIN FIVE YEARS.

ACCORDING TO AP, A SUBCOMMITTEE IS PROBING THE POSSIBILITY THE COMMISSIONER OF THE U.S. CUSTOMS SERVICE CONDUCTED POLITICAL SPYING FOR THE NIXON WHITE HOUSE AND INDUCED A GOVERNMENT OFFICIAL TO KEEP QUIET ABOUT IT, THE PHILADELPHIA SUNDAY BULLETIN REPORTS.

THE PROBE CENTERS ON WHETHER VERNON D. ACREE, COMMISSIONER OF THE U.S. CUSTOMS SERVICE AND A FORMER INTERNAL REVENUE SERVICE OFFICIAL, CONDUCTED COVERT OPERATIONS FOR THE WHITE HOUSE IN MIAMI IN 1971 AND 1972. (A-3)

AP REPORTS AT LEAST 800 GUERRILLAS HAVE BEEN KILLED, WOUNDED, OR CAPTURED IN THE ARMY'S CAMPAIGN AGAINST LEFTIST TERRORISTS IN THE RUGGED MOUNTAINS IN NORTHERN ARGENTINA, A TOP-RANKING ARMY OFFICER SAID YESTERDAY.

HE SAID THE VICTIMS INCLUDED CHILEANS AND URUGUAYANS ON THE SIDE OF ARGENTINA'S MARXIST GUERRILLAS. THE GUERRILLA FORCES, HE ADDED, RECEIVE TRAINING FROM CUBAN AND ALGERIAN TERRORISTS. (A-4)

AP REPORTS THAT THE PENTAGON HAS BEEN KEEPING SECRET A PLAN TO CUT IN HALF THE NUMBER OF NIKE HERCULES ANTI-AIRCRAFT MISSILE BATTERIES IN WEST GERMANY.

ANY MOVE OF THIS SORT IS CONSIDERED HIGHLY SENSITIVE BECAUSE OF THE POLITICAL IMPACT ON THE GERMANS AND POSSIBLY ON EAST-WEST NEGOTIATIONS FOR A MUTUAL REDUCTION OF FORCES IN CENTRAL EUROPE. (A-6)

HAL PIPER SAYS WARNING THAT PORTUGAL "FACES THE DANGER OF LOSING ITS RECENTLY GAINED FREEDOM", THE SOVIET UNION CALLED YESTERDAY FOR COMPROMISE AMONG "ALL THE PROGRESSIVE FORCES OF THE COUNTRY."

TWO ARTICLES IN THE COMMUNIST PARTY NEWSPAPER PRAVDA REPRESENTED A SIGNIFICANT CHANGE IN SOVIET POLICY, WHICH HAS URGED THE PORTUGUESE COMMUNIST PARTY TO RESIST JOINING IN ANY COALITION FRONTS. (A-8)

A CARTOON OF YOU APPEARS ON THE FIRST PAGE OF THE EDITORIAL SECTION. (K-1)

MICHAEL PARKS RECALLS FIVE MONTHS AGO, WHEN NEGOTIATION BETWEEN EGYPT AND ISRAEL ON A NEW SINAI ACCORD COLLAPSED YOU WARNED OF A GREATLY INCREASED DANGER OF WAR IN THE MIDDLE EAST.

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PAGE 02

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OTG:311716Z AUG 75

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NOW, WITH A NEW ACCORD VIRTUALLY CONCLUDED, ISRAELI, EGYPTIAN AND AMERICAN OFFICIALS ARE BARELY ABLE TO CONTAIN THEIR EUPHORIA.
(K-1)

YOUR LATEST MIDDLE EAST DISENGAGEMENT PACKAGE IS A BIT LIKE PEELING AN ONION. AT THE FIRST LAYER, THOSE PARTS OF ITS SUBJECT TO AMERICAN DECISION ALMOST CERTAINLY WILL BE APPROVED BY CONGRESS. AFTER CONGRESS HAS ACTED, HOWEVER, IT WOULD BE A MISTAKE TO REGARD IT AS MERELY ANOTHER STEP, THOUGH AN IMPORTANT ONE, IN THE DELICATE SEARCH FOR STABILITY. A SUN EDITORIAL REPORTS THE STRUGGLE FOR PORTUGAL'S FUTURE HAS NOT BEEN RESOLVED BY THE SHUFFLE OF TOP MEN THAT PRESIDENT FRANCISCO DA COSTA GOMEZ ARRANGED IN HOPES OF PLEASING ALL IN THE AREA. THERE ARE MANY OTHER LAYERS UNDERNEATH. WHEN THE HEART OF THE MATTER IS REACHED, THERE DOUBTLESS WILL BE BRISK DEBATE WHETHER THE RESULTS WERE WORTH THE TEARS. (K-1)

FACTIONS AND PREVENTING STRIFE. RATHER HE HAS FAILED TO SATISFY THE FACTIONS AND BROUGHT CLOSER THE SITUATION HE IS CONNIVING DESPERATELY TO PREVENT. THAT IS A STRUGGLE FULLY ON THE SURFACE, ON THE STREETS AND IN THE BARRACKS, FRACTURING THE FRAGILE UNITY OF HIS REVOLUTIONARY COUNCIL, PITTING UNITS OF THE ARMED FORCES AGAINST EACH OTHER, AND DIVIDING THE COUNTRY BY REGION AS WELL AS BY CLASS. PORTUGAL'S GENIUS HAS BEEN TO AVOID DOMESTIC BLOOD-LETTING. THE WEEKLONG MEETINGS OF OFFICERS HAVE BEEN WAR GAMES MEANT AS A SUBSTITUTE FOR THE REAL THING. BUT THE STRUGGLE WAS REAL, NOT A GAME, AND SWITCHING A COUPLE OF LEFTIST LEADERS ABOUT WAS NOT A RESOLUTION. (K-4)

THE NEW YORK TIMES

CHRISTOPHER WREN WRITES THAT IN THE FIRST DIRECT SOVIET COMMENT ON THE LATEST ROUND OF SHUTTLE DIPLOMACY, PRAVADA DECLARED THAT A DISENGAGEMENT ACCORD BEING WORKED OUT IN SINAI WOULD ONLY FURTHER COMPLICATE THE MIDDLE EAST SITUATION. HE CRITICIZED THE PROPOSAL TO STATION AMERICAN OBSERVERS IN SINIA, SAID THAT THE UNITED NATIONS PEACE-KEEPING FORCE IN SINAI ALREADY HAD AN EFFECTIVE MONITORING SYSTEM.

2. PAUL HOFMAN NOTES THAT DELEGATES FROM 82 NONALIGNED COUNTRIES CONCLUDED A WEEK LONG CONFERENCE, URGING THE SECURITY COUNCIL " TO TAKE ALL NECESSARY MEASURES " TO FORCE ISRAEL TO COMPLY WITH THE UNITED NATIONS RESOLUTIONS ON THE MIDDLE EAST. THE FINAL DOCUMENT OMITTED A CALL FOR ISRAEL'S SUSPENSION OR EXPULSION FROM THE UNITED NATIONS,

PSN:048856

PAGE 03

TOR:243/16:07Z

DTG:311716Z AUG 75

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3. HENRY GNIGER SAYS A LARGE PART OF PORTUGAL'S ARMED FORCES WERE CLOSE TO OPEN REBELLION AGAINST THE APPOINTMENT OF GEN. VASCO GONCALVES AS THEIR CHIEF OF STAFF.

4. BERNARD GWERTZMAN REVEALS THAT EGYPT HAS CONCURRED WITH ISRAEL'S VIEW THAT THE PRESENCE OF AMERICAN TECHNICIANS IN THE SINAI PASS WAS VITAL TO THE SUCCESS OF A NEW INTERIM AGREEMENT. TAHISIN BASHIR TOLD REPORTERS THAT IN EGYPT'S OPINION, "THE IDEA OF UNITED STATES TECHNICIANS TO HELP WITH THE WORKING OF EARLY WARNING SYSTEM OBSERVERS IS AN IMPORTANT PART OF THE PROJECTED ACCORD. THIS WAS THE FIRST PUBLIC ENDORSEMENT BY EGYPT OF THE STATIONING OF AMERICANS IN THE PASSES TO HELP ISRAEL AND EGYPT OPERATE THEIR WARNING SYSTEMS AND TO MAN SMALLER AMERICAN OBSERVATION POSTS AS PART OF THE OVER-ALL PEACE-KEEPING EFFORT.

5. EDWARD COWAN WRITES KUWAIT'S MINISTER OF FINANCE HINTED THAT ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES MIGHT INCREASE IN PRICES BEFORE JANUARY EVEN THOUGH ITS SELF-IMPOSED FREEZE EXPIRES SEPT 30. THE MINISTER ALSO SAID THE PROSPECT OF A NEW TROOP DISENGAGEMENT ACCORD BETWEEN ISRAEL AND EGYPT WOULD CAUSE THE OIL COUNTRIES TO BE MORE HELPFUL AND CONSIDERATE IN PRICING DECISIONS TAKEN AT THE CARTEL'S SEPT 24 MEETING IN VIENNA.

6. A PLANNED VISIT OF 14 AMERICAN MAYORS TO CHINA HAS BEEN DROPPED BECAUSE PEKING, SHOWING IT'S BACKING OF PUERTO RICAN INDEPENDANCE MOVEMENT, REFUSED TO ALLOW THE MAYOR OF SAN JUAN TO ENTER THE COUNTRY. MR. ROMERO SAID YESTERDAY THAT UNITED STATES OFFICIALS TOLD HIM THAT PEKING MIGHT RECONSIDER HIS APPLICATION IF HE WOULD GO ONLY AS PRESIDENT OF THE NATIONAL LEAGUE OF CITIES AND NOT AS MAYOR OF SAN JUAN.

7. JAMES MARKHAM WRITES THAT THE INTERIM AGREEMENT BETWEEN EGYPT AND ISRAEL HAS ALREADY BECOME AN APPLE OF DISCORD IN THE ARAB CAMP. ARAB CRITICS OF EGYPTIAN PRESIDENT SADAT FEAR THAT A DISENGAGEMENT AGREEMENT IN THE SINAI WILL ACTUALLY BE MORE THAN A "INTERIM" ACCORD, THAT IT WILL EFFECTIVELY DETACH THE PRINCIPAL ARAB MILITARY POWER, EGYPT FROM THE CONFRONTATION WITH ISRAEL. THE GOVERNMENT-GUIDED PRESS HAS INSISTED THAT MR. SADAT IS CONCLUDING ONLY A MILITARY, NOT A POLITICAL, PACT WITH ISRAEL; THAT A SECOND DISENGAGEMENT IN SINAI IS BUT ANOTHER STEP TOWARD OVER-ALL SETTLEMENT; IN THAT EGYPTIAN BLOOD WAS NOT SHED FOR PURELY EGYPTIAN INTERESTS.

THE LEAD EDITORIAL SAYS AT EVERY SHOWDOWN SINCE HE REPLACED GENERAL ANTONIO DE SPINOLA AS PRESIDENT LAST SEPTEMBER, GENERAL COSTA GOMES HAS SEEMED TO BE PARALYZED BY OUTSIDE FEARS OF OFFENDING THE

PSN:048856

PAGE 04

TOR:243/16:077

DTG:311716Z AUG 75

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COMMUNISTS AND THEIR MILITARY ALLIES.

THERE WILL BE VASTLY GREATER DANGER OF DISINTEGRATION AND CIVIL WAR IF THE PRESIDENT CONTINUES TO GIVE THE COMMUNISTS A ROLE IN SHAPING EVENTS OUT OF ALL PROPORTION TO THE MEAGER SUPPORT THEY COMMAND IN THE ARMED FORCES AND THE COUNTRY.

THE HOUR IS LATE IN PORTUGAL AND AN OMINOUS POLARIZATION CONTINUES Apace. IT IS TIME FOR PRESIDENT COSTA GOMES TO STOP SHUFFLING SIDWAYS AND EMBARK FORCEFULLY ON THE ROAD SO CLEARLY DESIGNATED.

IN ANOTHER EDITORIAL THE TIMES WARNS THAT IT IS IMPORTANT FOR ALL THE MIDDLE EAST SIGNATORIES AND FOR THE PEOPLE OF THE UNITED STATES TO BE CLEAR ON PRECISELY WHAT IT INTAILS IN THE WAY OF AMERICAN ENFORCEMENT GUARANTEES.

THERE CAN BE NO ROOM FOR AMBIGUITIES. THE UNITED STATES, SO PROMINENT IN FOSTERING A PACT THAT IS CRUCIAL AS A STEPPING STONE TO PEACE IN THE MIDDLE EAST AND THE WORLD, MUST UNDERSTAND BOTH THE EXTENT AND THE LIMITS OF THE COMMITMENTS IT IS TAKING UPON ITSELF.

JAMES RESTON COMMENTS THAT IN THE MIDDLE EAST, YOU HAVE NEGOTIATED A PERIOD OF PEACE AT A FAIRLY STIFF PRICE. NOTHING HAS BEEN SETTLED AND THE CONGRESS IS WORRIED ABOUT THE COST AND DANGERS OF PUTTING AMERICAN MEN AND ARMS ON THE LINE, BUT THE WORST HAS BEEN AVOIDED OR AT LEAST POSTPONED, AND YOU PROBABLY DESERVES MORE CREDIT FOR THE PAUSE THAN YOU WILL GET.

YOU CAME TO THE CONCLUSION THAT UNLESS WASHINGTON TRIED TO MEDIATE IN THE STRUGGLE, THERE WOULD BE ANOTHER WAR IN THE MIDDLE EAST AND THE COST AND DANGERS FOR THE UNITED STATES WOULD BE MUCH GREATER.

YOU ARE IN THE MIDDLE NOW, AND WILL PROBABLY BE BLAMED FOR WHATEVER GOES WRONG IN AN UNCERTAIN AND AMBIGUIOUS COMPROMISE, BUT RIGHT OR WRONG YOU ARE OPERATING ON WHAT YOU BELIEVE TO BE A PRACTICAL LESSON OF HISTORY

THE CONGRESS, LIKE THE ALLIES, WILL PROBABLY APPROVE THE INTERIM ISRAELI-EGYPTIAN SETTLEMENT, NOT WITH AS MUCH MONEY AS THE ISRAELI GOVERNMENT WANTS, AND NOT HAPPILY ABOUT PUTTING AMERICAN OBSERVERS BETWEEN THE ISRAELI-EGYPTIAN LINES BUT SUPPORTIVE NONETHELESS, FOR GIVEN THE PREDICAMENT IN THE MIDDLE EAST, AND YOUR LONG AND ARDUOUS EFFORTS AT CONCILIATION THEY HAVE NO PRACTICAL ALTERNATIVE.

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