

18

ארה"ב

חלק א

נפתח: 2.75

נסגר: 10.75

מדינת ישראל
ארכיון המדינה



שם תיק: ארה"ב (כרך א')

מזהה פיו: חצ-18/8438

מזהה פריט: 0003044

כתובת: 2-120-1-2-4

תאריך הדפסה: 16/03/2017



ארכיון המדינה

משרד ראש הממשלה

טופס מראה מקום להוצאת תעודות יחידות*

תיק מס': 18

שם הנכנס: _____

חטיבה מט: 130/15

מיכל מס': 8438 P

וטאריך התעודה: 21.2.75

שם מחבר התעודה: 30/15

סוג התעודה (לשמן / במקום המתאים)

מכתב

מזכר

תזכיר או מיזכר

דין וחשבון או זכרון דברים משיחה או דיון

פרוטוקול של שיחה, דיון או קשיבה

הטופס זמין בשני עותקים. העותק הירוק יוכנס לתיק במקום התעודה שהוצאה;
העותק חלבן יצורף לתעודה שהוצאה.

8/10

Garry Wills

Pushy Policy to Free Jews Is Unwise

Jerusalem.

Let me confess, at the outset, that I do not know any sure way of helping those Jews who want to emigrate from the Soviet Union. Senator Henry M. Jackson thinks they are helped by making their plight a flash point of confrontation between the superpowers. Henry A. Kissinger, the Secretary of State, believes that such an approach just makes the Russians more intransigent. Other motives for compassion or accommodation, for a public-relations' liberality, are blunted if we make each back down, an implicit cold war victory for us.

Each side has an argument, and a fairly good one. Yet I tend to think that on this point Secretary Kissinger is right. I would be happier with Senator Jackson's view if he did not seem willing to settle for a loss of prestige on the Russians' part, without any actual freeing of the Jews.

The Israelis themselves rejoice in Mr. Jackson's rhetoric, even if it slows the real influx of the Russians. But they are thinking, naturally, of their survival as a nation, which they think demands cold war losses on Russia's part. And, to tell the truth, emigrants from Russia are a potential embarrassment to Israel right now. For three reasons:

1. Those emigrants reaching Vienna now opt, by a great and increasing majority, to go elsewhere instead of on toward Israel. There are a number of reasons for this. The emigrants so far are fairly well-equipped professional people, and they can make their way in any modern society. The Jewish professional classes, despite support for Israel, have stayed in developed countries long before the question of Russian emigration arose.

2. Those Russians who have come to Israel raise problems. They are educated



"EITHER STOP RIDING IN THAT SUB COMPACT CARPOOL OR START RIDING THE BUS."

professionals in a society already glutted with them 50 per cent of Israelis are employed in services, despite the country's "beginner" status on a historical scale). Those who have fled Russian collectives are at odds with the kibbutz mystique of Israel's pioneers and government elite. Some immigrants tend to have an idealized view of Israeli society—one quickly dispelled and leading to bitterness. Meanwhile, Israel is spending huge sums to import and domesticate these Russians—\$100,000 a family, according to Jewish Agency figures—and the country cannot be expected to admire what seems any ungrateful response from the Russians. So some Russians move on, while others stay and chafe.

3. To make things even worse, the Russians who adapt and are grateful also pose a problem. As settlements go up to house them, they join the European privileged class of Jews, and are resented by the Orientals who make up a majority of the Jewish population in Israel.

Furthermore, they are being put in new settlements like the Neveh Yaakov, north of Jerusalem, which inevitably will become the centers of dispute when occupied territories have to be turned back.

And these fugitives from the Soviet Union are hawkish, swelling the ranks of the hard-line Likud party in its fight with the ruling Labor coalition.

Having said all this, I must add that the plight of those Jews who truly wish to leave Russia and reach Israel is an urgent and touching one. The Israeli government had three such immigrants waiting to talk to our visiting group at the Mevasseret Zion absorption center. Two were women (a cardiologist and physicist), one a man (another physicist). The woman physicist, Hannah Levin, escaped with her husband after they spent more than two years at menial work as a maid and janitor—the Soviet government had fired them both from university work when they applied for visas.

And these successful immigrants have harrowing news about those whom they left behind. "Do anything you can," Mrs. Levin said, "to help our friends. One of them is the leading physicist in the country—Dr. Mark Asbel, who has been on a hunger strike for months. We have had no news from him recently. And our friend Vladimir Markman is due out of prison any day now, yet his fate is uncertain."

These people who have made safe harbor in Israel feel that pressure from the West helps those still trapped in Russia. I hope they are right. The famous, those whose names are known, who are sometimes visited by journalists or touring congressmen, who can be mentioned in the Western press, may reach the friends and the freedom they long for. It is to be hoped that Dr. Asbel and Dr. Markman end up in that number and rejoin their fellows here in Israel.

BALTIMORE SUN

FEB 10 1975

WERN

ה'תש"ז/אוגוסט

משרד החוץ

מחלקת הקשר

מברק יוצא - מסווג

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוק וטודות דשמיים), תשי"ז - 1957.

~~סמור~~

אליזושיבגסון
מאת: המשרד

מס. 572

בשלה: 261500 פבר 5

קיסלגר על סיוע לתורכיה.

העיתון הקפריסאי "אגוז" מ-22.2 טבעט סתמית ידיעו מרושיבגסון לפיה סועז קיסלגר שיש לחפש את הסינן לתורכיה גם למען ישראל. אבא בררו והודיעו באם אמנם אמר זאת בפומבי ואם כן - סתי ואיפה וצמטו את דבריו.

סזתים - סצפא

שהח רהם מנכל שהנם ססנכל דיבורן רנכב סצפא סזתים חקר רם אמן

המ/ג3

0659G 26 FEB 75

12312/75/4

00

R049
D W503 04 72

SAXBE-ARMS EMBARGO

BANGKOK (AP) -- WILLIAM B. SAXBE, THE NEW U.S. AMBASSADOR TO INDIA

A

SAYS HE DOES NOT UNDERSTAND WHY HIS GOVERNMENT LIFTED THE ARMS EMBARGO AGAINST PAKISTAN BUT ADDS HE WILL SUPPORT THE DECISION.

IN AN INTERVIEW PUBLISHED BY THE BANGKOK POST WEDNESDAY, SAXBE SAID 'I FEEL IT IS MY OBLIGATION TO SUPPORT THE PRESIDENT'S DECISION TO LIFT THE ARMS EMBARGO BECAUSE I AM HIS REPRESENTATIVE.'

SAXBE TOLD THE ASSOCIATED PRESS IN AN INTERVIEW SATURDAY THAT HE HAD TRIED TO CONVINCE THE STATE DEPARTMENT TO MAINTAIN THE ARMS EMBARGO TO PAKISTAN, 'BUT I WASN'T PERSUASIVE.'

SAXBE TOLD THE POST THE UNITED STATES WANTS CONTINUED FRIENDLY RELATIONS WITH INDIA 'BUT IT IS UNFORTUNATE THAT OUR HOPES FOR THEM

ARE GETTING THINNER AND THINNER.'

THE FORMER CONGRESSMAN AND U.S. ATTORNEY GENERAL, WHO WAS NOT AVAILABLE FOR FURTHER COMMENT, TOLD THE POST THAT INDIA AND THE UNITED STATES HAVE DRIFTED APART BECAUSE 'WE'RE SO OBSESSED WITH

OUR MUTUAL PROBLEMS.'

'AT THIS TIME AMERICAN PEOPLE ARE SAYING LET INDIA WORRY ABOUT

HERSELF, WE'VE GOT OUR PROBLEMS TOO,' HE TOLD THE NEWSPAPER.

(END)

0702G 26 FEB 75

00

W/34N/211k

02

RO45
D W501 03 04

EDITORIALS

NEW YORK (AP) -- NEW YORK TIMES WEDNESDAY ON U.S. ARMS SALES:
'THE DECISION TO ALLOW EXPORT OF LETHAL ARMS TO BOTH PAKISTAN
ND A

INDIA -- HOWEVER EVENHANDED IT MAY BE JURIDICALLY -- IS IN FACT A
STIMULUS TO THE ARMS RACE IN THE SUBCONTINENT, AN EXACERBATION OF
INDIAN-PAKISTAN RELATIONS, A BLOW TO AMERICAN RELATIONS WITH INDIA
AND NEW EVIDENCE OF THE 'TILT' TOWARD PAKISTAN.

'THE PERSIAN GULF, HOWEVER, IS THE FUNDAMENTAL PROBLEM NOW, S,
CE N

THE NEW LARGE-SN DJI K
YICAN ROLE
S ARMS MERCHANT HAS ITS ORIGIN
THERE.

'WHAT REM
INS UNCLEAR IS THE THREAT AGAINST WHICH IRAN IS BEING
SO HEAVILY ARMED AND WHY THE SHAH IS BEING SOLD SOME OF AMERICA'S
MOST SOPHISTICATED WEAPONS SUCH AS THE NAVY'S F14 JET FIGHTERS,
SIMULTANEOUSLY WITH ITS INTRODUCTION INTO THE AMERICAN ARMED FORCES

'IS FAR FROM THE HAND-ME-DOWN ARMS TRADE THE WORLD HAS KNOWN
IN THE PAST.

'SOVIET ARMS SALES TO IRAQ UNDOUBTEDLY HAVE SOMETHING TO DO WITH
H

THE SHAH'S DECISION TO BUILD UP IRAN'S MILITARY FORCES.
'BUT THE SIZE OF THE IRANIAN EFFORT VASTLY EXCEEDS THAT OF IRA
Q

AND APPEARS PRIMARILY TO REFLECT THE GRANDIOSE AMBITIONS OF THE
SHAH, WHO HAS TALKED OPENLY OF REVIVING THE GLORY OF PERSIA'S
ANCIENT EMPIRE.

'THERE IS URGENT NEED FOR A FUNDAMENTAL REASSESSMENT BY
ADMINISTRATION AND CONGRESS TOGETHER OF THE ARMS AND OTHER POLICIES
UPON WHICH THE UNITED STATES IS NOW EMBARKED IN THE PERSIAN GULF
AREA.'
'

THE NEW YORK DAILY NEWS ON AID TO PAKISTAN:

'INDIA REGISTERED A LOUD SQUAWK YESTERDAY OVER THE U.S. DECIS,
N O

TO RESUME ARMS SALES TO PAKISTAN WHILE, AT THE SAME TIME, A SOVIET
MILITARY MISSION WAS RECEIVING A RED-CARPET WELCOME IN NEW DELHI.

'THAT DISPLAY OF HYPOCRISY AND CHUTZPAH OUGHT TO CURE WASHINGT
N O

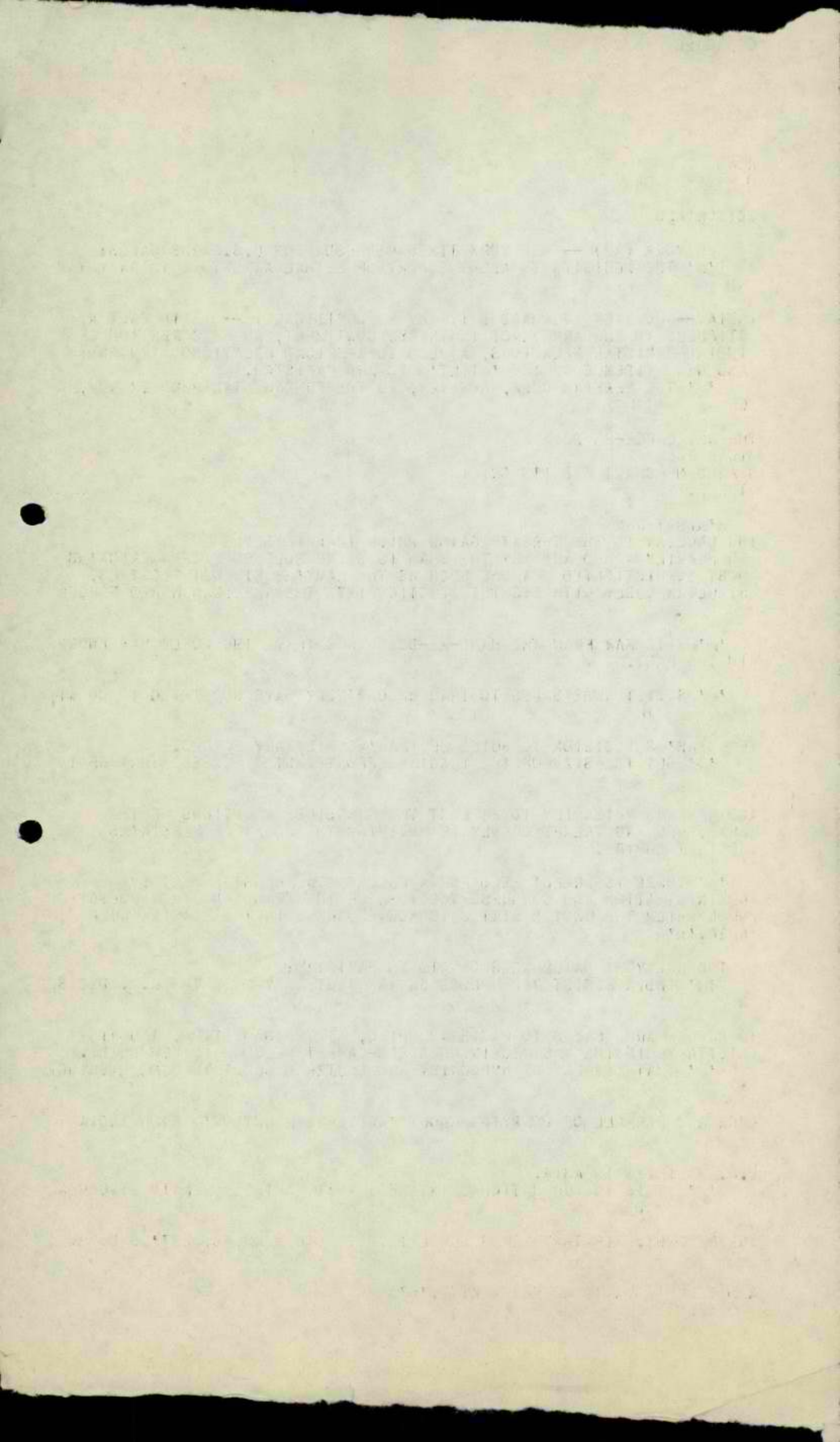
ONCE AND FOR ALL OF WORRYING ABOUT 'ADVERSE REACTION' FROM INDIA TO

U.S. POLICIES IN ASIA.

'IT IS IN OUR NATIONAL INTEREST THAT PAKISTAN REMAIN STRONG AND
D

INDEPENDENT. IF THAT MEANS SUPPLYING IT WITH WEAPONS, LET'S DO SO

AND TELL INDIA TO GO FLY A KITE.'
(END)



0714G 26 FEB 75

02

RO53
D 0315 33

INDOCHINA AID

BY JIM ADAMS

WASHINGTON (AP) -- DEMOCRATIC LEADERS IN THE HOUSE OF REPRESENTATIVES SAY THEY DOUBT PRESIDENT GERALD FORD'S REQUEST FOR MORE INDOCHINA MILITARY AID WILL WIN APPROVAL, DESPITE FORD'S WARNING THAT CAMBODIA WILL FALL WITHIN WEEKS WITHOUT IT. 'S' DON'T THINK WE CAN RALLY THE VOTES, 'S' SAID A HIGH-RANK HOUSE LEADER WHO ASKED NOT TO BE NAMED. 'S' THINK CAMBODIA WILL HA TO GO DOWN. 'S'

FORD TOLD THE HOUSE IN AN UNUSUAL LETTER TUESDAY THAT CAMBODIA WILL RUN OUT OF AMMUNITION IN LESS THAN A MONTH AND WITHOUT MORE AID 'S' WILL BE FORCED WITHIN WEEKS, TO SURRENDER TO THE INSURGENTS. 'S' A KNOWLEDGEABLE HOUSE SOURCE SAID A MORE PRECISE ESTIMATE FOR THE

TIME CAMBODIA CAN HOLD OUT IS ABOUT 27 DAYS. BUT HOUSE DEMOCRATIC LEADERS AGREED FORD'S 522 MILLION DOLLAR ADDITIONAL AID REQUEST FOR CAMBODIA AND VIETNAM WOULD NOT HAVE PASSED BEFORE FORD'S WARNING AND THEY DOUBTED THE WARNING WOULD CHANGE THAT SITUATION. SENATE DEMOCRATIC LEADER MIKE MANSFIELD SAID HE HAD NOT MEASURED THE VOTE THERE BUT SAID HE PERSONALLY HOPED NO MORE AID WOULD BE VOTED REGARDLESS OF THE WARNING. 'S' MORE MONEY MEANS MORE ARMS= MORE ARMS MEAN MORE KILLING, 'S' MANSFIELD SAID. 'S' AND SOME DAY THIS MATTER WILL HAVE TO BE RESOLVE

BY THE CAMBODIANS IN THEIR OWN WAY. I THINK THE SOONER THE BETTER. 'S' ANY MILITARY AID MUST BE APPROVED FIRST IN THE HOUSE, WHERE ALL APPROPRIATIONS ORIGINATE. A COMPROMISE EFFORT IS UNDER WAY IN CONGRESS TO DIVERT SOME OF THE

PRESENT ECONOMIC AID TO VIETNAM TO MILITARY USE RATHER THAN APPROVE FORD'S REQUEST FOR 300 MILLION DOLLARS MORE IN MILITARY AID. NO SUCH COMPROMISE CAN BE MADE ON HIS REQUEST FOR 222 MILLION DOLLARS IN ADDITIONAL AID FOR CAMBODIA BECAUSE THAT COUNTRY HAS ALREADY REACHED THE 200 MILLION DOLLAR MILITARY AID CEILING IMPOSED BY CONGRESS.

(MORE)

0719G 26 FEB 75

02

RO54
D 0316 33

WASHINGTON -- INDOCHINA AID 2 'S' GOING TO SUPPORT THE PRESIDENT'S REQUEST, 'S' PASSMAN SAID. 'S' IN THEIR EXPIRING MOMENTS AND THEIR DEATH STRUGGLE I HATE TO SEE MY NATION PUT IN A POSITION WHERE WE HAVE TO SAY, 'S' WE MISLED YOU,

PROMISED YOU AID, BUT WE'LL HAVE TO LET YOU GO DOWN THE TUBE. 'S' FORD SAID IN HIS LETTER TO THE HOUSE THAT THE ADDITIONAL AID PRESENTS 'S' A MORAL QUESTION THAT MUST BE FACED SQUARELY. 'S' ARE WE TO DELIBERATELY ABANDON A SMALL COUNTRY IN THE MIDST

ITS LIFE AND DEATH STRUGGLE? 'S' HE ASKED. FORD SAID CAMBODIA'S ECONOMIC SITUATION IS ALMOST AS DIFFICULT A

'S' SEVERE FOOD SHORTAGES ARE ALREADY BEGINNING. 'S' HE SAID 'S' MILLIONS OF INNOCENT PEOPLE WILL SUFFER 'S' IF CONGR DOES NOT PROVIDE FOR CONTINUED DELIVERIES OF RICE AND OTHER SUPPLIES.

SECRETARY OF STATE HENRY A. KISSINGER REPEATED FORD'S WARNINGS ABOUT CAMBODIA AND ADDED THAT IN SOUTH VIETNAM 'S' WE ARE FACING A MORE LONG-TERM SITUATION OF THE SAME ORDER. 'S' AT A PRESS CONFERENCE, KISSINGER SAID THE DECISION FACING THE UNITED STATES ON CAMBODIA IS 'S' WHETHER THE UNITED STATES WILL WITHHOLD AMMUNITION FROM A COUNTRY WHICH HAS BEEN ASSOCIATED WITH US

AND WHICH, CLEARLY, WISHES TO DEFEND ITSELF. 'S' 'S' THERE IS NO POSSIBLE WAY THAT VIETNAM CAN ACQUIRE THE ARMS TH

ARE NEEDED TO DEFEND ITSELF UNLESS ITS ECONOMY HAS REACHED A POINT WHERE PERHAPS THERE IS SUFFICIENT SURPLUS FROM OIL INCOME OR OTHER ECONOMIC DEVELOPMENTS, 'S' HE SAID. 'S' IF VIETNAM FALLS AS A RESULT OF AN AMERICAN DECISION TO CUT

ITS AID THAT WILL HAVE OVER A PERIOD OF TIME THE MOST SERIOUS CONSEQUENCES FOR THE CONDUCT OF OUR FOREIGN POLICY, 'S' KISSINGER SAID. 'S' THIS WILL NOT BE IMMEDIATELY APPARENT. 'S' HE SAID. 'S' BUT

PERIOD OF YEARS IT MUST RAISE THE GRAVEST DOUBTS IN THE MINDS OF MANY COUNTRIES THAT HAVE BEEN ASSOCIATED WITH US. 'S' (END)

0724G 26 FEB 75

02

אגודה / תאחדות (אחיאליה)

מברק נכנס - מסווג

משורד החוץ

מחלקת הקשר
סוד

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסייחויז וסודות רשמיים). תשי"ז - 1957

נשלח: 261800 פבר 5

אל: המשורד

מאת: ג'ו יורק

מאיי.פ. מאום ב' העתק וואשינגטון, המוסד (הידר) אתיופיה.

1. הקרבות בארית'אה שככו בשבוע האחרון אפ' כ' קיימ'ים סימני'ם שה-א.ל. מפ מתארגן לקראת מתקפה מחודשת במיוחד באזורי החופ הארית'אי.
2. הממונה החבשי מסר לי שלא ליחוס, שבאחרונה היו ג'שושי'ם של היידי'רג'יי אצל הסובייטי'ם והסיני'ם לאספקת נשק אולם שתי המעצמות לא גילו ענין. הממונה מייחס זאת לאי רצונן להיות מעורבות.
3. לדידך לא נותרו בדידות אלא להישען על הסיוע מארה"ב. טרם נפלה החלטה בוואשינגטון אם להיענות לבקשת הסיוע האתיופית אך מניחים שהסיעה תיפול בימי'ם הקרובים לאספקת נשק מוגבלת.
4. הממונה צופה למיתקפה עדיבית דיפלומטית גלויה בזירות הבינלאומיות נגד אתיופיה שמג'מתה למסד התביעה הארית'אית לעצמאות. הערכתו שהיידי'רג'יי פועל משיקולי'ם מוטעי'ם בדחייתו נסיון התווכ הסודני אשר מהווה מוצא יחיד לחשגת פשרה ה-א.ל.פ. הולכ ומתחזק עקב התייצבות כל ארצות ערב כולל סעודיה לימינו המזרימות לו כסף ונשק בכמויות בלתי מוגבלות. ככל שעובר זמן קטני'ם סיכווי הצבא התיופי להביא להכרעה דבר שיחיש לדעת הממונה תהליכ ההתפוררות לא רק בארית'אה אלא גם במחוזות אדמי של חבש.
5. בגלל המגבלות הידועות אינ צפוי שארה"ב תדצה לעמוד במעמסה שתודש ממנה וספק אם תגביר מעורבותה לימינ משטר בלתי יציב כשהמאבק הפנימי בתוכ היידי'רג'יי נמשכ ועלול להביא להפוכות. עם זאת אינ צפוי שארה"ב תפקיד אתיופיה והיא תמשיכ במעורבות מוגבלת תוכ ציפיה להתפתחויות. לדברי הממונה האמריקני'ם לוחצים על ה-יידי'רג'יי להסכי'ם לתווכ הסודני אולם עד כה ללא הצלחה. בגלל החשד והאיבה של מרבית חברי היידי'רג'יי לערבי'ם.

סופר

שוח רהם שהבט מנכלמנכל סמנכל מאפ מאוזמ אב מצפא מזתיץ חקר דמ(כנפרד)

אנג

הז/פמ

מסמך מס' 1000-1000

מסמך מס' 1000-1000

מסמך מס' 1000-1000

מסמך מס' 1000-1000

המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

1. המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

2. המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

3. המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

4. המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

5. המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

6. המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

7. המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

8. המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

9. המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

מסמך מס' 1000-1000

המסמך מס' 1000-1000, המכיל את כל הפרטים הנדרשים, נמצא באתר האינטרנט של המוסד.

מסמך מס' 1000-1000

מסמך מס' 1000-1000

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוץ וסודות רשמיים). תשי"ז - 1957.

גמ לתב ט זה.

5. ברם הערכתו האישית של ארציל שבמקרה של מצב דרום במזהת בו תתחייב פעולה אמריקנית לא יפגע קרמנליס ביכולת הפעולה האמריקנית. מעבר לכל המחלוקות והכעס שעל פני השטח ודי קרמנליס מקיימ קשרים אישיים טובים מאד עם פורד וקייסינגר. קשה להעלות על הדעת כי בעת מבחן של אינטרס אמריקני ממש חיוני יעשה קרמנליס דבר שיערער יחסי קירבה דאימונ אלו בינו לפורד ולקייסינגר.
6. הערה: ארציל מכיר היטב הנושא היווני שומ ששימש עד לפני שנה כמנהל המדור היווני במחמד והוחלף על ידי גוהנ דיי שהיה סגנו.

ב. תורכיה-

1. עד כה אינ שינוי מעשי במעמד הבטיסימ האמריקנימ בתורכיה. אולם ינו לזכור שתורכיה נוהגת להגיב באיטיות וכי תהליכ הבשלת ההחלטות וביצוענ אצלה אורכ זמן רב.
2. בינתיים נקטו התורכים בצעדים קטנים כגון הוצאת קציני קישור משרדים ומגופים שונים. אולם ככל שתמשכ הפסקת הסיוע הצבאי האמריקני לתורכיה ואם החלטת הקונגרס לא תבוטל יש לצפות כי תהליכ הפגיעה בבטיסימ שראשיתו כבר מסתמנת ילכ ויגבר עד שיהיה למשמעותי ביותר.

ג. האי מצירה-

1. בריטני יה ביקשה הכרות מארחב איזה שימוש יש בדעתה לעשות בזכויות שזינתנה לזו בכטיס האוירי במצירה מול החופ העומאני. מה מטרת השימוש, איזה סוגי מטוסים, מהי הכיפות ההמראות והנחיתות, האם הכוונה גם לנוכחות קבע או רק למטוסי הנושאים בהפליגנ למפרצ, האם גם למטוסי תצפית ונה יהיה יעד התצפיות.
2. ארזב הבטיחה תשובה לבריטנייה תוכ שלושה שבועות אך בינתיים חלפו שלושה שבועות ועדיין לא ניתנה התשובה. עבודת המטה בנושא זה בוושינגטון טרם הושלמה. החילות והסוכנויות השונים מגישים הצעות נפרדות וכל אחד מעונינ במטרה אחרת. כאשר נערכה הפנייה האמריקנית

כל המוסר חוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוץ וסודות רשמיים). תשי"ז - 1957.

לטולטאנ קאבוס ולכריטניה לא היה ברור בדיוק לאיזה צורכ מעונ'נת איתב בבסיס מצירה אלא ראו בזאת מע'נ הסדר מסגרת בתור CONTINGENCY

ד. די'גו גרסי'ה-

1. בדצמבר אישר הקונגרס ההקצבה לפיתוח הבסיס בדי'גו גרסי'ה כונאי שהנשיא יעביר לקונגרס PRESIDENTIAL DETERMINATION שזהו אינטרס לאומי של ארה"ב. כאשר יעשה הנשיא צעד זה יש ביד'י הקונגרס שישים יום לדון לאשר או לדחות.
2. עתה כל עבודת המטה בנושא זה הושלמה והמסמך מצוי כבר בבית הלכנ וממתינ לחתימת הנשיא. מצפ'ים שהנשיא יחתום על המסמך ויעבירו לקונגרס בימימאו בשבועות הקרובים. ההעריכה היא שההחלטה תתקל שוב בהתנגדות חזקה בסינט כאשר בראש המתנגדים עומד סנטור PELL הנחמכ כנראה על ידי סנטור קנדי.

ה. הא'ים האזוריים-

1. השימוש בבסיסים ותפעולם נמשכים כרגיל. לפי סעיפי ההסכם שתוקפו פקע תימשכ תחולתו אם שני הצדדים מנהלים מום ואם אחד הצדדים לא הודיע על ביטולו.
2. הפורטוגלים נתנו להבינ כי בשלב זה עדי'נ אינמ מוכנים לנהל מום משמעותי. כלומר עד להתבודות המצב הפנימי בפורטוגל ועריכת הבחירות. אולם למענ שמירת הצד הפורמלי מתקיימות בליסבונ מדי פעם פגישות בנושא זה תוכ הבנה הדדית שעדי'נ אינ זה מום.
3. במגע'ים אלו עד כה שמו הפורטוגלים הדגש על התמורה לה המ מצפ'ים לקבל מארה"ב ולא התייחסו כלל לנושא השימוש בבסיס ולא רמזו אמ מצונמ להטיל הגבלות מסויימות על מטרת'ו.

ו. ספ'ד=

1. תוקפ החוז'ים של הבסיסים האמריקני'ים בספ'ד עומד לפוג. בעיקר מדובר על הבסיס הימי ROTA ובסיסי האויר הגדולים ליד מדריד וסרגוסה.

לפיכך נקבע כי כל המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה
באופן מלא ומקיף.

ד. תיאור המידע -

1. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.
2. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.
3. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.
4. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.
5. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.

ה. תיאור המידע -

1. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.
2. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.
3. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.
4. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.
5. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.

ו. תיאור המידע -

1. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.
2. המידע המופיע בדו"ח זה הוא נכון ומוגש לראשונה באופן מלא ומקיף.

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסיחוץ וסודות רשמיים). תשי"ז - 1957.

- 4 -

2. מאחד וכיום שרו"ה ספרד בתקופת מערב והכל מצפים לסיום שלטון פ'נקו, אינן איש בממשל הספרדי המוכן להתחייב לדבר ימ מוגדרימ שתוקפם יוזול גם אחרי שלטון פרנקו. אמנם מגעים לחידוש ההסכמים מתנהלים במישורים שונים אך שני הצדדים מכירים בכך שבינתיים אינן טעם לסיכום, ונאל מקום מעדיפה ארבה לדחות זאת עד להתיצבות שלטון ירשי פ'נקו.

תורגמן=

עד כאן=

שהח רחם שתבט מבכל סמבכל סצפא מזתים חקר רם אמן ארלפה אל
תא/אל

מס' תעודת זהות: 3101000000000000000
מס' תעודת זהות: 3101000000000000000
מס' תעודת זהות: 3101000000000000000
מס' תעודת זהות: 3101000000000000000
מס' תעודת זהות: 3101000000000000000

- 2 -

3. בענין זה יש לציין כי המעורבים בפרשת ה"פ"ב
היו שותפים במעשה פלילי אשר נעשה בידיהם
באמצעות אדם שלישי, אשר נשפט על ידי בית דין
בארץ ישראל, והוא אדם זר לארץ ישראל, אשר
נשפט על ידי בית דין בארץ זרה, והוא אדם זר
לארץ ישראל, אשר נשפט על ידי בית דין בארץ זרה.

בג"פ

מ"פ

מס' תעודת זהות: 3101000000000000000
מס' תעודת זהות: 3101000000000000000

Pending Tariff Accord

31/3 - 31/4

Russians Expected to Halt Lend-Lease Payments to U.S.

MOSCOW, Feb. 2 (UPI).—The Soviet Union does not feel obligated to make any further payments of its \$700-million World War II Lend-Lease debt to the United States until it is granted nondiscriminatory status, according to a Soviet commentator.

Pravda commentator Yuri Zhukov's statement on a television program yesterday indicated that the Kremlin is taking a hard line on the complicated issue which has clouded Soviet-American commercial relations for 30 years.

"The U.S. Congress attached impossible amendments to the trade bill and the Americans must be blamed for the fact that we are not paying [the Lend-Lease debt]," Mr. Zhukov said in reply to a viewer's question.

Under the Lend-Lease settlement signed in 1972, the Russians agreed to meet their outstanding debt by paying \$722 million by 2001. Three initial payments totaling \$48 million were obligatory and the balance contingent on receiving most-favored-nation trading status in the United States.

Moscow has made two of these payments, according to U.S. officials here. The first was \$12 million in 1972 and the second, \$24 million, in 1973. The third payment, \$12 million, was scheduled to be paid July 1.

First Public Indication

Mr. Zhukov's statement was the first public indication that the third obligatory payment would not be made.

The Soviet Union last month informed the United States that it would not implement their 1972 trade agreement because the U.S. Trade Reform Act contained unacceptable conditions. The law tied most-favored-nation status and credits for the Soviet Union to its easing of emigration restrictions.

As a result of the nonimplementation of the agreement, U.S. officials knew that the bulk payment of the Lend-Lease debt would be postponed. But they were unsure if the third obligatory payment would be affected.

Before the 1972 settlement, the Soviet Union had paid \$199 mil-

lion of its \$900-million assessment.

The 1941 Lend-Lease Act gave the president power to sell, transfer, lend or lease necessary war supplies including food, machinery and services, to nations whose defense was considered vital to the United States. Terms were purposely unspecified.

The Soviet Union received \$11 billion in aid, half as much as Britain but more than five times the amount granted any other country.

הארץ

אל: _____

אנה"ג/מזכ"ל

משרד החוק

מחלקת הקשר

מברק נכנס - מסווג

24.2 - 363 נ/י
כ"אנה"ג - 13 א.ה. 1957

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוק וסודות רשמיים), חשי"ז - 1957.

ש.מ.ו. 74

מס' 373

נשלח: 241730 פבר 75

אל: המשרד

מאת: וושינגטון

מאף. אתיופיה.

ראיתי במקרה אח גיל קוליק והבנין מחמד. לדבריו מסתמנת קבלת החלטה לאשר עקרונית סיוע צבאי נוסף לאתיופיה אולם בהיקף הרבה יותר קטן מחקשה אתיופיה. תורגמן

שחח רחם מנכל שרבת ממנכל ומעוזני י. רביב מאף מצפא חקר דם אמך
אב/דל

1952-1953

1952-1953

1952-1953

1952-1953

1952-1953

1952-1953

1952-1953

1952-1953

1952-1953

1952-1953

א(ה"ג/244/349

מברק נכנס - מסווג

משרד החוץ

מחלקת הקשר

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על חוק לתיקון דיני העונשין (בסחון המדינה יחסי-חוץ וטודות רשמיות), תשי"ז - 1957.

ש מ ר ו

אל : המשרד

מאת: רושינגטון

מס' 349

בשלה 221410 פבר 75

ורון.

משלחת הקונגרס לקמבודיה וויטנאם שעמדה לצאת ב-21 דחתה צאתה מבלי שנקבע מועד חדש. למרות שהנימוק הרשמי לדחייה קשור בהצבעות חשוכות בקונגרס ידוע שרבים מאלו שהיו אמורים לצאת חוזרים בהם מצוכותם ולא ברור כלל אם ומתי אכן תצא משלחת.

רפיח

שהו רהמ מנכל שהנט מ/מנכל שמעוני רביב מאסוק חקר מצפא דט אמן

צנ/דט

SECRET

SECRET

SECRET

SECRET

SECRET

SECRET

SECRET

SECRET

SECRET

לכתוב/שטר
רשימת
מקום וזמן

נר: 22.02.75/836/2056

מקור: רדיו בירוק

רזק: 22.02.75/2000
רררררררררררררררררר

כויך יארח

יףיףיףיףיף

שגריר ארחה בכויך ערכ בי22 פבר, שיהוך עם שנה, ה הכויך בענין
היוסיים בינ שרי המדינוך והקרפהויוך האחרונוך של המצב במזהך.

סוף כוכבה ימ 22 2150

ממלא מקום

1/10/57

מברק נכנס - מסווג

משרד החוק

מחלקת הקשר

7000

מס 333 סודי

נשלח 211100 פבר 75

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסיחוק וסודות רשמיים), תשי"ז - 1957.

אל: המשרד

מאת: וושינגטון

מזתי"מ, המרכז.

קפריסין, והסיוע הצבאי האמריקני לתורכיה.

להלן משיחה עם WILLIAM EAGLETON במחמד/אירופה

מנהל מחלקת דרום אירופה (תורכיה, יוון, קפריסין ומלטה).

א. הסיוע הצבאי לתורכיה.

1. תורכיה עדיין לא השיגה כל הגבלות מעשיות על הבטיסי"מ הצבאים האמריקנים וזשימוש בהם. ההערכה היא שתורכיה תמשיך ביישומי לפחות מספר שבועות כדי לראות אם יחול שינוי בעמדת הקונגרס לגבי המשכ הסיוע הצבאי, ועד אז תנע מכל צעד משמעותי.

2. איגלטון, שנו קרוב משפחה רחוק של סנטור איגלטון, קיים מגעים רבים בקונגרס בימים האחרונים, החדשמותו היא שמסתמנת תזוזה ונכונות מסוימת לגמישות. להוציא המורשים ממוצא יווני, בראדמאס וסארבינאס, הרי היחד לרבות רוזנטל פתוחים להצעות שונות. עם זאת אצל סנטור איגלטון הקושי נעוצ בתפיסתו הלגליסטית הנוקשה בכך שתורכיה עשתה שימוש בנשק אמריקני בקפריסין בניגוד לתנאי האספקה.

3. אחת הבעיות החדשיות עם חברי הקונגרס היא שבינ המתנגדים לחידוש סיוע הצבאי קיימות גישות שונות וקשה להסכים על הצעה לנוסחת מינימום משותפת לכולם שתוצג לתורכיה כדישת ויתורים בקפריסין כתור תנאי לחידוש הסיוע. יש המדגישים חוזה טריטוריאלי, אחרים תובעים פתיחת נמל הזעופה בניקוסיה, ויש הדורשים החזרת פליטים יוונים לאזור התורכי. על הוציאה האחרונה עומדים בעיקר חברי הכית ממוצא יווני הגורסים שתורכיה תעשה מחווה ותאפשר שובם של לפיחות ארבעים עד חמישים אלף פליטים יוונים. תביעה זו אינה מתקבלת בשומפני"מ על דעת תורכיה שתהיה מוכנה לשקול החזרת מספר מסוים של פליטים רק במסגרת ההסכם הסופי ולא כמחווה לפני המום. מכל מקום תורכיה ציפחה לשמוע מארהב במשך החודשים האחרונים מהי הצעת המינימום של הויתור הקונקרטי אותו מתבקשת לעשות בקפריסין. אולם ארהב לא היתה מסוגלת לומר זאת בגלל חוסר הסכמה בקרב הקונגרס ובינ הממשל לבינ הקונגרס.

4. איגלטון לא מצא כי לצעד התורכי האחרון בקפריסין היתה השפעה מיוחדת בקונגרס בכיוון להקשות עמדתו. מבנה השלטון בקפריסין איננו היבט התופס משקל מיוחד בחשקפות הקונגרס. הצעד התורכי בקפריסין.

התגובה הנזעמת והנרגשת של היוונים בקפריסין ובכיוון בעקבות הצעד התורכי האחרון מובנת וטבעית אולם בעצמ מאומה לא הצתנה בשטח מבחינה

1917-1918

1917-1918

1917-1918

1917-1918

1917-1918

Faint, illegible text covering the majority of the page, possibly bleed-through from the reverse side.

1917-1918

כל המוסד תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בסחון המדינה יחסי-חוק וסודות רשמיים).

משד החוק

מחלקת הקשר

מבדק נכנס - מסווג

-2-

- טריטוריאליט ומעשית, התורכים ממילא ניהלו עד כה את האזרחים עצמאיים ונפחד ככ שנתנו סטטוס פורמלי למצב עובדתי קיימ.
2. התפיסה היוונית בנוגע למבנה מולטי קנטולי אינה שונה בהרבה על פני הטטה, כי ממילא מדובר על שלושה קנטונים תורכים בצפון קפריסין בעלי רצף טריטוריאלי ביניהם.
3. קשה לקבוע באיזו מידה השפיע הפסקת הסיוע הצבאי מארח על החלת ההכרזה התורכית. לכל היותר השפיעה על עיתוי ההכרזה משום שלגבי תכנית זו היה מוחלט אצל תורכיה כבר מזמן. מכל מקום זהו צעד שאינן חזרה ממנו.
4. בינתיים קיימה ארזה מגעים עם שני הצדדים רק בצנורות הדיפלומטיים וקיסרינגר שלח מספר שודים לתורכיה וליוון. עתה אחרי שוב קיסרינגר לוושינגטון יוחלט מה תעשה ארזה.
5. אינן לשלול האפשרות שקליידס יחדש השיחות עם גנקטאש, אם קוראיים היטב הודעת קליידס תרי אמר לא אמר שלא יחזור לשיחות אלא שאינן רואה מטרה בקיום השיחות.
6. מקריס והעתונות הקפריסאית מפרזים בערכ ובמשמעות החמיכה הסוביטית בקפריסין. תוכן ההודעה הסוביטית בעקבות הצעד הזורכי האחרון אינן שונה בהרבה מתוכן הודעותיהן של ארזה ובריטניה.
- איגלטון אינן רואה היכך היא התמיכה הסוביטית עליה מדבר מקריס. העיקול האסטרטגי הסוביטי עתה הנו להזדר מהתבטאויות שתפגענה באפשרות תזליכ שיביא להחלטה בזיקת תורכיה לנאט"ו ובקשריה עם ארזה.
7. הבסיסים האמריקנים ביוון.
1. בשבוע שעבר נערכו באחונה דיונים בין ארזה ליוון בנוגע לבסיסים האמריקנים. השיחות עודנן בשלב מוקדם וסוכמ על מפגש נוסף במרס. יוון רוצה שינוי בתוכן ובצורה של ההסכמים על קיום הבסיסים. ארזה מסכימה כי יש מקום לשינוי משום שההסכמים מיושנים ויתכנן וחלק מהבסיסים מיותרים. אות הבעיות הקשות בדיונים אלו תהיה כאשר יוון תגדיר תביעותיה לגבי מזות השמוש בבסיסים ומטרות השימוש בהם.
- ד. בין תורכיה ליוון.
1. למרות המתיחות החדשה שנוצרה בין תורכיה ליוון אינן להניח שהצעד הזורכי עלול להביא להתלקחות קרבות בין שתיהן. יוון החליטה עקרונית כבר לפני זמן רב שלא תצא למלחמה בגלל קפריסין. הדיחוק הגיאוגרפי של קפריסין מיוון מונע בעדה מלנהל מערכה בקפריסין.
2. מוקד מסוכן יותר למתיחות העלולה להביא למלחמה בין שתיהן הוא הימ האגאי. בינתיים מקובל על תורכיה ויוון להחיא המחלוקת בפני ביהייד

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסיחוק וסודות רשמיים). תשי"ז - 1977 של

משרד החוק

מחלקת הקשר

מברק נכנס - מסווג

-3-

הבינלאומי וכנ מקובל עליהן לנהל מגעים מקדמים בנוגע הפנייה לביהיד הבינלי. יש להניח כי כאשר ידונו ב הדיון גם על מהות הסכסוך. ה. התקייבות תורכיה לערבים.

1. איגלטון רואה המשכ של התגברות במגמת התקרבותה של תורכיה לערבים. הנו מניח שאם לא תבוטל החלטת הקונגרס להפסקת הסיוע הצבאי לתורכיה כי אז מגמה זו תגבר עוד יותר. אמאכנ תוחלל זיקת תורכיה לנאטו תוכ הגבלות על הבסיסים האמריקניים בתורכיה במקביל לפיתוח נטיות לאוריינטציה נייטרליסטית התורכיה, תהיה לכך משמעות המורה למצב במזרח הים התיכון וליכולת הפעולה של ארהב. בהקשר של המצב הנוכחי במזר, זהו העיתוי הגרוע ביותר שיכול להיות.

2. בהקשר זה אמר איגלטון כי איש במחמד לא העלה על נדיו ולא נתבקש לעשות השואת השיבוטה האסטרטגית של תורכיה לעומת יוון עבור ארהב. משום שארהב מיחסת תשיבות ומעונינת בשתייהן גם יחד, אך אם תיעשה השואה כזו ודי ברור כי משקלה של תורכיה גדול יותר מבחינתה האסטרטגית עבור ארהב. תורגמן.

שהח רחם מנכל שרהכט ממנכל דיבון י. רביב מזחיס חקר מצפא רט אמן

צג/דל

1954 - 1955

1954 - 1955

1954 - 1955

Main body of text, appearing to be a list or report with multiple lines of entries.

1954 - 1955

כ(ב) 2/11/41

מברק נכנס - מסווג

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על חוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוק וטודות רשמיות), תשי"ז - 1957.

משרד החוץ

מחלקת הקשר

Handwritten notes and signatures, including a circled '11' and '11/11'.

Handwritten signature.

ס מ ר

מס' 316

נשלח: 211130 פברואר 75

אל: המשרד

מאת: רוטינגסטון

אל: שק.

משיחה עם גורג רוטט מנהל המשרד לעניינם מדיניות צבאיים במחמד המומ עם פורטוגל על עתיד השמוש בבסיסים האמריקאיים באזורים הושעת למעשה. בשל המאבק הפנימי המתמשך על השלטון בפורטוגל אין לארח עם מי לדבר והיא ממחינה עד שיתבהלי אמנם שולט שם.

בכצור

די כאן

שחח רחם מנכל שחבט מ/מגכל שק י רכיב מצפא אירופה ב חוקר רם אמך

צג/כר

1954

1954

1954

1954

ਮੰ: ਪਾਸਟ
ਮਾਮ: 1954

ਸੰ: 1954
ਮਾਮ: 1954

ਮੰ: ਸਦ.
ਸਦੀਕ ਯੋ 1954 1954 ਮੰਦੇ ਪਾਸਟ 1954 1954 1954 1954
ਮਾਮ ਯੋ 1954 1954 1954 1954 1954 1954 1954 1954
1954. ਸਦੇ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਯੋ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ
ਯੋ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ

1954

ਯੋ ਸਦ

ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ ਮਾਮਦਾ
ਮਾਮਦਾ

KUWAIT (AP) -- ARAB COUNTRIES MIGHT STOP OIL SHIPMENTS TO ETHIOPIA

UNLESS IT REACHES A QUICK SETTLEMENT IN ITS WAR AGAINST SECESSIONISTS IN ERITREA PROVINCE, RELIABLE SOURCES SAID THURSDAY.

THE SOURCES EXPECT MORE THAN ONE ARAB STATE TO CALL FOR AN EMERGENCY SESSION OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OPEC) TO CONSIDER A PAN-ARAB OIL EMBARGO.

'SUCH A MOVE IS IN THE CARDS,' ONE KNOWLEDGEABLE SOURCE SAID.

THERE IS INCREASING PUBLIC PRESSURE ON ARAB GOVERNMENTS TO HELP THE ERITREANS WIN THEIR INDEPENDENCE, AND IF A BLOCKADE IS PROPOSED AT AN OPEC MEETING, THERE WILL CERTAINLY BE NO OBJECTION.

A KUWAIT GOVERNMENT SOURCE SAID KUWAIT HAS NOT BEEN A REGULAR SUPPLIER OF OIL TO ETHIOPIA. A SPOKESMAN FOR THE MOSLEM-DOMINATED ERITREAN LIBERATION FRONT SAID IN BEIRUT THAT ETHIOPIA GETS MUCH OF ITS OIL FROM IRAN, A NON-ARAB COUNTRY.

MANY OF OPEC'S 10 MEMBER STATES -- INCLUDING SAUDI ARABIA, LIBYA,

SYRIA AND IRAQ -- GIVE HEAVY ARMS AND FINANCIAL ASSISTANCE TO THE ERITREAN LIBERATION FRONT, WHICH LEADS THE WAR AGAINST THE ETHIOPIAN

ARMY IN THE EAST AFRICAN RED SEA PROVINCE.

KUWAIT'S DEFENSE MINISTER, SHEIKH SAAD EL ABDULLAH, HAS DECLARED

HIS COUNTRY'S 'ALL-OUT SUPPORT' FOR THE ERITREAN REBELLION AND

REITERATED KUWAIT'S PREPAREDNESS TO GIVE FINANCIAL AND MILITARY ASSISTANCE TO THE LIBERATION FRONT.

MEANWHILE, AN SPOKESMAN FOR THE LIBERATION FRONT SAID HERE THAT KING FAISAL OF SAUDI ARABIA AND PRESIDENT ANWAR SADAT OF EGYPT BROUGHT UP THE ERITREAN QUESTION IN THEIR SEPARATE TALKS LAST WEEK WITH U.S. SECRETARY OF STATE HENRY KISSINGER.

KISSINGER WAS ASKED ABOUT THE U.S. POSITION ON THE ERITREAN INDEPENDENCE WAR AND ITS POSSIBLE EFFECTS ON THE RED SEA AREA, WHICH

IS VITAL TO BOTH EGYPT AND SAUDI ARABIA, THE SPOKESMAN SAID.

(MORE)

11346 20 FEB 75

00

R078

R W067 04

KUWAIT -- ARABS-ERITREA 2

KISSINGER WAS NONCOMMITAL IN HIS REPLY, THE SPOKESMAN ADDED,

BUT HE PROMISED TO CLARIFY THE AMERICAN POSITION WHEN HE RETURNS TO THE MIDDLE EAST NEXT MONTH.

ETHIOPIA'S MILITARY GOVERNMENT WAS REPORTED TO HAVE RECENTLY ASKED

THE UNITED STATES FOR AN EMERGENCY AIRLIFT OF AMMUNITION TO REPLENISH IT LOSSES IN THE ERITREA FIGHTING.

OSMAN SALEH SABBI, SECRETARY GENERAL OF LIBERATION FRONT'S POPULAR LIBERATION FORCES, WARNED THURSDAY THE REBELS WOULD STRIKE AT INTERNATIONAL SHIPPING IN THE RED SEA IF THE UNITED STATES

MET THE ETHIOPIAN AIRLIFT REQUEST.

WE DO HOPE THE UNITED STATE WILL STAY NEUTRAL IN THE CURRENT CONFLICT, SABBI SAID IN A PRESS STATEMENT IN BEIRUT. OTHERWISE,

WE WOULD BE FORCED TO TAKE ACTION AGAINST INTERNATIONAL SHIPPING IN THE RED SEA AND ITS BAB EL MANDAB ENTRANCE.

(END)

11366 20 FEB 75

... reached a point where ...

... in the ...

... the ...

... the ...

... the ...

...

...

...

...

...

...

...

Kissinger and His Views

By Victor Zorza

WASHINGTON—In recent days we have been given two totally dissimilar accounts of Henry Kissinger's view of what is going on in the Kremlin.

One account, in *The New York Times*, is generally consistent with Kissinger's concern, expressed privately at various times to senators and others, that the Kremlin in-fighting between the good guys and the bad guys may lead to the victory of the hawks and the defeat of détente.

The other account, in a column appearing in *The Washington Post*, says that Kissinger does not believe there is an all-out leadership struggle between good and bad guys going on in the Kremlin. This is indeed the view now being expressed by Kissinger, who adds that Brezhnev himself took a hard line in ousting Nikita Khrushchev, and then reverted to détente. He also recalls that Khrushchev too at first took a hard line to oust Georgi Malenkov, and then came out for peaceful coexistence. He is not, therefore, unduly concerned about the effect on détente of the present Kremlin "jostling" among those who aspire to succeed Brezhnev.

Political Effect

Will the real Mr. Kissinger ever step forward? He is unlikely to do so, because what he says for publication about the goings on in the Kremlin is calculated for political effect, not for public enlightenment.

When he was trying to mobilize congressional support for détente, and for the concessions which he wanted to make to the Soviet Union on trade and other matters, he was willing to scare his listeners with talk of hawks in the Kremlin. Now that the hawks have prevailed on some issues—such as the repudiation of the trade bill and emigration arrangements—he has to argue that détente is not threatened, because his first concern now is to prevent a chain reaction.

Mr. Kissinger can hardly be criticized for behaving as a politician—his, after all, is what he is. But for real enlightenment one must go to one of the top U.S. academic experts on foreign affairs, who notes in his book that each period of détente in the past has "ended abruptly (by the Kremlin) with a new period of intransigence, which was generally ascribed to a victory of Soviet hardliners."

The Harvard professor who wrote this in 1968 was also called Henry Kissinger. All the three Kissingers were right, each in his own way, but the professor is more right than the others, because his analysis can be supported by factual evidence. What happened in the last two power fights in the Kremlin, first when Khrushchev took over from Malenkov, and then when Brezhnev took over from Khrushchev, was that Moscow's foreign policy became immobilized for a time. This is what could also happen as a result of the struggle for the succession to Brezhnev. The damage to détente, even if temporary, could be serious—and there are some signs already that the "bad guys" in Moscow are straining at the leash.

The latest evidence comes from Moscow broadcasts hinting at domestic opposition to the Vladivostok agreement, which in some ways mirrors the opposition to it in the United States. The agreement became possible only because Brezhnev made what Kissinger has described as "very major concessions"—and because President Ford made equally major concessions which Kissinger does not, of course, admit.

Soviet Opposition

In both countries the concessions made by their leaders have been criticized, in Washington openly by such people as Sen. Jackson, and in Moscow secretly by the military hardliners and their political associates. The Moscow criticism could be gleaned only between the lines, and because these signs are usually difficult to read, few Western experts were willing to attach much importance to it.

But Kissinger himself has provided the key to the Kremlin code. He disclosed that the Soviet Union had at first insisted on having as many nuclear weapons as the United States, Britain and France combined, and that it abandoned this demand in Vladivostok. The new agreement provides for equality in numbers as between the Soviet Union and the United States. The Soviet military have been concerned lest such equality between the superpowers might make it difficult for them to match, in a crisis, the combined nuclear forces of the United States and the others, as well as China.

The Moscow broadcasts now say, in reply to "fears" supposedly expressed in letters sent in by "listeners," that further U.S.-Soviet negotiations will take account of the fact that "several other countries" also possess nuclear weapons. Does this mean that Moscow wants to re-negotiate the Vladivostok agreement? The "listeners" are assured that Soviet security interests will not be neglected. The Kremlin, Moscow radio insists, is not going in for "some sort of unilateral disarmament by our country, as some listeners fear."

The broadcasts—both on radio and on television—use almost exactly the same wording, and are obviously a coordinated propaganda operation. The Kremlin does not usually conduct its struggles on Moscow television, but there have been several occasions in the past when an analysis of the Soviet propaganda output provided clues to the issues in dispute in the Politburo.

Provide a Warning

The Moscow broadcasts now provide a warning that new difficulties may arise in translating the Vladivostok agreement into treaty form in time for Brezhnev's spring visit to Washington—if indeed he is in a position to make the trip. There are problems on the U.S. side, too, on how to make sure that the Russians are indeed observing the agreement.

On both sides these problems now loom larger because of uncertainty about Brezhnev's future—just as last year the uncertainty about President Nixon's future prevented any real progress on SALT during the Moscow summit. Mr. Kissinger goes on making brave noises now, as he did then, but SALT is in danger, at least in the short term, and so is the whole structure of his foreign policy, which relied so much on the linkage between SALT, trade, emigration, and the like.

For the long term the prospect is indeed good as this column has argued in the past—but in the long term we are all dead.

For the long term the prospect is indeed good as this column has argued in the past—but in the long term we are all dead.

:5A

גר: 1530/236/20.02.75

אוריאל גל/אוריאל גל
ספא באסצעורן סימזך מקהיר

(שולח)

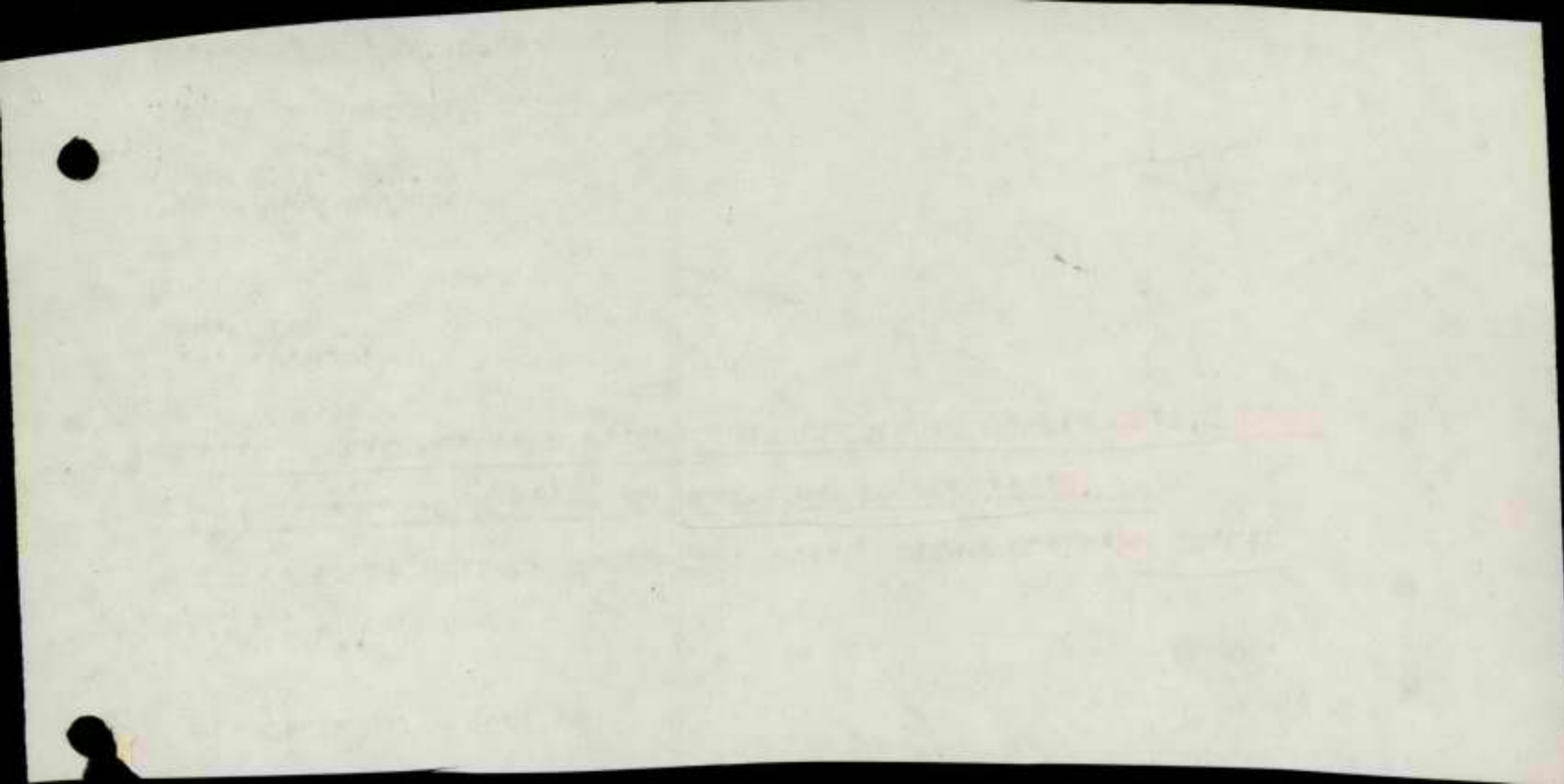
גר: 1530/236/20.2.75
הקפוקפוקפוקפוקפוקפוק

ה/ה

ה

אוריאל גל
הקפוקפוקפוקפוק

החזיק לשודור אוריאל גל על התפוז הבין, ל בים
החזיק לשודור אוריאל גל על התפוז הבין, ל בים
החזיק לשודור אוריאל גל על התפוז הבין, ל בים
החזיק לשודור אוריאל גל על התפוז הבין, ל בים
החזיק לשודור אוריאל גל על התפוז הבין, ל בים
בי 20 פבר, ..



נר: 20.02.75 / 636 / 1871

מקור: ס י . ע

א/י 47

רזק: 20.02.75 / 1245

הנדון: נפש י מרצ // אזהוד שר הנפש של הנסיכויות לחדור הנפש

שר הנפש של הנסיכויות י אלעריסה הזהיר אך חסדור הנפש מאכו ט, כי-
שהקטינו אך דרפוקה כ י 66 אחו י מפני המשך הקטנ דרפוקה.
השר אשר- שהחבר גורמ לנוקטמ כלכליים גדולים- לא רפ למדינ
הנסיכויות- אלא גם לרפקיד שהיא ממלאך כלפי מדינוך העימוך.

סוף פנינה מיכה 201455

משרד הפנים

212/16

R079
R W071 04

OIL PRICES

KUWAIT (AP) -- THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES WILL CONSIDER TWO PROPOSALS TO STOP CALCULATING INTERNATIONAL OIL PRICES IN DOLLARS AT ITS MEETING IN VIENNA NEXT WEEK, A HIGH-RANKING_G

KUWAIT OIL OFFICIAL REPORTED THURSDAY.

THE SOURCE SAID THE OPEC OIL MINISTERS AT THEIR MEETING FEB. 27-29 WOULD CONSIDER A WORKING PAPER CONTAINING:

1. A KUWAIT PROPOSAL TO CALCULATE OIL PRICES ACCORDING TO AN EQUATION RELATING THE DOLLAR WITH THE FIVE MAJOR WEST EUROPEAN CURRENCIS AND THE JAPANESE YEN.

2. A PROPOSAL BY ALGERIA AND IRAQ THAT THE DOLLAR BE DROPPED AND ANOTHER UNSPECIFIED CURRENCY BE USED TO CALCULATE OIL PRICES.

BOTH PROPOSALS ARE IN RESPONSE TO RECENT DROPS IN THE VALUE OF THE_H
E

DOLLAR IN RELATION TO OTHER CURRENCIES, IN EFFECT LOWERING THE PRICE OF OIL BY REDUCING THE PURCHASING POWER OF THE OIL COUNTRIES' REVENUES, THE SOURCE SAID.

THE WORKING PAPER ALSO INCLUDES THE PROPOSAL IRAN HAS BEEN PUSHING_N
G

FOR MONTHS TO LINK OIL PRICES AUTOMATICALLY TO THE INTERNATIONAL RATE
IEE : . .

IRAN, THE SECOND LARGEST PRODUCER IN OPEC, CUT ITS CURRENCY LOOSE FROM THE DOLLAR LAST WEEK AND PEGGED IT TO THE INTERNATIONAL MONETARY FUND'S SPECIAL DRAWING RIGHTS. BUT THE IRANIANS SAID NOTHING THEN ABOUT NOT ACCEPTING DOLLARS FOR THEIR OIL.

(END)

...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...

...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...

...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...
...the ... of the ...

212216

TAPLINE

BEIRUT, LEBANON (AP) -- TAPLINE, THE AMERICAN-OWNED PIPELINE THAT BRINGS SAUDI ARABIAN OIL TO THE MEDITERRANEAN, IS THE LATEST CASUALTY OF THE INTERNATIONAL OIL SURPLUS.

THE TRANS-ARABIAN PIPELINE CO. ANNOUNCED WEDNESDAY THAT IT STOPPED

PUMPING SAUDI CRUDE OIL TO ITS TERMINAL AT ZAHRANI, 35 MILES SOUTH OF BEIRUT, ON FEB. 9 BECAUSE IT HAS NO CONTRACTS TO SHIP FROM THERE FOR THE NEXT SIX MONTHS.

TANKER SHIPPING FROM THE PERSIAN GULF IS 2 DOLLARS A BARREL LOWER

THAN MEDITERRANEAN SHIPPING COSTS, A COMPANY SPOKESMAN SAID, AND THERE IS NOT EVEN ENOUGH DEMAND TO KEEP ALL THE TANKER FLEETS OPERATING.

THE 30-INCH PIPELINE NORMALLY CARRIES AN AVERAGE OF 450,000 BARRELS A DAY, THE SPOKESMAN SAID, BUT BY EARLY FEBRUARY ONLY 50,000

BARRELS A DAY WAS BEING PUMPED. HE SAID 3.5 MILLION BARRELS OF CRUDE OIL ARE IN THE STORAGE TANKS AT ZAHRANI. THIS WILL PROVIDE A SIX-MONTH SUPPLY OF CRUDE OIL FOR THE TAPLINE REFINERY AT ZAHRANI, WHICH SUPPLIES 35-40 PER CENT OF THE PETROLEUM PRODUCTS LEBANON NEEDS.

"WE HOPE THE SITUATION WILL CHANGE IN THE NEXT SIX MONTHS AND TAPLINE WILL RESUME NORMAL OPERATIONS," THE SPOKESMAN SAID.

HAVE RUN INTO SIMILAR MARKETING DIFFICULTIES IN THE PAST ALTHOUGH THEY WERE ALL MUCH LESS SERIOUS.

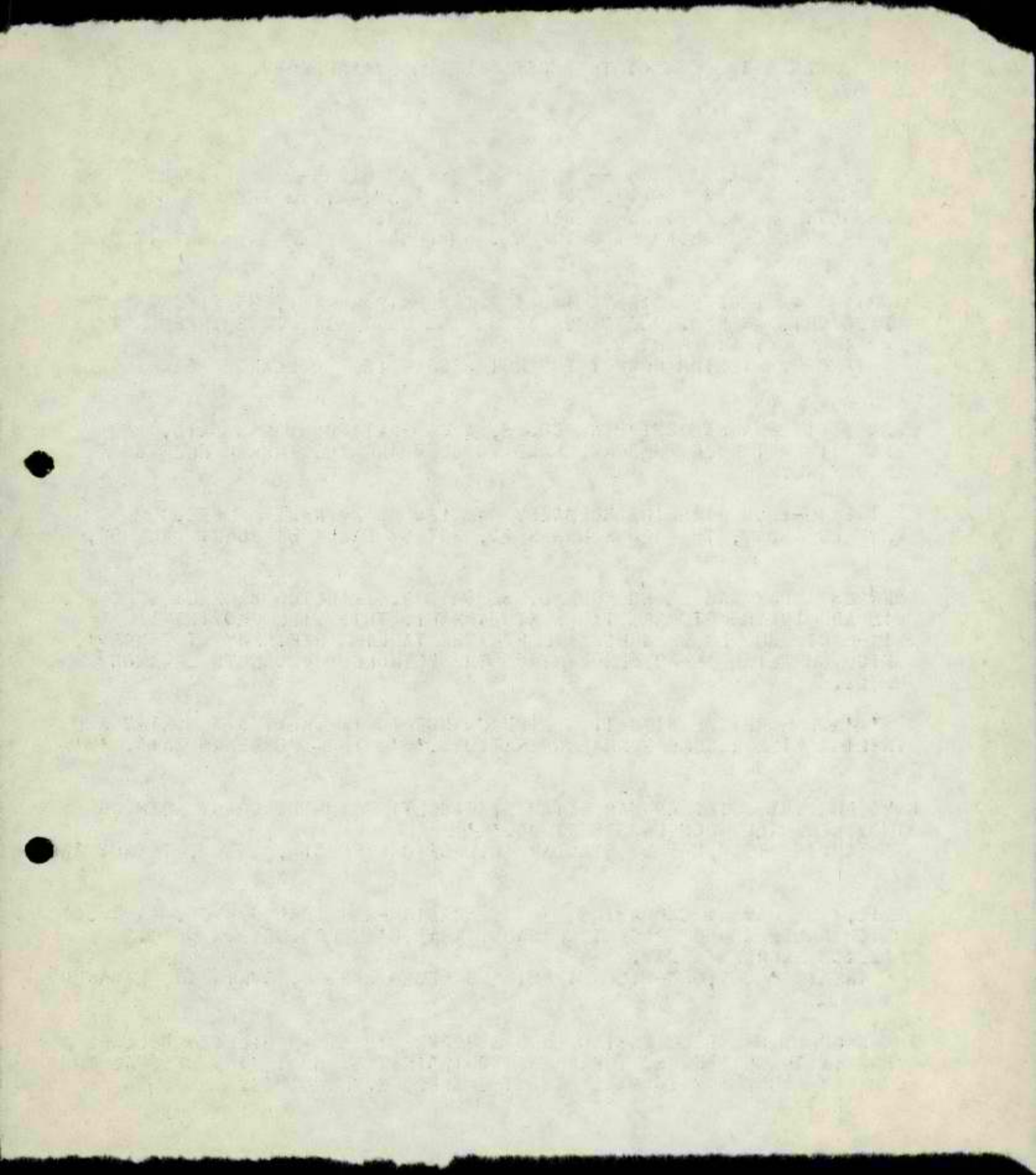
TAPLINE IS OWNED BY STANDARD OIL OF CALIFORNIA, EXXON, TEXACO AND

MOBIL, THE PARENT COMPANIES OF THE ARABIAN-AMERICAN OIL CO. (ARAMCO) WHICH HANDLES 95 PER CENT OF SAUDI ARABIA'S PRODUCTION OF 8.2 MILLION BARRELS A DAY.

TAPLINE'S 1,000-MILE PIPELINE CROSSES JORDAN, SYRIA AND LEBANON

THE COMPANY HAS BEEN PAYING EACH GOVERNMENT 8 TO 9 MILLION DOLLARS A YEAR IN TRANSIT FEES. THERE WAS NO INDICATION WHAT KIND OF DEAL THE COMPANY WOULD TRY TO MAKE WITH THE THREE GOVERNMENTS.

(END)



N.Y. Post

Handwritten notes at top right.

Kissinger Chats With Giscard

From Combined Services

PARIS — Secretary of State Kissinger and French President Valery Giscard d'Estaing conferred for more than an hour over breakfast today before Kissinger headed home to Washington.

Kissinger told reporters he had told Giscard of "the prospects of the steps toward peace in the Middle East," and they had discussed preparations for the conference between the oil-exporting and oil-consuming nations.

Asked if the U. S. would attend the preparatory meeting for the conference, Kissinger replied: "I think good progress has been made in that direction."

United Consumer Stand

France wants to hold the preparatory meetings in Paris late in March. The U. S. has insisted that the consumer nations agree on a united stand before going into any meeting with the producers, and intensive negotiations have been taking place in the International Energy Agency to try to reach agreement on a program.

The Secretary of State walked to the Elysee Palace from the American Ambassador's residence nearby where he spent the night after dinner talks with Foreign Minister Jean Sauvagnargues.

Office workers and passersby on the fashionable Faubourg St. Honore applauded as Kissinger made his way through a crowd of reporters and photographers.

Winding up a 10-day swing around the Middle East and Western Europe, Kissinger flew to Paris yesterday afternoon after

lunch in Zurich with the Shah of Iran.

The Shah said if Israel re-Giscard at lunch Monday, assured Kissinger that Iran would continue to sell oil to Israel despite its support for the Arab cause.

The shah said if Israel returns the Abu Rudeis oil fields to Egypt as part of the new agreement Kissinger hopes to negotiate, Iran would make up Israel's oil deficiency.

Iran was Israel's chief supplier of oil before it captured the oil fields from the Sinai in the 1967 Arab-Israeli war. The Israelis now pump about 90,000 barrels a day from Abu Rudeis, enough for about 55 per cent of their needs. Iran supplies the rest.

A 'Commercial Transaction'

"We have never really boycotted any country," the Shah told reporters accompanying Kissinger. "We think that politics and commerce are separate.

"Once the tankers are loaded, we don't mind where the oil goes. It is purely a commercial transaction for us."

U. S. officials said Kissinger

By Number

WASHINGTON (AP) — Senate Republican Leader Hugh Scott says it would save considerable confusion if the Democratic presidential candidates were assigned numbers.

He told the Senate yesterday this would enable the growing list of candidates to be more readily identified by the public "as they are not well known by name."

er is planning to make a study of other guarantees that the United States could give Israel if it agrees to another withdrawal from Egyptian territory.

The shah also reaffirmed that Iran would not take part in any future oil embargo against the West just as it abstained from the Arab embargo during the 1973 war. He added that an embargo "would not work any more because of the tremendous" oil stocks amassed in the West.

Adlai Rips Kissinger

CHICAGO (AP)—Sen. Adlai E. Stevenson 3d says there is growing concern in the executive branch and among both Republicans and Democrats in Congress regarding Secretary of State Kissinger's foreign policy-making.

In an interview yesterday, Stevenson described Kissinger's methods as "egocentric" and damaging to the country's stature.

"It's partly because of mistakes in the past but very largely because judgments are not based on any careful analysis, any understanding of history or any input from the institutions of government that are supposed to be involved in formulating policy," Stevenson said.

Amputee Due Home

TEL AVIV (AP)—A Florida high school student who lost her right leg after being wounded in a grenade attack on a busload of Christmas pilgrims left for home today vowing to return to Israel.

DeJean Replogle, 17, of Jacksonville was wounded three days before Christmas when an Arab terrorist threw a grenade at a tourist bus outside Jerusalem. Israeli surgeons had to amputate her right leg.

Miss Replogle seemed overcome with emotion as she was carried aboard the air-

craft on a stretcher and did not talk to reporters.

Earlier she told an ambulance driver: "I am happy to go back home, but I promise I will be here again."

She was accompanied on the El Al flight to New York by her parents, who escaped injury on the bus along with 14 other pilgrims.

Officials said Miss Replogle would be hospitalized in Jacksonville for further treatment.

The Israeli government paid her medical bills and her flight home.

Israel Returns UNESCO Aid

JERUSALEM (AP) — Israel has returned a \$3000 check to the U. N. Educational, Scientific, and Cultural Organization (UNESCO) to protest its recent anti-Israel resolutions, the government announced yesterday.

The check had been sent to help pay for the International Pen Congress of writers held in Jerusalem last month.

An Israeli Remembers Kissinger

JERUSALEM (AP) — Secretary of State Kissinger's phenomenal memory for details helped secure last year's disengagement pact between Israel and Syria, says Israeli Chief of Staff Lt. Gen. Mordechai Gur.

Gur told the Jerusalem Press Club yesterday that when Kissinger was negotiating between the two countries last May for an Israeli withdrawal around the captured Syrian town of Quneitra, Kissinger kept in his head:

"Every house in Quneitra and every hill, and whether it is 50 acres or 60 acres of land, and exactly where villages are divided in half by the lines, and how many people live in each village and even in each building we were talking about."

Saudi Arabia Aids UNESCO

BEIRUT, (AP)—Saudi Arabia has donated \$1 million to UNESCO to finance educational programs in seven African nations, the Saudi state radio reported.

He Warns U. S. Of Arms Shortfall

LANSING, Mich. (AP) — The national commander of the American Legion says the U. S. might have a tough problem if it had to wage a land war in the next two years.

James Wagonseller said yesterday that Congress had depleted the nation's tanks and weapons stockpile by resupplying the Israeli Army after the last Mideast war to maintain a balance of power in the Mideast.

He said Congressmen who voted to aid Israel should also act quickly to resupply the U. S. Army.

Handwritten notes on the right side of the page.

בלכלה נפט ויחסים בינל

1. בייסולאג וויסיי כתבתם הנרחבת של קוקסדג וריגווי על הדשימה
תחורה הערבית והבנקים היהודים. מהגישים דברי אחד הכנקאים: זהו
מצב הדומה למינכנ. אמ הערבים יצליחו בכך המצב יירע.

19.2.75

אנה'ג/א/נגי:



...
...
...
...
...

09598 19 FEB 75

WIPEN

22

RD6J
D 0339 04

KISSINGER

PARIS (AP) -- U.S. SECRETARY OF STATE HENRY A. KISSINGER AND PRESIDENT VALERY GISCARD D'ESTAING CONFERRED FOR MORE THAN AN HOUR OVER BREAKFAST WEDNESDAY BEFORE KISSINGER FLEW HOME TO WASHINGTON.

KISSINGER TOLD REPORTERS HE REPORTED ON 'a' THE PROSPECTS OF THE STEPS TOWARD PEACE IN THE MIDDLE EAST, 'a' AND THEY DISCUSSED PREPARATIONS FOR THE CONFERENCE BETWEEN THE OIL-EXPORTING AND OIL-CONSUMING NATIONS.

ASKED IF THE UNITED STATES WOULD ATTEND THE PREPARATORY MEETING FOR THE CONFERENCE, KISSINGER REPLIED: 'a' I THINK GOOD PROGRESS HAS

BEEN MADE IN THAT DIRECTION. 'a'

FRANCE WANTS TO HOLD THE PREPARATORY MEETING IN PARIS LATE IN MARCH. THE UNITED STATES HAS INSISTED THAT THE CONSUMER NATIONS AGREE ON A UNITED STAND BEFORE GOING INTO ANY MEETING WITH THE PRODUCERS, AND INTENSIVE NEGOTIATIONS HAVE BEEN TAKING PLACE IN THE INTERNATIONAL ENERGY AGENCY TO TRY TO REACH AGREEMENT ON A PROGRAM.

(END)

1/2

משרד הנכס - מסווג

משרד החוק

מחלקת הקשר

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחס-חוק וסודות רשמיים), תשי"ז - 1957.

(Handwritten signature/initials)

Handwritten signature/initials

סודי ביותר

מס: 283

נשלח: 191900 פבר 75

אל: המשרד

מאת: רוטינגטון

אל: ורד.

סיוע אמריקני לתורכיה.

א. עוזרו של סנטור איגלטון שאלני כיוזמתו לדעתנו על מניעת הסיוע מתורכיה. בחשובתי ציינתי חשיבות תורכיה למערב ולנו והצורכ למנוע גלישתה לחשפעה סובייטית ו/או ערבית קיצונית.

ב. הובהר לממונה התורכי כאנ שאינ הקונגרס רוצה בניית תורכיה מהמערב ונאטו או ביצירת משבר בין הצדדים וכי קרע כזה נוגד את אינטרסי תורכיה. מחמד מצידה נתבקשה לחדול מלהצהיר שפעולת הקונגרס תביא לפרישת תורכיה מנאטו משום שהתורכים מפרשים זאת כאיתות לממתורכיה לנקוט בצעדים בכוונ זה כדי לסייע לממשל להתגבר על הקונגרס. גם איגלטון רוזנטל וחבריהם נמנעים במכוונ מהצהרות בנושא זה כדי לא להחריף את המצב.

ג. אינ חבדי קונגרס הנל תובעים מתורכיה לשנות את תפיסתה הבסיסית לגבי פתרון בעית קפריסין וצורת המשטר באי, אלא רק שתעשה צעדים פיזיים בקפריסין כמו פינוי שטח מסויים שכבשו והחזרת פליטים יווניים לשטח זה, ובכך יוכיחו רצונ טוב שיצדיק פשרה וחידוש הסיוע.

ד. עיקר דאגתם של חברי הקונגרס היא כיצד למנוע תגובה ודיפה מצד היוונים במקרה של חידוש הסיוע, כמו סגירתם הסופית של נמלי יוון בפני הצי האמריקני וכיו"ב.

ה. החכמה התורכית האחרונה בקפריסין סיככה את המצב וחברי הקונגרס ממתינים לגמר הדיון במועביט על קפריסין ולחריגת הדוחות כדי לנסות להביא פעולתם לידי תוצאה מעשית.

ו. עוזרו של איגלטון אומר שהם אופטימיים לגבי התגובה התורכית לתאמצי הפשרה שלהם וכי התורכים מבינים שניתוק מהמערב ופנייה

משרד החוץ

מחלקת הקשר

מ.ר.ק נכנס - מסווג

כל המוסד תוכן מסמך זה, כולו
או מקצתו לאדם שאינו מוסמך
לכך - עובר על החוק לתיקון
דיני העונשין (בטחון המדינה
יחסי-חוץ וסודות רשמיים).
תשי"ז - 1957.

סודי ביותר

-2-

לעבר בריהם נוגדת את אינטרסי תורכיה הבסיסיים.
ז. נתבקשתי בכל לשון לשמור המידע הנל לידיעתנו בלבד.

אנא.

רפ"ה=

עד כאן=

שחח רחמ מנכל ממנכל דיבון י. רביב דפני/מצפא ורד/מזחיס חקר רט

תא/דא

SECRET - TOP SECRET

SECRET - TOP SECRET
This document contains information of a classified nature and is to be controlled in accordance with the provisions of the Atomic Energy Act, 1954 and the Atomic Energy (Control) Regulations, 1954.

SECRET - TOP SECRET

-3-

SECRET - TOP SECRET
This document contains information of a classified nature and is to be controlled in accordance with the provisions of the Atomic Energy Act, 1954 and the Atomic Energy (Control) Regulations, 1954.

SECRET - TOP SECRET

SECRET - TOP SECRET

SECRET - TOP SECRET
This document contains information of a classified nature and is to be controlled in accordance with the provisions of the Atomic Energy Act, 1954 and the Atomic Energy (Control) Regulations, 1954.

משרד החוץ

מחלקת הקשר

מברק נכנס - מסווג

כ"ה כסלו 3144

כל המוסר תוכנו מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסיחוץ וסודות רשמיים). תשי"ז - 1957.

אל: המשרד

מאת: רוש'נגטבג

מס' 271

ס ו ד י

נשלח: 191000: פבר 75

Handwritten marks and signature

מאפ. המרכז

דע: סופר ניו יורק.

אתיופיה.

לזמן שיחה עם

HORAN

הממונה על אפריקה במועצה לבטחון לאומי

(2-18).

1. ארחב משיכה לתמוך עקרונות ומעשיית בשמירת אחדות אתיופיה. ברור לערבב כי מדינה ארית'אית עצמאית, תהיה רדיקלית ותגרום למצב חדש בימ סופ. לכך תהיה השלכה ישירה לא רק על הספסוכ במזהה אלא גם על כל מזרח אפריקה משום שהצלחת המורדים בארית'אה עלולה להביא להתפרקות אתיופיה. 2. מאד ונומי'ירי מבינ כי התהליכ לא יסתיים בהנתקות ארית'אה כלכד וזינו בטוח שבמרוצת התהליכ לא תיפגע גם סודאן וד יהו פועל בכנות להשגת פשרה. מכל מקום, נומי'ירי ענינ ואינטרס גדולים יותר מכל שליט ערבי אוד בהשגת פשרה בארית'אה. לפי שעה לא ברור מה יצא מהצעת התיווכ שלו.

3. מבחינת ארחב שאלת מפתח היא אם הצבא האתיופי מסוגל בתנאים כלשהם סוגיע לידי הסיעה צבאית. ההפוגה שחלה בקרבות בחמשת הימים האחרונים מטפלת כנראה יותר את מגמת המורדים להתארגנות ולהערכות לקראת תקיפות חדשות מאשר את הצלחות הצבא להכותם.

4. אספקת הנשק מארחב לאתיופיה נמשכת במסגרת הסיוע הצבאי בסכ 22 מליונ דולר לשנה התקציבית הנוכחית וזאת אודי הוסקה מסוימת. השיקול האמריקני היה כי למרות כל ההסתייגויות מצביונ המסטר וחוסר הבחירות לגבי דמותו בעתיד הדי לאור האלטרנטיבה של ארית'אה עצמאית יש לתמוך באתיופיה. רק לקראת סופ השבוע האחרון הגישה אתיופיה בקשהת סיוע צבאי נוספ גדולה יותר. שהח קיפלה קיימ שיחות אינטנסיביות בנושא זה במחמד ובפנטגון. הנקשה נמצאת בעיונ.

תורגמן

שהח דהמ שהבט מביל ממכל י רביב המועבי מאי מזתיס הקר דיס אמנ תא/מח

1940

1940

1940

1940

1940

1940

1940



1940

1940

17.2.75

א/כ/ל

טייטס כתבה נרחבת של דניאל יארג'ן בכוחות "הפדיון צבאי". כותרת משנה "אפשר ללחוצ במישרים שונים על

לפני שנחשוב על הכלת נ"תג למחשבה" (ראה כתבת מייילס

אבי יוארמ'סיי ממאיס 1976 שהועברה בדיפ). מציין כי

ישם עשויים להניח עמה כי המזחת כבר נתונ לפיקוחו של כח עויינ.

הגה (1)
6 באוגוסט
לני

משרד החוץ

נכנס

-2-

מנהל מלחמה מוגבלת נגד הכלכלה האמ'יקנית וכלכלת העולם.
ירווחת העולם ומט'כ'י תלויה בנפט יותר משתלויה רווחת עמי
בריאות הכלכלית של המט'כ'י. (יועבר במלואו בדיפ).

URGENT

ETHIOPIA-U.S.

BY ANDREW TORCHIA

ADDIS ABABA, ETHIOPIA (AP) -- ETHIOPIA'S MILITARY GOVERNMENT HAS

ASKED THE UNITED STATES FOR AN EMERGENCY AIRLIFT OF AMMUNITION TO REPLACE BULLETS FIRED AGAINST ERITREAN GUERRILLAS, RELIABLE ETHIOPIAN SOURCES REPORTED MONDAY.

THE SOURCES, BOTH INSIDE AND OUTSIDE THE ETHIOPIAN GOVERNMENT, SAID THEY EXPECTED THE REQUEST TO BE REFERRED TO SECRETARY OF STATE HENRY A. KISSINGER FOR A DECISION THAT COULD CHANGE THE COURSE OF U.S. RELATIONS WITH ETHIOPIA.

SUPPLYING THE AMMUNITION WOULD INDIRECTLY PUT THE UNITED STATES I
N

OPPOSITION TO SYRIA, ONE OF THE LEFTIST ARAB COUNTRIES THAT SUPPLIES THE ERITREAN REBELS AND ALSO ONE OF THE COUNTRIES THAT KISSINGER HOPES EVENTUALLY TO BRING INTO A PEACE AGREEMENT WITH ISRAEL.

REFUSAL TO FILL THE REQUEST MIGHT CAUSE A BREAK BETWEEN THE UNITED
D

STATES AND ETHIOPIA, WHICH UNDER FORMER EMPEROR HAILE SELASSIE WAS A STAUNCH ALLY OF THE UNITED STATES AND A WEST-LEANING BASTION AGAINST

INCREASING SOVIET AND CHINESE INFLUENCE IN NORTHEASTERN AFRICA.

PARKER WYMAN, THE AMERICAN CHARGE D'AFFAIRES, DECLINED TO COMMENT
T

COMMENT FROM THE RULING MILITARY COUNCIL WAS ALSO NOT AVAILABLE.

RUMORS THAT THE GOVERNMENT WAS GOING TO ASK THE UNITED STATES FOR

MILITARY SUPPLIES TO BE USED AGAINST THE MUSLEM AND MARXIST REBELS IN ERITREA, ETHIOPIA'S NORTHERN PROVINCE, HAVE CIRCULATED FOR WEEKS

IN ADDIS ABABA.

ADDIS ABABA - ETHIOPIA-U.S. 2

THE SOURCES SAID THE GOVERNMENT OFFERED LAST WEEK TO PAY UP TO 30

MILLION DOLLARS IN CASH FOR AMMUNITION, INCLUDING MACHINE-GUN AMMUNITION FOR THE AIR FORCE'S AMERICAN JETS THAT HAVE BEEN STRAFIN
G

THE ERITREAN GUERRILLAS AND THEIR VILLAGES, AND SUBMACHINE-GUN AND RIFLE BULLETS.

THE DOLLAR VALUE OF THE REQUEST IS A THIRD GREATER THAN ALL U.S. MILITARY AID AND SALES TO ETHIOPIA IN 1974. THEY TOTALED 22.3 MILLION DOLLARS, ABOUT TWICE THE RECENT ANNUAL LEVEL.

THE U.S. GOVERNMENT PUT ITS AID PROGRAM UNDER REVIEW AND IN EFFECT
T

SUSPENDED IT LAST NOVEMBER AFTER THE MILITARY COUNCIL SHOT 60 FORMER GOVERNMENT LEADERS WITHOUT TRIAL INCLUDING THE MILITARY CHAIRMAN GEN. AMAN ANDOM.

(END)

13316 17 FEB 75

בבולטימור סאג כתבת מי יקל פרקט מתארת חמסע שמנהלת ברי'הם, בשדורי
ודדיו ובמגעים די פלוטטים פריטיים לשכנע מפיקות הנפט להשקיע
רווחי הנפט בפיתוח ארצותיהם ובמלחמה בישראל עי'ם לגרום להתמוטטות
כלכלת המערב האימפריאליזם והציונות.

בבולטימור סאג כתבת מאלופ (עתונאי בעל קשרים נרחבים עם משרד המסוד
הטובי'טי בארצות ומחלקת המסוד של ארצות) שבעקבות עסקות נשק, מכונניות
ועוד עם הערבים זורמים רווחי נפט ערביים לברי'הם בכמות כזו שהיא אינה
נזקקת עוד כבעבר לקשרי סוד עם ארצות, ויש אפשרות שאם תוותר על האשראי
שארצות אשרה לה.

בבולטימור סאג (מתמול) מאמר מערכת המוקיע את הודים הערבי וקובע
שעתה הוא הזמן ללמד את מדינות הנפט שכיסן התנפח, שלא תוכלנה
לזכות תנאים מבישים עי' אי כניעה לתנאים אלו.

~~הרב~~
הרב / ה'ה' / ה'ה'
הרב / ה'ה' / ה'ה'

16.02.75 / 936 / 1499

מספר: סימון מקהיד

314

תאריך: 16.02.75 / 1915

הנדון: פטריס // משקיפים על פגישת קיסטינג, ר. י. גרומסקו.

לדעת המשקיפים בג, נבה- בפגישתו עם גרומסקו וכן בפגישותיו עם אנשי אים
 גרמניים והצפוניים רוצה קיסטינג, ר. לדמו על רצינותו ונסיגותיו למצוא
 פתרון לבעיית המזה, ר. זאך ע. י. העמך כל הצדדים הנוגעים
 ישירות לבעיה דוגמת כריה, ס- ואלה שיש להם עניין בה- דוגמת
 מדינות אירופה המערבית- על המצב ביחס לפעוכם, זאך כדי
 ששום עמדה אינדיבידואלית לא תגורם כלשהו ל אן שפיע על הנסיונות
 המנהלים באלב הנוכחי או בשלב הבא במרץ 75.

א.ל.
ע.

3/4
5



Handwritten signature or initials at the top right of the page.

המשרד יר

Handwritten blue ink notes: "א/ג" and "ב."

בלמס
להלן

מסך : ח צ ב

גרו: 1494 / 836 / 16.02.75

סקור: רדיו קהיר

רזק: 1445 / 16.02.75

+++++

הגרונו מזה, ר // על השיחו ה הצפויוך בין קיסינג, ר וגרוסיקו ועל השיחוך שניהל קיסינג, ר במזה, ר.

פרטנ רדיו קהיר אומר- כי שיחוך קיסינג, ר גרוסיקו יעסקו כהתפרחויווך המצב במזה, ר. לדברי הפרטנ נזכער השיכוך השיחוך מככ שקנ מרנהלכוך בין שרי החוצ של שרי המעטמוך ומככ שהנ באוך מרוכ המגעים האחרונים שניהל קיסינג, ר עם הצדדים בטכסוכ- כמו כנ באוך שיחוך אלה בשלכ קריטי ביהס לאפרויווך והתפרחויווך הכאוך במזה, ר.

הפרטנ מוסיף- כי אם רוצים להעריכ אך רוצאוך מגעיו של קיסינג, ר עם הצדדים הטוכסוכים - בהערכה עטרונגין- לשכוע אך העוכדוך הכאוך:

א. קיסינג, ר הביע אופטימיוך זהירה ביהס להתקדמוך בהסדר המצב, הסקורוך המקורבים אליו אמרו כי רוצאוך מגעיו מעודדים אורו- לשכוע ולכער באזור כמתצין דראונוה של חודש מרצ 75- וכי המגעים הכאים יהיו קשים ועדיגים.

ב. עמדך מצרים- סוריה ושאר מדינוך ערב שכועה על בסיס הצורכ בהסכמה של ישראל- באופן עטרונגין- לסגך בשלוש החזיקוין- ולשרפ אך הפלסט, בכל מו, מ הסטור בגורלם וערידם- וכי שיחוךין של קיסינג, ר כקחיר וכדמסס התנהלו על בסיס ברור זה.

ג. מצרים- סוריה ושאר מדינוך ערב איננ רואוך בכל הצעדים או האמצעים המוסקמים קחלים לועידך ג, נבנה שעליה לשפל כבעיה בצורה מקיפה- בטטה להאכין שלום צודק ובר קיימא באזור.

ד. מצרים- סוריה ושאר מדינוך ערב משריכוך אך פעילוונ כמצב הנוכחי- על סמכ העוכדה שהמצב אינו סוכל עוד דחיה או סוכך מצד ישראל- וזאך מסומ שמצרים סוריה ושאר מדינוך ערב דוחוך כל כל נסיונ לחספיא אך המצב לאור הסכנוך שצופנ המצב כחוכו- ביהס לשלום באזור - וכי העמדה העריכין ברורה מאוד ומכריעה ואינה גירנך לכל התמטחוך.

הפרטנ מציין- גי הידיעוך מסרו כי שיחוך גרוסיקו קיסינג, ר [דרכזנה כעניין השקדמוך הפלסטטטנאים בויעידך ג, נבנה - וכי העמדה האמריק, - ביהס לנקודה זו- אינה ברורה עדיין די צרכה- אמ כי גירנ לאמר- כי הצד האמריק, יודע שהשקדמוך הפלסטט, הוא קנאין עטרונגין כדי להשיג התקדמוך מסמעריןך כל שהיא לגבי הפרוונ- אולם ביהס לכריה, מ- מוסימוך הידיעוך- הרי שכרז, נייכ החחיר- כי עמד כריה, מ היא הצורכ לשפ אך הפלסטט, כג, נבנה.

בסיס מציין הפרטנ- כי השכועוך הכאים כפי שמצביעים על ככ הראיונ והסימנים ערידים להיוך מכריעים בנוגע להתפרחויווך מסכר המזה, ר.

2311G 16 FEB 75

MANN / 2171

02

R231
D 1515 33

TURKEY-U.S.

NEW YORK (AP)--TURKEY IS DRAWING UP PLANS FOR CLOSING SOME OR ALL VITAL AMERICAN BASES IN REPRISAL FOR THE U.S. ARMS CUTOFF AND IT FIRMLY INTENDS TO HOLD ONTO 35 TO 40 PER CENT OF THE TERRITORY OF CYPRUS.

FOREIGN MINISTER MELIH ESENBEL LISTED THESE POINTS IN HIS COUNTRY'S NEW 'HARD LINE' AND EVEN ACCUSED THE UNITED STATES

'BETRAYAL' IN AN INTERVIEW PUBLISHED SUNDAY IN NEWSWEEK. HE AD

THAT THE RECENT CREATION OF A TURKISH-CYPRIOT FEDERATED STATE IS 'AN IRREVOCABLE DECISION.'

ESENBEL CLAIMED THE GREEKS FIGURED TURKEY WOULD 'CAVE IN'

CYPRUS AND OTHER ISSUES BETWEEN THE FEUDING NATIONS WHEN THE U.S. CONGRESS CUT OFF ITS MILITARY AID. INSTEAD, HE SAID, IT CAUSED TURKISH HARDENING AND ADDED:

'LET ME SAY THAT AMERICAN AID IS NO FAVOR. FOR 90 MILLION DOLLARS--A PALTRY SUM BY PRESENT DAY STANDARDS--THE U.S. AND THE NORTH ATLANTIC TREATY ALLIANCE (NATO) ARE GETTING ONE OF THE BEST SECURITY BARGAINS IN THE WORLD ... TURKEY CONTROLS THE VITAL DARDANELLES EXIT FROM THE BLACK SEA AND HAS PERMITTED THE INSTALLATION OF 20 AMERICAN EARLY-WARNING, LISTENING AND TRACKING STATIONS (WHICH COLLECT INFORMATION ON THE SOUTHERN SOVIET UNION AND

THE ENTIRE MIDEAST AREA). EITHER SOME U.S. CONGRESSMEN HAVE NOT BEEN PROPERLY BRIEFED OR THEY HAVE DONE SOMETHING IRRESPONSIBLE THAT HAS JEOPARDIZED THE DEFENSE POSTURE OF THE ENTIRE WESTERN ALLIANCE.'

(MORE)

2398G 16 FEB 75

ALAN/SHK

02

R230
D 213 33

NEW YORK -- TURKEY-U.S. 2 (W515)

ESENBEL SAID HIS THREAT TO CLOSE DOWN AMERICAN-NATO BASES WAS 'NO
NO

BLUFF. 'HE' ASKED IF THE U.S. AID MISSION IN TURKEY WOULD BE ASKED TO
LEAVE, HE WAS QUOTED:

'HE' THAT WILL BE PART OF IT, BUT THERE WILL ALSO BE ACTION TO CL
E S

DOWN JOINT FACILITIES. IF THERE IS NO U.S. AID THERE IS NO REASON
FOR A U.S. AID MISSION'S PRESENCE. 'HE'

'HE' IT IS NOT ON OUR AGENDA, 'HE' THE FOREIGN MINISTER REPLIED WHE
N

ASKED IF TURKEY WAS THINKING OF A NON-AGGRESSION PACT WITH THE
SOVIET UNION.

THE TURKISH MINISTER CLAIMED THAT THE GREEKS THREE TIMES PLANNED
ANNEXATION OF CYPRUS AND THAT TURKISH TROOPS ARRIVING IN NICOSIA
'HE' CAPTURED DOCUMENTS THAT INDICATED A TERROR CAMPAIGN WAS PLANNED
AGAINST TURKISH-CYPRIOTES TO FORCE THEIR SUBSERVIENCE. 'HE'

ASKED ABOUT TAKING 40 PER CENT OF CYPRUS TERRITORY FOR THE 18 PER

CENT OF POPULATION MADE UP BY TURKISH-CYPRIOTES, THE FOREIGN
MINISTER REPLIED: 'HE' OUR MILITARY REQUIRED THIS MUCH FOR THE SECUR
Y T

OF THEIR OPERATION. 'HE'
(END)

1539G 16 FEB 75

Wain/20/10

00

R136
D 117 04

KISSINGER-BERLIN

BONN, GERMANY (AP) -- U.S. SECRETARY OF STATE HENRY KISSINGER WILL

VISIT WEST BERLIN BY APRIL, THE WEST GERMAN GOVERNMENT ANNOUNCED SUNDAY.

BONN GOVERNMENT SPOKESMAN KLAUS BOELLING SAID KISSINGER AND WEST GERMAN CHANCELLOR HELMUT SCHMIDT AGREED IN THEIR TALKS SUNDAY THAT IT WOULD BE USEFUL FOR THE AMERICAN SECRETARY OF STATE TO GAIN FIRST-HAND IMPRESSIONS OF THE CURRENT SITUATION IN THE DIVIDED CITY.

AN EXACT DATE WAS NOT DISCLOSED. BUT IT WAS EXPECTED THAT KISSINGER WOULD INCLUDE WEST BERLIN IN HIS ITINERARY EITHER BEFORE OR AFTER HIS NEXT SWING THROUGH THE MIDDLE EAST PLANNED FOR MARCH.

106/310/2010

מברק כנס

משרד החוץ
מחלקת הקשר

בלתי מסווג

אלו המשרד
מאתו אנקרה

ט"ו 31

בשלה 121100 פברואר 75

מזמים.

עמדות : המסקת הסיוע.

ממורכיה הגישה איגרת שניה לממארה"ב המעורה הצעד האמריקני כהפרת סעיף 5 בהסכם
באשר המשייב הימרו וחידוק מערכות התגנה של הבדי הארגון. הצעד ספרי הסכם התגנה
הבילשילי עם ארה"ב ומהווה הפרה מוחלטת של החוק, ושומה על תורכיה להסיק המסקנות
לגבי התחייבותיה לאור היווצרות המצב החדש. עמ"י כתב סיליים מבריסל הביעו שרי
החוק המשותף מקורה שהסיוע יחודש כדי לא להחליש האסטרטגיה הדרומי של באטו. מאינד ביכרים
סימני סיפוק אצל הצפתים, הדואים הצעד הפסד ההיוקרה האמריקנית באירופה.

הצירות

שהו זהו מכלל שהכס ממכלל מזמים איר א ב מצא חקר הסברה כלכלית מעת דס אמן

אירל מהחברה
אב/אל

344

**טורקיה מודיעה
כי אינה יכולה
לקיים התחייבויות
כלפי נאט"ו**

בריסל, 11 (ע"ר). טורקיה של
הה אזהרה המורה לנאט"ו, כי
לאור הפסקת מישלוחי הנשק ה'
אמריקאיים היא מתקשה לקיים
את התחייבויותיה כלפי הברית.
שגריר טורקיה בנאט"ו מר. אור
דחאן אראלפ, אמר לנציגי המדינות
החברות בנאט"ו שטורקיה התקשתה
בקיום התחייבויותיה כלפי הברית,
גם לפני שהוסקו מישלוחי הנשק.
בעקבות הפסקת המישלוחים מח'
מירה הבעיה — ציין השגריר בהוי'
פיעו בפני הרעדה לתכנון הנגתי
של נאט"ו.

מזימי עם יוון

שליח, "הארץ" בארה"ב מוסר: ה'
חוזים להארכת החוקתם של הבסיסים
האמריקאים ביוון יחודשו — משוכ'
נעים מומחים אמריקאים.
אסנם צפוי מר"מ קשה אשר יישתח
במסעו הנוכחי של ד"ר הנרי קיסינג'
ג'ר ואסנם יש סימנים, כי היוונים
נתונים ללחץ על רקע הטענה כי
בסיסים אלה מאפשרים לארה"ב ל'
סייע לישראל, אולם גורמים אמרי'
קאים בואשינגטון משוכנעים כי בר'
כחות ארה"ב לא תסולק מיוון.

הארץ

אל:

מס' 11/2-11/11

משרד החוק

מברק נכנס - מסווג

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי חוץ וסודות רשמיים), תשי"ז - 1957.

מחלקת הקשר

אל: המשרד

סודי ביותר

מאת: וושינגטון

מס: 174

גשלה: 121000 פבר 75

מאפ. המרכז, דע סופר ניו יורק. (כז גר) לחלנ משיחה עם קוליק במחמד/אפר'קה (ב-11/2). את'ופיה.

א. הקרבות באר'ית'אה.

1. מצב הצבא האתי'ופי בקרבות עם שני ארגוני המורדים באר'ית'אה הולכ ומחמיר. אין לחת אימון בכחבת עתונאי את'ופי שפורסמה בווישינגטון פוסט ב-11/2 על כיתור מאות מורדים. בעינה ההערכה שהצבא האתי'ופי במצבו הנוכחי אינו מסוגל לחסל המרידה. העוד פיקוד מרכזי המקובל על מפקדי כל היחידות בשדה והעדר משמעת פוגעים קשות ביכולת הלחימה האתי'ופית. מחצית הצבא האתי'ופי שוהה כבר באר'ית'אה.

2. הקונסוליה האמריקנית באסמרה דיווחה הערכתה שההפוגה בתקיפות המורדים על אסמרה זמנית בלבד ותאריך כיומיים וכי מעבר משאיות אספקה לאסמרה מעידה יותר על רצון המורדים למנוע הרעת האוכלוסיה האזרחית האר'ית'אית בעיר מאשר הצלחת הצבא להכביע המצור. אכן כבר מה-11/2 מגיעות ידיעות על קרבות כבדים בסביבות אסמרה לרבות מיתקפה על מפקדת חיל היום האתי'ופי.

3. אם המצב באר'ית'אה ימשיך להחריד זוהי שאלה של זמן בלבד עד לזחקומסויות נוספות באזורים אחרים. ב. עמדת סומאליה.

1. סומאליה בינתיים שומרת על שקט בגבול אולם אם תתחוללנה התמרדויות בנחוזות אחרים והצבא האתי'ופי ייאלץ להפיש כוחות גם לכוי מרידות אלו תהיה זו הזדמנות פז לסומאליה להגשים שאיפותיה באוגאדן ללא מאמצ מיוחד.

2. סייג בעל משקל רב לאפשרות התערבות סומאליה הינו המצב הכלכלי החמור כיום בסומאליה. בגלל הבצורת הקשה כרבע עד שליש מהאוכלוסיה מתקיימת על אספקת סעד מהמשלה. גטל כספי זה בנ 150 מליון דולר מכביד ביותר על האוצר הסומאלי וקופתו הדיקה ממש אינה מאפשרת הרפתקאות צבאיות. מכאן ההערכה שהתערבות סומאליית סבירה רק אם תאדע באתי'ופיה התפוררות מוחלטת.

3. ארוב לא פנתה עד כה לסומאליה בנושא את'ופיה כי לא היה צורך בכך. ג. אחיזת המשטר באתי'ופיה.

1. קיימים סימנים רבים לאי שביעות רצון רחבה נגד המשטר המקיפה במיוחד כל המ'עמד הבינוני והורגנות, בקרב האוכלוסיה הכפרית של מחוז שואה ובקרב כל אותנ שכבות הנתונות להשפעת הכנסיה. עיקר התמיכה הצבורית במשטר מצוצה בקרב הסטודנטים וחלק מהמינהל המשלתי.

תאריך: 1978

מס': 1000

מס': 1000

מס': 1000

התאריך: 1978
 מס': 1000

1. מטרת המסמך היא להגדיר את תחומי האחריות והאחריות המשותפת בין הצדדים.

2. הצדדים מצהירים כי הם מודעים לכל המגבלות וההגבלות המפורטות בהמשך.

3. הצדדים מצהירים כי הם מסכימים להגביל את אחריותם זו בהתאם לתנאים המפורטים להלן.

4. הצדדים מצהירים כי הם מסכימים להגביל את אחריותם זו בהתאם לתנאים המפורטים להלן.

5. הצדדים מצהירים כי הם מסכימים להגביל את אחריותם זו בהתאם לתנאים המפורטים להלן.

6. הצדדים מצהירים כי הם מסכימים להגביל את אחריותם זו בהתאם לתנאים המפורטים להלן.

7. הצדדים מצהירים כי הם מסכימים להגביל את אחריותם זו בהתאם לתנאים המפורטים להלן.

8. הצדדים מצהירים כי הם מסכימים להגביל את אחריותם זו בהתאם לתנאים המפורטים להלן.

9. הצדדים מצהירים כי הם מסכימים להגביל את אחריותם זו בהתאם לתנאים המפורטים להלן.

10. הצדדים מצהירים כי הם מסכימים להגביל את אחריותם זו בהתאם לתנאים המפורטים להלן.

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוץ וסודות רשמיים), תשי"ז - 1957.

סודי ביותר

- 2 -

2. קיימים דיווחי ביון על התארגנות קצ'ניץ בתוכ הצבא אולם אין פרטים.

3. לאור הרקע הנל אין להוציא מכלל אפשרות נסיון הפיכה שמגמתו החזרת סמכות שלטונית מרכזית ושתציע פשרה מסוימת למורדים (פודציה או אוטונומיה). ד. התיווכ הסודאני.

1. עד-כמה שידוע מועטים סיכויי נסיון התיווכ הסודאני. המשלחת הסודאנית שהגיעה לאדיס לאבאיה כלל עד ל-11/2 להתקבל לפגישה עי נציגי המועצה הצבאית הזמנית. (לפי ידיעה מאוחרת יותר התקבלה באותו יום).

2. לפי דיווח מודיעיני הודיע הממונה האתיופי בדיטום לשלטונות באדיס, וזאת כנראה לאחד פגישה עם נומידי שאין לתת כל אימוץ בנומידי משום תמיכתו המלאה ב- EEF. במחמד רואים דיווח זה בצער היות ונומידי למעשה הינו שליט הערבי היחיד המעוניין למנוע המשכ המלחמה וחותר לפשרה. בנוסף לו ידוע כי גם סאדאת רואה בדאגה המצב.

3. נכון שהמורדים מקבלים אספקה ונשק דרך הגבול הסודאני אולם מרבית הציוד מגיע בדרכ הימ לחופ האריתריאה.
ה. גישת ארה"ב.

1. מטרת ארה"ב נשארה ותמשיך להתנגד לחקמת אריתריאה עצמאית ושואפת לשמור על שלמות אתיופיה.

2. הדינמיקה כיום שמצד אחד אין רואים כיצד יצליח הצבא לכבד המרידה ללא הגעת פשרה שלפחות תנטרל האוכלוסיה הנוצרית באריתריאה ומצד שני מניעת אספקה צבאית עלולה להביא לנצחון המורדים.

3. השגרירות באדיס המליצה בראשונה מזה שנים רבות, לעכב לפי שעה כל מזלוחי נשק לצבא האתיופי וזאת כאמצעי להביא לנכונות פשרה מצד המועצה הצבאית. אולם המלצת השגרירות לא התקבלה ובימים האחרונים הוחלט עקרונית לפי הכרעת קייסינגר לחזיש משלוחי נשק ותחמושת לאתיופיה.

4. קייסינגר קיבל המלצת האגף האפריקני במחמד לשוחח במסעו הנוכחי עם סאדאת ובייסל בנושא אריתריאה.

9. אדם שיש בו דם טמא ונמצא
עמו.

10. אדם שהיה נשוי ונפטר
ואין לו יורש (אם היה נשוי ונפטר
ולו יורש היה יורש).
11. אדם שיש בו דם טמא ונמצא
עמו.

12. אדם שהיה נשוי ונפטר
ואין לו יורש (אם היה נשוי ונפטר
ולו יורש היה יורש).
13. אדם שיש בו דם טמא ונמצא
עמו.

14. אדם שהיה נשוי ונפטר
ואין לו יורש (אם היה נשוי ונפטר
ולו יורש היה יורש).
15. אדם שיש בו דם טמא ונמצא
עמו.

16. אדם שהיה נשוי ונפטר
ואין לו יורש (אם היה נשוי ונפטר
ולו יורש היה יורש).

17. אדם שיש בו דם טמא ונמצא
עמו.

18. אדם שהיה נשוי ונפטר
ואין לו יורש (אם היה נשוי ונפטר
ולו יורש היה יורש).

19. אדם שיש בו דם טמא ונמצא
עמו.

20. אדם שהיה נשוי ונפטר
ואין לו יורש (אם היה נשוי ונפטר
ולו יורש היה יורש).

21. אדם שיש בו דם טמא ונמצא
עמו.

משוד החוק

מחלקת הקשר

-3-

כל המוסד תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוק וסודות רשמיים), תשי"ז - 1957.

סודי ביותר

הצעה סינית באת'ופיה (למברק מאפ 136)

1. הידיעה על נוכחות סינית מוגברת באת'ופיה מוגזמת ביותר ובלתי מתקבלת על הדעת. הסינים עצמם מבינים שעתה אינו הזמן המתאים להעמיק חידותם באת'ופיה.
 2. נכון שנערכ סמינר לאומי בנושא הדפורטה האגרדית ברם כינתיים אינן כל עדות לאימוץ המתכונת הסינית. למועצה הצבאית עצמה עדיין לא ברור לזיזה צביון של משטר היא וותדת.
 3. אשפ באת'ופיה (למברק מאפ 136).
 1. אינן כל ידיעות על משלחת אשפ לאת'ופיה. הדבר גם אינו סביר משום שעצם התפרצות המרידה בארית'יאה מוכיחה כי שליחות שר ההסברה מיכאל אימרו בארצות ערב נחלה כשלון חרוץ. עד כאן.
- הטיה: ראו נא כל הסעיפים בנוגע לדיווחי הנציגויות האמריקניות באת'ופיה, דיווחי הכיון, החלטות ארוב וצעדי המזכיר כבעלי סיווג סודי ביותר.

תורגמן=

שחח רחמ שתבט מנכל ממנכל שמעוני י. רכיב רובין/מאף דפני/מצפא חקר רם אמן
תא/דא

א"ל/ה' / 3/1/1

בלתי מסווג

משרד החוץ

מחלקת הקשר

מברק נכנס

26 סש

בשלה 101300 פברואר 75

Handwritten initials/signature

א"ל: המשרד
מאת: אנקוזה
מזתים.

עזונות

1. רהם אירמק בישר כיום ששי שנשיא ארהב הודיע לו על מאמצי לחזש הסיוע ויש לשער שאכנ יחודש בסופ החודש.
2. מנהיגים פוליטיים מתקיימים ארהב על הפסקת הסיוע ומדגישים הכבוד הלאומי שנפגע עקב הצעד הקיצוני. אגביט מזהיר ממצאות מקורות הטור אודים פירושה שינוי במדיניות התורכית. המצב מחייב רכיזיה בשיקוליה הבטחוניים ומדגישים שלהפסקת הסיוע אפקט על היחסים הביינל מחד ועל האיזון הבטחוני במזהת מאידכ.
3. שיכח רצונם הטוב של פורד וקסיסינגר ומגנה הלכוי היווני המניעי המדיניות האמריקנית. החשלכה מככ שתורכיה לא תוכל לסמוכ על ארהב כבא בדית. אגביט מסיק לאור המשבר שחיוני לקיים בחירות מיידיות.
3. בקשר עם הדיון בתקציב משהח בשבת: לתורכיה ענין מיוחד וקרבה לרצות שלא מכבר הצטרפו ללקהילת העמים. תורכיה תמכה בכנות ברצות אל ה כמאבקן ליוחה והיא מכינה מאמצי העמים הערביים המבקשים לחחליט על עתידן בעצמן. תורכיה מעונינת בהחזרת שטחים כבושים ובהכרת הזכויות הלגיטימיות של הפלשתינים, במגמה למציאת פתרון במזהת.
4. סנאטור באטורדיבל בסנאט נגד עזיבת נאטו תוכ כדי הצורכ ברכיזיה ביחסי תורכיה עם האירגון.
5. עפיי ידיעה מרויטר מוסרים גוניידין וגומהודייט על דאגת ארהיב עקב קידום יחסי תורכיה עם עיראק ולוב. התפתחויות זו היא בניגוד לאינטרסים של ארהב המודעת לסכנה שתורכיה עלולה לחדול מלמלא תפקיד של סופג הלם בין בדיהם לבינ אירופה והעולמ הערבי במקרה של מלחמה במזהית

הצירות

שחז רהם מנכל שתנם ממנכל דיכון רביב אנבידר מ. קדיון מזתים מצפא קאוט א ב הסכרה
 מנע חקר רם אמן ארבל ממחסכרה
 אב/יכ

CIA DENIAL

BY WILLIAM R. LONG

LIMA, PERU (AP) - THE U.S. AMBASSADOR CALLED A NEWS CONFERENCE SATURDAY TO DENY THAT THE U.S. CENTRAL INTELLIGENCE AGENCY HAD ANY PART IN THE DISTURBANCES THAT ROCKED LIMA EARLIER THIS WEEK.

LOCAL NEWSPAPERS HAVE ACCUSED THE CIA OF INVOLVEMENT IN THE BURNING OF SEVERAL BUILDINGS, DEMONSTRATIONS AND WIDESPREAD LOOTING ON WEDNESDAY. VIOLENCE BROKE OUT DURING A STRIKE BY POLICE AND AFTER

ARMY TROOPS ATTACKED A POLICE STATION THAT STRIKERS REFUSED TO ABANDON.

A NEWSPAPER ESTIMATED LOSSES FROM THE LOOTING AT 30 MILLION DOLLARS. OFFICIALS SAID ABOUT 100 PERSONS WERE KILLED IN THE DISTURBANCES AND ABOUT 1,300 ARREST WERE MADE BEFORE ORDER WAS RESTORED.

AMBASSADOR JOHN W. DEAN'S DENIAL FOLLOWED A SIMILAR STATEMENT FROM

THE STATE DEPARTMENT IN WASHINGTON. DEAN SAID THAT 'NEITHER THE CIA

NOR ANY OTHER AGENCY OF THE U.S. GOVERNMENT HAS BEEN INVOLVED IN ANY WAY IN THOSE DISTURBANCES.

THE LEFTIST MILITARY GOVERNMENT OF PRESIDENT JUAN VELASCO -- WITHOUT MENTIONING THE CIA -- CHARGED THAT THE POLICE STRIKE AND DISTURBANCES WERE SUBVERSIVE ACTION AGAINST THE SIX-YEAR-OLD REGIME

LIMA - CIA DENIAL 2

MOBS BURNED SEVERAL BUILDINGS, INCLUDING AN OFFICER'S CLUB, PART OF THE CITY'S NEW CIVIC CENTER, AND TWO GOVERNMENT-CONTROLLED NEWSPAPERS. THE U.S. EMBASSY ALSO WAS ATTACKED WEDNESDAY, AND WINDOWS WERE BROKEN AND A JEEP WAS BURNED.

AN EMBASSY SPOKESMAN SAID U.S. OFFICIALS FEAR THAT CONTINUED ALLEGATIONS OF CIA ACTION IN PERU COULD THREATEN THE SAFETY OF AN ESTIMATED 10,000 AMERICANS HERE, INCLUDING ABOUT 120 WHO WORK FOR THE U.S. GOVERNMENT.

THE POLICE WENT BACK TO WORK IN LARGE NUMBERS FRIDAY AS CALM RETURNED TO THE CITY, BUT NEWSPAPERS, WHICH ARE UNDER GOVERNMENT CONTROL BUT DON'T NECESSARILY REFLECT GOVERNMENT POLICY, KEPT PRINTING A BARRAGE OF ACCUSATIONS AGAINST THE CIA SATURDAY. THEY DID

NOT PUBLISH WIRE SERVICE REPORTS OF THE STATE DEPARTMENT'S DENIAL OF CIA INVOLVEMENT.

WITH THE RECENT REVELATIONS OF PAST CIA OPERATIONS IN OTHER COUNTRIES, INCLUDING NEIGHBORING CHILE, PERUVIAN SUSPICIONS OF CIA INVOLVEMENT HERE HEVE INCREASED. IT IS KNOWN THAT SUCH SUSPICIONS WERE ONE REASON VELASCO'S GOVERNMENT ASKED THE U.S. PEACE CORPS' 1

MEMBERS IN PERU TO LEAVE LAST NOVEMBER.

(END)

0535G 09 FEB 75

Handwritten: 23rd Feb 1975

Handwritten: 1/1c

LONDON (AP) -- EXTRACTS FROM BRITISH EDITORIALS SUNDAY ON U.S. FOREIGN POLICY.

SUNDAY TELEGRAPH (CONSERVATIVE):

'AFTER ALL THE TRAUMAS OF WATERGATE, ONE CAN UNDERSTAND THAT THE UNITED STATES CONGRESS WANTS TO FLEX ITS MUSCLES. BUT ITS DECISION TO CUT OFF AID TO TURKEY BECAUSE OF THAT COUNTRY'S ACTIONS OVER CYPRUS IS FRAUGHT WITH DANGER.

'WITH ATHENS ALREADY COMMITTED, IN THEORY AT LEAST, TO A MILITARY RUNDOWN INSIDE THE NORTH ATLANTIC TREATY ORGANIZATION, AND WITH POWERFUL ANTI-NATO DEMONSTRATIONS IN LISBON, THIS IS NO TIME TO ALIENATE ANKARA AS WELL. TURKEY IS LINCH-PIN OF THE ALLIANCE'S SOUTHERN FLANK AND THE ALLIANCE ITSELF IS STILL THE LINCH-PIN OF WESTERN SECURITY.'

THE OBSERVER (INDEPENDENT):

'KISSINGER LEAVES WASHINGTON TODAY ON ANOTHER WHIRLWIND DIPLOMATIC TOUR AMID GROWING SIGNS THAT THE PROCEDURE FOR MAKING AMERICAN FOREIGN POLICY HAS NOW ENTERED A DIFFICULT NEW PHASE. AFTER YEARS OF DOMINATION BY THE TWO CHIEF EXECUTIVE OFFICERS, MAINLY THE PRESIDENT AND HIS SECRETARY OF STATE, THE CONDUCT OF FOREIGN AFFAIRS IS NOW AGAIN BEING EFFECTIVELY CHALLENGED AND INFLUENCED BY CONGRESS...

'UNFORTUNATELY, CONGRESSIONAL ACTIONS SO FAR HAVE NOT ALWAYS BEEN HELPFUL TO THE CONDUCT OF A SENSIBLE FOREIGN POLICY, OR EVEN TO THE AIMS THAT THE CONGRESS ITSELF HAS IN MIND.

(END)

א/כ/ר / 70 כ

משרד החוק

מחלקת הקשר

מברק נכנס - מסווג

1/27/31

כל המוסד תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוק וסודות רשמיים), תשי"ז - 1957.

מס 23

נשלח 071300 פברואר 75

סודי ביותר

מ ידי

אל: המשרד

מאת: אנקרה

מזחים.

סיוע אמריקני.

1. מטרתו לשגריר ארחב מקומבר על פניית סג'טור אינאנ ועל דחייתו טענתו שבידינו להשפיע על הקונגרס. מקומבר החפלא שפנייה כזו יכלה בכלל להיעשות. לדעתו האשמה היתה של אינאן שמתייחס בחומרה רבה להפסקת הסיוע ומאידך מנסה לחיבנות בפרלמנט ובמפלגתו כגורט פטריוטי המסוגל להגיע לחישיגים בתחום חידוש הסיוע. מקומבר מניח שאינאן העלתה הצעה בפני אטנבל כי יפנה אלינו והלה אישר הפניה משום שלא תזיק וטשויה רק להועיל. מקומבר ימסור למחמד על הפניה של אינאן ועל התגובה שלנו עליה.
2. לגופו של ענין מקומבר מצטער מאוד שהסיוע הופסק. טענותיו וטענות קיסינג'ר והנשיא פורד כלפי הקונגרס היו שאיזמים ולא כל שכן ביצוע האיזמים על תורכיה לא יועילו בנושא קפריסין ולא ירכבו עמדה התורכים אלא יקשיחות ומאידך יגרמו לנזקים לנאטו ולמעמד ארחב בתורכיה. אם כי אטנבל לא יפגש את קיסינג'ר בבריטל יש דו שיח ורצוף בין ממתורכיה לממארחב. ממתורכיה מבינה שממארחב היחידה במערב המגלה הבנה מסוימת לתורכים בנושא קפריסין ועל כן ראויה עוד לאמוץ ואין לשרוף עמה הגשרים. מנהיגי תורכיה המדיניים והצבאיים משתדלים על כך להוריד המתח ולהמנע מצעדים נחפזים. יוסיפו לטשוח זאת כל עוד יקוו שהסיוע יחודש בקרוב. השאלה היא כמה זמן אפשר למנוע הידירדות. ברור שלא צפויה בתנאים שנוצרו החרככות בטחון תורכיה ומקומבר חושש שנוצר מצב של דרך סתומה. מכל מקום אם תימצא נוסחה והסיוע יחודש, לעולמ לא יחזרו יחסי הקרבה ותאמוץ בין תורכיה וארחב לקדמוחם.

בר חיים

שח וחמ מנכל ממנכל דיכונן י. רביב מזחים דפני/מצפא
אב/יכ

Handwritten notes at the top left of the page.

Printed header text, possibly a title or reference number.

Printed header text in the top right corner.

Handwritten text on the left side, possibly a date or identifier.

Large printed text in the center, possibly a title or main heading.

Printed text on the right side, possibly a page number or reference.

Handwritten text at the start of the main body.

Handwritten text, possibly a sub-heading or section marker.

First paragraph of the main body text, starting with a large number '1'.

Handwritten text, possibly a sub-heading or section marker.

Second paragraph of the main body text, starting with a large number '2'.

Handwritten text at the end of the second paragraph.

Final line of handwritten text at the bottom of the page.

Rowland Evans and Robert Novak

Kissinger's Blue Monday

When bipartisan congressional leaders gathered at the White House for breakfast Monday morning, they were braced for bad news about the budget from President Ford but got something still more melancholy: official Washington's apocalyptic view of the declining Western World.

The meeting was called to brief the leaders on the budget being released that noon. But before Mr. Ford revealed the horrendous \$52 billion deficit, this frightening picture was painted — mostly by Secretary of State Henry Kissinger: The imminent collapse of, first, Cambodia and then South Vietnam; the danger of Portugal and Turkey leaving the North Atlantic Alliance (NATO); a United States unable to deliver on its commitments and, therefore, unable to negotiate with foreign powers.

Moreover, Kissinger clearly implied that the overwhelmingly Democratic Congress, seeking all powers of government including diplomacy, is largely responsible for this state of affairs. The inference: The Secretary of State, undercut by Congress, had lost his credibility among fellow diplomats and, consequently, his ability to negotiate effectively.

Some congressional leaders present felt Kissinger, a consummate actor, was laying it on a bit thick in a bid for support. But the debased value of a Kissinger commitment has become a deadly serious national problem. With the lopsided Democratic majority in the new Congress oblivious to such problems, it oppresses the White House far worse than the highly publicized confrontation over energy policy.

The blue Monday breakfast started on the apparently hopeless request by Mr. Ford for \$300 million in emergency arms aid to save Indochina. Gen. George Brown, chairman of the Joint Chiefs of Staff, said flatly what previously had been whispered at the Pentagon: without additional arms, Cambodia will fall quickly. The situation in South Vietnam is better, Brown added, but extremely critical in view of ammunition and fuel shortages.

Kissinger moved on to Europe. The congressional cutoff of military aid to Turkey because of its Cyprus invasion, effective at midnight Tuesday, was described as an absolute disaster. Those present believed Kissinger saw Turkey disengaging from NATO, a greater danger to U.S. interests than the collapse of the Saigon regime.

What makes the possible Turkish disaffection in the East induced by Congress all the worse, Kissinger went on, is the imminent Communist takeover of Portugal in the West—depriving the U.S. and NATO of the vital Azores bases. Here, too, congressional hands are unclean, Kissinger implied. The CIA can scarcely protect American interests in Portugal while under congressional scrutiny.

Kissinger even related the dead hand of congressional diplomacy to relations between the super-powers. Contending that the Turkish aid cutoff endangers cooperation with China in the intricate three-cushioned relationship with the Soviet Union, Kissinger said Peking wonders how it can deal with a nation irrational enough to consciously alienate an ally so vulnerable as Turkey.

Dr. Kissinger's lecture, delivered in

his mild tone without vituperation, generated few protests or affirmations from the congressmen. When President Ford revealed he is contemplating a bipartisan commission to visit Vietnam to report back on the desperate need for aid, the room was filled with oppressive silence. "I was just hoping the President wouldn't pick me to go," one Republican told us.

Not much help is expected from Capitol Hill. In an overwhelmingly Democratic Congress intent on forging its own way internationally without regard to old-fashioned bipartisanship, foreign policy is increasingly subject to constituent pressures.

An energetically mobilized Greek-American community was largely responsible for the Turkish aid cutoff. Constituent pressure guarantees warm congressional support for Israel. In contrast, there are no significant blocs of voters to lobby for Cambodia, South Vietnam, Turkey or the Arab states. Congress has refused to redeem Kissinger's promises of aid to the Arabs during his shuttle diplomacy a year ago (with Democrats on the House Appropriations Committee this week assaulting proposed aid for Syria).

"I had never seen Henry so down," one congressional leader told us after the blue Monday breakfast. Indeed, melancholia is scarcely avoidable when this question is pondered: In a dangerous world with Western power declining and Soviet power gaining, how can the United States deal with the Soviet Union at the same time a leaderless Congress is running wild with its own foreign policy dictated by the pressures of domestic politics?

3841

14:00
נשלח: 061030 פבר'76

אל: המשרד
שאת: אנקרה

7

מזתים
עתונות

1. רמה אידימק הודיע לעתונות על אפסקת הסיוע האמריקני והוסיף שתורכיה לא תצא מן המסגרת הצבאית של נאט"ו, וכי אינן לזיכרון מכלל חידוש הסיוע העתידי. עם תום ישיבת מועצת הבטחון הלאומי פירסם רה"מ הודעה המגנה את החלטת הקונגרס והמדגישה מורת רוחו של ה"מ והתוכיח שזור הגזרה.

2. אגביט בגילוי דעת אמש הדיע התנגדות לאמרום ה"מ וה"מ הצבאיים הפריסיין ולהמשך השיחות עם היוונים. אינן ערוב החסודים הקיימים בי"ב תורכיה לארהב בכעית קשריסיין. למרות הצעות תורכיה המתפשרות התגרו היוונים בצבא התורכי כאי, ושומה על תורכיה להפסיק מאמצי הפיוס בהמשך דבריו הדגיש השפעת ולוכי היווני בסונגרס, מופעה המעמידה בדין תורכיה - איהב בספק.

3. עפי הודיית ממקורות מוחת, עם הפסקת הסיוע ינקטו מייד בארבעה צעדים:

- א. תורכיה תבקש כנוס וועדת ההגנה של נאט"ו
- ב. חכנית הביקורים של הצי השישי בנמלי תורכיה תבוטל
- ג. חכנית קשריסיין של קיסרייה לא תתקבל ויודלש על קו מדיני חדש.
- ד. הזמנת קיסרינגר לשהח אסנבל לא תתקבל, ואם ירצה לקיים הפגישה, יליד לכוא לתורכיה בעצמו.

- 5. עפי מיליט הוחזרו 4 סוללות מלאות נשק שהיו בדיכונ לתורכיה.
- 6. צנחנים הוחזרו אתמול לסיינ ועיפ יוני אורחם הוחזר גם ג'וד נוסף.

7. בגומהודיית בלבד פורסמה ידיעה מובלעת כעמוד הראשון לפיה הרוסמן כוזמי, נציג אשפ לבקר בתורכיה, מניחים שישוחח בי"ב היור על מניחת משרד ועל נציג כפוע במקום. ==

צ"ה

טורקיה פרשה משיחות השלום עם ארה"ב ויוון

לאחר שהקונגרס החליט להפסיק מישלוחי
הנשק לאנקרה — בגלל פרשת קפריסין *
פורד קורא לשינוי ההחלטה

אנקרה, 5 (ע"ר, יוסי"ע וע"צ).
טורקיה הודיעה היום, כי היא
פורשת משיחות השלום לענייני
קפריסין שעמדו להיערך בהש"ח
תחפוז יוון וארה"ב, בעיקבות
החלטת ארה"ב להפסיק את מ"י
שלוחי הנשק לממשלת אנקרה.
באנקרה צויין שקיימת איבהירות
ביחס לעתיד הבסיסים האמריקאיים
בטורקיה.
הקונגרס האמריקאי נתן לטורקיה

ארכה עד יום ד' (אתמול). בהודעת
הקונגרס נאמר, כי על טורקיה להי
גיש עד למרעד זה פרטים על הת
קדמות ניכרת לקראת השגת הסדר
בקפריסין. כתנאי להמשך הסיוע.
4 שעות לאחר המועד הודיע דובר
רשמלי באנקרה, כי שר החוץ, מליך
אסנבל, ביטל את עצתו לבריטלי
בשבוע הבא. אסנבל עמד לקיים שם
שיחות שלום עם ד"ר קסינג'ור ועם
שר החוץ היווני דימיטריוס ביטומס.
(הסוף בעמוד 2, טור 3)

בתגובה על החלטת הקונגרס, הודיע
דיועה ממשלת טורקיה, כי בדעתה
לחולל שינויים בקשר עם חברותה
בנאט"ו. כן יושעו השיחות הטורקיות
קיות-אמריקאיות בעניין הבסיסים
הצבאיים של ארה"ב בטורקיה.
פקידים טורקיים אמרו, כי התחיי
לטה להשעות את הדיונים מסלקת
את הבסיס המשפטי לנוכחות ארה"ב
בטורקיה. עם זאת אמרו, כי עד כה
לא גובשו תכניות לגירוש הכוחות
האמריקאיים.

בשיחות בריטלי עמדו הצדדים לי
ציין בדרכים חדשות להשקנת הסדר
בריקימא בקפריסין.
צעדים סימליים שנעשו ע"י הטורק
קים — סינר אלף חיילים מקפריסין
והכנתות בדבר החזרת 13 אלף
יוונים לבתיהם בצפון-קפריסין, לא
סיפקו את הקונגרס האמריקאי וד"ר
קסינג'ור הודיע אמש שהסיוע יופסק.

נראה, כי הצעד שנקט הקונגרס,
לא השיג את המטרה המבוקשת.
ההחלטה הטורקית עלולה לפגוע עתה
קשות במערך נאט"ו בחלק המזרחי
של היס-התיכון. יצויין, כי בעיקבות
פרישת יוון מן המערך הצבאי של
נאט"ו בשנה שעברה, היה הצבא
הטורקי הכוח העיקרי של נאט"ו
באגף הדרומי-מזרחי שלו.

דנקטיש מציע הקמת מדינה טורקית נפרדת בקפריסין

מניקוסיה, נמסר, כי במהיג העדה
הטורקית בקפריסין, ראוי דנקטיש,
אמר היום, כי הוא הציע לממשלת
טורקיה להקים מדינה נפרדת בחלק
הצפוני של קפריסין, הכבוש עתה
ע"י הטורקים.

פורד קורא לחדש את הסיוע

(ע"צ). סמוך לחצות נמסר: נשיא
ארה"ב קרא היום לקונגרס לביטל
את האמברגו על הסיוע הצבאי לי
טורקיה, כיוון שהוא עלול לערער
את הביטחון ואת היציבות הפוליטית
טיח של כל הארצות באגן המזרחי
של היס-התיכון.

הנשיא פורד אומר בקריאתו, כי
האמברגו עלול לפגוע במעב האס
טרטני, לא רק באזור היס-התיכון,
אלא גם במזה"ת ולשים לאל את
המאמצים למציאת הסדר צודק בקפ
ריסין.

Wash. Star News
Feb 4, 1975

16
-12311/2116

Russell Baker: Giving Them the Works

NEW YORK — The average person rarely meets any terrorists, except those connected with the government, and so, in our ignorance of them, we tend to think of them as bestial and inhuman. This probably does them a cruel injustice.

It is true that terrorism requires its practitioners to be unpleasant, even murderous, to other people. But their motives are invariably kind, humane and even high-minded.

THE TERRORIST is a believer in uplift. He believes in the perfectability of man and is prepared to kill you in order to improve the world for you.

Most of us, of course, have a horror of sudden and premature dispatch to the beyond, even for the sake of improving the planet, and for this reason we tend to disapprove of small-scale terrorism. This distaste is intensified by the fact that the noble cause for which we are to be dispatched often seems less than vital to us.

In fact, there is such a variety of terrorists at work these days in such a variety of good causes that it is altogether possible to be hied rapidly to the grave without even being aware of the good cause you died to promote.

If you travel to Northern Ireland you will probably know that the high-minded cause for which you are bombed at your beer is either independence from British rule or continuance of British rule, but if you cross to London the ground is trickier.

Not long ago terrorists in a passing car pumped bullets into a West End hotel, and since there had been a spate of bombings there in the cause of a better Ireland, you would naturally have assumed, had you been shot there, that it was to improve life on the Emerald Isle. In this you would have been wrong.

THE POLICE deduced that since there was a Jewish gathering in progress at the hotel, the real point of the mayhem was to promote justice for the

displaced Arabs of Palestine.

Governments, which are far and away the most vigorous practitioners of terrorism, understand this human quirk. When they make war they first saturate you with official announcements explaining that you are to be killed for freedom, or for the liberation from the coils of imperialistic capitalism, or for something equally improving, and then they saturate you with bullets, fire and bombs.

All through history, people have tolerated terrorism when its purpose has been adequately explained to them, and most people probably approve it. Probably one of the chief reasons for American resistance to the Vietnam War was the government's failure to come up with an explanation of which great humanitarian purpose was being promoted by the bloodshed.

Government error is not limited to the use of bombs and guns. In places like Chile, it embraces torture to create a society purified by release

from communism. In the Soviet Union, it includes imprisonment in insane asylums to create a world where all people can approach nearer to paradise.

In the United States, keeper of police files on citizen activities, tapper of telephones, opener of mail, one is never aware whether Big Brother Sam is watching or not, but is nevertheless aware that if one's name is on file at the FBI, or the phone is tapped, or the mail is being steamed open at the Post Office, it is for a wonderful cause — the preservation of individual freedom.

Government defense of these practises is the same as the small-bore terrorist's defense of dynamiting helpless people at the lunch counter. The cause is too noble to be lost through squeamishness. What neither government nor unofficial terrorist ever concedes is that terror, besides being so good for humanity, also fulfills some dark human yearning to give one's fellow man the works.

William F. Buckley Jr.: The Coils of Detente

Senator Jackson is in dispute because of the refusal of the Soviet Union to accept American economic credits. Indeed, Jackson and his colleagues were publicly scolded by President Ford when he delivered the State of the Union address a few days after the Kremlin huffily announced that it could not be expected to be forced into the indignity of observing human rights for mere money. No, it would take a great deal more than that to force a proud leadership to renounce its principled opposition to human freedom.

SECRETARY of State Kissinger of course joined President Ford in lamenting the turn of events, and one can, in a purely technical sense, understand, and even sympathize with, a secretary of state who is trying to negotiate with a foreign power and finds himself saddled with extrinsic considerations by Congress. Because they are, of course, extrinsic: that is to say, a Soviet respect for human rights is not an aspect of detente in any formal philosophical sense. Winston Churchill said he would make a pact with the devil to accomplish his objective (the defeat of

Hitler) and proceeded to do so. Willy Brandt said that human rights in the Soviet Union had nothing whatever to do with his policy of *ostpolitik*.

What Kissinger has not commented on is the failure of detente — in Indochina, for instance. What is happening in Indochina is that the Soviet Union and the People's Republic of China have been hyping an already ravenous North Vietnamese Communist appetite for taking over South Vietnam with military hardware on a huge scale. Peace in Vietnam was held up as the first fruit of detente. And, for a flickering moment, peace in Vietnam was understood as meaning peace in Vietnam.

PRESENTLY, the Orwellian meaning of the phrase became clear. It meant: American military withdrawal from Vietnam, and quite literally nothing else. If I were one of those people who are always looking for excuses to label Westerners as "racists," I would use the Nobel Committee as a prime exhibit. The Nobel people awarded a Peace Prize to Kissinger and Le Duc Tho for staunching the flow of WASP blood in South Vietnam. Gooks don't count. They continue to be slaughtered at the

conventional rate. And Kissinger's diplomacy proves helpless in stopping the flow of arms that makes this possible.

So Congress stepped between Kissinger and the Russians and insisted that economic concessions to the Soviet Union could not be made unless the Soviet Union permitted free emigration. But the integrity of this humanitarian impulse on the part of Congress is suddenly clouded as Congress sits by refusing to appropriate the dollars necessary to help the South Vietnamese resist the advancing Communists. Moreover, unlike the Russian situation, it was established American policy to help South Vietnam defend itself against the Communists.

CONGRESS CUT in half the pledged military appropriations to the South Vietnamese, and in doing so accomplished more than the depletion of the South's military reserves. It has gone a long way to accomplish the demoralization of the South Vietnamese, who find that they were leaning on so slender a reed as the word of the United States.

Meanwhile, no doubt, Israeli strategists observe Congress insouciantly prepared to deliver South Vietnam to the North

Vietnamese. That is the same Congress that voted to insist on the right of Jewish emigration from the Soviet Union. The hypocrisy is transparent, and no doubt the Israelis are saying to themselves: there, but for Israeli intransigence, would go Israel. If the United States will not spend a pledged extra \$300 million to defend an ally with which it fought arm in arm in a great war, what will it do to help us, when the going gets tough, and the concrete of isolationism in the American spirit hardens?

I, FOR ONE, yearn for the days of the Cold War. Because international tension is fun? No, because international tension is there in any case, and it is healthy to recognize it as such, in the sense that realism is healthy. detente is impacted diplomatic hypocrisy. We're not spending any less on defense on account of detente, and in fact we should be spending more. We have not achieved freedom for Eastern Europe. We have not brought peace with honor to South Vietnam. What has detente done for us except provide a backdrop for the exchange of toasts between American presidents and Communist tyrants?

11/23/75

14588 04 FEB 75

02
RGP134
R W101 04

U.S. AID-TURKEY

ANKARA, TURKEY (AP) - THE TURKISH GOVERNMENT TUESDAY WAS OFFICIALLY NOTIFIED OF THE DECISION OF THE U.S. CONGRESS TO DISCONTINUE MILITARY AID TO NATO-MEMBER TURKEY, CARETAKER PREMIER SADI IRMAK ANNOUNCED.

THE CONGRESSIONAL DECISION WAS CONVEYED TO TURKISH FOREIGN MINISTER MELIH ESENDEL BY U.S. ENVOY WILLIAM MACOMBER WITH A MESSAGE

FROM SECRETARY OF STATE HENRY KISSINGER.

UPON RECEIVING THE NEWS, ESENDEL MET WITH PREMIER IRMAK AND FORMER

PREMIER BULENT ECEVIT.

AFTERWARDS, IRMAK TOLD NEWSMEN THAT HE HAD CALLED FOR A MEETING

TURKEY'S NATIONAL SECURITY COUNCIL AT 1600 GMT TUESDAY AND PROMISED FURTHER ANNOUNCEMENTS ON THE GOVERNMENT'S STAND IN CONNECTION WITH THE AID QUESTION FOLLOWING THE MEETING.

THE U.S. CONGRESS HAD IMPOSED A FEB. 5 HALT IN MILITARY AID TO TURKEY UNLESS THERE WAS SUBSTANTIAL PROGRESS TOWARDS A SETTLEMENT OF

THE CYPRUS CONFLICT.

LAST WEEK KISSINGER ANNOUNCED HE WOULD BE UNABLE TO REPORT 'SUBSTANTIAL PROGRESS' TO THE CONGRESS UNDER THE CIRCUMSTANCES

IRMAK SAID THE CUTOFF DID NOT SEEM TO BE PERMANENT AND THERE WAS THE POSSIBILITY OF ITS BEING REVITALIZED AGAIN IN THE FUTURE.

HOWEVER, TURKEY IS NOT INCLINED TO RECEIVE AID WITH INTERRUPTION

LINE THIS, THE PREMIER SAID.

15066 04 FEB 75

מברק נכנס - מסווג

משרד החוץ

מחלקת הקשר

ש מ ד

כל המוסר תוכן מסמך זה, בולו או מקנתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסיחוץ וסודות רשמיים). תשי"ז - 1957.

Handwritten signature and stamp: אליה המשרד

מאת רושינגטון

מס 34

שולח 041400 פברואר 75.

המרכז. מאסוק. מזתים.

להלן משיחה עם רובוט אוקלי מ- NSC

ביקור בהוטו בושינגטון.

בהוטו יגיע ב-5 בפברואר. העיקר עבור בהוטו היא המשמעות הסמלית מליבית של

הביקור בושינגטון והפגישות עם הנשיא והמזכיר. יהיה זה ביקורו הראשון בזמן מטל פורד.

ידוע כי בהוטו יעמיד הפעם בתקופת בראש דטה"י בראש חידוש אספקת הנשק מארה"ב וזאת בעקבות

הפיצוץ הגרעיני והודי. בהוטו ינסה להמשיך בנקודה בה נכשל עזיז אחמד שר המדינה

הפקיסטני שביקר בושינגטון לפני חודשים אחדים ויומיים אחרי הפיצוץ.

הנושא של אפשרות ביטול האמבוגו ואספקה חלקים של נשק לפקיסטן במצא עתה בעירובו של

קטינג' ר.

עד כאן.

תורגמן

שזה רזה מכל ממכל שמעוני י. רביב מאסוק מזתים חקר רם אמן

מא/יכ

The Great Stakes Race

By C. L. Sulzberger

PARIS.—I am interested to read in a book of political analysis published 43 years ago: "No people in the world has the gift of infuriating Americans quite so much as the French. Whether in the field of social customs, politics, or business methods, they get the American goat with monotonous regularity."

For reasons that must have much to do with national psychology and also with the heavy strain of ungallic Englishness in the U.S. inheritance, the above statement is still true today—but no truer than the fact that there is a deep strain of friendship between the French and Americans who often—if not always—think of themselves as ancient allies.

The same book to which I referred, a little-known study issued in London, 1932, also said: "The French know their place precisely. They do not merely belong to Europe. They are Europe."

Political Heart

If one combines these two basic generalizations—both still applicable—one gets at the political heart of the present Franco-American argument about selling jet aircraft to NATO allies on this continent.

France's entry in the selling competition is the new model Mirage P-1 (M-53) now being tested for the Marcel Dassault aviation company. The U.S. entry is the General Dynamics YF-16. Both are single-engine and far beyond supersonic.

Each hopes to gain contracts to supply the next generation of fighters to Belgium, Holland, Denmark and Norway. With such orders in hand, the victor in the contest might go on to supply Iran and other non-NATO customers, ultimately collecting from \$15 billion to \$20 billion in total sales.

Originally Northrop's twin-engine YF-17 was competing with the YF-16 as a U.S. selection

However, the Pentagon chose the latter, arguing it was cheaper and burned less fuel while fulfilling all needed military requirements. Many observers (including Gen. Paul Stehlin, former French air chief of staff who says the American planes are more effective than the latest Mirage) were surprised when the Pentagon backed a single-engine plane.

Europe has developed a complex on these after the loss of so many F-104 Lockheed Starfighters in training crashes. West Germany, above all, could glumly alter John Donne's famous line to: "Go and catch a falling Starfighter." Whatever the argument for favoring the YF-16, the Pentagon lost a good deal of potential sales appeal when it shunted aside the YF-17.

Because of the immensity of the potential contract, there has been vigorous rivalry over it between the United States and France. When Stehlin favored the American entries, he was savagely excoriated by French critics.

This is now an economic, political, industrial and military issue between the two old allies who have been "infuriating" each other in public and talking tough in private.

Quiet Debate

The official French line—from President Giscard d'Estaing down through the Prime and Foreign Ministries—is that Europe must be encouraged to develop its own aerospace industry which cannot be done if the United States dominates the market. The official U.S. line is that Europe would

save money and jobs under special deals to construct American fighters over here and that we are offering a better, cheaper weapon.

This debate has been quietly carried on by both governments—as contrasted with public propaganda debates and by political session addressed to interested legislators. Giscard and President Ford discussed the matter at their Martinique meeting. It has arisen in diplomatic talks between U.S. and French representatives and with the four NATO countries most immediately involved as buyers.

France stresses to Europeans that, although it is no longer a full member of NATO, the French "are Europe" and wish to protect its industry, armament and independence. At the same time France stresses to the United States that it desires to build up "Europe"—not "against America" but as one of two pillars of Atlantic defense (the other being North America). That formulation dates back to President Kennedy.

The hopeful aspect about this sales rivalry is that it hasn't upset a recent improvement in Franco-American relations. The United States may sometimes appear "infuriated" by individual statements of interested parties—just as the French do (witness the savage attacks on Stehlin for discounting the value of Franco's claimant in the stakes race).

Yet, despite all this, as competition heats up, Foreign Minister Sauvagnargues told me with quiet assurance: "None of this has seriously affected our relations, which are good."

הארץ

אל: 3.2.

ארה"ב מפסיקה
הסיוע לטורקיה

ואשינגטון 2 (ע"ר). ארה"ב הודיעה כי תפסיק להפסיק הלילה בחצות (אמש) את כל הסיוע הצבאי לטורקיה, כשל העדר התקדמות בשיחות הבין-ערי תיית בקפייסין.

הודעה שמסרה אתמול טורקיה, לפיה יושבו מחדש 8,000 ספריסאים יוניים, באזור הטורקי שבצפון קפריסין, וכי 5,000 נוספים יורשו לעיבוד לחלק הצפוני. לא הספיקה כדי לשכנע קבוצה פרו-יוונית בקונגרס האמריקאי לחזור בה מתמיכתה בהפסקת הסיוע הצבאי.

האמברנו על משלוחי נשק לטורקיה קיה הוטל על-ידי הקונגרס, על אף התנגדותו הנמרצת של שר החוץ ג'ורג' הנרי קלינטון.

Г А Г Ч

№:



2

B.2.H

ALBYN

R139
Q W106 04

URGENT

U.S.-TURKEY

BRUSSELS (AP) - TURKISH FOREIGN MINISTER, MELIH ESENDEL, IS COMING

TO BRUSSELS SATURDAY TO SEE U.S. SECRETARY OF STATE HENRY KISSINGER,
A DIPLOMATIC SOURCE SAID TUESDAY. (MORE)

R126
D W548 04

PAKISTAN

ROME (AP) -- PAKISTAN PRIME MINISTER ZULFIKAR ALI BHUTTO FLEW IN
TO

ROME MONDAY FOR A 24-HOUR STOPOVER ON HIS WAY TO THE UNITED STATES
FOR A FOUR-DAY OFFICIAL VISIT.

BHUTTO WAS ACCOMPANIED BY HIS WIFE, FOREIGN MINISTER AZIZ AHMED
AND JUSTICE MINISTER MERAI KHALID. (END)

14066 03 FEB 75

slw36d

Mr 364

RLR399
D M520 04

PAKISTAN

ROME (AP) -- PAKISTAN PRIME MINISTER ZULFIKAR ALI BHUTTO LEFT HERE

TUESDAY FOR A FOUR-DAY OFFICIAL VISIT IN WASHINGTON.

DURING HIS 24-HOUR STOPOVER HERE BHUTTO DISCUSSED INTERNATIONAL AND BILATERAL ISSUES WITH ITALIAN PREMIER ALDO MORO.

BHUTTO WAS ACCOMPANIED BY HIS WIFE, FOREIGN MINISTER AZIZ AHMED AND JUSTICE MINISTER MERAI KHALID.

(END)

3.2.76

1/27/74/2/27/1

Wilson Endorses U.S. Policy on Middle East

WASHINGTON, Jan. 31 (AP). —British Prime Minister Harold Wilson today emphatically endorsed the efforts of the United States to bring about a peaceful solution of the Middle East problem.

Mr. Wilson said that his government "fully supports the step-by-step approach of Dr. (Secretary of State Henry) Kissinger and we shall continue to do so."

The British leader made this statement to an audience at the National Press Club.

He said that the Middle East was the primary topic of discussions he had had with President Ford earlier today.

He stated that he expects to discuss the same problem when he visits Moscow in the near future "and we shall do everything we can to help."

'Very Relaxed'

Mr. Wilson said his two days of talks with the President were "very relaxed." "We had remarkable discussions," he said. "We

do not have to convince each other on principles. We can be thoroughly practical and there was not one point on which we disagreed."

He said that Mr. Kissinger's hint that the United States might go to war if it felt it were being strangled was "misunderstood and sensationalized."

No one thinks about going to war to reduce prices but, Mr. Wilson added "in a situation when one is indeed strangled, such acts (Continued on Page 2, Col. 3)

THE DECISION OF THE UNITED STATES CONGRESS ABOUT T
ZB Z
ICIPG OFF OF

1/n 36d

MILITARY AID

TO TURKEY.

U.S. MILITARY AID TO TURKEY WILL BE CUT OFF BY THIS DATE UNLESS CONGRESS IS SATISFIED TURKEY HAS TAKEN DEFINITE STEPS TO IMPROVE THE

SITUATION CREATED IN CYPRUS FOLLOWING THE TURKISH INVASION AND OCCUPATION OF NEARLY HALF THE ISLAND LAST SUMMER.

A TURKISH FOREIGN MINISTRY STATEMENT BROADCAST BY THE OFFICIAL TURKISH CYPRIOT BAYRAK RADIO STATION WARNED THAT THE TURKISH FORCES IN CYPRUS WILL BE FORCED TO TAKE PROTECTIVE MEASURES IF THE VIOLATIONS OF THE CEASEFIRE BY THE GREEK CYPRIOTS CONTINUE. THE STATEMENT GAVE NO DETAILS ABOUT WHAT THESE PROTECTIVE MEASURES MIGHT

BE.

MANY GREEK CYPRIOT FAMILIES FLED NICOSIA DURING THE HEAVY EXCHANGE OF FIRE SATURDAY NIGHT, FOR SAFER AREAS IN THE MOUNTAINOUS HINTERLAND OF THE GREEK OCCUPIED PART OF THE ISLAND. THEY FEARED TH

FRESH OUTBREAK OF FIGHTING MIGHT SIGNAL A FRESH ADVANCE BY THE TURKISH OCCUPATION ARMY, WHOSE SUMMER OPERATION HAS ALREADY TRANSFORMED 200,000 GREEK CYPRIOTS INTO REFUGEES. (END)

SALT

2.23

silva

AN AP NEWS ANALYSIS
BY WILLIAM L. RYAN
AP SPECIAL CORRESPONDENT

NEW YORK (AP) -- AMERICAN AND SOVIET NEGOTIATORS HAVE GONE BACK

TO THE SALT TALKS EXPRESSING OPTIMISM ABOUT THEIR NEW ROUND, BUT THE
PATH AHEAD LOOKS AT LEAST AS PERILOUS AS EVER.
THE RECORDS OF RECENT EVENTS AND OF HISTORICAL EXPERIENCE COMBINE

TO PRODUCE A GLOOMY LONG-RANGE OUTLOOK.

THE TALKS BEGAN ANEW IN GENEVA OVER THE WEEKEND AND ARE SET TO
RESUME TUESDAY.

SALT, THE STRATEGIC ARMS LIMITATIONS TALKS, HAS BEEN CHUGGING
ALONG MORE THAN FIVE YEARS, AND WHILE THERE HAVE BEEN SOME
AGREEMENTS, THE ARMS RACE CONTINUES AND WEAPONS GET MORE COMPLEX AND

EXPENSIVE ALL THE TIME.

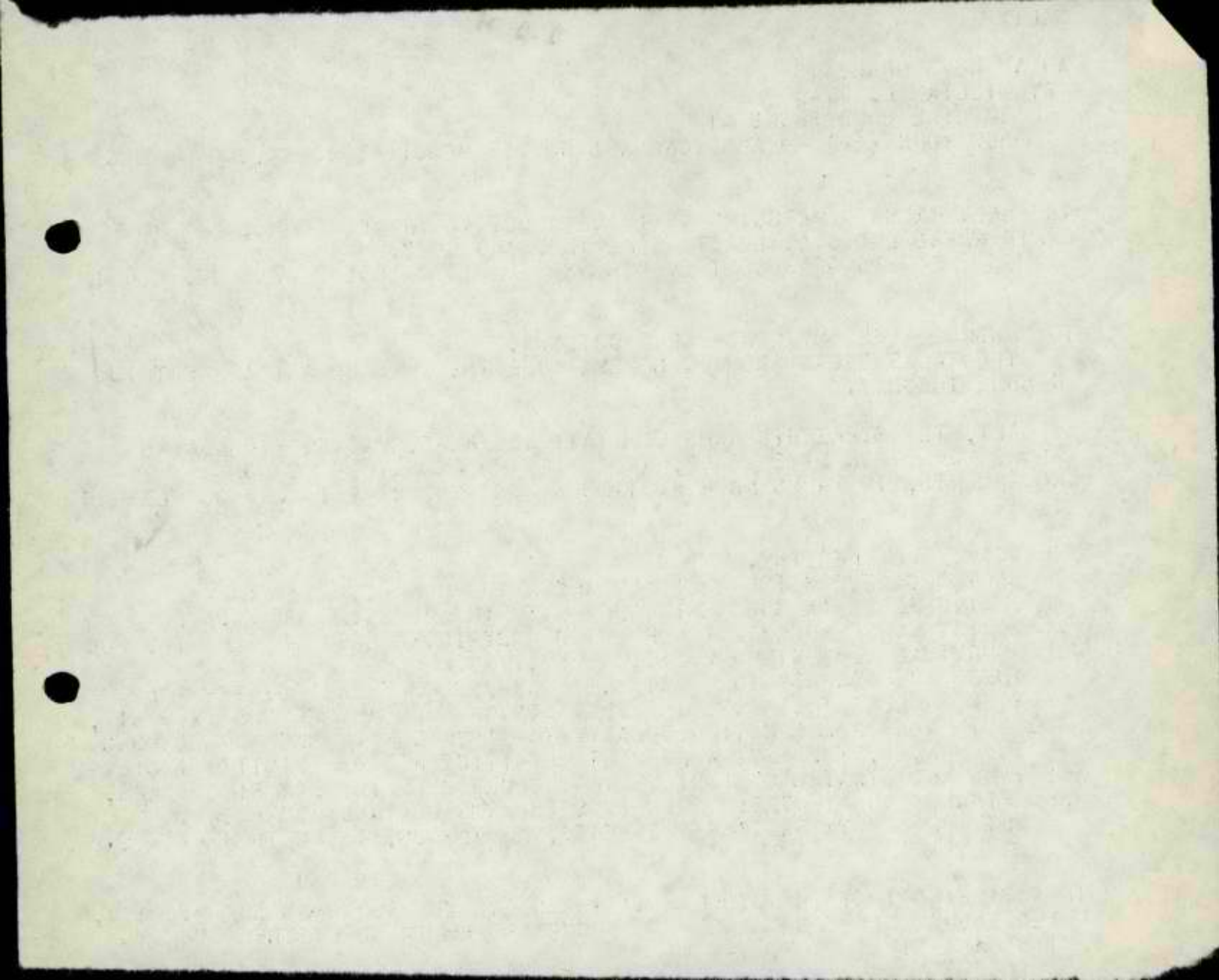
SALT BECAME POSSIBLE QUICKLY AFTER THE CURRENT SOVIET PEACE
OFFENSIVE BEGAN IN MOSCOW IN 1969 WITH THE BLESSING OF A WORLD
COMMUNIST CONFERENCE THAT REFLECTED A STRIKING LACK OF SYMPATHY FOR
THE SURVIVAL OF WESTERN POLITICAL SYSTEMS.

THERE ARE ALREADY IN EXISTENCE A NUMBER OF TREATIES: THE 1963
PARTIAL NUCLEAR TEST BAN, THE 1967 BAN ON NUCLEAR WEAPONS IN ORBIT,
THE 1970 NON-PROLIFERATION TREATY= THE 1971 BAN ON NUCLEAR WEAPONS
IN THE SEABED, THE 1972 AGREEMENTS LIMITING ANTI-BALLISTIC MISSILES
SYSTEMS AND STRATEGIC MISSILES THAT COULD BE BUILT FOR FIVE YEARS,
AND FINALLY THE TENTATIVE VLADIVOSTOK ARMS CONTROL AGREEMENT.

BUT THE KEY TO SALT'S PROSPECTS, AS ALWAYS, IS WHETHER EACH SIDE

IS SATISFIED THAT THE OTHER WON'T ACHIEVE SUPERWEAPONS SUPERIORITY,
EVEN THOUGH RIGHT NOW EACH HAS ENOUGH POWER TO BLAST THE OTHER TO
BITS MANY TIMES OVER.

(MORE)



N.Y. Times, Feb. 1, 1975

Handwritten notes: 1234, 5678, 91011

X
b

Kissinger May See Turks and Greeks

Special to The New York Times
WASHINGTON, Jan. 31 — Secretary of State Kissinger has made tentative plans to meet with the Greek and Turkish Foreign Ministers around Feb. 10, somewhere in Europe, in an effort to spur progress at negotiations over Cyprus, State Department officials said today.

They stressed that Mr. Kissinger's precise plans were not fixed but that as of the moment he plans to confer with Foreign Minister Dimitri S. Bitsios of Greece and Melih Esendel of Turkey, possibly in London or Paris, on his way to an already scheduled Middle East tour.

Mr. Kissinger, faced with the discouraging slow pace of the talks in Nicosia between Greek and Turkish Cypriote leaders, was reported today to believe he probably must try to meet with the Greeks and Turks once again.

Tomorrow Mr. Kissinger is to meet at the State Department with a group of Representatives and Senators who have supported the Greek side, to discuss the pending cutoff of American military aid to Turkey, set for midnight Tuesday night.

At that meeting, Mr. Kissinger will bring the others up to date on progress so far toward a Cyprus settlement and about his tentative plans to meet again with the Greek and Turkish leaders. Unless Congress votes to extend the aid cutoff, all military assistance to Turkey must cease on Feb. 5.

Mr. Kissinger will argue that some progress has been made and that the cutoff would set back, rather than advance,

prospects for a Cyprus settlement.

The pro-Greek Congressmen and Senators, who have won majority backing in both houses to set deadlines for Turkish aid cutoffs, say that unless they are assured that significant progress has been made at Nicosia, particularly on resettlement of the bulk of the Greek Cypriote refugees displaced by Turks, it would be unlikely that they would recommend an extension. Those who led the drive to stop the aid charged that Turkey was using American supplies aggressively, in violation of her agreement with the United States.

Turks Reject 2 Plans

Dispatch of The Times, London
NICOSIA, Cyprus, Jan. 31 — The Turkish Cypriote leader, Rauf Denktash, said today that two proposals made at the peace talks here, on the

opening of the Nicosia international airport and the use of the Famagusta seaport by the Greek Cypriotes, had been rejected by his side.

There had been rumors that Turkey would finally announce a long-awaited goodwill gesture, involving withdrawal of Turkish occupation troops from the Greek Cypriote sector of Famagusta and the return to their homes there of the 45,000 Greek Cypriote inhabitants,

who are now refugees.

But the United Nations spokesman on Cyprus, George Yacoub, said at a press briefing after the meeting today that the refugee issue had not been discussed.

The Greek Cypriote leader, Glafkos Clerides, said that he and Mr. Denktash had not yet taken up the issue of a central government. Before, the two resumed their talks on Jan. 14, they said in a joint announcement that the issue of the functions of a central government in a federal state would be the first item on their agenda.

Cyprus Fighting Reported

NICOSIA, Jan. 31 (AP) — Turkish troops and Greek Cypriote soldiers exchanged heavy gunfire today near the American-owned Skouriotissa copper mines of western Cyprus.

2/15/20

4/20/75

בלתי מסווג

משרד החוץ
מחלקת הקשר

מברק נכנס

3/

~~10~~

אל: המשרד
מאת: פריס

מס 482
נשלח 261115 פבר 75

מחלקת אנרגיה /משחה.
אנרגיה.

מורשנים כאן: בישיבת ה-OPEP
רציניים בשלושת הנושאים הנדונים:

- א. הדולאר: איראן מציעה הצמדת מחיר הנפט ל-S.D.R. ולשלושים מוצרים חקשיתיים (וחיא ניתמכה על ידי עיראק ואלג'יריה) בעוד ערב הסעודית מתנגדת לניתוק מחיר הנפט מהדולר.
- ב. המשתתפים לא מצליחים לגבש חוכמה מותאמת לצימצום הייצור.
- ג. הדיאלוג עם הצרכניות: אלג'יריה עומדת על הצעתה שידובר בו גם על חומרי גלם ובעיות הפיתוח בעוד כמה ארצות אחרות (וביניהן השוודיה) נוטות לעצמם דיאלוג לנושא הנפט בלבד. עד כאן.

טנא

שח רחמ מנכל מ/מנכל סמנכל יערי כלכלית איר א ב מזתים חקר רם אמן דינשטיין

Μέτρο: ΠΑΡΑΤΤ
ΟΠΠ: ΕΠΕΘ

ΠΡΟ 284
ΠΡΟΓΡΑΜΜΑ 2011-2014

Απόφαση Υπουργού Παιδείας και Θρησκευμάτων
18/11/2011

Αριθμός Πρωτοκόλλου: 1111/11-12-2011
Αριθμός Απόφασης: 1111/11-12-2011

Κ. ΠΡΟΚΛΗΘΗΚΑΝ οι ενδιαφερόμενοι να υποβάλουν αίτηση για συμμετοχή στο πρόγραμμα (ΠΡΟΓΡΑΜΜΑ ΕΠΕΘ) για το έτος 2011. Η αίτηση πρέπει να υποβληθεί στην Διεύθυνση Δεύτερης Εκπαίδευσης του Υπουργείου Παιδείας και Θρησκευμάτων.

Οι ενδιαφερόμενοι να υποβάλουν αίτηση μέχρι την 31/12/2011.

Α. ΠΡΟΚΛΗΘΗΚΑΝ οι ενδιαφερόμενοι να υποβάλουν αίτηση για συμμετοχή στο πρόγραμμα (ΠΡΟΓΡΑΜΜΑ ΕΠΕΘ) για το έτος 2011. Η αίτηση πρέπει να υποβληθεί στην Διεύθυνση Δεύτερης Εκπαίδευσης του Υπουργείου Παιδείας και Θρησκευμάτων.

Απόφαση Υπουργού Παιδείας και Θρησκευμάτων
18/11/2011

1/2

מס 361

75 תשלוח 241015 פברואר

אליו המסר

מאת רושינגטון

12

מצפה העתק מעת

לזכר מאמר מערכת של הרושינגטון פוסט מיום 21.2.

ARAB EXPORT, OIL AND BIAS

ARAB BANKS ARE USING THE IMMENSE LEVERAGE GIVEN THEM BY THEIR ACCUMULATION OF PETRODOLLARS TO BLACK LIST JEWISH BANKING INTERESTS IN LONDON, THE FIRM OF KLEIN WORT, BENSON EXCLUDED THE ROTHSCHILD ARBURG INSTITUTIONS FROM ONE LOAN SYNDICATION AT KUWAITI DEMAND. UNDER SIMILAR PRESSURE, THE FRENCH STATE OWNED CREDIT LYONNAIS AND THE BANQUE DE PARIS ET DES PAYS BAS EXCLUDED LAZARD FRERES, AND LAZARD AND ROTHSCHILD, RESPECTIVELY, FROM TWO INTERNATIONAL BOND ISSUES FLOATED FOR FRENCH STATE RUN AGENCIES. THE FRENCH AND BRITISH, TO BE SURE, ARE SO RELIANT ON ARAB OIL AND MANEY AS TO BE ESPECIALLY VULNERABLE TO THIS KIND OF BLACKMAIL. IN NEW YORK, MERRILL LYNCH, PIERCE, FENNER AND SMITH WAS ASKED BY KUWAIT INTERNATIONAL INVESTMENT TO BAR LAZARD FROM TWO TRANSACTIONS, BUT MERRILL LYNCH REFUSED AND THE KUWAITI FROM WITHDREW. IT IS ONE THING FOR ARAB BANKS NOT TO DEAL WITH ISRAEL. A STATE OF WAR DOES STILL EXIST, BUT IT IS A VERY DIFFERENT THING FOR ARAB BANKS TO ATTEMPT TO SQUEEZE NON ISRAEL BANKS OUT OF TRANSACTIONS THAT HAVE NOTHING TO DO WITH ISRAEL. THE DEFENSE IS OFFERED THAT THE ARAB BLACKLIST DISTINGUISHES BETWEEN "ZIONIST" BANKS THAT COOPERATE WITH ISRAEL AND BANKS THAT JUST HAPPEN TO HAVE BEEN FOUNDED OR BE RUN BY JEWS. BUT ARAB BLACKLISTERS ARE THE LAST PEOPLE ONE WOULD TRUST TO MAKE SUCH A DISTINCTION. IF THAT DISTINCTION WERE VALID, WHICH IT IS NOT, IT IS MORALLY AND POLITICALLY INDEFENSIBLE FOR ARABS TO EXTEND BY PRESSURE THEIR OWN PRACTICE OF ANTI SEMITISM TO PRIVATE THIRD COUNTRY INSTITUTIONS. TO THE FURTHER CLAIM THAT THE PUBLICITY GIVEN TO ARAB BLACKLISTING HAS ONLY MADE MODERATE

ARABS MORE MILITANT, THE ANSWER BE OF COURSE, THAT THE ARABS WERE IN FACT USING THE PREVIOUS CONDITION OF BANKING COMMUNITY DISCRETION TO ENFORCE THE BLACKLIST SENATORS JAVITS AND VILLIAMS NOTE THAT ARABS WOULD "EXTEND THE BOYCOTT AGAINST ISRAEL TO FIRMS WITH JEWISH MEMBERS EVERYWHERE, INCLUDING THE U.S." AND THAT THIS EFFORT FLIES IN THE FACT OF STANDING AMERICAN POLICY TO OPPOSE SUCH RESTRICTIVE PRACTICES- THE POLICY IS EXPRESSED, FOR INSTANCE,

SECRET

SECRET

SECRET

SECRET

SECRET

SECRET

SECRET

INTERNATIONAL INVESTMENT

INTERNATIONAL INVESTMENT IN THE UNITED STATES IS A SUBJECT OF GREAT INTEREST TO THE AMERICAN PEOPLE AND TO THE GOVERNMENT. THE PURPOSE OF THIS REPORT IS TO PROVIDE A BRIEF SUMMARY OF THE CURRENT SITUATION AND TO SUGGEST SOME POSSIBLE POLICIES FOR THE FUTURE.

INTERNATIONAL INVESTMENT IN THE UNITED STATES HAS INCREASED SIGNIFICANTLY SINCE THE END OF THE SECOND WORLD WAR. THIS IS DUE TO A NUMBER OF FACTORS, INCLUDING THE GROWING NEED FOR CAPITAL IN DEVELOPING COUNTRIES AND THE DESIRE OF AMERICAN INVESTORS TO DIVERSIFY THEIR PORTFOLIOS.

THE AMERICAN GOVERNMENT HAS TAKEN SEVERAL STEPS TO PROMOTE INTERNATIONAL INVESTMENT, INCLUDING THE ESTABLISHMENT OF THE INTERNATIONAL INVESTMENT CORPORATION (IIC) AND THE MULTINATIONAL ENTERPRISE DEVELOPMENT BANK (MEDB). THESE INSTITUTIONS HAVE PROVIDED FINANCIAL ASSISTANCE TO AMERICAN INVESTORS WHO WISH TO INVEST IN FOREIGN COUNTRIES.

HOWEVER, THERE ARE SEVERAL OBSTACLES TO INTERNATIONAL INVESTMENT IN THE UNITED STATES. ONE OF THE MAJOR OBSTACLES IS THE RESTRICTIVE POLICY OF THE AMERICAN GOVERNMENT WITH REGARD TO THE INVESTMENT OF AMERICAN FUNDS IN FOREIGN COUNTRIES. THIS POLICY IS BASED ON THE BELIEF THAT SUCH INVESTMENTS WOULD BE DETAILED IN THE INTERESTS OF THE AMERICAN PEOPLE.

IT IS BELIEVED THAT A MORE LIBERAL POLICY WITH REGARD TO INTERNATIONAL INVESTMENT WOULD BE BENEFICIAL TO THE AMERICAN PEOPLE AND TO THE WORLD ECONOMY AS A WHOLE. SUCH A POLICY WOULD ALLOW AMERICAN INVESTORS TO TAKE FULL ADVANTAGE OF THE OPPORTUNITIES AVAILABLE IN FOREIGN COUNTRIES AND WOULD HELP TO PROMOTE ECONOMIC DEVELOPMENT AND STABILITY IN THESE COUNTRIES.

THE AMERICAN GOVERNMENT SHOULD CONSIDER TAKING STEPS TO REMOVE THE RESTRICTIVE POLICY AND TO PROMOTE INTERNATIONAL INVESTMENT IN THE UNITED STATES. THIS COULD BE DONE BY ESTABLISHING A MORE LIBERAL POLICY WITH REGARD TO THE INVESTMENT OF AMERICAN FUNDS IN FOREIGN COUNTRIES.

IT IS BELIEVED THAT A MORE LIBERAL POLICY WITH REGARD TO INTERNATIONAL INVESTMENT WOULD BE BENEFICIAL TO THE AMERICAN PEOPLE AND TO THE WORLD ECONOMY AS A WHOLE. SUCH A POLICY WOULD ALLOW AMERICAN INVESTORS TO TAKE FULL ADVANTAGE OF THE OPPORTUNITIES AVAILABLE IN FOREIGN COUNTRIES AND WOULD HELP TO PROMOTE ECONOMIC DEVELOPMENT AND STABILITY IN THESE COUNTRIES.

מחלקת הקשר

- 2 -

IN THE EXPORT ADMINISTRATION ACT, THE TWO SENATORS HAVE ASKED THE ADMINISTRATION TO DETERMINE WHETHER INSTNCES OF ARAB RELIGIOUS DISCRIMINATION AGAINST AMERICAN CITIZENS OR CORPORATIONS HAVE ACTUALLY TAKED PLACE, AND TO FRAME APPROPRIATE REMEDIES. CERAINLY THIS SHOULD BE DONE.

WHAT IS INVOLVED IS NOT MERELY THE OBJECTIONABLE FACT THAT SOME ARABS MAY WISH TO EXPORT A RELIGIOUS BIAS AS WELL AS OIL. THE ARAB OIL EXPORTERS, EAGER FOR PLACES TO INVEST THEIR NEW BILLIONS ARE PRESUMABLY ON THE VERGE OF LARGE PROSPECTIVE INVESTMENTS IN THE U.S. THIS NATION, FOR ALL ITS CURRENT DIFFICULTIES REMAINS THE SINGLE LIKELIEST REPOSITORY OF ARAB PETRODOLLARS. WE HOPE ARAB INVESTMENTS DO FLOW TO THE U.S. BUT WE THINK IT ESENTIAL AT THE OUTSET OF THE FLOW THAT ARABS UNDERSTAND THE NEED TO ACCEPT THE LAWS AND TRADITIONS OF THE COUNTRY WHICH THEY WISH TO REVEIVE THEIR INVESTMENTS. FOR ARABS TO FEEL THEY ARE FREE TO USE THEIR MONEY TO ENFORCE THEIR OWN NOTIONS OF ETHNIC OR RELIGIOUS RECTITUDE WOULD BE A GREAT MISTAKE ALL AROUND. IF THE EUROPEANS LACK THE POLITICAL WILL TO PREVENT THEIR ARAB FRIENDS FROM TRAMPLING ON THEIR TRADITIONAL VALUES OF FAIRNESS AND DECENCY AMERICANS SURELY DO NOT.

AD KAN
PAZNER==

שמואל זעבא פאזנער פארשלאסן דעם 17טן יולי 1951
און פאר אילער פארשלאסן דעם 17טן יולי 1951
מ/מ

with whom

IN THE EXPORT ADMINISTRATION ACT, THE TWO SENATORS HAVE ASKED THE ADMINISTRATION TO DETERMINE WHETHER INSTANCES OF ARAB RELIGIOUS DISCRIMINATION AGAINST AMERICAN CITIZENS OR CORPORATIONS HAVE ACTUALLY TAKEN PLACE, AND TO FRAME APPROPRIATE REMEDIES. CERTAINLY THIS SHOULD BE DONE.

WHAT IS INVOLVED IS NOT MERELY THE OBJECTIONABLE FACT THAT SOME ARABS MAY WISH TO EXPORT A RELIGIOUS BIAS AS WELL AS OIL. THE ARAB OIL EXPORTERS ARE EAGER FOR PLACES TO INVEST THEIR NEW BILLION DOLLARS PRESUMABLY ON THE LARGE SCALE PROSPECTIVE INVESTMENTS IN THE U.S. THIS NATION. ALL ITS CURRENT DIFFICULTIES REMAINS THE SINGLE LIKELIEST RESORT OF ARAB PETRODOLLARS. WE HOPE ARAB INVESTMENTS DO FLOW TO THE U.S. BUT WE THINK IT ESSENTIAL AT THE OUTSET OF THE FLOW THAT ARABS UNDERSTAND THE NEED TO ACCEPT THE LAWS AND TRADITIONS OF THE COUNTRY WHICH THEY WISH TO BENEFIT THEIR INVESTMENTS. FOR ARABS TO FEEL THEY ARE FREE TO USE THEIR MONEY TO ENFORCE THEIR OWN NOTIONS OF ETHNIC OR RELIGIOUS RECTITUDE WOULD BE A GREAT MISTAKE ALL AROUND. IF THE EUROPEANS LACK THE POLITICAL WILL TO PREVENT THEIR ARAB FRIENDS FROM TRAMPLING ON THEIR TRADITIONAL VALUES OF FREEDOM AND DEMOCRACY AMERICANS SHOULD NOT.

AD KAL

PASB...

of the ...
...
...

ארכיון / מ/נ/ג: 413/4

משרד החוק

מחלקת הקשר

ש ש יר

(Handwritten signatures and initials)

מברק נביס - מסווג

אלה המסווג

מסמך מסווג

אנל יעיש

מחוז הדיס

103.1 של 480

שמור

כל המוסד תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוק וסודות רשמיים), תשי"ז 1957

במלחמה 2118300 פברואר 75

נמצא האמריקני על נושאים אחרים בשיחות קיימברידג' בפריס :

א. בין אהב לצרפת מרמ יושבו כל הילוקי הועות . יפקה שהאמריקנים עומדים על דעתם להבטיח תיאום בין הצרכניות לפני הדו שיח עם המפיקות . טוענים הצרפתים שאנשי לוחם לדו שיח בלי תיאום טכא , משום שהדבר עלול לפג אהו לקחת יותר מדי זמן ומצד שני ליצור רושם אצל המפיקות של רצון לעשות הצרכניות . עמדת אהב מבוססת על שלוש נקודות :

- הצורך ביצירת הקרוב (של 25 מיליארד דולר) . יחסי מובטות .
- הצורך בהתחייבות הצרכניות בסיוע הצרפתי . ישנה התקדמות רצינית (הדבר יושג .

- הצורך בחיפוש מקורות אנרגיה אלטרנטיביים . דהוי בינתיים הנקודה החלטה ביוזמי . בהקשר זה יש לקבוע מחיר מינימום של הנפט כדי לתת ערבות לפתעיים בחיפוש מקורות אנרגטיים . שלא יפסידו החולמיה שלהם . אם יוזל מחיר הנפט , אהב לא קבעה מה יהיה מחיר מינימלי זה ואינ צורך לקבוע אותו בשלב זה . אכ יש לחסכים על העקרונ .

ב. אהב טרם נתנה הסכמתה לצרפת לייגר והזמנות לוועידה המכילה . מניח שבמגעים הדיפלומטיים האחרון על הילוקי הועות האחרונים ואהב חסכים להשתתף בוועידה אליה יוזמנו המדינות שעליהם המליצ שר הנפט והסעודי . תפקיד הועדה המכילה כפול :
- קביעת רשימת המדינות שיואמרו לוועידה המבולשת .
- הכנת סדר היום . כאנ צפויה התנגשות בין ג'שת אהב והמדינות החדרות בטוכנות האנרגיה הבינלאומית החובקות

ב.נ.ס - מסווג

משרד החוק

מחלקת הקשר

כל המוסר תוכן מסמך זה, כולו או מקצתו לאדם שאינו מוסמך לכך - עובר על החוק לתיקון דיני העונשין (בטחון המדינה יחסי-חוק וסודות רשמיים), תשי"ז - 1957.

לאמצע הדיון, לטענות האטורגיה לכיג אכאידיה השואפת לזרחיכג
ממכלול בעיות חמרי האלמ.

זכאייא האדרומים ידור זורש מיימ מנהב ביהט כמכונות זיהמ
לדור בעניג הסל רשלישי (חילופי ידע וחברעת אנשים) השיכתו האישית
טסיכויי כגוס פטגור שוכים זיהא צמיה ליוכז או אוגוסט, תשי"ז

הדט

שהי דומ מבבל שהמו ממסלל עם רציע מלונ מירזמה א ב ממכלים מנהב ישרי הקר דת
המן דינשטיין/ חרז
ב/יכ



Joseph Kraft, Col

BRIDGING THE GULF

WASHINGTON.

The United States has never put together a coherent national policy for dealing with the oil exporting countries of the Persian Gulf. Instead, departments, agencies and private companies have to fend for themselves.

The upshot is a series of crazy contradictions which now seem to surface almost daily. The deal whereby a large share of Pan American is sold to Iran—a country that helped get the company in trouble by raising oil prices in the first place—is only the latest symptom of the trouble.

The biggest role in American policy toward the oil-exporting, or OPEC, countries is played by the State Dept. under Henry Kissinger. Kissinger counts as his chief concern the negotiations between Israel and the Arabs. He has practiced a subtle, two-pronged policy designed to keep the blunt weapon of oil apart from the delicate talks of settlement.

* * *

First, Kissinger has called on the monarchs of the Persian Gulf—notably the Shah of Iran and King Faisal of Saudi Arabia—to use their influence and money to urge upon the Arab neighbors of Israel a policy of moderation. To abet that tactic he has asked other elements of the federal government to be especially nice to the Saudis and the Iranians.

Secondly, Kissinger has tried to show that if matters between Israel and the Arabs turn truly ugly oil would not be the ultimate weapon. Hence his am-

biguous threats about the possibility of American military action if the oil exporters tried to "strangle" this country or its allies. Hence, too, his various international and domestic energy proposals to make this country and its allies less dependent on Arab oil exports.

This fancy footwork has been very hard to follow for the other government department most intimately involved—the Treasury under William Simon. Simon has been rightly concerned about the impact on the economies of the U. S. and its allies of the huge oil price increases dictated by the OPEC countries. He worked for most of last year to force a break in the price.

Dr. Kissinger seemed to back him—but that was only because Simon's efforts took the attention of the oil exporters away from the Arab-Israeli problem. When Simon's efforts collapsed last fall, Kissinger walked away as if nothing had happened. His latest energy proposals accept the notion that the world will have to live with high oil prices for years.

The Treasury has also been responsible for helping to arrange orderly and safe reinvestment of the surplus sums being accumulated by the oil monarchs. In keeping with Kissinger's be-nice approach, the Treasury has encouraged the oil exporters to reinvest their surpluses here and in Europe and Japan.

But now the Treasury has egg all over its face because at least one Arab kingdom, Kuwait, seems to be practicing discrimination against certain Jew-

ish banks. But all the Treasury could do was try—so far in vain—to plant a question which would elicit sharp criticism from the President at a press conference.

The Pentagon has been similarly embarrassed. In keeping with the be-nice approach, the Defense Dept. has undertaken a complete modernization of the Saudi armed forces. Pentagon negotiators, as part of the deal, wanted a stipulation whereby King Faisal would undertake not to institute an oil embargo again.

But Kissinger vetoed that idea on the grounds it might humiliate the King and ordered the Pentagon to give the Saudis whatever they wanted. One of the things they wanted was \$77 million to modernize their national guard. Hence the program for paying American mercenaries to train a force which will protect the oil fields that other Americans might have to attack if it became necessary to make good Kissinger's ambiguous threats of military action.

* * *

The Pan American deal is more of the same. Various parts of the government raised questions about Iran's owning a big share in the company. The main question was whether Pan Am might not be more appropriately saved by a merger with some other American company as part of a restructuring of the whole airline industry. But the State Dept. felt it was more important to stay on good terms with the Shah.

What all this means is that the U. S. has not thought through systematically the new kind of relation it wants to have with the OPEC countries. A basic reconsideration of policy—in a forum where somebody else besides the Secretary of State has a voice—is required. Until that is done American policy toward OPEC will be a ramshackle collection of incongruities which nobody can explain or understand.

N.Y. Post

19/2/75

Handwritten notes in Arabic script

Handwritten notes in Arabic script

Handwritten notes in Arabic script

Handwritten notes in Arabic script

Handwritten notes in Arabic script

Handwritten signature or mark

Even with riches gushing in, the Middle East still knows what poverty means

Where the Arab oil millions are being spent

Times
FEB 18 1975

We all think we know about the Arabs these days. They are rich. They are selfish. They are holding the industrial world to ransom. They are callously starving the underdeveloped world to death. They extort a monstrous price for their oil and then have the nerve to demand political concessions as well. They are buying everything in Britain from Buckingham Palace to British Leyland, and probably aim to control the whole world. Yet still they cannot spend all their ill-gotten gains, and their currency reserves are a menace to the international monetary system.

Anyone who thinks like that would benefit hugely from an hour's conversation with Mr Abdulatif Al Hamad, the Director General of the Kuwait Fund for Arab Economic Development. I happened to hear him speak on "The new Arab frontiers" at a meeting in the House of Commons last month, and I was so much impressed that I sought an interview with him when he was in London again last week.

The Fund, which Mr Al Hamad runs, is financed entirely by the Kuwait Government. From its foundation in 1962 until last July its purpose was to spend some of Kuwait's

oil money on economic development projects throughout the Arab world, from the Atlantic to the Gulf. It has done this without ideological discrimination, and has been allowed to operate quite independently of the Kuwait Government's foreign policy—in Iraq and South Yemen as well as in Morocco and Jordan.

The first thing to remember about the Arabs is that there are about a hundred million of them, and that most of them are very poor. That applies even to those of the oil-exporting countries. Mr Al Hamad points out that the *per capita* gross national product of the Arab members of OPEC is still only one tenth of the present United States level, and about one sixth of that of Europe and Japan. (That applies to current production—and of course they start from levels of infrastructure and standards of living far behind those of the industrial world.) That is *per capita*. In absolute terms, the total GNP of the Arab OPEC countries plus Iran and Venezuela is expected even in 1980 not to exceed six per cent of the total GNP of Western industrial countries (including Japan). *Per capita*, the GNP of the first group will be about one third

In producing increasing amounts of oil we are liquidating our only capital; so we must use it to provide our people with an alternative means of livelihood

of that of the second group.

Even Kuwait, which thanks to its small population now has one of the highest *per capita* incomes and one of the most highly developed welfare states in the world, is still well aware what poverty means. Mr Al Hamad, who is under 40, can remember when most children there had no shoes and meat was a luxury. And, he insists, we must not think of Kuwait or even all the Arab oil-producing states on their own but of the Arab world as a whole, including for instance the 35 million Egyptians, whose country remains underdeveloped by any standard. Kuwait certainly does not wish to think of itself alone, as the existence of his fund proves; and its example has been followed by other Arab oil-producing states, which have set up the Saudi Arabian Deve-

lopment Fund, the Abu Dhabi Fund, etc.

But since the five-fold increase in the oil price the Arab producers also recognize that they have responsibilities going beyond the Arab world—responsibilities both to cooperate with the industrial countries and to assist the developing world. Mr Al Hamad is especially concerned with the latter, since last July the capital of his fund was increased from 200 million to 1,000 million Kuwaiti Dinars (3,400 million dollars) and its brief widened so that it can now grant loans to any developing country, whether Arab or not. In addition Kuwait has recently lent 550 million dollars to the World Bank, while Saudi Arabia lent 750 million, etc.

Altogether, in 1974, the OPEC countries contributed 14,300 million dollars in bilateral and

multilateral aid. Of this, 7,600 million was bilateral, of which six Arab countries (Saudi Arabia, Kuwait, the United Arab Emirates, Iraq, Libya and Qatar) contributed 63 per cent. "This assistance constituted over eight per cent of the combined GNP of the OPEC countries." Kuwait itself was the largest *per capita* donor in the world, contributing about ten per cent of its oil revenue and between seven and eight per cent of its GNP. Since industrial countries are falling miserably to reach their target of 0.7 per cent, we should remember this before we accuse the Arabs of ungenerosity.

Of course it is much easier for a country like Kuwait, with a tiny population and vast trade surplus, to make grants and loans than for a country like Britain with a large population and a chronic trade deficit. But we should also remember that oil-producing states cannot look on their oil revenues simply as income. As Mr Al Hamad points out, "in producing increasing amounts of oil we are liquidating our only capital; so we must use it to provide our people with an alternative means of livelihood". In other words, what they give away in grants or soft loans to developing countries leaves less to be spent or invested on their own

industrial development.

Perhaps what has most surprised the world since the great oil price increase has been precisely the capacity of the producing countries to spend, both on themselves and on others. This also explains why the more export-oriented industrial countries, such as West Germany, have adjusted to the increase so easily. According to a recent study by the Morgan Guaranty Trust Co, OPEC imports of Western goods and services increased last year by 70 per cent to over 50,000 million dollars, and OPEC's combined annual trade balance may actually move into deficit by 1979.

Mr Al Hamad's vision seems close to the Cafl plan, under which oil-producers' money would be used to buy Western goods and technology for the economic development of the "Fourth World". But, he stresses, it is no good such schemes being concocted by the industrial countries in their private clubs (OECD, Group of Ten, etc) and then presented to the oil producers for signature on the dotted line. "If I am to be a member of the club, then I must have a say in framing the rules. If not . . . don't count on my subscription."

Edward Mortimer

1/1/75

12
10
10
10

10

חניני אוריגה
המונצ
המרה
העגופ
המקנ

13.2.75

Oil-producing nations seek rules on investment outlets

Oil-producing countries must be consulted over the recycling problem if funds are to be smoothly absorbed by the industrialized countries, said Mr Abdulatif Yousef Al-Hamad, director-general of the Kuwait Fund for Arab Economic Development last night. There should be no discrimination between oil money and other surplus money in the world financial system, he said.

would have to be set up about acceptable investment outlets.

The aim, he said, was "to try to promote a sensible, realistic and basically a business sort of relationship with the industrialized countries".

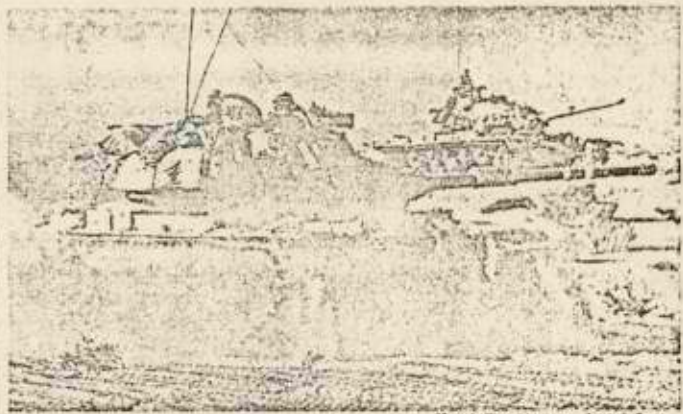
Once the West had agreed on the right rules, the Arab countries "would try to work according to those rules".

Although Mr Al-Hamad was emphatic on the need for a two-sided exchange of views, he said he understood the industrialized countries' reluctance to allow control over important companies to pass into foreign hands.

Mr Al-Hamad, who was giving his views on the BBC TV programme *Newsday*, also insisted that, if the West wanted to discourage the oil producers from obtaining control over "sacrosanct" industries, rules

Newsweek
17.2.75

Periscope



Yuval Shusterman—Israel Gun

ISRAEL VICTORIOUS

Even without a pre-emptive strike, Israel could defeat Syria in a one-week blitz and then destroy Egyptian forces in the following two weeks, according to a new Pentagon assessment of the military balance in the Middle East. The Pentagon believes Israel would be able to overcome Syrian and Egyptian air-defense missile systems with TV-optical "smart" bombs, electronic countermeasures and unpiloted decoy planes.

Warning by top banker of worst-yet inflation

Mr Walter Frey, general manager of the Swiss Bank Corporation, said in London yesterday that the gold price would rise rapidly if even a small percentage of Arab oil producers' surplus revenue entered the gold market.

He told a *Financial Times* conference on gold that Arab interests had not so far sizably invested in gold. A period of stable prices would, he said, increase Arab interest in the metal.

He said oil producers were becoming concerned about the depreciating dollar and were shifting into other currencies.

He said these changes were limited because European currencies lacked the potential to serve as international reserve assets, and because European governments would fight upward pressure on their currencies.

Mr Frey said the Soviet Union had stopped selling gold since the price receded from previous high levels and would probably not sell sizable amounts unless the price moved towards \$190 to \$200 an ounce.

The low-key reaction to American gold legalization would help future development of the United States market, he added. An initial boom would have been followed later by a technical reaction which would have harmed the market.

Mr Frey said a new inflationary price-spiral would be unleashed on the world in the not-too-distant future. "It will probably be worse than anything else we have seen so far", he said.

He believed people would be driven to seek protection in gold. Developments in the western economic situation in past months had clearly shown there was nowhere the "political consensus required to fight inflation efficiently".—Reuter.

Iran decides to value rial on SDR rate

Washington, Feb. 12.—Iran has notified the International Monetary Fund (IMF) that the exchange rate for its currency is being set in terms of the IMF's special drawing rights (SDR) rather than the American dollar.

IMF officials said today they were waiting for further information from Teheran, but it was understood that the Iranian rial would be valued initially at 82,2425 units for each SDR.

Previously the exchange rate for the rial was 67.75 units to the dollar (selling rate) and 67.50 (buying rate).

The SDR is valued in terms of a basket of 16 currencies, and its rate against any one of these currencies, including the dollar, changes daily to reflect the relationship of currencies in foreign exchange markets. Swiss bankers puzzled: Swiss bankers said they were puzzled by Iran's decision to link the rial to the SDR rate instead of the dollar.

A Teheran report said the decision was made to safeguard Iran's oil income.

This would make sense only if oil payments were made in either rials or special drawing rights, the bankers said.

טל
קניס
רסו

DAILY EXPRESS Thursday February 13 1975

THIS IS AMERICA

Philip Finn NEW YORK Wednesday

Cash calls Arabian knights...

Ivor Davis
LOS ANGELES
Wednesday

THE CALL of the desert has set hundreds of Vietnam veterans clamouring to get back into uniform.

And it has nothing to do with patriotism, but everything to do with money.

Scores of ex-servicemen have been queuing outside the Vincell Corporation in Alhambra, California, to join a private army which will train Saudi Arabians to protect their oil fields.

Men like Navy veteran Charles Nichols who can't find work as an electrician, and thinks being a mercenary would be more lucrative—at £700 a month.

"I'm going for the money, man, the money," said Nichols. He's not bothered by the fact that the Saudi troops may be training to repel U.S. forces. "If we're going to sell them equipment, it doesn't

מאמ
הוא כן
ענין אחר
הוא כן
מאמ

קיסניג'ר שוחח עם פייסל על השימוש בפטרו-דולרים לצרכי לוחמה כלכלית

16.2.35

א.א.א.

הזמין סקר על התרמת יהודים בפעולות מימון

על סיכויי המילואה בחיפה זה להבי
רת וולוו השוודית — אמר נציג של
וולוו, 8 בנקים (ובתוכם 2 יהודיים)
ישלימו את חלקה של כוויית בחל'
וואה.

החרם בארה"ב

דן מרגלית, שליח "הארץ" באר'
ה"ב, מוסר: חוששים כי בנקים
יהודיים בארה"ב יורחקו בעתיד מ'
עסקות שבחן משתתף הון ערבי —
מוסר ניוטויק בניו-יורק הבא.
חברה גדולה למסירת נגזות ב'
גוי יורק ניהתה את קשריה עם לקר'
חות בכוויית לאחר שסרבה להיענות
להכרזותיהם להחרים בנקים יהוד'
דיים.

חברות שונות בארה"ב מסלקות
עובדים יהודיים כדי לעשות עסקים
עם ערבים. מנהיג היהדות הריפור'
מית אלכס שינדלג טוען בניו-יורק
כי חברה בחוף המערבי של ארה"ב
לא קיבלה יהודים בשל חכנותיה ל'
ביצוע עבודות בשביל פעודות.

ריאה, 15 (א.פ.י.). שר החוץ ה'
אמריקאי הנרי קיסניג'ר העלה כי
שיחותיו עם פייסל מלך סעודיה
את השימוש בפטרו-דולרים לצרכי
לוחמה כלכלית. פקיד בכיר בממש'
לת ארה"ב אמר כי קיסניג'ר נמנע
סקר על התרמת בנקים וחברות'
השקעה שמנהליהם יהודיים וזרח'
פתם מפעולות מימון בינלאומיות
משותפות.

(ראו מאמר ראשי בעמוד 9)

תגובות בצרפת

אליהו מאיסי, מוסר, "הארץ" כי
צרפת, מוסר: כמה מלקוחות הבנ'
קים בצרפת החלו להפגין את מורת
רוחם מהבנקים הנכנעים לסחטנות
הערביות. לקוחות של הבנקים ה'
מולאמים בצרפת החלו להעביר את
פקדונותיהם לבנקים אחרים — כו'
תב הפרשן הפיננסי אלפן וארנפי
בלז פינארי.

וארנפי כותב כי דעת הקהל בי'
ארה"ב ובבריטניה לא תשלים עם
חרם פיננסי אנטישמי גלוי או מוס'
וזה וייתכן איפוא כי ישתכשו ה'
וחסום בין בנקים זרים רבים לכי'
הבנקים הצמודים להם בצרפת.
ז'אק שיראק, ראש ממשלת צרפת,
חזר על עמדת שר הכספים שלו
בצרפת זו באמרו כי את, "הקשיים"
צריכים לפתור הבנקים עצמם וה'
ממשלה הצרפתית לא תתערב, בנק'
אים ערבים אינם מסתירים את החל'
פתם הנחושה להמשיך בתרם הפי'
ננסי שלהם.

המדינות הודו

אליהו ז'בוי, מוסר, "הארץ" בסג'
דינמית, מוסר: החלטת חברת ה'
השקעות של כוויית לפרוש מפעולות
מימון של 25 מיליון דולר (בגלל
שיתוף בנקים יהודיים) לא תשפיע

הארץ

אל:

16.2.75

16.2.75R2' 1
D 1179 33U.S. CONGRESS-ENERGY
BY JIM LUTHER

WASHINGTON (AP) -- FACED WITH MOUNTING CRITICISM ABOUT A 'DO-NOTHING' CONGRESS, SENATE DEMOCRATS ARE PREPARING TO DO SOMETHING ABOUT PRESIDENT FORD'S ENERGY PROGRAM.

IF THEY GET THEIR WAY, THE PRESIDENT'S PLAN, BASED ON SHARPLY HIGHER FUEL COSTS, WILL BE DUMPED IN FAVOR OF A PROGRAM THAT PLACES FAR MORE EMPHASIS ON FIGHTING RECESSION THAN ON REDUCING OIL IMPORTS.

THE HOUSE ALREADY HAS VOTED TO BLOCK FOR 90 DAYS FORD'S 3-DOLLARS-PER-BARREL SPECIAL TAX ON IMPORTED OIL, AND THE SENATE IS WORKING ON A TIMETABLE THAT WOULD BRING A VOTE ON THAT LEGISLATION BY THURSDAY.

THE PRESIDENT'S PRESS SECRETARY, RON NESSEN, SAID EARLIER THIS MONTH 'CONGRESS HAS BEEN HERE A MONTH AND DOES NOTHING BUT VOTE F
R O

A DELAY.

IF CONGRESS PASSES THE BILL TO DELAY THE OIL IMPORT TAX, PRESIDENT FORD IS EXPECTED TO VETO IT.

BOTH SIDES AGREE THERE IS LITTLE CHANCE THAT THE HOUSE WILL UPHOLD

THE VETO, BUT SENATE NOSE-COUNTERS SAY THE VOTE COULD GO EITHER WAY BY A TWO- OR THREE-VOTE MARGIN IN THE SENATE.

BOTH HOUSES SCHEDULED BRIEF MEETINGS MONDAY -- MAINLY TO HEAR A READING OF GEORGE WASHINGTON'S FAREWELL ADDRESS -- AND THE LEGISLATIVE MACHINERY IS EXPECTED TO GET ROLLING AGAIN ON TUESDAY FOLLOWING A WEEK-LONG SEMI-RECESS.

WASHINGTON - U.S. CONGRESS-ENERGY 2

WHITE HOUSE OFFICIALS, FROM THE PRESIDENT ON DOWN, HAVE BEEN CRITICIZING CONGRESSIONAL EFFORTS TO BLOCK THE SPECIAL TAX ON IMPORTED OIL. THEY CALL THAT TAX THE FIRST, NECESSARY PART OF FORD'S

ENERGY PLAN AND NOTE THERE IS NO COMPREHENSIVE PROGRAM FOR CONGRESS TO CONSIDER IF THE PRESIDENT'S PROGRAM IS BLOCKED.

DEMOCRATS ARE SEEKING THE 90-DAY DELAY TO ALLOW TIME FOR DEVELOPING A SUBSTITUTE PROGRAM, AND A SENATE TASK FORCE IS PLANNING

TO SUBMIT ITS PROPOSALS TO THE DEMOCRATIC POLICY COMMITTEE ON TUESDAY.

AS A SUBSTITUTE, THE DEMOCRATS WOULD DROP FORD'S PLAN FOR SHARPLY REDUCING OIL IMPORTS, AND GRADUALLY RAISE THE FOUR-CENT FEDERAL GASOLINE TAX TO 14 CENTS A GALLON WITH PROCEEDS BEING USED TO FINANCE ENERGY-CONSERVATION PROGRAMS AND EFFORTS TO FIND ALTERNATIVE FUEL SOURCES.

(END)

1702G 16 FEB 75

2/16/75

~~SECRET~~

R151
Q 134 33

URGENT

ADVANCE FOR 1700 GMT
PAN AM-IRAN

BY ENDRE MARTON

WASHINGTON (AP) -- CONCLUDING SEVERAL MONTHS OF HUSH-HUSH NEGOTIATIONS, THE UNITED STATES APPROVED A COMPLEX AGREEMENT SUNDAY BETWEEN IRAN AND PAN AMERICAN AIRWAYS UNDER WHICH THE OIL-RICH MIDDLE EAST COUNTRY WOULD BAIL OUT THE COMPANY SUFFERING FROM SERIOUS FINANCIAL TROUBLES.

A JOINT U.S.-IRANIAN ANNOUNCEMENT DID NOT DISCLOSE DETAILS. IRANIAN AMBASSADOR ARDESHIR ZAHEDI, WHO IS IN ATLANTA, SAID IN A TELEPHONE INTERVIEW THAT HIS GOVERNMENT WILL ACQUIRE SOME 13 PER CENT OF PAN AM'S STOCKS AND THAT ALTOGETHER SOME 230 MILLION DOLLAR S

AND PROBABLY MORE ARE INVOLVED IN THE STOCK AND LOAN AGREEMENT.

THE JOINT ANNOUNCEMENT STRESSED THREE POINTS: 5+
1) 50-5 503 -0433.3,5 735233, 84-, -, # 0-, -. 4317843' 503 -0049=-)
901 503 :8-85 -349,-758:' ?9-40=

--THAT THE AGREEMENT WILL INCLUDE 'S' APPROPRIATE PROVISIONS WHICH WOULD SATISFY VARIOUS REQUIREMENTS OF THE U.S. DEFENSE DEPARTMENT= 'S',
S

AND THAT IRAN 'S' HAS NO INTEREST IN CONTROLLING THE MANAGEMENT OR OPERATIONS OF PAN AMERICAN AIRWAYS. 'S' S

THE PENTAGON OF S
33) 2, .9# 59 0-#3 0-# 43'34=-589,' 59 503 #3-)
173'589,8, 0 2035034 84-, 'S PART OWNERSHIP OF PAN AM WOULD AFFECT T,
E

DEFENSE DEPARTMENT IN CONTROLLING THE COMMERCIAL AIRLINE AND ITS PLANES IN CASE OF A MILITARY EMERGENCY.

THE THIRD POINT WAS AIMED AT SATISFYING CONCERN IN CONGRESS AND ELSEWHERE OVER THE DOVE ISSUE OF FOREIGN OWNERSHIP IN KEY INDUSTRIES.

Handwritten signature or initials

00

R157
Q 1139 33

URGENT

WASHINGTON -- PAN AM-IRAN 2 (W134)
COMMERCIAL AVIATION IS ONE OF THE FEW INDUSTRIES IN WHICH FEDERAL

LAW RESTRICTS FOREIGN OWNERSHIP. THE OTHERS ARE SHIPPING,
BROADCASTING, HYDROELECTRIC POWER AND NUCLEAR ENERGY.

THE AGREEMENT, AMBASSADOR ZAHEDI SAID, INCLUDES THE HOTEL CHAIN
INTERCONTINENTAL, OWNED BY PAN AM.

NEGOTIATIONS WITH IRAN WERE CONDUCTED IN TEHRAN AND, ON THE
GOVERNMENT LEVEL, APPROVAL WAS GIVEN BY COMMERCE UNDERSECRETARY JOHN

K. TABOR IN THE IRANIAN CAPITAL LAST WEEK.

THE FINAL WORD TO GO AHEAD WAS GIVEN BY PRESIDENT FORD.

FOLLOWING IS THE TEXT OF THE JOINT U.S.-IRANIAN STATEMENT:

' '
S Y
' ' IN RECENT WEEKS THE GOVERNMENT OF IRAN AND PAN AMERICAN AIRWA

HAVE SOUGHT AGREEMENT IN REGARD TO THE POSSIBLE INVESTMENT BY THE
IRANIAN GOVERNMENT IN PAN AMERICAN AIRWAYS. THE U.S. GOVERNMENT HAS
BEEN INFORMED OF THESE DEVELOPMENTS AND HAS BEEN IN CONSULTATION
WITH BOTH THE GOVERNMENT OF IRAN AND PAN AMERICAN ON THIS SUBJECT.

' '
THE GOVERNMENT OF IRAN AND THE UNITED STATES GOVERNMENT
RECOGNIZE THAT ANY FINAL AGREEMENT REACHED BETWEEN IRAN AND PAN
AMERICAN AIRWAYS IS SUBJECT TO APPROVAL BY THE U.S. CIVIL
AERONAUTICS BOARD, USING ITS NORMALLY APPLIED LAWS AND REGULATIONS.
IT IS ALSO UNDERSTOOD THAT THERE BE APPROPRIATE PROVISIONS IN SUCH
AN AGREEMENT WHICH WOULD SATISFY VARIOUS REQUIREMENTS OF THE UNITED
STATES DEPARTMENT OF DEFENSE VIS-A-VIS PAN AMERICAN AIRWAYS. BOTH
GOVERNMENTS NOTE THAT IN ENTERING INTO SUCH AN AGREEMENT, THE
GOVERNMENT OF IRAN HAS NO INTEREST IN CONTROLLING THE MANAGEMENT OR
OPERATIONS OF PAN AMERICAN AIRWAYS. FOR ITS PART, THE U.S.
GOVERNMENT HAS NO OBJECTION IN PRINCIPLE TO THE PROPOSED AGREEMENT.

' '
E
BOTH THE GOVERNMENT OF IRAN AND THE U.S. GOVERNMENT REGARD TH

FRUITFUL CONSULTATIONS THEY HAVE HAD ON THIS ISSUE AS AN EXPRESSION
OF THEIR CLOSE COOPERATION AND A FURTHER CONTRIBUTION TO THE
STRENGTHENING OF THEIR RELATIONSHIP.'

2/12/75

023

RO53
D V271 33

U.S.-INFLATION

BY JOE HALL

WASHINGTON (AP) -- ALAN GREENSPAN, PRESIDENT FORD'S TOP ECONOMIST, SAID THURSDAY HE SAW 'DEFINITE AND QUITE HOPEFUL SIGNS' THAT THE

RATE OF INFLATION IS BEGINNING TO DECLINE.

'WE ARE BEGINNING TO SEE A SOFTENING IN THE RATE OF INFLATION NOT

ONLY IN THE FARM AREA BUT ALSO IN THE INDUSTRIAL AREAS,' HE TOLD THE SENATE APPROPRIATIONS COMMITTEE.

IF THIS TREND CAN BE ENCOURAGED TO CONTINUE, 'I AM HOPEFUL THAT

WE CAN RESTORE BALANCE TO THE ECONOMY AND ESTABLISH THE BASIS FOR STABLE GROWTH,' HE SAID.

GREENSPAN ACKNOWLEDGED IN REPLY TO QUESTIONS FROM DEMOCRATS THAT FORD'S ENERGY PROPOSALS WOULD BRING A 2 PER CENT INCREASE IN THE INFLATION RATE THIS YEAR BUT DECLARED THIS WOULD BE 'ONLY A ONE-SHOT IMPACT.'

THE ECONOMIST ALSO SAID HE DID NOT SHARE FEARS OF SOT SENATORS THAT ARAB COUNTRIES WOULD INCREASE THE PRICE OF OIL 3 DOLLARS A BARREL TO MATCH THE NEW TAXES PROPOSED BY THE PRESIDENT.

GREENSPAN SAID AT THE MOMENT THERE IS A WORLD SURPLUS OF OIL, WITH

HUGE SUPPLIES IN STORAGE.

'THE PRESSURES ARE ALL ON THE DOWN SIDE,' HE ASSERTED. 'THE

CHANCES OF AN INCREASE IN PRICE ARE EXTREMELY LIMITED.'

GREENSPAN, CHAIRMAN OF THE PRESIDENT'S COUNCIL OF ECONOMAW

WASHINGTON - U.S.-INFLATION 2

MOST OF THE QUESTIONS, HOWEVER, CENTERED ON WAYS TO MEET THE ECONOMIC RECESSION AND ON THE ENERGY SITUATION.

GREENSPAN SAID HIS COUNCIL IS RESTUDYING ITS PROJECTIONS ON 1975 UNEMPLOYMENT, IN VIEW OF THE FACT THAT THE RATE REACHED 8.2 PER CENT

IN JANUARY, HIGHER THAN ANTICIPATED.

HE CONCEDED 'IT IS POSSIBLE IT WILL GO ABOVE 8.5 PER CENT, BUT

MADE NO FURTHER PREDICTION.

BUDGET

LT. LYNN, DEFENDING THE PRESIDENT'S ENERGY PACKAGE, SAID THE ONLY ALTERNATIVE WAYS OF CUTTING OIL CONSUMPTION WERE RATIONING OR TIGHT ALLOCATIONS.

STEPHEN GARDNER, DEPUTY TREASURY SECRETARY, SAID THAT PERHAPS

FORD'S BUDGET MESSAGE 'HAS CREATED A GREATER SENSE OF PESSIMISM ABOUT THE FUTURE THAN IS JUSTIFIED.'

'THE TREND OF THE ECONOMY THROUGH THE YEAR SHOULD BE CONSIDERABLY

BETTER THAN LAST YEAR, HE SAID.

'WHILE UNEMPLOYMENT WAS RISING AT THE END OF 1974, WE EXPECT

TO BE FALLING BY THE END OF 1975.

'WHILE THE RATE OF INFLATION WAS ABOVE 10 PER CENT AT THE END

1974, IT SHOULD FALL BELOW 10 PER CENT BY THE END OF 1975.

'THUS, AS WE ENTER 1976, EVEN THOUGH OUR PROGRESS MAY BE SLOW

THAN ANYONE WOULD LIKE, WE EXPECT THAT THE NATION WILL BE ON THE ROAD TO RECOVERY.'

OIL NATIONS' CASH SURGING INTO U.S.

Oil-Producing Countries Step Up Investing in U.S.

Continued From Page 1, Col. 7

Analysts Now Less Fearful —Corporate Control Not Expected to Be a Goal

The flow of surplus oil revenues into the United States from Arab nations and other oil-producing states was substantially larger last year than official Government figures indicate, and the inflow is almost certain to increase sharply in 1975, according to a number of commercial bankers, brokerage officials and economists.

The heavier inflow of these so-called petrodollars is generally favored by Government analysts and economists, partly because such funds are not expected to be invested directly in controlling large American corporations.

This inflow provides capital for use by the Government and American businesses, relieves pressures (particularly in the market for Treasury securities) and helps the nation's balance of payments. Foreign demand for American debt and equity securities also helps buoy the markets in which they are traded.

Treasury Secretary William E. Simon recently estimated that about \$11-billion in oil

money was invested directly in the United States in 1974.

However, a number of executives in the financial community indicated in interviews that they believed the actual flow of money from members of the Organization of Petroleum Exporting countries might have been as much as 50 per cent higher.

They also said investments of petrodollars here could reach \$20-billion to \$30-billion this year. Petrodollars are generally defined as surplus funds available to oil-exporting nations for investment purposes.

One New York banker who has maintained close contact with Arab officials said he believed the oil-exporting states had invested about \$17-billion in the United States last year—some of it funneled secretly through third countries—and that their total investments here could leap to \$30-billion this year.

Gerald L. Parsky, an Assistant Secretary of the Treasury, acknowledged that the Government's current statistics were incomplete, but he said he thought an estimate of \$17-billion in petrodollar investments during 1974 was "rather high."

He said he was unable to provide a reliable estimate of his own that would include both direct and unreported investments, but he said the Treasury was compiling additional information on such investments.

Another banker estimated that the oil-exporting nations might invest as much as \$4-billion in stocks of United States companies this year, up more than fourfold from their estimated 1974 purchases.

Another financial executive, Eugene J. Sherman, a vice president of Merrill Lynch Government Securities, Inc., said he expected the oil-exporting nations to buy at least \$10-billion worth of United States Treasury securities this year, up from last year's estimated \$6-billion.

He and other executives said commercial banks around the world were saturated with short-term petrodollars—that is dollars deposited for short periods which could be withdrawn at almost anytime—and he cited this situation as encouraging investment in longer-term Government securities.

"The banks are up to here with short-term money, and the Eurodollar markets are pretty well filled up," Mr. Sherman said. (The Eurodollar, or Eurocurrency, markets comprise activity in currencies on deposit outside their country of origin. The principal currency traded in this market is the United States dollar.)

One problem, of course, could be the slowing of foreign investment generally in the United States as a result of a drop in interest rates here.

Rimmer deVries, a vice president of the Morgan Guaranty Trust Company, said he expected at least \$15-billion to \$20-billion in investments by the oil-exporting nations in the United States this year. He said the flow was currently running at an annual rate of about \$14-billion.

Mr. deVries said he agreed that large amounts of unreported oil money had flowed into the United States last year, but he said that much of it had flowed right back out.



Gerald L. Parsky, an Assistant Secretary of Treasury, discussed estimates of petrodollar investments.

A Congressional aide said a Government intelligence service had estimated that the total flow of oil money into the United States last year was 20 per cent higher than official Government estimates of direct investments. Mr. Parsky confirmed that such an intelligence report had been received earlier in the year by the Administration but said that it was not believed to be accurate.

Some high-ranking officials representing the nation's largest and most powerful commercial banks said they would discuss petrodollars only if they could remain anonymous because their Arab clients were wary of publicity about their investment activities.

"You can be sure when you read in the newspapers about someone who says he is doing business with the Arabs that he isn't doing much," said one of the bankers.

The bankers said that a few outright purchases by Arabs of American real estate and equity positions in United States companies and financial institutions had attracted widespread attention but that they constituted only a small percentage of the petrodollar investments in this country.

According to Mr. Simon, an estimated \$6-billion of the OPEC money that flowed into the United States last year was used to buy Government securities. He said \$4-billion more went into bank deposits, certificates of deposit and other types of money-market paper. Less than \$1-billion, Mr. Simon said, went for real estate and equity investments.

Most such investments are reported in official Government statistics, but other types of investments are difficult to identify. It is believed, for example, that some petrodollars are being funneled into the United States from countries like Switzerland and West Germany.

"It's conceivable that some funds might be placed with individuals who aren't aware that they should report them," said F. Lisle Widman, director of the Office of International Monetary Affairs at the Treasury. "Some purchases are made that are not identified as foreign purchases."

While the accelerating flow of petrodollars into the United States is being closely watched by economists and financiers, they pointed out that most of the oil-exporting nations seem to have made policy decisions to seek widely scattered long-term investments in this country rather than aiming at direct control of American companies.

There have been some notable exceptions, like the recent commitment by Ghaith Pharaon, a private Saudi Arabian businessman, to purchase a controlling interest in the Bank of the Commonwealth in Detroit.

Attempts by Arabs to buy control of other, smaller banks in San Jose, Calif. and Pontiac, Mich. failed. The Kuwaitis, however, have bought a small island off South Carolina for development as a resort, and Iran is involved in intricate negotiations with Pan American World Airways which would result in an Iranian rescue of the financially troubled airline.

Some money managers said they foresaw the danger of a legislative wall being erected against Arab funds in this country. As a consequence, they said, the Arabs were being careful to keep most investments in any single company below 5 per cent of total ownership.

The banker who said he believed oil exporters could invest as much as \$30-billion in the United States this year said he expected that about 70 per cent of it would probably flow into Government instruments such as bonds and agency securities and that the rest would go into bank deposits, trust programs and direct investments in equities.

Financial experts said the Arab countries until now had been dealing largely with a handful of big commercial banks — notably Chase Manhattan, Morgan Guaranty and First National City. Some expect the number to grow this year, however.

Handwritten notes:
= 18/10, 3/1
N.Y. Times
13/2/75
2-207
2-208
1-232
2-209
10/26-1
10

1/1/81

בלתי מסווג

משרד החוץ
מחלקת הקשר

מברק נכנס

מס' 247

אל: המשרד

שליח: 131100 סברזאר

מאת: ניו יורק

מ ל י ד י

מנה דוצ. דע זושנינגסון באום ריבלין.
 להלן מאמר מערכת הניו יורק טיימס נחיות בנושא החוץ הערבי וכניסה אנגלית
 לסחטנות. עם קריאה לכנס הצפוי בקהיר של ממערכות בנושא חרם לגמש
 הפעלה חרם ולתקל חנאיו כתוכחה לכוונת אי-לוחמה.
 הנאמר בסוף ה"סקירה"
 במרכז עמוד "אוף אה" של הניסוימט- תרגום מכתבו הנלוו של ירמיהו יובל
 ב"מארץ" לקסינגר בשלמותו.
 להלן המאמר בניסוימט:

ECONOMIC WARFARE

WHILE SOME ARABS TALK SOFTLY ABOUT COMING TO TERMS WITH ISRAEL. OTHER ARAB INTERESTS ARE SHOWING NO HESITATION IN USING THEIR NEW FOUND FINANCIAL POWER FOR UNABASHED HARASSMENT OF FIRMS AND INSTITUTION BELIEVED SYMPHETIC TO ISRAEL. MORE DISTASTEFUL EVEN THAN CURRENT ATTEMPTS AT MONEY MARKET BLACKMAIL IS THE APPALLING WILLINGNESS OF SOME OTHER WISE DISTINGUISHED EUROPEAN FINANCIAL INSTITUTIONS TO CAVE IN TO ARAB DEMANDS. INVESTMENT CONCENS OF SEVERAL ARAB OIL PRODUCING COUNTRIES ARE REFUSING TO PARTICIPATE IN INTERNATION UNDERWRITING SYNDICATES UNLESS MECHANT BANKS CONTROLLED BY JEWISH INTERESTS ARE EXCLUDED. SINCE THE FIRMS ON THIS APPARENT "BLACKLIST" ARE AMONG THE MOST PROMINENT INTERNATIONAL UNDERWRITERS THEIR EXCLUSION COULD SHATTER THE MUTUAL RESPCET ON WHICH THE WESTERN BANKING COMMUNITY DEPENDS. AFTER INTIALLY SUCCUMBING TO THE DISCRIMINIATORY TERMS OF A KUWAIT INVESTMENT COMPANY FRENCH FINANCIAL AUTHORITIES WISELY RECOGNIZED THE IMPLICATIONS OF THEIR EARLIER APPEASEMENT AND POSTPONED ONE OF THE CONTROVERSIAL OFFERINGS. WEST GERMAN FINANCIAL INSTITUTIONS HAVE APPARENTLY REFUSED TO ACKNOWLEDGE THE ARAB PRESSURES AL ALL AND THUS FAR NO UNITED STATES SYNDICATE HAS YIELDED. BY CONTRAST IT WAS ASTONISHING TO FIND ONE OF LONDONS LEADING BANKERS CLAIMING THAT HIS FIRM WOULD NOT RESIST THE ARAB DEMANDS SINCE HE SAID THE WORLD FI NANCIAL COMMUNITY HAD BECOME POWERLESS BEFORE THE ARABS' NEW WEALTH. BLACKMAIL SUCCEEDS ONLY IF THE INTENDED VICTIM LETS IT SUCCEED.

-2-

TO GIVE IN TO THESE UGLY AND DISCRIMINATORY DEMANDS WILL ONLY INSURE EVER TIGHTER ENTRAPMENT IN THE POLITICALLY COERCIVE USE OF ARAB OIL MONEY.

... UNDER REVIEW

REPRESENTATIVES OF THE GOVERNMENT OF THE ARAB LEAGUE ARE SCHEDULED TO MEET IN CAIRO LATER THIS MONTH FOR A PERIODIC REVIEW OF THE OLD ARAB BOYCOTT AGAINST ISRAEL. EVER SINCE THE START OF JEWISH SETTLEMENT IN PALESTINE NEIGHBORING ARAB REGIMES HAVE ATTEMPTED TO ENFORCE ECONOMIC SANCTIONS NOT ONLY PROHIBITING THE MOST ROUTINE CONTACTS BETWEEN ISRAEL AND THE ARAB STATES BUT ALSO ATTEMPTING TO EXCLUDE FOREIGN COMPANIES WHICH INVEST IN ISRAELI VENTURES FROM SIMULTANEOUSLY DOING BUSINESS IN THE ARAB WORLD. OVER THE DECADES THIS BOYCOTT HAS OFTEN SEEMED MORE OF A MONUMENT TO FUTILITY THAN AN EFFECTIVE ECONOMIC WEAPON. INDEED IT FORCED THE ISRAELIS TO DEVELOP THEIR OWN ECONOMY AND INDUSTRIAL BASE MORE RAPIDLY THAN THEY MIGHT OTHERWISE HAVE DONE.

IN ADVANCE OF THE CAIRO MEETINGS THERE ARE SIGNS THAT SOME ARAB LEADERS THEMSELVES REALIZE THAT THEY HAVE OFTEN SUFFERED MORE FROM THE BOYCOTT THAN HAS ISRAEL. CHASE MANHATTAN'S MIDEAST MARKETS NEWSLETTER QUOTES ONE ARAB PLANNER IN SAYING THAT BOYCOTT RESTRICTIONS

" SHOULD NOT BE ALLOWED TO INTERFERE WITH THE RAPID GROWTH OF INDUSTRIALIZATION AND THE IMPORT OF TECHNOLOGY WE NEED TO BUILD OUR INFRASTRUCTURE".

SINCE THE OLD SANCTIONS RETAIN SYMBOLIC IMPORTANCE TO THE ARAB WORLD OUT OF ALL PROPORTION TO THEIR EFFECTIVENESS IT IS UNLIKELY THAT THE BOYCOTT WILL BE ABRUPTLY CALLED OFF - AT LEAST UNTIL FAR MORE DIPLOMATIC PROGRESS HAS BEEN MADE THAN IS NOW IN SIGHT. BUT A SIGNIFICANT EASING OF THE BOYCOTT'S TERMS AND GREATER FLEXIBILITY IN ITS APPLICATION WOULD GIVE HESITANT ISRAELIS A

SIGNAL OF NON BELLIGERENT INTENT IF THAT IS WHAT THE ARAB STATES WISH TO INDICATE AS SECRETARY OF STATE KISSINGER'S RENEWED DIPLOMATIC EFFORTS SHOW SOME INITIAL SIGNS OF WORKING TOWARD A SETTLEMENT. MORE DIRECT TO THE ARABS' OWN SELF INTEREST RELAXATION OF ANACHRONISTIC RESTRICTIONS WOULD GREATLY SPEED THE PROCESS OF DEVELOPMENT TO WHICH THEY SO EARNESTLY ASPIRE.

AD KAN

ITONUT*****

משרד החוץ - תל אביב - חשבט המנהל הסברה מעה מצא אירופה ב כלכלית חקר מזחים יערי

מאור אבי רם אמן תעוד אילסר ממחשבת / זכרון 316

25/5

1051G 13 FEB 75

Handwritten signature/initials

02

RO88
D W526 33

PAN AM-IRAN

WASHINGTON (AP) -- THE LIKELY APPROVAL BY PRESIDENT GERALD FORD OF

IRAN'S PLAN TO PROVIDE LOANS TO FINANCIALLY AILING PAN AMERICAN WORLD AIRWAYS WOULD MAKE THE ARRANGEMENT THE MOST DRAMATIC INSTANCE OF AN OIL-RICH NATION TAKING A STAKE IN U.S. INDUSTRY.

IRONICALLY, THE SURGE IN OIL PRICES THAT HAS ENRICHED IRAN ALSO HAS CONTRIBUTED SUBSTANTIALLY TO PAN AM'S STAGGERING FINANCIAL LOSSES. THE CARRIER LAST WEEK BLAMED A 133 PER CENT INCREASE IN FOREIGN FUEL COSTS FOR MOST OF ITS 81 MILLION DOLLARS LOSS LAST YEAR.

AN AGREEMENT FOR IRAN TO INFUSE NEW FUNDS INTO PAN AM PROBABLY WILL BE GIVEN PRESIDENTIAL APPROVAL WITHIN THE NEXT FEW DAYS, A WHITE HOUSE SOURCE SAID WEDNESDAY.

FORD'S DECISION COULD BE ANNOUNCED LATER THIS WEEK. 'S'AI WOULD
OT N

EXPECT IT TO BE UNFAVORABLE, 'S'AI THE WHITE HOUSE SOURCE SAID.

IF THE AGREEMENT WINS FORD'S APPROVAL, PAN AM WOULD JOIN SEVERAL

SMALL- AND MEDIUM-SIZED U.S. BANKS, A SHOPPING CENTER IN ATLANTA, AND AN ISLAND RESORT OFF THE AMERICAN SOUTHEAST COAST AS SYMBOLS OF INVESTMENTS BY FOREIGN OIL PRODUCERS IN AMERICAN BUSINESS.

TREASURY SECRETARY WILLIAM E. SIMON HAS ESTIMATED THAT THE OIL-RICH NATIONS SUCH AS IRAN Poured 11.5 BILLION DOLLARS INTO U.S. INVESTMENTS LAST YEAR. HOWEVER, ONLY ABOUT 750 MILLION DOLLARS HAS FOUND ITS WAY INTO TANGIBLE BUSINESS ENTERPRISES WHILE THE BULK OF THE FUNDS WENT INTO SHORT-TERM SECURITIES.

U.S. BUSINESSMEN HAVE BEEN QUOTED AS SAYING THAT SIMON'S ESTIMATE
E

IS LOW AND THAT OIL-COUNTRY INVESTMENTS IN THE UNITED STATES THIS YEAR COULD RANGE UP TO 30 BILLION DOLLARS.

THE QUESTION OF WHETHER OIL-PRODUCING COUNTRIES SHOULD BE ALLOWED

TO INVEST HEAVILY IN U.S. CORPORATIONS HAS BEEN TROUBLING THE FORD GOVERNMENT IN RECENT MONTHS. THE PRESIDENT SAID LAST WEEK THAT THE STATE DEPARTMENT AND THE NATIONAL SECURITY COUNCIL ARE EXAMINING THE

POSSIBLE IMPACT OF SUCH INVESTMENT.

(END)

הארץ

אל: 12.2.75

ממשלת ארה"ב נדרשת להגן על חברות הנפט לבל יהפכו "בנות ערובה" בארצות ערב

כלכלנים אמריקאים: משבר הנפט אינו אלא הונאה

כמות יבוא זו על בסיס התחרות, כדי להרוס את הקרטל או להגביל אותו עלינו לקדם את התחרות" — אמר.

מציאת מקורות נוספים

התערכות הנוכחיות אינן יכולות יותר גם לגבי הסיכויים למצוא מקור רות נפט נוספים. המסרה היא, כי אספקת הנפט הנגר וכן החכרת של תחול ירידה בטחונים. הכלכלן הנדריק הוטאקרי מאוניברסיטת הווארד אמר, כי העלייה המסחררת במחירי הנפט בי"ח 1973 הביאה לריבוי ניצולם של מעיינות נפט שנחשבו כבלתי כדאיים ברמת המחירים הקודמת ו" למלאי הידוע של העולם משנת 1974 נוספו עתה 87.8 מיליארד חביות.

התמסקה והביקוש

בעוד שתמסקה גברה, הביקוש ירד. בארה"ב ירד הביקוש למוצרי הנפט ב-3.9 אחוזים וזהו הירידה הראשונה בביקוש בי"ח השנים שי הלשו. גם יבוא הנפט האמריקני ירד ב-105 אלף חביות בממוצע ל" יום לעומת 1973 הסתכם ב-61.1 מיליארד חביות ביום.

המפיקות הקובעות באורח חי ערדו את המחירים ואת מדיניות האספקה. בעלי הדרייה ממליצים שממשלת ארה"ב תחליט אם וכיצד יש להפעיל את כוחה של הממשלה האמריקאית בקשר עם חברות הנפט הבינלאומיות, כדי להבטיח שהאינטרסים הלאומיים של ארה"ב יהיו מוגנים במידה מספקת.

"משבר הנפט אינו קיים למעשה"

ניו יורק, 12 (יו"פ"ע). כלכלנים בארה"ב העלו השדר, כי משבר הנפט אינו אלא הונאה. אמנם איש אינו מספק בכך, ש" מלאי הנפט בעולם עלול לאוזל ב" יום מן הימים. אולם התחזיות, ש" עוד לפני שנה גרמו בהלה, כי עד 1985 יאזל מלאי הנפט העומד ל" רשות העולם הערבי, אינן מתקבלות עוד ברצינות.

הכלכלן מ. אדלמן, ממכון הטכנולוגיה במסצ'וסטס, ביקש להפריד את הבריו של ד"ר הנ"ל רי קוסינג'ר, שאמר כי מחירי רי הנפט בעולם עלו בגלל עלייה תלולה בביקוש לעומת היצע בלתי גמיש.

קיים היצע גרוע

לדברי אדלמן האמת היא כי קיים היצע גמיש ובלתי מוגבל כמעט ב" מחור שאינו עולה על רבע ממחירו הנוכחי של הנפט. לדעתו, עליית המחירים נגרמה אך ורק על ידי החלטת ארגון הארצות המייצאות נפט (אופ"ק) להקים מונופול. הוא הציע לטבור את המונופול על ידי קביעת מכה ליבוא נפט ומכרו ל"

דאשנגטון, 12 (יו"פ"ע). מן ה" ראוי שממשלת ארה"ב תגן על חברות הנפט לבל יהפכו בנות ערובה בידו ארצות הנפט הער" ביות והאחרות — נאמר בדו"ח יועצים שהוכן בשביל מנהל ה" אנרגיה הפדראלי בארה"ב.

בדו"ח נאמר, כי עד השנים האחרונות פעלו חברות הנפט האמריקניות בארצות הויז בעזילות ובחתי ערבות לשנה יחסית ניצוד הממשלות הטקומיות. אולם עתה פחת מאוד כוח המיקוח של החברות באזורים כמו המזרח התיכון, והם נהפכו ל" מעשה לבני ערובה בידו העדינות

Г А Г Ч

א/ג/י

כל המוסד תוכן מסמך זה. כולו
או מקצתו לאדם שאינו מוסמך
לכך - עובר על החוק לתיקון
דיני העונשין (בטחון המדינה
יתסי-חוק וסודות רשמיים),
תשי"ז-1957.

משרד החוק

מחלקת הקשר

מברק נכנס - מסווג

טאור

מס' 256
נשלח 121300 פבר

אל: המשרד
מאת: נ"י יודק

ד ח ו פ

(בזכר בי-0-290)

אל פרימור שג פריס
דע אבי קנת משהח
הקונככל(הועבר)
עמוס גנור(הועבר)
(למברק קנת 135)

1. הודעת רביו פריס חמדת בסיס לחלוטין.
2. ראשית מחקר שנעשה כאנ אודי הצהרתו המפורסמת של גנרל כראונ ודאה שבהנהלת הבנקים הגדולים אינ אישים המזוהים כיהודים ואינ כאנ בנק גדול או בינוני המזוהה כיהודי.
3. הבוקר באמריקנ בנקר פורסמה הודעת סגנ נשיא איגוד הבנקים האומרת כלהלנ וזו תשובה ישירה לשאלת פרימור

IN WASHINGTON WILLIS W ALEXANDER EXECUTIVE VICE PRESIDENT OF THE AMERICAN BANKERS ASSOCIATION SAID THAT THE ABA DEPLORES ANY MOVE TO EXERT ANY PRESURES ON BANKS DOING BUSINESS IN THE INTERNATIONAL MARKET WHEN SUCH PRESURES ARE BASED ON RACE CREED OR NATIONALITY. THE ABA WOULD MOST CERTAINLY URGE IN THE STRONGEST POSSIBLE TERMS ALL ITS MEMBER BANKS TO RESIST ANY SUCH PRESSURES WERE THEY TO BE APPLIES. WHILE WE ARE NOT NOW AWARE OF ANY SUCH PRESSURE BEING APPLIES TO AMERICAN BANKS WE WOULD CERTAINLY STRONGLY RESIST ANY SUCH MOVE BY ANY GROUP ON EITHER A NATIONAL OR INTERNATIONAL SCALE.

4. לעומת זאת ידוע על מספר חברות השקעה המזוהות כיהודיות שהנ מטפלות בכסף ערבי המפורסמת שבהנ היא גולדמן אנד זקס אשר מטפלת בושקעות סעודיות.
 5. מטעמים של הסברה כאנ אינ אנ מעוניינים לתח פריסום לעובדה שתברות השקעה המזוהות כיהודיות עוסקות בכסף ערבי.
 6. אינ מניעה אבל להזכיר זאת באופן כללי
- ללא הזכרת שמ החברה שצי"נתי.
יגאל שפירא.

שחח מנכל מ/מנכל אלון שק אבינר כלכלית מצפא אירופה א יערי י רביב חקר
מכרה רם אוצר

OIL

212/1k

SAIGON (AP) -- THE MOBIL OIL COMPANY HAS FOUND OIL AND GAS IN ITS FIRST EXPLORATORY WELL OFF THE COAST OF SOUTH VIETNAM, INDUSTRY SOURCES SAID WEDNESDAY.

THE SOURCES SAID A PRODUCTION TEST WAS RUN ON THE WELL TUESDAY AND

FOUND A 'A'FLOW' 'A' OF OIL AND GAS AT A DEPTH OF 'A' MORE THAN 9,000 FEET. 'A'

EXACT FIGURES ON THE AMOUNT OF PETROLEUM FOUND WILL NOT BE RELEASED UNTIL THE PRODUCTION TESTS ARE COMPLETED, THE SOURCES SAID

TUESDAY 'AS' 'A'FLOW' 'A' WAS GAUGED AT 'A' SEVERAL HUNDRED BARRELS DAY 'A' A

WHILE THE GAS WAS AT 'A' SEVERAL HUNDRED THOUSAND CUBIC FEET A DAY, 'A'

THE SOURCES SAID.

THE MOBIL WELL IS LOCATED 100 MILES SOUTHEAST OF SAIGON IN THE SOUTH CHINA SEA AND IS BEING DRILLED FROM THE FLOATING RIG 'A' GLOMA R

IV. 'A' DRILLING BEGAN AT THE SITE IN LATE OCTOBER.

THE FIND FOLLOWS A SIMILAR ONE BY THE Pecten Oil Company, a subsidiary of U.S. Shell, about 100 miles to the south, last October.

(END)

Saudi Training Deal Probed by Senators

Washington, Feb. 10 (AP)—Chairman John C. Stennis (D-Miss.) of the Senate Armed Services Committee began an inquiry today into a Pentagon contract with a private corporation to train Saudi Arabian national guardsmen protecting oil fields.

Stennis said he had asked Secretary of Defense James Schlesinger for an explanation after disclosure of a \$77 million Defense Department contract with the Vinnell Corp. of Los Angeles.

Vinnell is recruiting former U.S. Special Forces soldiers and other war veterans for a 1,200-man force to send to Saudi Arabia.

Maj. Gen. Winant Sidle, Pentagon spokesman, said that the Vinnell Corp. would train the Saudi Arabian National Guard forces for "general internal se-

curity" as well as for protection of oil fields.

Stennis told reporters he had not heard before of any Defense Department contract with a private corporation to train military forces of a foreign country.

"It raises questions," he said.

Stennis declined further comment before learning "the facts." But he said he understood that the contract was legally based on the Foreign Military Sales Act, a part of the U.S. foreign military assistance program.

Energy Crisis Perils U.S. Security: Simon

By JEFFREY ANTEVIL

Washington, Feb. 10 (News Bureau) — Treasury Secretary William E. Simon said today that the nation's energy problem would be resolved by the end of this decade. But emergency action is needed now because of the threat to national security from the country's "tremendous and growing dependence" on foreign oil, he said.

Simon responded to criticism by Democrats on the Senate Finance Committee. They had questioned whether the urgency of the energy situation was sufficient to justify President Ford's imposition of a \$3-a-barrel oil import fee or his goal of cutting U.S. consumption by one million barrels a day this year and two million a day by 1977.

The committee will report out for Senate action this week a bill similar to one approved overwhelmingly by the House last week that would suspend the import-fee boost for 90 days. The Senate is expected to pass the measure, but possibly by less than the two-thirds majority needed to override an expected presidential veto.

"Knife at Our Throat"

Simon charged today that the bill "replaces leadership with a vacuum," adding that each day of additional delay drains our strength and . . . leaves the OPEC (oil-producing) nations with a knife at our throat."

Democrats appeared skeptical of Simon's insistence that the situation was so critical that he had recommended the President act under emergency procedures without the public hearings required for such moves.

Sen. Walter F. Mondale (D-Minn.) said discoveries of new

energy sources had soared and consumption had increased at a much slower rate since the 1973-74 oil embargo. As a result, he said, the situation may not warrant Ford's "immediate and abrupt" move on import fees, which carries danger of renewed inflationary pressure and increased unemployment.

Sen. Floyd Haskell (D-Colo.), agreeing with Mondale, said it was "not unreasonable to ask for 90 days for the Congress" to consider the effects of the administration program and alternatives. Haskell said it was "a little bit disingenuous for the administration to say that Congress has done nothing in the energy situation" when the President had vetoed a sweeping mandatory conservation and price rollback bill passed last year and had opposed other measures in Congress that he considered too far-reaching.

Simon appealed also for Senate approval of a House-passed bill raising the federal debt ceiling, which is to revert to its permanent level of \$400 billion on April 1. Simon warned that the present decline in interest rates may not continue unless Congress joins the president's efforts to "impose strong discipline on federal spending."

Handwritten notes in Arabic script, including "2/10/77" and "P. 5/11/77".

Handwritten initials "FE" with a diagonal slash.

נר: 11.02.75/836/1058
המקור: רדיו צוק פלסטין (צנעה)

רזק: 11.2.75/1815

.....

הנדון: נפט / צפוי כינוס של נשיאי המדינות המפיקות נפט

.....

הערון הביירוני —אלאנור— מסד כי נשיאי המדינות מפיקות
הנפט ירכנסו בקרוב על פי הצעך ממסלך עיראק. לדון בצעדים

משורפים נגד הקערבוןזה אפשריך באזור המפרצ.

הכינוס ייערכ בקרוב בריאד או בבגדאד.

סופ מרב סמי 1000 11

11

17.1

THE UNIVERSITY OF CHICAGO
LIBRARY

1950

.....

.....

.....

.....

.....

.....

.....

.....

REVIEW & OUTLOOK

Talking to OPEC

Sometime in March, unless present plans go awry, the oil consumer countries will sit down and talk to the oil producing countries to see if a deal of some sort is possible. The first purpose of the meeting is to explore the myriad interests and objectives of the participants. Obviously there is no way to resolve all interests and objectives in one giant deal, but there is a real chance of separating out those interests that are not divergent so that smaller horsetrades can be made.

Unfortunately, most people in Washington who should be concerned with these talks are so dubious about their prospects that there is little serious planning afoot. Only Secretary of State Kissinger is ploughing ahead. And while his heart is in the right place, the plan he has laid down for consideration by the oil consumers, which would then have to meet with the approval of the oil producers, is so comprehensive as to be totally unrealistic. It will fall of its own weight and complexity, which is almost certainly why the French and Germans have not criticized it, knowing the Kissinger horse is already dead.

The Kissinger plan calls for setting the price of oil at around \$7 or \$8 a barrel, guaranteeing OPEC that price even in the event that an oil glut occurs in the future. This would encourage investment in new forms of energy, says Mr. Kissinger. If OPEC agreed, he says the United States would be willing to talk about "indexing" the price of oil so that the price would move up in relation to some standard of price measurement, so OPEC is protected against inflation. There's talk of investment guarantees in the plan as well as supply guarantees, and this, that and the other.

The idea of a floor price for oil is solid evidence why the State Department should not make economic policy, but stick to war, peace and detente. To make it work, every major country would have to sign a blood oath not to buy oil at less than that price from now on. The agreement would not be believed even before the ink was dry, which is why there won't be such an agreement. Nor is a commodity agreement either necessary or desirable. But Mr. Kissinger gets high marks for trying, and his conciliatory approach is correct.

What he should be doing instead,

and what Treasury Secretary Simon should really be doing, is thinking bigger, but in less detail. What the U.S. would like to get out of these talks is a lower, stable price of oil. Not a ceiling price or a floor price. A lower price. We do not know precisely what the chief interest of OPEC is, this being the merit of having such a discussion with the oil producers. But we imagine that high on its wish list is a more stable dollar, since that is the chief currency it is paid with and because the dollar is also its chief reserve currency. The OPEC countries have been going slightly crazy as they've watched the dollar slide downhill on the foreign-exchange markets.

These two interests alone should be the sole focus of the March talks. They are not mutually exclusive, which means that a horsetrade is possible. The United States wants a lower and more stable oil price; OPEC wants a higher and more stable dollar price. Also, the United States also benefits from a more stable dollar, and OPEC gains from a more stable oil price.

Washington needs to be thinking not in terms of grand designs, but in terms of trading material. What would OPEC demand in exchange for a \$1 cut in the price of oil? What would it demand for a \$2 cut, or a \$3 cut? What would the United States be willing to offer that might give OPEC nations more confidence in market and financial stability? Elimination of the President's tariff and excise-tax plan? Investment guarantees? An indexed financial asset? More voting power for individual OPEC nations in the International Monetary Fund? Status in the World Bank? Standing in any reconstituted monetary system? Are any of these things Washington ought to offer?

While Yankees supposedly have a keen eye for such trading conditions, we don't see any signs in Washington that such questions are being carefully weighed. Only the West Germans and the French, who are playing their cards very close to the vest, offer any promise of leadership for the consuming countries. But they simply do not have the trading material available to the United States. Unless President Ford lights a few fires in his Cabinet, the March talks with OPEC will be an embarrassment to him.

2-20-75
2,100
P.W.
5-10-75
12-1

Wall Street Journal
Feb. 10, 1975

1236G 10 FEB 75

02

sample

R111
D W527 04

HAYNES

SAN FRANCISCO (AP) -- THE CHIEF EXECUTIVE OF STANDARD OIL CO. SAYS

HE DOES NOT EXPECT WORLD OIL PRICES TO DROP THIS YEAR BECAUSE THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC) DOESN'T WANT THEM TO.

J. J. HAYNES, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OF THE NATION'S FIFTH LARGEST PETROLEUM FIRM, SAID IN AN INTERVIEW THIS WEEKEND THAT THE UNITED STATES MUST DO EVERYTHING POSSIBLE TO ACHIEVE ENERGY INDEPENDENCE.

'HE' AM NOT OPTIMISTIC THAT THE PRICE OF OIL WILL COME DOWN THIS YEAR, 'HE' HAYNES TOLD THE SAN FRANCISCO CHRONICLE.

HE SAID HE HAD HELD 'THIS OPINION FOR SOME TIME' BECAUSE OPEC

COUNTRIES 'HAVE COMPLETE CONTROL OVER THE PRICE MECHANISM. 'I THINK THEY CAN BY AND LARGE WITHSTAND QUITE A REDUCTION IN DEMAND. I THINK THEY CAN REDUCE PRODUCTION SUBSTANTIALLY AND STILL DERIVE MORE THAN ADEQUATE FUNDS, 'HAYNES SAID. 'I DO NOT THINK

OPEC IS OF ANY MIND TO REDUCE PRICES. 'HE

(END)

הארץ

אל:

ט"ו/אלול תש"ד

גדלה תלות ארה"ב ביבוא נפט ערבי

1975 תהיה שנת
שיא ביבוא הנוזל

מואת הן מרגלית,

ואשינגטון, 9 (מיוחד ל"הארץ").
תלותה של ארה"ב בנפט הערבי, ב"עיקר ממדינות המפרץ הפרסי, גדלה בשיעור ניכר - מסר אהמול ה"וואשינגטון פוסט, העתון מצטט את פרנק זארב, ראש מינהל התארגנות הפדראלי, שאמר: איני רוצה לחישוב על מה שיקרה אם יטילו חי"ערכים אמברגו על משלוחי נפט ב"1975. זארב הדגיש כי אוצרות הנפט בארה"ב הולכים ואוזלים ו"מדינות מייצאות נפט כגון ונצואלה וקנדה החלו לקצץ ביצוא כדי להבטיח את צריכתן בעתיד.
לדברי וואשינגטון פוסט תהיה 1975 שנת שיא ביבוא דלק והמחיר הממוצע יהיה 11.5 דולר לחבית. אשתקד שילמה ארה"ב 24 מיליארד דולר תמורת 2.2 מיליארד חביות נפט מיובא, קרוב לודאי שבשנה הנוכחית תשלם ארה"ב מחירי שיא תמורת יבוא הנפט.
בידיעה אחרת מוסר העתון כי ארגון הקולגים האמריקאים חתם על הצעה של 5.5 מיליון דולר לסייע להורדת מחירים סעודיים. האוניברסיטה של פייטסבורג הציעה ללמד עובדי ציבור ערביים תמורת מיליון דולר, כל זאת כתמורה להשקעות עצומות של כסף ערבי במוסדות חינוך אמריקאים. רוב הכספים ליחידות זו באים ממקורות ערב ה"סעודית והמוסדות האקדמיים האמריקאים השותפים לה מתעלמים מן העובדה כי ערב הסעודית מסלה לרעה נשים ויהודים.

THE WORLD

2/12/75

Compromise Seen Near On Oil Price Floor

Paris—A compromise between Europeans and Americans on Secretary of State Kissinger's proposal to fix a minimum floor price for oil on world markets appeared to be in the making here yesterday at a meeting of the new 18-nation International Energy Agency governing board.

Under the compromise, the energy agency, representing the major oil consuming nations of the world, would agree in principle that a floor on oil prices is desirable to promote investment in alternative energy sources such as nuclear power, but that any specific fixing of a floor price must await a conference between the oil consumers and oil producers, expected to take place after the middle of the year.

The American proposal has run into heavy opposition from the Europeans and Japanese because they are more heavily dependent on imported oil than the U.S. and would be less concerned if oil prices were suddenly to plunge from today's heights. The Kissinger proposal, on the other hand, is based on the idea that those who invest in alternative sources of energy have to be protected from sudden return to cheap oil if world dependence on oil is markedly diminished.

NEWSDA 1

7/2/75

Handwritten notes in Arabic script, including the word "سور" (Sour).

Handwritten initials "IC".

Kissinger Plans 2d Trip

Secretary of State Kissinger plans to return to the Middle East within weeks to work out the details of an Israeli-Egyptian disengagement if his "exploratory" trip next week is successful, officials said late yesterday.

If the mission fails, however, it will mark the "last run" of Kissinger's step-by-step approach to an over-all settlement between Israel and its Arab neighbors, newsmen were told at the State Department. While Department officials did not elaborate about the consequences, President Ford has said publicly that the next diplomatic move would be a resumption of the Geneva peace conference. At Geneva, the first issue would be whether to seat the Palestine Liberation Organization—a controversy which both Kissinger and the Israeli government have been seeking to defer as long as possible.

Kissinger takes off Sunday night with plans to tour Israel, Egypt, Syria, Jordan and Saudi Arabia in one week's time and then make stops in Geneva, London, Paris and Bonn for talks with officials there.

Yesterday, Kissinger and President Ford conferred with the ranking members of the Senate Foreign Relations Committee and the House Foreign Affairs Committee to press their request that Congress restore U.S. arms aid to Turkey.

Arabs to Aid Lebanon

Arab countries have agreed to give Lebanon \$62,000,000 worth of surface-to-air missiles and other weapons to bolster its southern border and \$28,000,000 to rebuild border towns destroyed by Israeli raiders, sources in Cairo said yesterday after a meeting of the Arab League defense council.

The semi-official Cairo newspaper Al Ahram said the arms also will include antitank missiles and torpedo boats. It said the defense council had made the allocations "as the first step in a short-term plan to bolster Lebanese defense" against Israeli strikes.

Oil Users Pushing Exports to Mideast

Purchasing by Producers Is Seen High

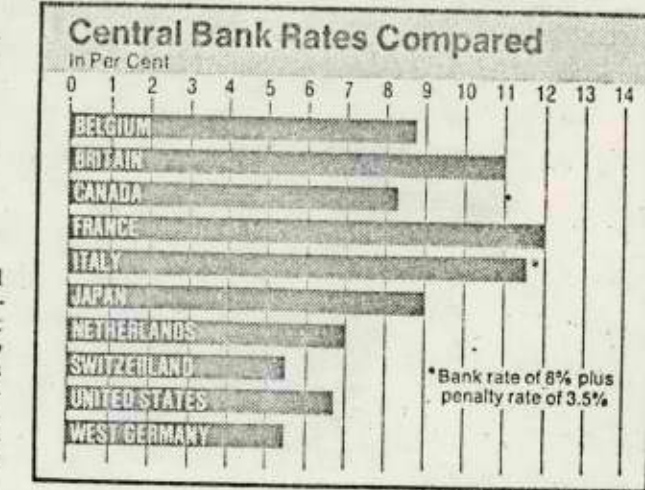
By CRAIG R. WHITNEY
Special to The New York Times

BONN, Feb. 6—A chartered plane full of German businessmen lands at a desert airport in the Middle East. After two or three days of negotiations and deals, billions of petrodollars flow back to West Germany in exchange for technology, heavy machinery or manufacturing plants.

The scene has taken place at least three times in less than a year—and the Germans are by no means alone in the competition for the new wealth of the oil-exporting nations.

The Germans, like the Americans, the French, the British, and other major oil-consumers, are finding that the market for their exports in oil-producing countries is much bigger than anyone had thought.

Despite an \$8.5-billion oil bill last year, West Germany ran up a record trade surplus of \$2.2-billion and sold the oil-pro-



The New York Times/Feb. 7, 1975

ducing countries \$3.6-billion worth of goods.

"We almost sold as much to Iran last year as they exported to us," said Dr. Detlev Rohwedder, State Secretary in the Economics Ministry. "They buy everything and anything—chemicals, fertilizer, oil refineries, steel plants."

Iran sold \$1.2-billion of oil and carpets to the West Germans last year but bought nearly \$1.1-billion worth of German industrial goods.

All the major Western industrial countries appear to have responded quickly to the enormous market created by the sudden increase in wealth held by the oil producers. The United States, for example, sold \$8.1-billion worth of goods to the member nations of the Organization of Petroleum Exporting Countries last year.

"We took a small plane full of businessmen to Saudi Arabia last November," Mr. Rohwed-

Continued on Page 45, Column 3

Discount Rate Cut to 5½% by Bundesbank

FRANKFURT, West Germany, Feb. 6 (Reuters)—The West German central bank said today it was cutting its discount rate to 5½ per cent from 6 per cent. It also lowered the lombard rate to 7½ per cent from 8 per cent, effective tomorrow. The lombard rate is the rate at which banks can borrow against securities. The discount rate is the rate at which banks can borrow money against bills as security.

The bank last cut both rates by one-half of a percentage point on Dec. 20.

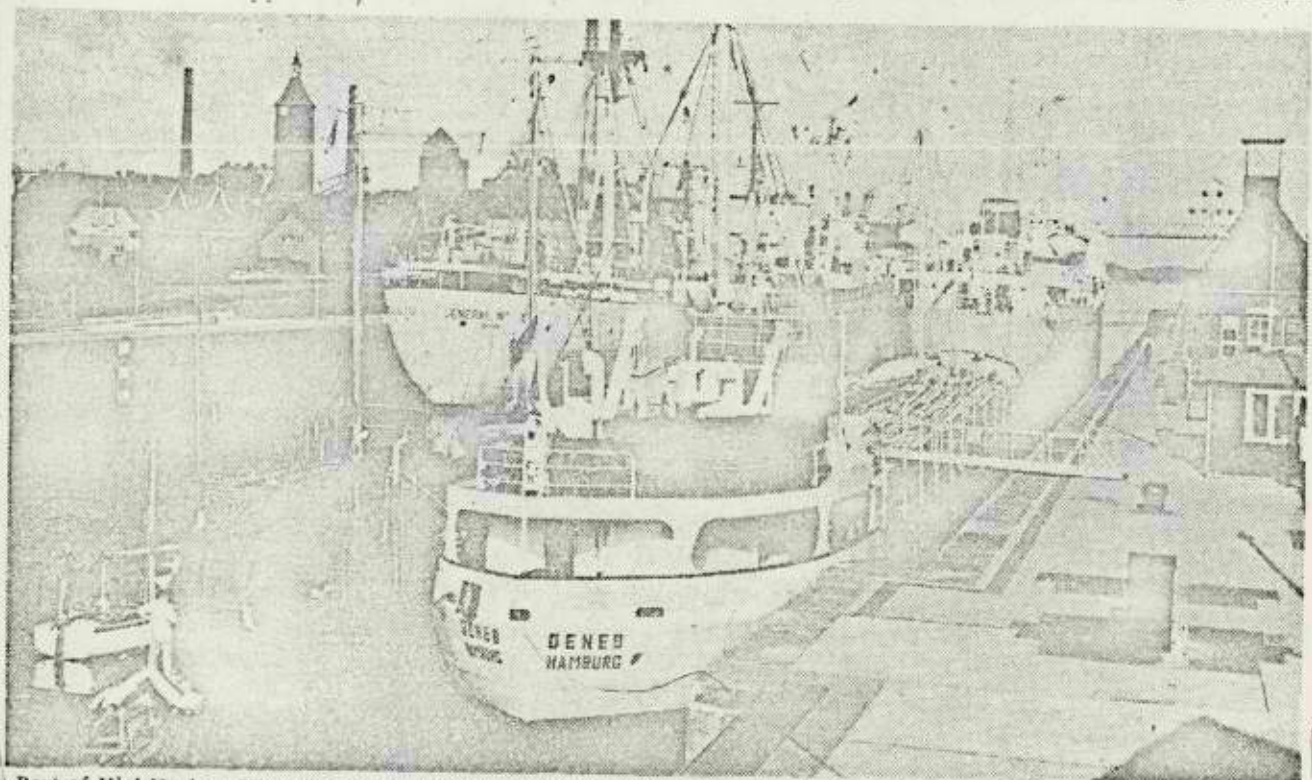
In a statement after the Bundesbank's Central Council meeting, it said today's decisions extended the moderate easing in its monetary policy.

Monetary conditions for the economy will thus be eased without putting into jeopardy further success in its fight against inflation, it added.

The Bundesbank president,

Continued on Page 45, Column 2

Handwritten notes in the right margin: "2/10", "2/11", "2/12", "2/13", "2/14", "2/15", "2/16", "2/17", "2/18", "2/19", "2/20", "2/21", "2/22", "2/23", "2/24", "2/25", "2/26", "2/27", "2/28", "2/29", "2/30", "2/31", "2/32", "2/33", "2/34", "2/35", "2/36", "2/37", "2/38", "2/39", "2/40", "2/41", "2/42", "2/43", "2/44", "2/45", "2/46", "2/47", "2/48", "2/49", "2/50", "2/51", "2/52", "2/53", "2/54", "2/55", "2/56", "2/57", "2/58", "2/59", "2/60", "2/61", "2/62", "2/63", "2/64", "2/65", "2/66", "2/67", "2/68", "2/69", "2/70", "2/71", "2/72", "2/73", "2/74", "2/75", "2/76", "2/77", "2/78", "2/79", "2/80", "2/81", "2/82", "2/83", "2/84", "2/85", "2/86", "2/87", "2/88", "2/89", "2/90", "2/91", "2/92", "2/93", "2/94", "2/95", "2/96", "2/97", "2/98", "2/99", "2/100".



Part of Kiel Harbor, West Germany. Exports to oil-producing countries by West Germany were \$3.6-billion last year.

ARABS SAID TO BLOCK JEWISH LOAN DEALS

Two Arab investment groups have managed to keep several major Jewish-controlled European banking houses out of two Eurodollar syndications, according to Business Week magazine. It describes the move as "the first overt attempt to discriminate against Jewish-controlled institutions since the big wave of petrodollar spending began."

The Arab groups are reported to be the Intra Investment Company, which the magazine says is dominated by the governments of Kuwait, Qatar and Lebanon, and the Kuwait Investment Company. The Jewish-controlled banking houses are said to be the Warburg bank in London, the Rothschild merchant banks in London and Paris and Lazard Freres & Cie, in Paris.

Bowing to pressure, the magazine asserts, the French banks with which the Arab groups were dealing did not offer the Jewish-controlled banking houses any of the \$50-million scheduled for placement. The magazine points out that one syndication was organized by two nationalized French banks and that the other was set up for the benefit of a utility owned by the French Government.

Lazard Freres has filed a protest with the French Finance Ministry, the magazine says.



Oil Consuming Nations Finding New Export Market in Mideast

Continued From Page 39

der said. "We were told we were No. 31 in line. I think the Saudis are being overwhelmed by offers from all over the world."

The plane which carried 17 West German industrialists was chartered by the Government at a cost of nearly \$30,000.

West Germany, for example, gets the largest share of its oil from Saudi Arabia, and in return German technicians are building an airport in the desert near Jiddah and have made a deal for a Daimler-Benz truck factory there.

Although the competition is intense, the German economy, heavily oriented to export markets and specializing in such things as selling entire industrial plants abroad, has been particularly well suited to satisfying demands from large developing oil countries such as Iran, Nigeria, Venezuela and Algeria.

Britain's Trade Secretary, Peter Shore, has just returned from a three-day trip to Teheran with a \$1.2-billion trade package. Britain will electrify a railroad and build 15 cargo ships under the agreement.

American exports to the oil producers were up 80 per cent last year over 1973.

Results Not Yet Known

The results of the November trip to Saudi Arabia are not known yet, but Mr. Rohwedder said the businessmen and the Saudi ambassador here, Jamil Alhijailan, will get together again at the end of this month to tally up. "They were rather tight-lipped and suspicious," one participant said of the Saudis.

"We do business almost everywhere," Mr. Rohwedder said, "but some of the deals are incredible. Last year, for example, we sold 10,000 trucks to Iraq, which is an ultra-radical country with close ties to the Communist bloc."

The really big planes full of businessmen, he says, have been flying to Iran. The biggest delegation went last spring, but there have been others since. "There was some disappointment we couldn't sell the Ger-

man color television system to the Shah," he said. "He decided to buy the French system instead, when [Premier Jacques] Chirac went on a visit."

The Germans will be building one of the world's largest petroleum refineries, two nuclear power plants and an \$800-million iron and steel works, on the Persian Gulf at Bushir, if present plans go through, but there are still many problems.

Another delegation of 40 German industrialists flew to Cairo recently to seek business.

"For us," said Karl-Otto Pöhl, an official of the Finance Ministry, "the OPEC (Organization of Petroleum Exporting Countries) are becoming a very important market. The OPEC share of our total exports is now about 5 per cent, up from 2 or 3 per cent a few years ago."

OPEC Held Important

That may not sound dramatic, but Mr. Pöhl added that the United States, which used to buy about 9 per cent of West Germany's exports, is now buying only an estimated 7 per cent to 8 per cent as the economy slumps. "OPEC is now almost as important to us as the United States," he said.

The oil-producing countries vary considerably in their ability to absorb imports. But Mr. Pöhl has been an articulate spokesman for the idea that the consumer nations can effectively offset much of their oil-payment deficits by selling industrial products to the oil exporters.

He and others here say this is preferable to the sort of mass buying up of German industry that seemed to be under way at the end of last year. Iran, which had already bought 25.04 per cent of the Krupp steel works, tried to buy nearly 30 per cent of Daimler-Benz last month.

Acting under pressure from the Economics Ministry, according to a high official, the Deutsche Bank stepped in and purchased the shares instead, for nearly a billion dollars. Kuwait had acquired about 14 per cent of the company, which makes Mercedes autos in a secret transaction last year that aroused anxiety and distrust.

בלתי מסווג

משרד החוץ

מחלקת הקשר

מברק נכנס

1/1

מס 1

נשלח 071150 פברואר 75

אל: המשרד

מאת: אטלנטה

le

POINTS CONCERNING ARAB INVESTMENTS IN GEORGIA FROM FORD'S
PRESS CONFERENCE IN ATLANTA - FEB. 4, '75

Q. YES, SIR. IN VIEW OF THE RECENT ARAB OIL INVESTMENTS
IN AMERICA, AND EVEN HERE IN GEORGIA- THE STATE GOVERNMENT
IS ACTIVELY SEEKING ARAB INVESTMENTS-I WAS WONDERING WHAT
YOUR OPINION WAS ON THE TREND IN THIS DIRECTION.

A. THERE HAVE BEEN SOME RECENT NEWS STORIES TO THE EFFECT THAT
THE IRANIAN GOVERNMENT, FOR EXAMPLE, WANTED TO INVEST
IN PAN AM. THEY WERE THINKING OF BUYING SIX TWA JETS THAT WERE
NOT BEING USED, AND THERE IS A STORY ABOUT ONE OF THE ARAB
COUNTRIES BUYING A SUBSTANTIAL INTEREST IN ONE OF OUR LARGEST
BANKS IN THE STATE OF MICHIGAN.

THE DEPARTMENT OF STATE, THE NATIONAL SECURITY COUNCIL,
ARE LOOKING INTO THIS QUESTION. IT IS A MATTER, I THINK,
THAT WILL REQUIRE OUR BEST ANALYSIS AND PROBABLY A FINAL DECISION
BY MYSELF. BUT WE ARE NOT IN THE POSITION WHERE I CAN GIVE YOU
A CATEGORICAL ANSWER AT THIS POINT.

ROMEM.

שוחח רחמ מנכל ממנכל אלון י. רביב מצפא חקר כלכלית הסברה מעת דם אמן ממהסברה

אב/יכ

2. INVESTMENT IN U.S.

IN GENERAL THE UNITED STATES SHOULD CERTAINLY CONTINUE TO PERMIT FOREIGN INVESTMENT IN AMERICAN INDUSTRY JUST AS WE EXPECT AND SEEK OPEN AND FAIR TREATMENT FOR AMERICAN INVESTMENT ABROAD. SUCH A POLICY IS IN THE LONG RUN INTERESTS OF THIS COUNTRY AND OF WORLD WIDE ECONOMIC INTEGRATION AND PEACEFUL DEVELOPMENT. HOWEVER THERE OBVIOUSLY NEEDS TO BE CAREFUL LIMITATION OF FOREIGN INVESTMENT IN INDUSTRIES CLOSELY LINKED TO NATIONAL DEFENSE TOGETHER WITH OVERSIGHT AND FULL PUBLIC KNOWLEDGE OF FOREIGN INVESTMENT IN OTHER SENSITIVE AREAS. SUCH AS COMMUNICATIONS THAT ARE VITAL TO THE DEMOCRATIC POLITICAL PROCESS.

THE REFLOW OF PETRODOLLARS TO THE UNITED STATES WILL HELP THE BALANCE OF PAYMENTS EQUILIBRIUM OF THIS COUNTRY AND HELP TO EASE THE CAPITAL SHORTAGE OF MANY COMPANIES . BUT THOSE MONEY FLOWS CANNOT BE PERMITTED TO JEOPARDIZE NATIONAL SECURITY OR UNDULY INFLUENCE AMERICAN FOREIGN POLICTY .

AD KAN

שחח רחם מנכל שהבט ממנכל סמנכל הסברה מסח מאוס א ב מצפא אירופה ג ITONUT==

חקר רלכליה רח אמך ממחסברה נבוך מעח מבקרים ים

אב/יכ

אנליזה/אנליזה
מאוס מנכל
7.2.75

INVESTMENT IN U.S.
IN GENERAL THE UNITED STATES SHOULD CERTAINLY CONTINUE TO PERMIT
FOREIGN INVESTMENT IN AMERICAN INDUSTRY JUST AS WE EARLY AND
SEEK OPEN AND FAIR TREATMENT FOR AMERICAN INVESTMENT ABROAD.
SUCH A POLICY IS IN THE LONG RUN INTERESTS OF THIS COUNTRY AND
OF WORLD WIDE ECONOMIC INTEGRATION AND PEACEFUL DEVELOPMENT.
HOWEVER THERE OBVIOUSLY NEEDS TO BE CAREFUL LIMITATION OF FOREIGN
INVESTMENT IN INDUSTRIES CLOSELY LINKED TO NATIONAL DEFENSE
TOGETHER WITH OVERSIGHT AND FULL PUBLIC KNOWLEDGE OF FOREIGN
INVESTMENT IN OTHER SENSITIVE AREAS.

SUCH AS COMMUNICATIONS THAT ARE VITAL TO THE DEMOCRATIC POLITICAL
PROCESS.
THE FLOW OF PETRODOLLARS TO THE UNITED STATES WILL HELP
THE BALANCE OF PAYMENTS EQUILIBRIUM OF THIS COUNTRY AND HELP
TO EASE THE CAPITAL SHORTAGE OF MANY COUNTRIES, BUT THOSE MONEY
FLOWS CANNOT BE PERMITTED TO JEOPARDIZE NATIONAL SECURITY
OR UNDULY INFLUENCE AMERICAN FOREIGN POLICY.

AS FAR
FORWARD - A REPORT FROM A GROUP OF AMERICAN BUSINESS LEADERS WHO ARE
OF OPINION THAT THE UNITED STATES SHOULD CONTINUE TO PERMIT

Energy Independence

Ford's Proposal to Cut Oil Imports Seen by Some as Counterproductive

By EDWARD COWAN

Special to The New York Times

WASHINGTON, Feb. 5—In the three weeks since President Ford sent Congress his "energy independence" plan, debate about it has undergone an important shift.

At first, Congressmen and commentators hurled themselves into a debate about means. How should the country achieve the cut of a million barrels a day of oil imports sought by the President—by higher prices, by rationing or by import quotas that create shortages?

That proved, quickly enough, to be an unfruitful exercise—as Administration energy planners had learned to their sorrow before Christmas. None of the three techniques has much appeal.

Higher prices hurt consumers in the pocketbook and threaten to aggravate inflation while retarding recovery from the economic slump. Rationing may mean years of lines at the pump, a new government bureaucracy, some economic drag and perhaps, after all, no general sense of fair-sharing. Import quotas mean shortages, bickering like last winter's about which industries merit top priority, and slower economic growth.

Premise Being Questioned

Inevitably, perhaps, the focus of debate has shifted. Commentators have begun to question Mr. Ford's premise: that it is desirable to haul down oil imports, from what they would be if nothing were done, by a full one million barrels a day this year and by another million barrels by the end of 1977, or two million in all.

How did Mr. Ford arrive at those round numbers? The Administration's answer is that they are the amounts by which oil imports would rise if nothing were done, and that any rise in imports increases the country's "vulnerability" to a new oil embargo.

Secretary of State Kissinger has embellished this argument. "Either we lead, or no one leads," he declared on Monday. "Either we succeed or the world will pay for our failure."

These sentiments have jarred some of the Administration's energy planners as well as some members of Congress. They are heard as an evocation of the spirit that many feel led the United States into the Indochina quagmire, the belief that this country has a unique ability and responsibility to solve other countries' problems.

Mr. Kissinger's speech Monday has helped to delineate foreign policy as a central theme of energy policy, not a side issue. That the problem of "vulnerability" to a foreign energy cutoff is essentially political and not economic is privately conceded by the planners as virtually self-evident.

Degree of Self-Sufficiency

By all accounts, the United States is better able than any other major oil-importing country to withstand an interruption of foreign supplies, both in the short run and over the years.

One reason is that America imports a relatively small proportion of its energy, about 38 per cent of the oil it uses or not quite 20 per cent of all energy supplies.

Eventually North Sea oil may make Britain substantially or wholly energy self-sufficient. Canada has a chance to achieve such status. France, Italy, West Germany and Japan have no such prospect.

Moreover, no student of oil politics argues that there is much likelihood of a total cutoff. A year ago, Iraq stood apart from the Arab embargo. Non-Arab members of the 13-nation Organization of Petroleum Exporting Countries—Iran, Nigeria, Indonesia, Venezuela—not only continued to ship oil to this country, but they also expanded production.

In short, the "vulnerability" question is not one of imports falling from the current six million barrels a day to zero. It is a question of lesser amounts, probability and duration.

The Administration has argued that cutting imports means shrinking "vulnerability," but that is privately disputed by some Administration analysts.

"If we take out the 'fat' now are we less vulnerable or more vulnerable?" a planner asks. If we knock off two million barrels and then they cut two million more, we're really hurting. Maybe we should keep the 'fat' so that if the Arabs put on another embargo to bring pressures on Israel, we can make a less costly rather than a more costly adjustment."

Additionally, it is said, the President's long-term 1985 goal depends essentially on long-term measures—drilling offshore, tapping the naval petroleum reserves, mining and using more coal in environmentally acceptable ways, converting coal into gas or shale, harnessing the sun, and building more nuclear power stations if safety and health problems can be resolved.

These are all supply measures. There are also long-term conservation measures—raising the gasoline efficiency of the country's cars, designing more energy-efficient office buildings and appliances, putting in public transit to lure commuters out of cars, encouraging insulation of homes and lower winter temperatures indoors, building more energy-efficient factories.

Some Administration analysts say privately that the long-term supply and conservation measures would be sufficient to achieve Mr. Ford's 1985 goal of substantially reduced "vulnerability" without the abrupt near-term reductions he proposes to achieve mainly by price increases.

Explaining Goals

Frank G. Zarb, the Federal Energy Administrator, was asked to explain the connection between the near-term and 10-year goals.

"It depends on whether you accept the national security argument," he replied in a reference to the "vulnerability" question and foreign-policy considerations.

Some of those considerations, such as rallying Europe and Japan to "solidarity," have been stated. Other arguments have been advanced, but only privately. A Congressional source, for example, quotes Administration officials as warning of such dire consequences as Italy's accepting Saudi Arabian financing in exchange for political vassalage.

That the long-term and near-term goals should be seen separately and critically is being argued by a growing number of analysts.

"What do we gain, and what do we lose, in trying to meet Mr. Ford's target for a reduction in oil imports of one million barrels per day by the end of this year?" asked Joseph Kraft, the syndicated columnist.

Citing the depressed domestic economy, recent less gloomy financial appraisals and the importance of American prosperity to world trade, Mr. Kraft concluded, "the burden of proof on the million-barrel question lies upon Dr. Kissinger and his men at the State Department."

A source close to the Senate Democratic ad hoc committee trying to devise an alternative energy plan reported that the group had concluded "there's no rational basis for the million-barrel figure."

George L. Perry, economist at the Brookings Institution, suggests that the best answer may be to "do nothing." He says, "If an embargo comes, it will be time enough to ask for sacrifice."

As for "breaking" the cartel's price, Mr. Perry believes that the impact of a million barrels a day of conservation would be slight, and not worth the damage to the American economy.

Senator Lloyd M. Bentsen of Texas, a moderate Democrat and unannounced Presidential contender, cautions that Mr. Ford's program is too ambitious for a debilitated economy. "Our first priority must be to stop the slide of our economy," he says.

1c
-12/16

N. Y. TIMES
6/2/75

2220
2,400
P. 10
2,100
2230
541

2/2/76

U.S. Agencies Favor Iran-Pan Am Accord Despite National-Security Implications

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—Key government agencies seem to look with favor on the pending agreement by which the Iranian government would rescue Pan American World Airways from possible bankruptcy.

Their pleasure at the prospect of Iran bailing out Pan Am is being expressed despite some reservations about U.S. national-security implications. This concern is based largely on reports that the agreement would involve a substantial Iranian purchase of Pan Am stock and representation on Pan Am's board.

But despite this worry, administration officials haven't expressed any fundamental objection to the arrangement, a State Department source said.

Government sources said Pan Am has disclosed to them that Iran would have an option to buy six million Pan Am common shares, or 13% of the outstanding shares, and gain one director. Financial help from Iran would consist of a \$245 million loan by Iranian financiers, plus a \$55 million equity-interest purchase in Intercontinental Hotels Corp., Pan Am's profitable subsidiary chain of major international hotels, they said.

In New York, Pan Am spokesmen continued to decline official comment on progress of the transaction or its specific term. But one informed source said the airline and Iranian officials are "simply waiting for the signal from Washington before proceeding further." He noted that Pan Am executives spent much of last week and the first part of this week briefing Washington officials on the plan. "And so far there haven't been any adverse indications of consequence, he said.

May Need CAB Approval

When the imminence of a Pan Am agreement with Iran was disclosed last week, sources close to Pan Am said that the airline had kept U.S. officials informed throughout the talks and that they had appeared receptive up to that point. The Pan Am-Iran talks had gone on since last September with negotiations intensifying sharply in mid-January.

Some elements of the agreement would probably require Civil Aeronautics Board approval. The CAB usually must act on any acquisition of 10% or more of the stock of an airline, and on technical-assistance agreements between carriers. Part of the prospective Pan Am-Iranian transaction would involve a full working relationship between Pan Am and Iran National Airlines, or Iran Air, under which Pan Am's considerable technical ability would be used to build the Mideast carrier into a major international airline.

But before the CAB takes up such matters, it is understood that Iran wants Ford administration support for the plan as a prelude to completion. Views of a number of federal agencies are being solicited by the White House, and William Seidman, assistant to the President for economic affairs, said he hopes to have that task finished "promptly." He may report the views to the President today.

Favored by Simon

Those views will apparently weigh heavily in favor of telling Iran to go ahead. Various high-level Ford administration officials express delight at the prospect of Iran coming in to save Pan Am, thus relieving the U.S. government of pressures to begin a rescue mission. They stop short of saying this will definitely mean a government take-off signal, however, noting that President Ford said in Atlanta earlier this week that he "probably" will decide the issue himself.

In a typical comment, Treasury Secretary William Simon told the Joint Economic Committee of Congress yesterday that he personally favors investments in the U.S. by foreign government and is "very positive on encouraging all the investment (by Iran in

Pan Am), within the constraints of national security."

Similarly, Robert H. Binder, assistant Secretary of Transportation for policy, plans and international affairs, said in an interview that the proposed financing agreement "does a great deal" both for Pan Am and the U.S. It rules out bankruptcy soon, improves the long-term outlook for Pan Am's financial viability and gives Pan Am more resources to use as bargaining chips in merger negotiations with other airlines.

A White House source said he views the plan as a good one. And the State Department, while it said it is still studying the question, issued a statement that it believes that proposal "would help Pan Am in its current serious financial condition."

On Capitol Hill, the tentative agreement will produce "some concern and hand-wringing" over the idea of Iran owning 13% of Pan Am stock, a Senate aviation expert says. But he thinks that members of Congress will be more relieved at the Pan Am rescue than concerned. Otherwise, they will be faced with a "desperately financially ill carrier" seeking federal loan guarantees or outright subsidy come July, he says. He adds that he expects the Ford administration will send a "positive" signal to Iran about the prospective agreement with Pan Am.

Whatever sticking point might develop over the agreement would likely come on the national-security issue. The Defense Department and the National Security Council are among agencies taking a look at the proposal; whether having a "major foreign power as a creditor" is advisable will have to be decided, the Transportation Department's Mr. Binder says.

Some airline-industry officials are predicting that Pan Am, if the Iranian sale goes through, may be forced to withdraw from the standby arrangement under which U.S. airlines provide their aircraft to the Defense Department if requested to do so in an emergency. The U.S. airlines' civil reserve fleet was alerted to provide possible direct airlift support during the Mideast conflict in October 1973 but ended up serving only in a backup role on domestic U.S. routes as Air Force planes were diverted to the Mideast.

As for the CAB, a Senate source says he would expect the CAB to wind up approving the agreement. It is an "expedient answer" to a problem "they want to get rid of"—how to deal with Pan Am's sagging finances, he says.

Germany's Mannesmann Acts Against Take-Over

By a WALL STREET JOURNAL Staff Reporter
DUSSELDORF, West Germany — Mannesmann AG, a major West German producer of steel, machinery and ships, is plotting steps to prevent a take-over, possibly by Arab interests.

A company spokesman, noting that any shareholder has the right to conceal his identity until he holds more than 25% of the concern's stock, said there has been enormous turnover in Mannesmann stock in recent months. "We cannot rule out the possibility that shares are going to Middle East buyers," he said.

Mannesmann stock, on rumors of Mideast purchasing, has jumped to the equivalent of \$89 a share on the Frankfurt Stock Exchange, from \$84 at the end of 1974 and \$57 at the close of 1973.

To prevent a take-over, Mannesmann's supervisory board called a special shareholder meeting for March 24 to ratify a measure that would limit any stockholder to 5% of the total vote, regardless of how much stock he actually held.

Egypt joined the Soviet Union in calling for an "immediate" resumption of the Geneva Mideast peace conference. But President Sadat said the statement, issued at the end of Soviet Foreign Minister Gromyko's visit to Cairo, didn't mean Sadat had lost faith in Secretary of State Kissinger's piecemeal approach to peace. Kissinger is due in the Mideast next week, and he will meet with Gromyko in Geneva about Feb. 17.

Ford asked Congress to reconsider its ban on military aid to Turkey, which took effect yesterday. Ford and Turkey's premier both said the cutoff would hurt Western security and make a Cyprus settlement harder to reach.

Venezuela Slates Oil-Output Slash As of Next Week

By a WALL STREET JOURNAL Staff Reporter
Venezuela said it will cut its oil production next week 200,000 barrels a day, to about 2.6 million barrels daily.

About 1.2 million barrels of oil a day currently goes to the U.S. That makes Venezuela the largest single source of U.S. oil imports.

Last month, Venezuela had said it planned to cut production 200,000 barrels a day when it takes over the oil industry this year, but that take-over hasn't been completed yet. An explanation wasn't given for the change in the timing of the cut.

The government recently changed its tax structure so that foreign oil companies operating in Venezuela now pay higher taxes, averaging about 38 cents a barrel. But the government said its tax take would remain unchanged because of the production cut.

EC Unit Starts 'Action' Against Seven Oil Firms

By a WALL STREET JOURNAL Staff Reporter
BRUSSELS — The Common Market Commission said it launched "formal action" against seven international oil companies for allegedly refusing to supply a Dutch oil distributor with crude oil during last year's oil shortage.

The commission is the community's executive agency. If it finds abuse of a dominant position in contravention of its antitrust regulations, it could fine the companies. Any fines could be appealed to the European Parliament, the community's consultative assembly.

The investigation, sources said, was touched off by a complaint by Aardolie Belangen Gemeenschap of the Netherlands. The seven oil companies being investigated include units of Exxon Corp., Standard Oil Co. of California, Texaco Inc., Mobil Oil Corp., Gulf Oil Corp., the Royal Dutch-Shell Group, and British Petroleum Co., which is 70% owned by the British government.

Officials of California Standard and Mobil denied the charge. The other companies either couldn't be reached or declined comment.

WALL ST. JOURNAL
6/2/75
2203
2,100
2,200
2,300
2,400
2,500
2,600
2,700
2,800
2,900
3,000

6.6.75

א.נ.י. 1/6

5. השקעות ערכיות בארה"ב.
בטיקו טריביון כותיית ענק ראשית (יו. פי. א. י.) שהערכים השקיעו עד כה
בארה"ב 11 בליון דולר - לפי עדותו של מזכיר האוצר האמריקני בקונגרס.
בטיקו טריביון כתבת אלדו בקמנ מאטלנטה שהנשיא פורד גילה שבמחמד
ובמועצת הבטחון הלאומי מתקיימת הקירה למטרותיה לברר אם יש צורך לנקוט
צעדים למניעת קניית עסקים בארה"ב ע"י מפקות הנפט.

הוּא אֵלֶּיךָ מִיִּשְׂרָאֵל (וְהוּא אֵלֶּיךָ מִיִּשְׂרָאֵל)
וְהוּא אֵלֶּיךָ מִיִּשְׂרָאֵל וְהוּא אֵלֶּיךָ מִיִּשְׂרָאֵל
וְהוּא אֵלֶּיךָ מִיִּשְׂרָאֵל וְהוּא אֵלֶּיךָ מִיִּשְׂרָאֵל
וְהוּא אֵלֶּיךָ מִיִּשְׂרָאֵל וְהוּא אֵלֶּיךָ מִיִּשְׂרָאֵל
וְהוּא אֵלֶּיךָ מִיִּשְׂרָאֵל וְהוּא אֵלֶּיךָ מִיִּשְׂרָאֵל

Oil Nations Curtail Companies' Power!

Producers' Governments Decide Output and Prices

By JUAN de ONIS
Special to The New York Times

BEIRUT, Lebanon—The traditional domination of the world oil trade by the integrated international oil companies, known as the "majors," is being sharply curtailed by the new power of the oil-exporting countries.

The power of decision over the volume of production and the price for crude oil has been taken away from the majors by the governments of the producer countries that supply 85 per cent of the oil in world trade.

In addition, the big Western companies that until recently seemed to control the world's greatest oil reserves have had to surrender any claims to own-

This is the third of a series of articles on the oil industry in upheaval.

ership of oil below the ground in these countries in exchange for a guaranteed supply of crude oil.

Sheik Ahmed Zaki Yamani, Saudi Arabia's Minister of Petroleum, who has been one of the architects of the new Middle East oil relationship, foresees that in the future "the role of the major oil companies will be confined to that of purchaser, refiner (of crude oil) and provider of technology."

"Their traditional role as bridge and buffer between the producers and consumers has dwindled as an outcome of an irreversible trend," said Sheik Zaki recently.

This is the quiet revolution through which the foreign oil companies in the Persian Gulf,

Africa, Venezuela, and Indonesia have submitted to the new assertions of economic sovereignty by the producer countries.

Only in Libya and Iraq have the Western oil concessions been nationalized outright. In the other big producer countries, such as Saudi Arabia, Iran, Kuwait, Abu Dhabi, Nigeria and Venezuela, the new era has come about through negotiated agreements.

Some company executives say, however, the "negotiations" left them little choice.

In all cases, however, the role of the Western companies has been subordinated to national controls and policies of the producer countries with breathtaking speed.

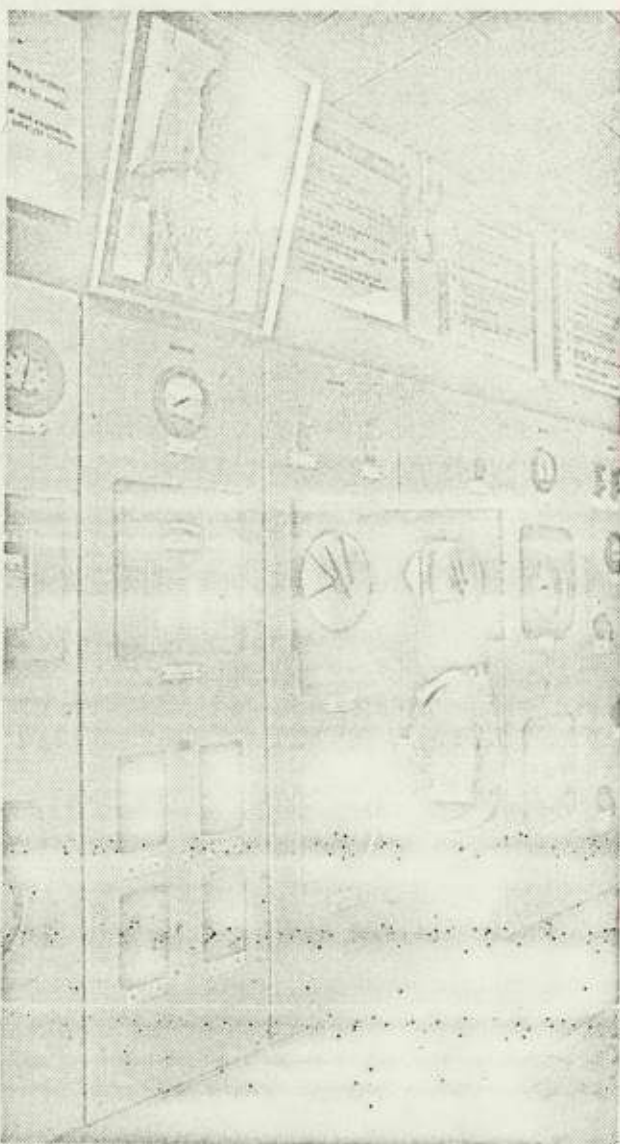
The Western oil men are still operating the fields, but there are some not too subtle changes in who holds authority. In November, for instance, the American executives of the Arabian-American Oil Company (Aramco) turned up for a board meeting in Dhahran, the company's headquarters in Saudi Arabia.

Saudis Displeased

But the Saudi Arabian Government's directors, who hold the voting majority in Aramco now, did not show up as a sign of displeasure with the resistance, at the time, of the American partners to give up 100 per cent control.

The drastic changes that have

Continued on Page 54, Column 1



Gamma/Hussein Vassaf

Photograph of the Shah hangs over a bank of controls at the Shatt al Arab refinery in Iran. Governments of producing nations have taken power to control oil production and prices from the international oil companies.

2720
276N
020
77
194

→ ●

lc

8

Oil Nations Curtail Company Power, as Governments Decide Output and Prices and Assume Ownership

Continued From Page 43

taken place since 1971, and particularly since the Middle East War of October, 1973, have these consequences for the international companies:

The flow of funds from crude oil has shifted dramatically in favor of the producer governments. The companies can no longer expect large profits from producing and selling crude oil.

The national oil companies of the producer countries are going to be competitors with the majors in the sale and transportation of crude oil and at a later stage, in refined products, fertilizer and petrochemicals.

Direct government-to-government negotiations between oil-producing and consuming countries are going to have a greater bearing on oil prices and allocation of oil supplies than the decisions of oil companies.

This is obviously a far cry from 1960, when the executives of the majors such as the Exxon Corporation, the Standard

Oil Company of California, Texaco, Inc., the Royal Dutch/Shell Group or the British Petroleum Company, refused to recognize the existence of an upstart producer group that called itself the Organization of Petroleum Exporting Countries.

Demands Were Rejected

Throughout the nineteen-sixties, when large new supplies of oil from Saudi Arabia, Libya, and Nigeria were coming on-stream from company-owned fields, the majors turned aside producer demands for higher government revenues from oil exports.

But by the end of 1970, with world demand for oil overtaking supply, the situation began to shift in favor of the producers. In Libya, a revolutionary government of young army officers, led by Col. Muammar el-Qaddafi, imposed higher taxes under threat of cutting production and nationalization.

The majors were then ready to negotiate with OPEC on a formula that guaranteed higher government revenues.

It was soon clear, however, that the majors, which have

had the dominant share of oil-fields in different countries, still felt they had the right to unilaterally lower production in one country, while raising output in another. Faced with such a decision to lower production, Iraq, in March, 1973, nationalized the Iraq Petroleum Company, a consortium of big British, American and French companies.

Consortium Is Proposed

It was then that Saudi Arabia proposed to Aramco, a consortium of four American majors, the so-called participation formula, by which Saudi Arabia obtained an initial 25 per cent share in the company, paying \$500-million in cash.

At the same time, Iran took over 100 per cent ownership of the Western consortium's oil-fields, in return for a long-term supply contract assuring the foreign companies uninterrupted access to Iranian oil until 1995. Then came the Arab-Israeli war in October, 1973, with the subsequent Arab oil production cutbacks and soaring world oil prices.

This crisis came at a moment when OPEC was negotiating with the majors on an increase in government revenues. The companies balked, and the producers, for the first time, set a higher tax-reference price, or posted price, unilaterally.

By the end of 1973, with market prices for oil skyrocketing during the embargo to more than \$15 a barrel, the producers had set their tax and royalty income at over \$7 a barrel, compared with \$1.75 in 1972.

First Stages of Boom

During the first stages of the oil-price boom, which lasted until the middle of last year, the majors and other smaller Western oil companies enjoyed big windfall profits on oil that they could get for \$7 or \$8 a barrel and sell for \$9 or \$10.

This showed up in the record earnings reported by the oil companies last year, and these profits softened the effects of the successful push by the Persian Gulf producers to increase their share of ownership under participation agreements to 60

per cent in Saudi Arabia, Kuwait, Abu Dhabi and Qatar.

Now the days of the windfall profits are gone, and Saudi Arabia, Abu Dhabi and Qatar are negotiating for 100 per cent ownership.

The OPEC countries, after allowing the companies to get a share of the oil bonanza, have raised tax and royalty levels on oil exports sharply, thereby increasing their income at the expense of the companies.

The tax and royalty level, which was between 60 and 85 per cent of company profits in 1973, is now up to about 88 per cent.

Under the price formula adopted at an OPEC ministerial meeting in Vienna last month, the profit level for companies that market crude from these countries is supposed to be from 22 cents a barrel to 50 cents, depending on volume.

The government "take" from each barrel is based on \$10.12 for Saudi Arabia light, the "marker" or benchmark crude for the OPEC price structure.

New Relations Imposed

Under the new relations imposed by the producers, the majors can expect to continue operating the fields under service contracts, with fee payments per barrel produced, and can expect to continue to market 80 to 90 per cent of the oil produced in the immediate future.

But they will have to make a larger share of their profits from transport, refining and product sales in consumer countries and less from crude-oil revenue, which is now going to the producer governments.

In nearly all cases, including Iraq and Libya, foreign oil companies are being retained for development of new productive facilities. Although the terms for new explorations are stronger, with the governments taking 85 per cent of production, the companies are making such deals in Libya, Egypt and Iran for new acreage.

With their huge income from oil, most producer countries are moving into heavy investments in refineries, tankers, liquefied

natural gas, fertilizer and petrochemicals.

They are also involved in negotiations to sell larger amounts of the oil that they own to national oil companies in consumer countries and to "independent" oil companies.

In both direct sales and re-

fining products, the national oil companies of the producers will be competing with the big Western companies. In coming years, an increasing volume of oil production in these countries will be absorbed by these uses, with a reduction in the volume of crude available to

the foreign marketing companies.

Another factor in allocation of oil is the government-to-government negotiations, mainly with Western European countries and Japan, under which the producers are seeking technology, management

and capital equipment for industrialization.

The producers have made it clear that allocation of government-owned oil and natural gas will be influenced by the cooperation obtained for their economic development plans.

Six More Nations Draw On Oil Facility of I.M.F.

WASHINGTON, Feb. 3 (Reuters)—The International Monetary Fund said today it had made loans from its oil facility to six countries totalling 124.48-million Special Drawing Rights, or about \$149.4-million. The six are Bangladesh, Chile, Cyprus, Korea, Mali and New Zealand.

The I.M.F. said that including the latest loans the amount drawn on its \$3.6-billion oil facility by 34 countries totalled about \$2.3-billion. The 1974 facility, which is due to expire at the end of this month, was established on June 13, 1974.

Arabs Seek Stake In U.S. Real Estate

Arabs Seek Stake in U.S. Real Estate

5/2/76
4.2

By TERRY ROBARDS

Special to The New York Times

LONDON, Feb. 4—A group of Arab investors is planning to acquire a stake in American real estate through an international investment consortium that has just been formed in London and Rotterdam, the Netherlands.

Arab capital will move into the new consortium through UBAF, Ltd., a London bank that is controlled by the Paris-based Union de Banques Arabes et Françaises, which lists 22 Arab banks among its shareholders.

UBAF, the Commercial Union Assurance Company of London, Pakhoed Holding N.V., a Rotterdam-based oil storage and property concern, and several other Dutch investors have formed a new company called

Continued on Page 31, Column 1

Continued From Page 47

Hexalon, which will have initial capital equivalent to \$50-million.

Hexalon's purpose will be to invest in fully rented commercial properties mainly in the Southeastern and Southwestern United States. Its American adviser will be Ackerman and Company, a real-estate investment and management firm in Atlanta.

Largest Shareholders

Hexalon's largest shareholders will be Pakhoed Holding and Commercial Union. UBAF will have only a minority interest, but the investment represents another example of the growth of Middle Eastern money in Western finance.

UBAF's commitment to American real estate also represents a further effort to "recycle," or invest, some of the massive capital surpluses accumulated by the oil-producing countries as a result of the quadrupling of oil prices since the Middle East war of 1973.

Even if UBAF contributed all of the \$50-million in Hexalon's capital—which it is not—the sum would represent only a fraction of the billions in surplus petrodollars flowing into the treasuries of the producing nations.

Nevertheless, sources in the London financial community view the UBAF participation as an encouraging sign and feel that it represents the basis for substantial additional investments in the future.

Rumors of Hexalon's formation were confirmed today by

sources at Commercial Union, Britain's largest insurance company, which has been active in seeking out Middle East investment partners. It was understood that an announcement of the new venture would be made later this week.

The Hexalon venture was conceived by a Dutch real estate concern that is a division of Pakhoed Holding. Commercial Union was instrumental in bringing in UBAF.

"We look at the Middle East as an area for investment cooperation, a two-way street," said Thomas L. Rhodes, a Commercial Union executive who has been named vice chairman of Hexalon. "We approached UBAF and told them of our own commitment and asked them to join us, knowing of their interest in making equity investments outside the Arab world."

Basis for Investment

He continued: "Given a measure of success, UBAF has indicated a desire to make the Hexalon venture the basis for further investment of Arab funds. Based on conversations that I have had with various Middle Eastern interests, there will be a trend toward a greater involvement in American investments—not only real estate but others."

Mohamed Abushadi, the Egyptian chairman of UBAF, said through a spokesman: "Although initially the investment emphasis is in United States real estate, other areas might be considered in due course, including Arab countries. The association would also enable us to offer investment opportuni-

ties, advice and expertise to Arab investors."

He noted that Abdalla Saudi, executive director of UBAF and chairman of the Libyan Foreign Bank, had agreed to join the Hexalon board. The chairman will be Erik Christtiansen of the Pakhoed division and the other directors will represent Commercial Union and the other Dutch interests.

The Union de Banques Arabes et Françaises, which controls UBAF, Ltd., in London, is 60 per cent owned by Arab governments and Arab banks and 40 per cent owned by Cédit Lyonnais and Banque Française du Commerce Extérieur, both French institutions.

The organization has expanded aggressively in recent years, establishing subsidiaries or joint ventures comparable to UBAF, Ltd., in Germany and Italy. Plans for a New York operation were announced early last year.

lc

N. Y. TIMES

5/2/75

٥٠٠٠
٢٠٠٠

٣٠٠٠
٤٠٠٠

٥٠٠٠
٦٠٠٠

٧٠٠٠
٨٠٠٠

DEVELOPING LANDS OPEN TRADE TALKS

At Dakar, Senghor Calls for
a Resources Strategy

DAKAR, Senegal, Feb. 4 (UPI)—President Léopold S. Senghor of Senegal called on developing nations today to use their raw materials to create a new world economic order.

Opening a conference of 110 third-world countries on trade strategy at the International Congress Center five miles outside Dakar, President Senghor said poorer nations had been exploited too long by the advanced states.

"This conference must above all define the objectives of the new economic order and adopt

methods of realizing these objectives," he said.

"We in the third world have to use our natural resources to break the traditional patterns of world trade."

During their five days of talks, ministers from the developing nations intend to draft strategy for an encounter next week with industrial countries at a commodities committee meeting of the United Nations Trade and Development Organization in Geneva.

Unified Policy Urged

Layachi Yaker, Commerce Minister of Algeria, which leads the third world's radical group, urged formation of producer cartels for all raw materials, following the example of the oil producers.

"This applies to bananas, cocoa, coffee and tin, to bauxite, iron ore, peanut etc.," Mr. Yaker said.

A more moderate group headed by Yugoslavia and in-

cluding several Latin American nations considers the Algerian plan unrealistic and proposes a unified policy on prices and marketing.

Other opening-day speakers said the gap between rich and poor countries had been widened by Western inflation. Poorer countries have to pay higher prices for manufactured imports while their primary goods steadily decline in value, they complained.

Developing countries also want increased financial aid from oil producers to process their own raw materials instead of having to sell them to advanced nations.

Soviet Team Checks Apollo

CAPE CANAVERAL, Fla., Feb. 4—A 19-man Soviet team of scientists and engineers completed today their checkout of the Apollo spacecraft and linking device, which will be joined in space this July by the Russian Soyuz space ship.

By EDWARD COWAN
Special to The New York Times

WASHINGTON, Feb. 3.—Suppose the world price of oil tumbles a few years from now because of conservation by consumers and the development of new oil-producing capacity?

That was the prospect that Secretary of State Kissinger raised today in a major policy speech directed to oil-importing and exporting countries and Congress.

He asked the importers of Europe, Canada and Japan to join with the United States in renouncing the temptation to take in foreign oil at a bargain price, should bargain prices ever return. He proposed "a common floor price" for imports; if the price of oil fell below that level, governments would use a tariff or other device to raise the cost to their own consumers to the "floor price."

Mr. Kissinger, who spoke at the National Press Club, argued that a "floor price" was necessary "to bring about adequate investment in the development of conventional nuclear and fossil energy sources."

Investments and Fear

The argument, one that Washington has been making for months, is this: Prospective investors will not make costly high-risk investments in nuclear power, oil drilling, oil-shale and tar-sands mining and conversion of coal to synthetic oil and gas unless they have reason to believe that they will not be priced out of energy markets by Persian Gulf states that can produce crude oil at present costs, below \$1 a barrel and in some cases as low as 20 cents. The investors are primarily oil companies and electric utilities.

In addition to Mr. Kissinger's given reason, there is another for Washington's desire to elicit a no-cheap-energy pledge from Europe and Japan. It is concern that the United States could lock itself into a protectionist, high-cost energy situation in which it would be unable to compete with European and Japanese manufacturers who benefit from a possible plunge in world oil prices.

A disavowal of "cheap" energy may not come easily for countries with few domestic energy resources of their own—Italy, France, Japan and others. To entice them, Mr. Kissinger invited them to become partners in American energy ventures—to provide some of the \$500-billion of capital needed in the next 10 years, a staggering sum, in exchange for a pro rata share of ownership, profits and fuels.

To the 13 member states of the Organization of Petroleum Exporting Countries, the cartel that has been supporting a Persian Gulf price of \$10.50 a barrel, Mr. Kissinger made a different proposition.

"Accept a significant price reduction now," he said, "in

return for stability over a longer period." In other words, he was suggesting that the oil-importing states would agree not to beat down prices paid to the exporters below the approximate level of the "floor price," and America's partners that the cost of alternative supplies.

Again there was a sweetener. Repeating to a question from his audience, the Secretary said that if OPEC agreed to cut prices "well below" present levels, "the United States would not exclude indexing." That was diplomatic language for saying that Washington would discuss linking reduced oil prices to an index of other prices so that the oil exporters could "keep up" with inflation.

This is a crucial issue. Iran, the leading price hawk of the cartel, has argued for "indexing" the present price of oil. Washington sees that as a one-

way deal, one that has much appeal for exporters and little for importers.

Deliberately, Mr. Kissinger used no price figures. His first task is to persuade Congress and America's partners that energy costs must not be allowed to fall below some level. However, he took pains to say that the protected levels "will be considerably below the current world prices," but "high enough to encourage the long-range development of alternative energy sources."

\$7 to \$8 a Barrel Seen

To judge from what Washington officials have been saying for a year, the protected level would be \$7 to \$8 a barrel.

However, with no immediate break in the cartel price in sight, Mr. Kissinger and his European counterparts have an opportunity to fight for accept-

ance of the principle without haggling over dollars and cents. Skeptics contend that the dollars and cents are more important in the final analysis.

Mr. Kissinger undoubtedly articulated his invitation to OPEC to cut prices now in part to disabuse commentators who have said that the United States has given up its hopes for a quick price cut. The Secretary found an up-beat way to reiterate the hope, but he gave no hint that he expected early fulfillment.

The speech was part of a continuing Washington effort to undermine the cartel's confidence in its own cohesiveness. To that end, Mr. Kissinger raised the "possibility of energy surpluses in the nineteen-eighties" and said that "some OPEC members are shaving prices" now.

N.Y. TIMES

4/2/75

2200

2200

2200

2200

2200

2200

10

Kissinger Takes Aim at Oil Cartel

Combined News Services

Washington—Secretary of State Kissinger proposed a stringent energy austerity and development program for oil-consuming nations yesterday that he said could break the oil producers' pricing cartel within two years.

Unveiling the strategy the U.S. will propose formally to fellow oil-importing nations in Paris tomorrow, Kissinger told a National Press Club luncheon the key to success is keeping the price of oil high within individual consuming nations by taxes, import quotas or tariffs.

"In order to bring about adequate investment in the development of conventional nuclear and fossil energy

sources, the major oil importing nations should agree that they will not allow imported oil to be sold domestically at prices which would make these new sources noncompetitive," Kissinger said.

He said that success in stringently stamping oil demand and consumption while new fuels are phased in would "exert powerful pressures on the inflated prices" now levied by the Organization of Petroleum Exporting Countries. "No cartel is so insulated from economic conditions that its price structure is invulnerable to a transformation of the market," Kissinger said.

If the trend toward lower demand can be boosted by cooperative consumer action, Kissinger said, "By 1977

some oil producers will have a payments deficit" and "competition between them for the available market will intensify. The cartel's power to impose an embargo and to use the price as a weapon will be greatly diminished." At that point, he said, consumer nations will be in a position to negotiate long-term oil supply agreements with the producers at prices below the inflated levels of today—and the producers will be glad to have them.

Kissinger said that the U.S. will propose a price support system at the International Energy Agency meeting in Paris. While saying the exact price must still be worked out, Kissinger told his audience that it "will be con-

siderably below the current world oil prices," but high enough to encourage development of alternative energy sources.

The current posted price of imported oil is about \$11 a barrel. Before the oil crisis broke out in the summer of 1973 the price was about \$3 a barrel. When the administration first considered the price support system last fall officials talked of an \$11 floor. More recent assessments have put the minimum in the \$7 to \$9 a barrel range.

The members of the newly formed O.A. are: Austria, Belgium, Canada, Denmark, West Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, Spain, Sweden, Switzerland, Turkey, Great Britain and the U.S.

Golan Heights Is Not Desert

I must comment on the letter by Sam Sesskin, "Make a UN in the Desert" (Jan. 21). I visited the Golan Heights in 1972 and drove nearly 100 kilometers around it. It is not desert—on the contrary, it is incredibly fertile, well-watered (up to 40 inches of rain a year) and capable of producing two crops of wheat a year. Intensively cultivated, it could be the breadbasket of the Middle East.

Both the Israelis and the Syrians planted here—the Israelis planted orchards, vineyards and wheat; the Syrians planted 5,000,000 plastic land mines in successive belts of fortifications.

As a substitute location [for a UN in the desert] may I suggest the Sinai peninsula. Perhaps near the scene of the giving of mankind's sublime moral code, the UN might recover some of the moral leadership so sadly lacking in its recent actions.

R. Townes
Deer Park

Oil War Makes Odd Enemies

This country's foreign policy towards the oil producing nations bears re-examination. During a recent press conference, our Secretary of State made his now-famous statement that we would go to war over oil under extreme conditions. Hopefully it will never come to this point, but if it does, should we take this drastic last step?

If we were to provoke such a war, for purely economic reasons, it wouldn't only be against the Arabs. We would be at war with our largest trading partner, Canada. If we neighbor the Arabs, then it follows that our northern neighbor is to be included. We import more oil from Canada than from anywhere else. Not only have their prices gone up as quickly, but by the 1980s we will be getting no oil at all from Canada.

This means if we go to war over oil, it won't just be a police action 5,000 miles away, it will lead to fighting on this continent. Instead of our best friend in the world, Canada will most likely become our largest possession.

Brian Ford
East Islip

NEWS DAY

4/2/75

2-20
2-24
1034
2-25
2-26
2-27

LEAD ARAB BANK (W216 PREVIOUS CYCLE)
BY HARRY ATKINS

DETROIT (AP) -- A SAUDI ARABIAN BUSINESSMAN SIGNED AN AGREEMENT
MONDAY TO BUY A MAJOR PORTION OF THE BANK OF THE COMMONWEALTH, BUT A

SUIT WAS FILED IN AN ATTEMPT TO BLOCK THE PURCHASE.

THE LEGAL ACTION WAS FILED IN WAYNE COUNTY CIRCUIT COURT BY
DETROIT ATTORNEY JACK KRAIZMAN, WHO SAID HE INSTITUTED THE ACTION ON

HIS OWN BEHALF. HE SAID HE OWNS 59 SHARES OF THE BANK'S PREFERRED
STOCK. A HEARING ON THE SUIT WAS SET FOR NEXT MONDAY.

BANK OFFICIALS SAID ACTUAL TRANSFER OF THE STOCK WILL OCCUR AFTER

THE FEDERAL DEPOSIT INSURANCE CORPORATION APPROVES THE TRANSACTION,
ASSUMING THE LEGAL ACTION DOES NOT HALT THE SALE.

THE PURCHASER, GAITH PHARAON, 34, WILL THEN OWN 32 PER CENT OF THE

BANK'S COMMON STOCK AND 40 PER CENT OF ITS PREFERRED STOCK. HIS
PURCHASE TOTALS 80 PER CENT OF THE STOCK ONCE OWNED BY THE JAMES T.
BARNES FAMILY. AND WHILE PHARAON WILL NOT OWN A MAJORITY OF THE
BANK'S STOCK, HE WILL OWN MORE THAN ANY OTHER SHAREHOLDER.

THE AGREEMENT XXX 4TH GRAF

09166 04 FEB 75

The Qatar Carillon?

The inevitable excess has come, as we feared it would, from the international oil frenzy. It is reported from San Antonio, which is in Texas, that a resident of Saudi Arabia, which is not in Texas, has inquired about purchasing the Alamo as a gift for his son. Sheikh Masoud Al-Sharif, Al Hamden. Junior took military flight training near the city, his father wrote a San Antonio lawyer, and became enamored of the old monastery where Davy Crockett and some associates bravely perished in 1836, and the old man thought it would be a nice gift.

The glowing niche of the Alamo in our national lore, and the centrality of its symbolism even to modest Texans, makes the desire of the petrodollar-laden chieftain unthinkable. Leaving aside the iconoclastic slander that if the Alamo had had a back door, Texas would be part of Mexico today, there clearly is a point beyond which even oil dollars dare not tread. Let the Middle Easterners purchase a chunk of

Lockheed perhaps, even a corporation or two — but we shall stand no tampering with our icons.

That was our first reaction, anger and fiery indignation at the sheikh's attempt to intrude in our cultural heritage. But then a sly thought occurred: The U.S. balance of payments is listing heavily to port, in part because of oil-import prices, right? Why not peddle a few of our less revered monuments to the petroleum potentates as the latest chic in conspicuous consumption.

The Taft Carillon on Capitol Hill, for instance, is an aesthetic felony. A slick job of salesmanship laid on a passing biggie from Kuwait or Qatar might bring in sufficient dollars to complete the Metro rapid-rail system. However, the Washington, Jefferson and Lincoln Memorials would obviously be off limits. Unless things economic get even grimmer than they are now.

Wash Star News

3.2.75

IC

ADVANCE FOR 1700GMT
U.S. BUDGET

2/11/75

BY R. GREGORY NOKES

WASHINGTON (AP) -- PAINTING HIS BLEAKEST PICTURE YET OF THE NATION'S ECONOMY, PRESIDENT GERALD FORD ASKED CONGRESS MONDAY TO VOTE A RECORD PEACETIME BUDGET DEFICIT OF 52 BILLION DOLLARS FOR 1976 TO RESTORE ECONOMIC GROWTH AND ENERGY SELF-RELIANCE.

THE BUDGET INCLUDES CUTS IN FOREIGN PROGRAMS. THE AMERICAN OVERSEAS FOOD AID PROGRAM HAS BEEN CUT, ALTHOUGH PRESIDENT FORD HAS DECIDED TO SEEK AN ADDITIONAL 178 MILLION DOLLARS IN FOOD AID FOR 1975.

FORD'S FOREIGN AID PROPOSALS PROJECT AN INCREASE OF 1.2 BILLION DOLLARS OVER CONGRESSIONAL AUTHORIZATIONS FOR FISCAL 1975. BUT UNLESS CHANGED BY CONGRESS, THE NEW FOOD FOR PEACE PROGRAM WILL BE LIMITED TO 1.07 BILLION DOLLARS FOR THE YEAR BEGINNING JULY 1, A SIGNIFICANT DECREASE FROM 1975.

FORD, IN ASKING APPROVAL FOR TOTAL EXPENDITURES OF 349.4 BILLION DOLLARS, FORECAST RISING UNEMPLOYMENT.

THE BUDGET REPORT SAID THE JOBLESS RATE WOULD AVERAGE 8.1 PER CENT

THIS YEAR, 7.9 PER CENT NEXT YEAR, AND 6.9 PER CENT IN 1977. THE DECEMBER JOBLESS LEVEL STOOD AT 7.1 PER CENT.

OTHER GRIM FORECASTS IN THE BUDGET REPORT WERE FOR AN 11.3 PER CENT INCREASE IN THE COST OF LIVING THIS YEAR, HIGHER EVEN THAN LAST YEAR'S 11 PER CENT, AND A 3.3 PER CENT DECLINE IN THE NATION'S GR

NATIONAL PRODUCT, FOLLOWING A 2.2 PER CENT DROP LAST YEAR.

(ADVANCE FOR 1700GMT)

WASHINGTON - U.S. BUDGET 2

THE PROPOSED 52-BILLION-DOLLAR BUDGET DEFICIT IS FIVE BILLION DOLLARS MORE THAN FORD HAD PREDICTED IN HIS STATE OF THE UNION ADDRESS ON JAN. 15, AND IS SECOND ONLY TO THE 1943 WAR-YEAR DEFICIT OF 54.8 BILLION DOLLARS.

THE TOTAL SPENDING FOR FISCAL 1976, WHICH BEGINS JULY 1, OF 349.4

BILLION DOLLARS AND REVENUES ESTIMATED AT 297.5 BILLION DOLLARS COMPARES WITH ESTIMATED EXPENDITURES IN FISCAL 1975 OF 313.4 BILLION

DOLLARS AND REVENUES OF 278.8 BILLION DOLLARS.

THE BACK-TO-BACK DEFICITS FOR THE TWO YEARS WOULD TOTAL 86.5 BILLION DOLLARS AND RAISE THE TOTAL FEDERAL DEBT TO 605.9 BILLION DOLLARS, EQUAL TO 2,840 DOLLARS FOR EVERY AMERICAN.

FORD SAID IN HIS ADDRESS TO CONGRESS THAT HE HAS ALWAYS OPPOSED BUDGET DEFICITS, BUT SAID THEY ARE NEEDED IN THE CURRENT RECESSION BECAUSE 'IF THE ECONOMIC RECOVERY DOES NOT BEGIN SOON, THE TREASURY

WILL LOSE ANTICIPATED RECEIPTS AND INCUR EVEN LARGER DEFICITS IN THE FUTURE.

HE ALSO SAID THAT, IF CONGRESS FAILS TO APPROVE THE 17 BILLION DOLLARS IN SPENDING CUTS WHICH HE IS ASKING, THE BUDGET DEFICIT COULD SOAR TO 70 BILLION DOLLARS, WHICH WOULD BE A RECORD.

(END ADVANCE FOR 1700GMT)

1502G 03 FEB 75

ETHIOPIA SENT WARPLANES - 1
tack accessionist guerrillas in Eritrea.

Rebels who have fought 12 years for independence for Eritrea, Ethiopia's northern province, appeared to have been largely driven out of the city of Asmara through a two-day assault by government troops. The military government then sent its U.S.-built F5A jet fighters to bomb guerrilla concentrations outside the city. Fighting was heavy outside the U.S. consulate but didn't appear to be aimed at American interests.

An estimated 75 to 100 persons were killed in the fighting. The U.S. consulate said all 300 Americans in Asmara were safe.

Soviet Foreign Minister Gromyko met with Syrian President Assad in Damascus and then with the chairman of the Palestine Liberation Organization, Yasir Arafat. Gromyko will be in Cairo today where he is expected to seek Egyptian support for reconvening the Geneva peace talks rather than for Secretary of State Kissinger's step-by-step approach. Kissinger is due in the Middle East again about Feb. 11.

President Sadat said it would be "treason" to reject any offer by Israel to return strategic Sinai peninsula mountain passes and oil fields. Nevertheless, Sadat said, Egypt won't end the state of war with Israel without similar action by other Arabs.

Arab Is Slated To Buy Control Of Detroit Bank

Bank of the Commonwealth Purchase Could Preface Similar Arab Attempts

By a WALL STREET JOURNAL Staff Reporter

DETROIT—In the first sizable Arab investment in the U.S. banking industry, a wealthy Saudi businessman is scheduled today to acquire a controlling interest in Bank of the Commonwealth here for about \$10 million to be paid over the next eight years.

Observers see the move as the first significant attempt by an Arab to gain a foothold in U.S. banking and speculated that the purchase might be a "testing of the water" that could preface more investments by Arabs in U.S. banks.

The Arab, Ghaith Pharaon, is slated to purchase 32% of the common and 40% of the preferred of the bank, which would make him the largest single shareholder and give him effective control of the bank, Michigan's sixth largest. He will buy the shares, contingent on approval by the Federal Deposit Insurance Corp., from the Barnes family here, which owns 39% of the common and 53% of the preferred, according to James T. Barnes Sr., bank chairman.

Mr. Barnes also said Mr. Pharaon agreed to pump at least \$35.5 million into the bank over the next few years. Mr. Pharaon was unavailable for comment.

Barnes Enthusiastic

Mr. Barnes, enthusiastic about the sale, said it would provide for the "significant influx of investment capital" that the bank needs and "establish Detroit as a major center for trade between the Middle East and the U.S."

Under the agreement, Mr. Barnes will remain as bank chairman, and there won't be any other changes in the management or on the board except that Mr. Pharaon, who can't legally sit on the board, will appoint one director who will be added, Mr. Barnes said.

It wasn't immediately clear why the Arab bought the bank, which is relatively small and has been losing money. "It's a billion-dollar bank (in assets) and it was available," said Arthur Snyder, president, who wasn't involved in the negotiations between the Barnes family and Mr. Pharaon.

Mr. Barnes indicated that one reason that Mr. Pharaon chose Commonwealth is that it may have been a good deal. "I don't think he could have gotten the number of shares in another bank," Mr. Barnes said in an interview, and the other banks "don't need the capital like we do."

In a prepared statement, Mr. Barnes outlined other reasons. The bank serves a highly industrialized part of the country "whose products and technology are in high demand" in the Mideast; he could acquire the large block of stock through a single party, and the bank's international department could provide a vehicle for financial relations between the U.S. and the Mideast.

But both Mr. Barnes and Mr. Snyder said that arrangements hadn't yet been set up for channeling Arab funds via the bank to Midwest businesses or U.S. products to the Mideast. Although there have been reports connecting Ford Motor Co. chairman Henry Ford II with the deal, both Ford Motor and Mr. Barnes insisted that he isn't involved.

It's known that Mr. Ford has been seeking Arab financing as chief sponsor for Detroit's river front development project, Renaissance Center, which would put an apartment-hotel-office complex in the heart of the city. Mr. Barnes said that he has spoken to Mr. Ford about Mr. Pharaon's investment in the bank. Mr. Ford is scheduled to attend a reception for the Arab today in Detroit.

The surprise announcement of the purchase late Friday night touched off a wave of reaction in Detroit. Television stations and newspapers presented stories of angry Jewish depositors withdrawing their money from Bank of the Commonwealth branch offices which were open Saturday.

However, Mr. Snyder indicated that despite the "furor," he didn't anticipate any large withdrawals. In fact, he said major Jewish shareholders of the bank had indicated they were pleased with the move because of its healthy prospects for the bank. He even implied the bank might get an increase in business from "the big Arab population in Detroit."

Stormy Recent History

The bank has had a checkered history. It was the flagship of the collapsed banking empire of Donald Parsons, Chase Manhattan Bank, New York, gained control of the bank in early 1971 by foreclosing on loans Mr. Parsons had made at Chase. Then in 1972, the Barnes family took over Chase's holdings. The bank still owes \$35.5 million to the FDIC, which kept the bank afloat during the stormy early 1970s.

The FDIC, as part of the loan agreement, has the authority to approve or veto the purchase plan. FDIC officials contacted over the weekend didn't express an opinion on the sale since it hasn't yet been formally presented to them.

For 1974, the bank reported a net loss of about \$3.3 million, compared with a \$1.2 million net profit the year before. The bank has about \$1 billion in assets and \$900 million in deposits.

Mr. Snyder stressed that the transaction between Mr. Barnes and Mr. Pharaon "doesn't directly involve the Bank of the Commonwealth in any way." He insisted that changes in the bank's way of doing business weren't contemplated. "As long as I'm there you will know the bank is run properly and on a safe and prudent basis," he said.

Mr. Pharaon, a 34-year-old Arab who was educated at Stanford University and Harvard Business School, is chairman of several Saudi Arabian companies including Saudi Research & Development Corp., a

holding company involved in industrial development, construction, commercial activities, real estate and general investments. The concern acts as agent and sponsor for foreign companies wishing to set up business in Saudi Arabia and as partner in joint ventures with foreign companies there.

Mr. Pharaon is the son of Rashad Pharaon, a close adviser of King Faisal.

Mr. Pharaon apparently wasn't deterred by the failure recently of other Arabs to buy shares of other U.S. banks. Attempts to buy control of banks smaller than Commonwealth have failed in San Jose, Calif., and Pontiac, Mich.

If the Pharaon bid is ultimately successful, it could lead to further Arab bank investment in this country. The move was seen as an indication of continuing interest on the part of the oil-exporting countries and their businessmen in the U.S. banking industry. It will undoubtedly fuel the persistent speculation in banking circles that a major bid by an oil country for a really significant acquisition in the U.S. is growing more likely.

1/2/75

lc

WALL ST. J

3/2/75

2200

2/20

2/20

2/20

2/20



Joseph Kraft

THE MILLION-BARREL QUESTION

WASHINGTON.

Out of the swirl of debate there is emerging the right question about President Ford's economic and energy program. It is the million-barrel question: what do we gain—and what do we lose—in trying to meet Ford's target for a reduction in oil imports of one million barrels per day by the end of this year?

The loss turns out to be staggering, both in its impact on this country and its allies. The gain, which is totally foggy, seems to rest on some obscure foreign policy point bootlegged past the White House by Henry Kissinger.

The proposed million-barrel-per-day reduction in oil imports is the centerpiece of the President's energy program. In order to achieve that target Ford outlined, and set in motion, his complex scheme for raising oil tariffs and taxes. To hit the same million-barrel target by different means, the Democrats have talked of rationing or a tax on gas.

* * *

Argument about the oil tariff shows that Ford's proposals imply a double burden. First there is the inflationary burden, which is already certain to be increased by the huge deficit in the proposed 1976 budget.

The cost of services and products based on petroleum will also go up, thus stimulating even more demand for money by industry, consumers and workers. In effect, the next bout against

Inflation, coming in the middle of the year, would begin with prices rising at the galloping rate of about 11 per cent annually instead of the more manageable figure of about 8 per cent annually.

An even higher cost would have to be paid with respect to recession and unemployment. In order to accommodate the demand for more money set in motion by the new budget and increased oil prices, the Federal Reserve would have to ease up on credit.

But Arthur Burns, the chairman of the Federal Reserve Board, has indicated that he is going to observe certain pre-established speed limits in expanding the money supply. He is not going to loosen up just because the cost of petroleum goes up in response to a tax imposed by the Administration. Thus the recovery envisioned by the Administration would be deferred because of the rise in oil prices.

But against these tangible losses what gains are to be chalked up? That question has not been systematically posed by the President's domestic economic advisers. John Sawhill, the former Energy Administrator, testified the other day that he did not even know the basis of the million-barrel-per-day target.

The State Dept. is able to offer at least some kind of rationale for the one-million-barrel-per-day cut. The argument there is that the cut will be a step toward independence from the oil exporters, and even more a step which will encourage the Europeans and Japa-

nese to reduce their dependence on foreign oil.

But both of these points are subject to serious questions. For one thing, oil at present seems to be plentiful, and the exporters seem to be more dependent than the consumers.

In addition, a number of weighty studies—by the World Bank, the Treasury, The Morgan Guaranty Co.—all show that the vast dollar assets accumulated in the past year by the petroleum producers are being distributed in normal and manageable ways on investment, consumption and foreign aid. The danger of what Kissinger calls strangulation by the oil exporters seems very, very remote.

In these circumstances, the urgency of making a symbolic cut in oil consumption becomes very questionable. At the very least it can be asked why it has to be a cut of a million barrels per day this year. Why not half a million stretched out over five years?

* * *

In particular, the question has to be applied to allied relations. Are the Europeans and Japanese hooked on the idea of an American lead in cutting oil consumption? Or wouldn't they much prefer a healthy American economy where they can buy and sell with ease?

In any case, the basic question wants to be examined in a systematic way. It is not enough just to take it on Kissinger's authority that the country ought to curtail consumption of oil by a million barrels a day in the next year.

Given the weak state of the American economy and the dependence of foreign countries on U. S. prosperity and the current surplus of oil and the apparent manageability of the petrodollar problem, the burden of proof on the million-barrel question lies upon Kissinger and his men at the State Dept.

N.Y. POST

3/2/75 2:20
2:40

10-5
5-20
13-1

The Mideast: Deals or Detente?

The word from Washington on Friday was that the State Department had informed Congress that it planned to give Syria \$25 million from a special contingency fund to "help bridge the wide gap that separated the United States and Syria during the last several years." Yesterday a dispatch to the Sunday Times from Damascus reported that Syria was "looking with a great deal of suspicion on Secretary of State Kissinger's new mediation effort in the Middle East" and his scheduled visit to the area.

Were the Syrians thus seeking to let it be known that \$25 million was an insufficient sum to invite their favor for Kissinger's expedition? Were they assuring Moscow — as envoy Gromyko arrived—that they could not be purchased at so meager a price, and urging a new round of competitive bidding?

The answers, like many other aspects of current Mideast diplomatic maneuvers, remain elusive. But the coincidence of events stirs new misgivings about the unilateral American efforts to achieve "step-by-step" accords, with financial inducements for those

who fall into line.

As long as Washington and Moscow appear to be offering separate — and adversary—deals to the Arab potentates, no lasting stability is in prospect. The price is simply likely to go up, with no assurance that anyone will stay bought.

Whether the Soviets are prepared to join with the U. S. in formulating terms for a joint position that could be put forward at a Geneva conference remains to be shown. But so far Secretary Kissinger appears reluctant to test that proposition. He seems to cling to the view that he can achieve an American-made settlement that would minimize any Russian role in the explosive region.

While that strategy may record temporary, isolated successes, it will be continuously subject to new reversals, with the larger threat of U. S.-Soviet confrontation unrelieved. Neither Israel nor its neighbors can derive serenity from arrangements that the two superpowers have not mutually backed and guaranteed. That is why we again urge renewed steps to invoke the doctrine

BY R. GREGORY NOKES

WASHINGTON (AP) -- PRESIDENT FORD SENDS TO CONGRESS TODAY A FISCAL

1976 BUDGET OF 349 BILLION DOLLARS CONTAINING A RECORD PEACETIME DEFICIT THAT HE SAID IS NECESSARY TO 'GET THE ECONOMY IN SHAPE.'

THE PRESIDENT WARNED IN ADVANCE THAT THE 52 BILLION DOLLARS DEFICIT HE IS PROPOSING COULD SWELL TO NEARLY 70 BILLION DOLLARS IF CONGRESS FAILS TO APPROVE 17 BILLION DOLLARS IN SPENDING CUTS HE ALSO WANTS.

'OVERCOMING THE RECESSION IS NOT THE ONLY GOAL OF MY BUDGET= IT IS EQUALLY ESSENTIAL THAT WE NOT REKINDLE THE FIRES OF INFLATION,'

FORD SAID AT A WEEKEND BRIEFING FOR NEWSMEN.

BUT NEVER BEFORE HAS THE FEDERAL GOVERNMENT PLANNED TO BORROW SO MUCH IN PEACE-TIME, AND ONLY DURING THE WAR YEAR OF 1943 WAS THERE A

GREATER DEFICIT -- 54.8 BILLION DOLLARS.

FORD BLAMED THE DEFICIT ON A RECESSION-CAUSED DECLINE IN TAX REVENUES, THE TAX CUTS HE IS PROPOSING, AND SPENDING FOR UNEMPLOYMENT BENEFITS AND OTHER JOBLESS AID.

EXCEPT FOR ENERGY, FORD SAID HIS BUDGET DOES NOT INCLUDE SPENDING

FOR ANY NEW PROGRAMS, ALTHOUGH HE ADDED IT DOES PROVIDE FOR A 12.7 BILLION DOLLARS HIKE IN AID FOR THE UNEMPLOYED ABOVE 1974 LEVELS.

THE BUDGET PRESENTED TO CONGRESS TODAY ALSO WAS EXPECTED TO CONTAIN:

-- A 10-BILLION DOLLAR REBATE OF 1974 TAXES TO INDIVIDUAL AND CORPORATE TAXPAYERS, A MOVE INTENDED TO STIMULATE THE ECONOMY. ANOTHER 6 BILLION DOLLAR WOULD BE PAID OUT OF THE 1975 BUDGET FOR A TOTAL REBATE OF 16 BILLION DOLLARS.

-- A 5 PER CENT CEILING ON INCREASES IN SOCIAL SECURITY BENEFITS

FEDERAL PAY AND ALL FEDERAL INCOME DISTRIBUTION PROGRAMS IN 1976, TO SAVE AN ESTIMATED 6 BILLION DOLLARS.

WASHINGTON --U.S. BUDGET 2

-- INCREASED SPENDING ON ENERGY DEVELOPMENT PROGRAMS TO HELP THE NATION ACHIEVE ENERGY INDEPENDENCE.

-- A 14 PER CENT INCREASE IN DEFENSE EXPENDITURES TO ABOUT 94 BILLION DOLLARS, UP FROM ABOUT 84 BILLION DOLLARS IN THE CURRENT FISCAL YEAR.

FORD ALSO HAS PROPOSED A 30-BILLION DOLLARS INCREASE IN ENERGY TAXES, BUT THESE WOULD BE REFUNDED TO AMERICANS THROUGH A CORRESPONDING PROGRAM OF TAX REDUCTIONS.

THE BROAD OUTLINE OF THE 1976 BUDGET PREVIOUSLY WAS REVEALED TO CONGRESS BY BUDGET DIRECTOR ROY L. ASH, WHO IS STEPPING DOWN FROM THAT POST THIS WEEK.

TOTAL 1976 SPENDING WOULD BE UP 11 PER CENT OVER ESTIMATED 1975 SPENDING OF 313 BILLION DOLLARS.

TOTAL 1976 REVENUE IS ESTIMATED BETWEEN 297 BILLION DOLLARS AND 300 BILLION DOLLARS, UP NEARLY 8 PER CENT OVER ESTIMATED 1975 RECEIPTS OF 279 BILLION DOLLARS.

THE 52-BILLION DOLLARS DEFICIT FOR 1976 COMPARES WITH THE ESTIMATED 1975 DEFICIT OF 35 BILLION DOLLARS, BOTH PEACE-TIME RECORDS.

BUT THE 1976 DEFICIT COULD BE MUCH HIGHER IF CONGRESS DOESN'T APPROVE ALL OF THE SPENDING REDUCTIONS FORD REQUESTED.

IT IS CONSIDERED UNLIKELY, FOR EXAMPLE, THAT CONGRESS WILL APPROV

THE 5 PER CENT CEILING ON INCREASES IN SOCIAL SECURITY BENEFITS. REJECTING THE CEILING COULD HIKE THE DEFICIT BY ABOUT 2.5 BILLION DOLLARS.

THE SIZE OF THE DEFICIT HAS ALARMED MANY FISCAL CONSERVATIVES, BUT

ASH HAS POINTED OUT THE DEFICIT RESULTS FROM LOWER TAX RECEIPTS AND HIGHER UNEMPLOYMENT BENEFITS FOR NEARLY 7 MILLION JOBLESS WORKERS.

(END)

Contentious Issue

conomic drama, the companies have been forced into supporting roles. Some experts have asked whether they will be eliminated entirely from the cast.

The answer would appear to be no, for although the companies have few friends either in the producing or in consuming countries, even their enemies for the most part concede that they serve some useful purposes.

Walter J. Levy, a leading oil economist, contends, "The major oil companies will continue to be the most important technical and marketing force in most of the world for a long time. Their technical competence and logistical services can only be replaced at great risk to those who eliminate them."

Capital Invested

In the past the oil companies have provided almost all the skills and technologies related to the industry, invested the large amounts of capital needed and always incurred the risks of loss, invested great amounts in market development (and as a result have access to most of the markets of the world), acted as a political buffer between producing and consuming countries and with their own cutbacks or expansions, balanced world supply and demand.

All these roles are in the process of changing—some more than others. But there can be little doubt that the traditional negotiating role of the industry—its position as a non-political buffer between producer and consumer—is now at an end.

Geoffrey Chandler, president of Britain's Institute of Petroleum and a director of the Royal Dutch/Shell Group, explains, "The arguments for this role, and the arguments against government-to-government negotiation, with its potential for entangling political issues with oil, are as strong as ever and remain evident to governments and industry alike. But the growth of equity participation by OPEC countries and the unilateral setting of prices have brought this role to a close."

Supply and Demand

In regard to balancing supply and demand, the Arab embargo and production cutbacks proved conclusively that this function is no longer within the province of the companies.

The companies' strong card would appear to be their continuing stranglehold on the skills and technologies vital to the oil business, despite growing technical competence among Saudis, Kuwaitis, Iranians and other nationals of the oil states.

Prof. Maury Adelman of the Massachusetts Institute of Technology, a prominent academic oil expert, contends, "The skills and personnel of the oil companies are an international resource. They cannot be easily duplicated."

J.K. Jamieson, chairman of Exxon, says, from a less objective vantage point, "The oil companies are the only ones with the skills and the organization to find, develop and bring to market petroleum products in the quantities the world needs."

However, the issue of how to obtain the necessary capital to meet future energy needs is a contentious one.

The companies say that if they do not get adequate rate of return they will be unable to do the job. The question is: What is adequate?

Critics assert the companies have cashed in on the "energy crisis" with one corporation after another reporting soaring profits in 1973 and 1974. Senator Henry M. Jackson, Democrat of Washington, has described the company profits as "obscene."

However, analysts expect company profits to drop in 1975, some say substantially.

On the other side, Frank Ikard, head of the American Petroleum Institute, contends that there "seems to be a total misunderstanding of the role of profit on the part of many in Congress and the public. Without profit no business can grow. Without profit consumer needs can't be met." This is a theme repeated by many industry executives.

Another Viewpoint

John Winger, vice president and head of the energy section of the Chase Manhattan Bank, argues that without the attraction of an adequate rate of return, investments will go elsewhere.

According to Security and Exchange Commission figures, the rate of return on invested capital for petroleum refining was 11.6 per cent in 1973 compared with 13.3 per cent for all other manufacturing activities.

Samuel Schwartz, executive vice president of the Continental Oil Company and an economist, contends that during most of the nineteen-sixties and early nineteen-seventies, return on investment was 10 to 12 per cent—"more like a utility." He says, "Oil is high risk business and it cannot get along with utility rates of return." He says that much more is needed.

Blessed with an enormous cash flow, the major oil companies generated internally about 90 per cent of their capital needs through depreciation and retained earnings during the nineteen-fifties. The ratio of debt to internally generated capital began creeping up until it presently stands at 70 per cent self-generated and 30 per cent debt. Thus, greater access to outside funds is needed.

Besides debt financing, the companies are also undergoing a change in their profit center.

Production used to be the in-

dustry's most profitable area. Indeed, the international industry was so arranged that high profits at the upstream, or production, end were used to subsidize downstream, or refining and marketing, operations. Domestically, much of the profit still lies in production but internationally it is being squeezed out by the producing nations.

During the nineteen-sixties and early nineteen-seventies the international majors earned between 25 and 40 cents a barrel. During early 1973 they increased this margin to about 60 cents a barrel. Last year, however, the producing countries pared company production profits to their present level of about 22 cents a barrel.

The major issue remaining to be settled in the producing area is the 100 per cent nationalization of the Arabian American Oil Company by the Saudi Government, which now holds a 60 per cent interest. The balance is held by Exxon, Texaco, Socal and Mobil.

When the take-over is concluded sometime later this year, the other producing states will likely follow the Saudi example and the companies will no longer be owners of foreign crude but buyers and hired operators.

Iran, in fact, was the first oil producer to nationalize its oil when Premier Mossadegh took over operations in 1951. It was not until 1973, however, in return for long-term supply agreements with the "majors," that the state's take-over finally became a reality.

Big Question

The big question is the fee the producing countries will pay the companies for operating the fields. A small fee would put an even greater burden on already weak refining and marketing margins.

Over the last five or six years the companies have been trying, with limited success, to improve refining and marketing efficiency and profits in anticipation of the eventual nationalization. The reduction in the number of gasoline stations in recent years is one example of these attempts. It is a trend that will continue out of necessity.

The fee, however, could be substantial. Sheik Ahmed Zaki Yamani, the powerful Saudi Arabian oil minister, has said that the producing Governments are seeking to "replace the present equity interest of the companies by strong incentives to continue operating in their territories, including handsome returns for their services and fees for their managerial and technological contributions. If the negotiations come to a conclusion the companies will be assured of a long and prosperous future with the producers."

Offshore Areas

Domestically the largest companies and the independents will continue for the foreseeable future as the nation's oil finders and producers. At issue is where they will be allowed to explore, particularly in regard to the Atlantic offshore areas.

A Federal Oil and Gas Corporation to drill for gas on prime acreage has been suggested by Senator Adlai E. Stevenson 3d, Democrat of Illinois. The oil companies are opposed. But John W. Sawhill, in his first speech after leaving his post as head of the Federal Energy Administration, said that although a Federal oil company would not happen this year—"Keep looking at it."

Regarding downstream operations, the major unknown factor is whether the producing countries will use their new wealth to build or buy refineries or marketing empires in the United States, Italy, and other consuming countries. Many experts believe that major moves in this direction are unlikely even though for years, downstream participation has been an announced goal of the producers.

'More Money Elsewhere'

Thornton Bradshaw, president of Atlantic Richfield, contends, "The Arabs know they can make more money elsewhere. They would rather invest in I.B.M."

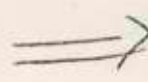
John Lichtblau, head of the Petroleum Industry Research Foundation, points out that the glow has come off downstream operations as profit margins on petroleum products have sunk.

Professor Adelman argues that the "best thing possible for the West would be if the Arabs did try to become major marketers of their own crude."

He adds, "The producers, however, are smart enough to know that if they become large sellers themselves they risk breaking up OPEC because of their lack of knowledge of markets and the potential for under-the-table attempts to maximize sales in a world surplus situation. So they will likely let the companies continue to do the selling for them."

It would seem likely that the producers would want to capture some portion of the "majors' present sales to third parties, that is sales to non-affiliated companies and countries. This represented some 15 to 20 per cent of the industry's total crude market. The producers, if they wanted to, could capture the major share of the third party business with their ability to control prices not only to potential customers but also to the "majors." Some experts feel they will not do this though for fear of generating too much competition within OPEC.

The producers are, however, expected to build refineries on their own territory as well as



attempt to create industrial complexes based on high-energy-use technology, such as aluminum and fertilizer plants.

Tankers are one downstream area the producers are likely to move into in a more dramatic way. A number of countries such as Saudi Arabia and Iran have started their own fleets, and in light of the depressed tanker market, it is relatively cheap to buy additional ships.

Some analysts see a threat in producer moves into tankers and refining. "They could force consuming countries to use ships regardless of cost and to buy their refined products rather than cheaper crude oil," one bank analyst warned.

The consensus of experts indicates that the companies will continue to grow but at a slower rate, perhaps half of that in the past. At the same time their control over their own future will probably continue to diminish.

The factors overriding all segments of the industry (particularly in view of President Ford's proposal for a high-energy-cost domestic economy.) include the level at which prices will settle, the durability of OPEC, the general state of the world economy, international relations (particularly the Arab-Israeli conflict) and political attitudes toward the oil companies in both producing and consuming nations.

Regarding prices, few analysts believe they will come down much in the short term.

"The near term odds on a reduction in world oil prices are exceptionally slender," says Charles T. Maxwell of the Wall Street firm of Cyrus J. Lawrence, Inc. He expects a cut of about \$1 a barrel following a conference between producing and consuming nations later this year.

He adds, "Eventually, there must be significant reductions, whether by credit arrangements on never never terms to poor nations, or stabilized prices in an inflationary environment or changed mixes of crude as a disguise for cuts. The world cannot live with the current level of oil prices and this is certain to be made clear to Middle East producers over the next year."

Determinant of Demand

Conservation efforts notwithstanding, the basic determinant of demand still appears to be the growth of the world economy. The sharp price advances reduced demand in 1974 below the 1973 level in the first year-to-year drop in history. Unless total economic stagnation sets in, demand seems certain to pick up in the future.

Most experts believe it will grow at half its former level, which was 4 to 5 per cent in the United States and 7 to 8 per cent in the rest of the world. This demand factor will exert its own influence on the search for oil and the construction of refining and marketing facilities and this uncertainty is seen making investments in the industry far more hazardous than heretofore.

While the fate of each segment of the industry will be decided by its individual characteristics much of the destiny of the private companies will not be in their own hands. As Raleigh Warner, the Mobil chairman, puts it, "The future of the oil industry is inextricably tied up with political decisions both in this country and overseas."

However, many experts believe the political problems of the companies in the producing countries have peaked. Ragaei El Mallakh, professor of economics at the University of Colorado, contends the producer states have "bitten off as much as they can chew," he said.

"The years to come will be a period of digestion. Any other changes will be highly gradual," he said.

Yet in the consuming countries, the political problems of the companies may be just coming to a head. S. David Freeman, head of the Ford Foundation's Energy Study, says, "Energy policy involves the fate of the world. Greater planning and intervention by governments is natural and to be expected."

Social Control

Joel D. Fisher, analyst for the investment firm of Drexel Burnham & Co., notes, "We do not anticipate that the trend towards increasing social control over the energy industries can be quickly or even wholly reversed. The contagion is world wide. People outvote resources. When the winds of egalitarianism blow strong, capital intensive industries are in for trouble."

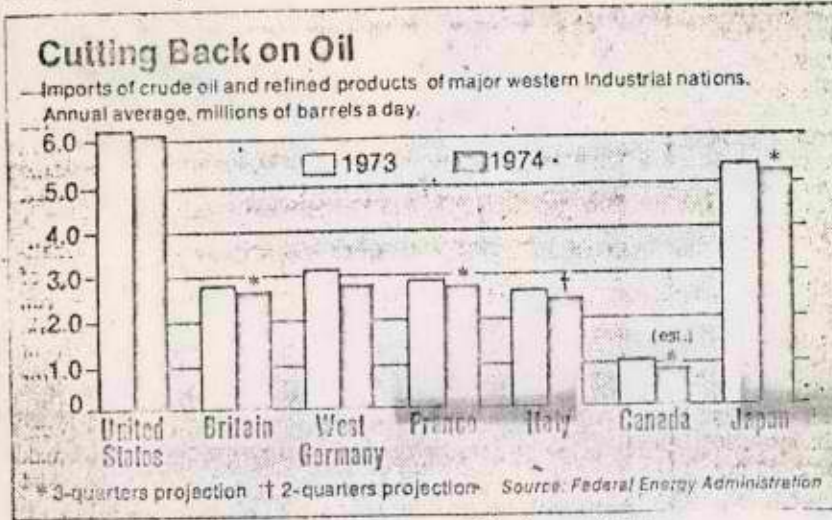
Indeed, it could be argued that the fate of the domestic industry depends more on Congress than on the corporate directors.

It seems likely that the depletion allowance, intangible drilling credits, and foreign tax credits will be eliminated by the new Congress. President Ford has proposed an excess profits tax along with domestic price decontrol. But Congressional control of prices at both product and crude levels could be extended. Leasing policy will determine who can look for oil and where.

On the surface, industry executives are optimistic. Their apprehension, though, is obvious. The industry has faced many crises during the years and always landed on its feet. No greater proof of its adaptability exists than the fact that while losing its most important physical assets over the last four years, it has managed to register record profits.

The World

In Summary



The Oil Strategy Of Consumers And Producers

A number of developments have provided important clues to the emerging strategies that will be pursued by oil-producing and oil-consuming nations as they prepare for a meeting, apparently not far off, where they will try to deal with the economic dislocations caused by high petroleum prices.

The producers. The Organization of Petroleum Exporting Countries is seeking much greater power in the world's major monetary institutions, long-term stability for the favorable balance of payments its members now enjoy and cooperation from the industrial countries in assisting less developed nations.

At a meeting in Algiers last week, the OPEC nations called for the meeting with consuming countries and, as inducements, offered to stabilize oil prices for five years beginning with a freeze for the rest of 1975; to expand oil credits that allow consuming nations to defer payments, and to accelerate bilateral economic projects that help the consumers to offset their oil debts.

The strategy is apparently to undercut the position of Secretary of State Kissinger, who opposes a meeting between the consuming and producing nations until the consumers are united on a common policy.

There are problems within the cartel as well, but it is doubtful that their unity on prices will be broken. The New York Times Beirut correspondent, Juan de Onis, reports: "OPEC unity is strong despite differences of ideology and approach. The Algerians and Iraqis with their socialist rhetoric tend to emphasize OPEC's role as the vanguard of the lesser developed nations, while the less doctrinaire Saudis, Kuwaitis and Iranians see the negotiations as a way to put relations with the West on a durable basis. But the cement in OPEC is a common interest in defending what they consider fair prices for oil. There are no weak links on this."

The consumer nations. While Secretary Kissinger has recently feuded in public with Western nations that rejected his appeals for unity before negotiations, French officials have been insisting that there is no longer any serious difference of approach and that a preliminary conference between consumers and producers will be held in March.

Kissinger's Plan

Mr. Kissinger may in fact be ready to end his effort to force OPEC to lower prices. There are reports that he will announce this week a plan for the consuming nations to set a minimum import price for oil. The purpose would be to protect the heavy investments by industrialized nations in new energy sources against a precipitous drop in prices if the oil cartel were to break up. That would be consistent with the energy policy for the United States adopted by President Ford.

In addition to accepting the inevitability of high oil prices, most of the industrialized nations have agreed to establish a \$25-billion "safety net" and to protect their economies against the strain those prices create.

There has been continuing evidence of that strain. The United States reported a \$3-billion trade deficit for 1974, the second largest in this century; if oil prices had been the same as in 1973, the country would have had a \$14-billion surplus.

France, with similar problems, announced a 10-year plan to reduce its dependence on imported oil from 75 per cent of its total consumption to between 55 to 60 per cent.

There also have been moves in the United States, West Germany and Japan to prevent OPEC oil money from taking over major businesses in those countries. Sen. Harrison Williams, New Jersey Democrat, has filed a bill giving the President authority to ban in the national interest any foreign investment in an American company. West German business leaders have agreed to cooperate with their Government to prevent "excessive" foreign participation in major companies. The Japanese Government is reportedly wrestling with ways to limit OPEC investments in Japanese firms. All three nations have become favorite targets for OPEC nations seeking to invest their petrodollars.

OPEC's surplus money is attracting

more business in the United States. Trans World Airlines last week announced the sale of six used Boeing 747 jumbo jets to Iran for \$99-million; and Iraq has ordered eight new Boeing transport jets, for \$150-million. Saudi Arabian businessman Ghaith Pharaon has reached an agreement, to be signed tomorrow, to buy 40 per cent of the Bank of the Commonwealth in Detroit, one of the largest in Michigan with 1974 assets at \$1-billion. Finally, the Southern Conference of Black Mayors, 70 elected officials from that region, will travel to Saudi Arabia, Kuwait and Iran in March or April to pursue negotiations for petrodollar investments in urban and rural development.

Those dollars seemed less potent last week following a report by Treasury Secretary William Simon predicting that the build-up of surplus petrodollars by OPEC will only reach \$250-billion by 1980 then level off rather than increase to \$653-billion by 1980 and to \$1.2-trillion by 1985 as predicted by the World Bank last July.

A number of reasons were given for the enormous errors in the earlier World Bank forecast: an unexpectedly large importation of goods by the OPEC countries will offset some of the surplus, for example.

N.Y. TIMES

2/2/75

Handwritten notes and scribbles on the right side of the page, including the date 2/2/75 and various illegible markings.

Bracing for the Arab World's Culture Shock

By LAWRENCE STESSIN

Every day there are American businessmen who land in the Middle East on a pilgrimage they hope will bring them good fortune. They come to sell products, to negotiate feasibility studies for training Saudi Arabians in how to use the technology of the west, to build a projected complex of 100,000 houses in deserts so bare that you can see a rabbit a mile away.

Or they come with their families to work as teams of engineers, planners or blue-collar workers of high skills to implement contracts already signed by United States companies with Middle Eastern states.

Whether they succeed or not, those who are first-time voyagers to these ancient lands will share one common experience — the culture shock. They will face problems of adjusting to a wide variety of customs, value systems, lifestyles, attitudes and work habits in areas which until now have lured few foreign businessmen.

To help immunize their overseas personnel against committing social and behavioral gaffes, which might jeopardize a share of the lu-

crative \$60-billion market of the rich oil-producing states, American business is stimulating explosive growth in the business of management education.

Some 200 universities will shortly be offering cross-cultural courses to graduate students of business administration and to back-to-school operating executives who seek to bone up on the turbulent history of the Middle East and gain insights into the peoples and institutions now slated for intensive industrialization.

At the American Management Association, where "Doing Business in the Middle East" has been a sometime item on its agenda of several hundred seminars a year, the organization is gearing up for a full-blown curriculum. It will emphasize tact and diplomacy as the key to successful ventures in the Persian Gulf.

Although English is still the basic language of the business world, the study of Farsi (Iranian) and Arabic by American managers is taxing the facilities of such language-teaching schools as Berlitz, where until now the students of Middle Eastern tongues were mainly adventurous tourists. The teaching of Farsi and Arabic is no

longer confined to such pragmatic phrases as what to say to catch the waiter's eye or to make oneself understood to a cab driver. Berlitz has instituted crash courses—eight hours a day for three months—to provide businessmen with enough basic skills to deal with their Arab counterparts, or to supervise local employes in halting but understandable speech.

A new breed of consultants, Americans of Middle Eastern descent with contacts in their native countries,

have long lists of clients. Men such as Abdul Wohabe, a New York consultant of Saudi Arabian ancestry, steer American businessmen to Arab agents, who in turn open doors to government ministries responsible for spending enormous sums for economic development. Mr. Wohabe's services, however, are not limited to making contacts. He conducts a constant dialogue with American clients on the theme that doing business in the Middle East is a "different kind of a ball game."

According to Mr. Wohabe, "One trait that hurts the American's image in the commercial centers of the Arab countries is impatience during the negotiation process. To the United States executive, who is characterized around the world as a quick decision-maker, the pace of dealing with Arabs is maddeningly slow."

Another consultant recalls a situation which cost an American company a sizable contract. When pressed by a United States sales executive for a yes or no on the construction of a factory, a procurement official from Dubai remarked, "After all, Rome wasn't built in a day."

"That's because they didn't have an American foreman on the job," the American quipped back. The Dubai official responded with what anthropologists have called the "glass curtain"—a starry-eyed stare, used frequently by those in the Middle East, which translates, "The conversation is over; please leave."

While verbal facility is an acknowledged plus in helping the executive adjust to overseas life, another form of communications has become important in training programs as an antidote to the culture shock. It is "body language," a relatively new dimension in cultural education. Its guru is Gerald I. Niernberg, former president of the Institute of General Semantics and a student of the kind of nonverbal behavior which can cause friction between native and foreigner.

In his lectures to Americans tapped for Middle Eastern posts, it is Mr. Niernberg's thesis that to get along in these countries businessmen must make studied adjustments to the many nuances of body language. He cites several American gestures that seem perfectly natural to an American but that could alienate an Arab.

"For example, the sturdy handshake is very much a part of the American cultural repertory. Yet in the Middle East the visitor receives a flaccid or 'dead fish' handshake which he may associate with femininity or unfriendliness. To the Arab the hearty grasp is a sign that the American has more brawn than brains."

The American can also offend Arabs by sitting back in a chair and putting his feet on his desk, not improper

etiquette in most businesses. But in the Middle East, to show one's heels to a stranger or friend is considered gauche.

Donald Stone, former dean of the University of Pittsburgh's Graduate School of Public and International Affairs, remembered an experience he had which illustrates how subtle and intimately subversive body language

can be when misunderstood.

"I was once in the Middle East at an American oil refinery which had installed an American-type canteen. The employees were shown how to queue up and extend their trays to the help behind the counters so they could be filled with cups and plates of food. The management was perplexed when only a few workers responded. A visit-

ing sociologist discovered the reason. The holding of a cup and a plate in outstretched manner was viewed by the natives as a symptom of begging. The

serving line was rearranged so that the food could be dispensed while the tray rested on a railing."

In companies such as Pillsbury, Raytheon, Grumman, Avco and Westinghouse,

whose presence in the Middle East has grown sharply in the past year — they've settled some 30,000 Americans there — the process of selecting and indoctrinating those going to the Arab world calls for the involvement of management at the highest levels.

At Grumman, Peter Oram, president of Grumman International, participates in

every step of the procedure from the initial screening to the bon voyage. His office is open to families who seek advice on the myriad of questions that beset the husbands, wives and teenagers who must make the decision whether or not to transfer to far-off countries with very limited creature comforts and vastly different customs and culture.



Form, Dotarty

043 30
9.9.
2121/k

(ADVANCE FOR 1700GMT)
ECONOMIC REPORT

BY R. GREGORY NOKES

WASHINGTON (AP) -- PRESIDENT GERALD FORD'S ECONOMIC REPORT TO CONGRESS SAYS AMERICANS FACE FURTHER EROSION OF THEIR STANDARD OF LIVING, HIGHER UNEMPLOYMENT AND PERPETUALLY HIGHER ENERGY COSTS.

'THE AMERICAN ECONOMY WAS BUILT ON THE BASIS OF LOW-COST ENERGY... THIS ERA HAS NOW COME TO AN END,' FORD SAID IN A MESSAGE

ACCOMPANYING THE REPORT, ISSUED TUESDAY.

THE REPORT ALSO SAID THE DECLINE IN THE NATION'S ECONOMY WAS SO STEEP IN THE FOURTH QUARTER OF LAST YEAR THAT THE GOVERNMENT COULD NOT PROMISE A QUICK REBOUND IN THE NATION'S ECONOMY THIS YEAR.

BUT THE COUNCIL OF ECONOMIC ADVISERS, WHICH PREPARED THE REPORT, STILL EXPECTS THE ECONOMY TO 'MOVE ON TO THE ROAD TO RECOVERY'

THE SECOND HALF OF 1975, FOLLOWING ANOTHER STEEP DECLINE WITH HIGH UNEMPLOYMENT AND HIGH INFLATION IN THE FIRST HALF.

'THE MOST PRESSING CONCERN OF POLICY IS TO HALT THE DECLINE IN

PRODUCTION AND EMPLOYMENT SO THAT GROWTH OF OUTPUT CAN RESUME AND UNEMPLOYMENT CAN BE REDUCED,' THEY SAID.

BUT THE REPORT LEFT NO DOUBT THAT FORD'S GOVERNMENT HAS GIVEN UP

HOPE OF BRINGING WORLD OIL PRICES ANYWHERE NEAR THE LOWER PRICES OF JUST 18 MONTHS AGO. IN FACT, FORD SAID MOST DOMESTIC OIL IS AT

'ARTIFICIALLY LOW PRICES' THAT MUST BE RAISED.

'PRESENT CIRCUMSTANCES AND THE FUTURE SECURITY OF THE AMERICAN

ECONOMY LEAVE NO CHOICE BUT TO ADJUST TO A HIGHER RELATIVE PRICE OF ENERGY PRODUCTS,' THE PRESIDENT SAID.

HIS ADVISERS SAID SOME PROTECTION MUST BE ESTABLISHED TO KEEP DOMESTIC PRICES HIGH ENOUGH TO PROTECT NEW INVESTMENT IN OTHER COSTLY ENERGY SOURCES.

(MORE)

10506 02 FEB 75

0121/6

02
RR051
D 1035 33

(ADVANCE FOR 2330GMT SUNDAY)
THE RESERVES

(ADVANCE) WASHINGTON (AP) -- THE INTERNATIONAL MONETARY FUND SUNDAY

REPORTED A SLOWDOWN IN THE GROWTH OF RESERVES HELD IN THE FUND BY SOME OIL-PRODUCING COUNTRIES.

THE REPORT SAID RESERVES HELD IN THE FUND BY THE OIL-PRODUCING COUNTRIES REACHED VERY HIGH LEVELS AT THE END OF NOVEMBER.

BUT, IT SAID, SOME OIL PRODUCERS, PARTICULARLY THOSE WITH RELATIVELY LARGE DOMESTIC ECONOMIES, ARE BEGINNING TO EXPERIENCE A SLOWER GROWTH OF THEIR RESERVES.

ALGERIA WAS CITED AS AN EXAMPLE OF AN OIL-PRODUCING COUNTRY THAT WAS DIVERTING MORE OF ITS INCOME TO PAY FOR A RAPIDLY EXPANDING FLOW

OF IMPORTS.

ALGERIA'S RESERVES ROSE FROM THE EQUIVALENT OF 0.95 BILLION SPECIAL DRAWING RIGHTS (SDRS)--THE IMF'S PAPER GOLD--AT THE END OF 1973 TO 1.67 BILLION SDRS AT THE END OF THE THIRD QUARTER OF 1974, BUT THEN DECLINED TO 1.38 BILLION SDRS AT THE END OF THE YEAR.

INDONESIA'S RESERVES ALSO DECLINED AT YEAR'S END, GOING FROM 1.

7

BILLION SDRS AT THE END OF OCTOBER TO 1.22 BILLION SDRS. AT THE END OF 1973, INDONESIA'S RESERVES AMOUNTED TO 0.67 BILLION SDRS.

THE IMF REPORT SAID THAT MANAGING DIRECTOR H. JOHANNES WITTEVEEN HAS SET OUT ON A TOUR OF MIDDLE EAST OIL-PRODUCING COUNTRIES.

WITTEVEEN IS SEEKING LOANS TO STRENGTHEN THE IMF'S OIL FACILITY FUND, WHICH ASSISTS MEMBER COUNTRIES EXPERIENCING PAYMENT DIFFICULTIES BECAUSE OF HIGHER OIL PRICES.

HE ALSO IS ALSO SCHEDULED TO VISIT A FEW EUROPEAN COUNTRIES

TOWARD THE END OF THE MONTH. THE REPORT DID NOT NAME THEM.

(MORE)

QRA QRA QRA DE GBU32 GBW34B GDW42A GIC26B GIC29B GIC30B GIW37B

GIY38B GLK42 THE ASSOCIATED PRESS LONDGHRO30
VD16 33

OIL PROFITS

BY JOSH FITZHUGH

NEW YORK (AP) - AMERICA'S MAJOR OIL COMPANIES BEGAN RECORDING BIG PROFITS AFTER THE OIL EMBARGO OF 1973, BUT TOWARD THE END OF LAST YEAR THE BOOM BEGAN TO SOFTEN. TAX INCREASES AND PRODUCTION CUTBACKS BY THE OIL-PRODUCING NATIONS

COMBINED WITH LESS WORLD DEMAND IN 1974 TO DIG INTO THE RECORD RESULTS.

ALTHOUGH EARNINGS OF THE MAJOR OIL COMPANIES WERE STILL LARGE IN THE LAST QUARTER OF 1974, THEY WERE OFF AN AVERAGE OF ABOUT 5 PER CENT FROM THE SAME PERIOD OF 1973--THE FIRST QUARTER IN WHICH THE EMBARGO BEGAN TO BE REFLECTED IN OIL-COMPANY EARNINGS.

THE LARGEST DECLINES OVER 1973 EARNINGS WERE POSTED BY THE INTERNATIONAL FIRMS.

IT IS SAFE TO SAY THAT WE HAVE CROSSED THE PROFIT PEAK AND WILL BE LIVING WITH LOWER EARNINGS, PERHAPS SUBSTANTIALLY LOWER EARNINGS, FOR THE NEXT FEW YEARS, SAID ROBERT DORSEY, CHAIRMAN OF GULF OIL CORP.

SAID LAST WEEK.

LAST YEAR BEGAN WITH THE INTERNATIONAL COMPANIES REAPING LARGE WINDFALL PROFITS FROM CRUDE-OIL PRICE INCREASES ANNOUNCED BY THE OPEC, THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES.

DOMESTICALLY, THE GOVERNMENT'S DECISION TO EXEMPT NEWLY DISCOVERED CRUDE OIL FROM PRICE CONTROLS AND TO RAISE THE CONTROLLED PRICE OF PREVIOUSLY DISCOVERED CRUDE BY ONE DOLLAR A BARREL PUSHED EARNINGS UP SUBSTANTIALLY. INCREASES IN NATURAL GAS PRICES ALSO HELPED. PRICE AND PROFIT INCREASES, HOWEVER, SLOWED DEMAND FOR OIL AS THE WORLD ENTERED A RECESSION.

NEW YORK - OIL PROFITS 2
CHEMICAL PROFITS, A PARTICULARLY STRONG ASPECT OF THE COMPANIES' EARNINGS ALL YEAR, BEGAN TO SHOW SIGNS OF WEAKNESS IN THE FOURTH QUARTER.

BY THE LAST SIX MONTHS OF THE YEAR SLOWER PROFIT GAINS WERE BEING COMPARED WITH STRONG YEAR-EARLIER LEVELS, RESULTING IN SMALLER PERCENTAGE GAINS AND FINALLY PERCENTAGE LOSSES.

GULF OIL CORP., WHICH MADE 230 MILLION DOLLARS IN THE LAST THREE MONTHS OF 1973, EARNED 185 MILLION DOLLARS IN THE 1974 FOURTH QUARTER, DOWN 20 PER CENT.

MOBIL'S FOURTH-QUARTER PROFIT FELL 51 PER CENT TO 136.8 MILLION DOLLARS FROM THE 278 MILLION DOLLARS THE YEAR BEFORE, WHILE TEXACO'S

SKIDDED 29 PER CENT TO 320 MILLION DOLLARS, AS AGAINST THE 453 MILLION DOLLARS POSTED IN THE 1973 FOURTH QUARTER.

EXXON CORP., WHICH HAS LARGE DOMESTIC AND INTERNATIONAL OPERATIONS, MANAGED A 9 PER CENT GAIN IN THE QUARTER TO 860 MILLION DOLLARS FROM THE 787 MILLION DOLLARS IN THE LIKE PERIOD OF 1973.

THE DOMESTIC FIRMS, UNTOUCHED BY HIGHER FOREIGN TAXES, GENERALLY SHOWED MORE PROFITS IMPROVEMENT IN THE FOURTH QUARTER.

SHELL OIL'S EARNINGS JUMPED 99 PER CENT TO 158.2 MILLION DOLLARS

STANDARD OIL OF INDIANA'S ROSE 44 PER CENT TO 174.8 MILLION DOLLARS

ASHLAND OIL'S GAINED 12 PER CENT AND UNION OIL'S 9 PER CENT.

THE HIGHER MARGINS ON U.S. CRUDE OIL AND NATURAL GAS LOOK LIKE THE ONE PERMANENT IMPROVEMENT IN PROFITS DURING 1974, SAID OIL-STOCK ANALYST PHILIP DODGE.

(MORE)

07216 02 FEB 75

RO31
D VD17 33

NEW YORK - OIL PROFITS 3
ANALYSTS EUGENE NOWAK AND JOHN SHAUGHNESSY ESTIMATED 1974 PROFITS

FOR 19 FIRMS AT 16.5 BILLION DOLLARS, UP 45 PER CENT FROM 1973. PROFITS THAT YEAR, THEY NOTED, WERE UP 72 PER CENT FROM 1972.

OIL-COMPANY SALES DURING 1974 EXCEEDED MORE THAN HALF TOTAL FEDERAL REVENUES, WHILE EXXON'S REVENUES ALONE WERE LARGER THAN THE

GROSS NATIONAL PRODUCT OF ALL BUT 10 COUNTRIES.

YEAR-END AND FOURTH QUARTER EARNINGS WERE ALSO AFFECTED BY ACCOUNTING PRACTICES AND CHANGES.

TEXACO'S SWITCH TO LAST-IN, FIRST-OUT ACCOUNTING -- DESIGNED TO DEFLATE EARNINGS BY REMOVING INVENTORY PROFITS -- CUT 1974 PROFITS

196.7 MILLION DOLLARS.

A SMALLER CHANGE BY STANDARD OIL OF CALIFORNIA REMOVED 250 MILLION DOLLARS WHICH OTHERWISE WOULD HAVE BEEN REPORTED AS INCOME. SOCAL'S

PROFITS FOR THE YEAR WERE 970 MILLION DOLLARS.

BECAUSE OF CONTINUING NEGOTIATIONS WITH SAUDI ARABIA, PARTNERS IN ARAMCO -- EXXON, TEXACO, SOCAL, AND MOBIL -- HAD TO ESTIMATE SOME RETROACTIVE PRICE INCREASES. MOST OF THIS AMOUNT WAS PAID TO THE GOVERNMENT, BUT SOME REMAINED IN COMPANY HANDS, LEADING TO INCREASED

CASH EARNINGS, ANALYSTS SAID.

(END)

07246 02 FEB 75

Handwritten notes in Arabic script and "BB" in the top left margin.

Handwritten note "1/10" in the top right margin.

Handwritten mark resembling a stylized "X" or "4" in the top right margin.

Saudi in Pact for Michigan Bank Stake

Continued From Page 1, Col. 1

Saudi in an Accord To Buy a Stake In a Michigan Bank

By AGIS SALPUKAS
Special to The New York Times

DETROIT, Jan. 31—The Bank of the Commonwealth, one of the largest in Michigan, announced today that a Saudi Arabian businessman had agreed in principle to acquire a substantial interest in the bank.

James T. Barnes Sr., chairman of the bank's board of directors, said that Ghaith Pharaon, an American-educated Saudi with broad international interests, was making the deal in the hope "to establish Detroit as a major center for trade between the Middle East and the United States and generate a significant influx of investment capital for the bank."

Mr. Barnes said in a news release that a definitive agreement would be effected Monday in Detroit. Henry Ford 2d, chairman of the the Ford Motor Company, is scheduled to be present.

The deal is believed to involve one of the largest investments in an American institu-

Continued on Page 39, Column 2

tion by a foreigner. The transaction, which must be approved by the Federal Deposit Insurance Corporation, will mean that Mr. Pharaon will own 40 per cent of the preferred stock and 32 per cent of the common stock.

Mr. Pharaon is 34 years old and is said to have close ties with the Saudi royal family. His father, Dr. Rashad Pharaon, is a high official in the Foreign Ministry of Saudi Arabia. The son attended the Colorado School of Mines from 1958 to 1961, Stanford University from 1961 to 1963, and the Harvard Business School from 1963 through 1965.

He is chairman of numerous large Middle Eastern businesses, in the fields of insurance, shipping, petrochemical installations, and pharmaceuticals. He is also chairman of the Saudi Research and Development Corporation, a large holding company involved in industrial development, construction, real estate and general investment.

Mr. Barnes said that Mr. Pharaon would purchase 80 per cent of the Barnes family's preferred and common stock in the bank. The Barnes family has owned 53 per cent of the preferred stock and 39 per cent of the common stock of the bank since 1972.

According to the statement by Mr. Barnes, who is also chairman of the board of James T. Barnes & Co., the largest privately held mortgage banking concern in the United States, the Barnes family will continue to own an interest in the bank amounting to 356,000 of common stock and 33,000 of preferred stock. Under the tentative agreement with Mr. Pharaon, he would own 1,424,000 shares of common stock and 132,000 shares of preferred stock.

Will Remain Chairman

Mr. Barnes said that he would remain chairman of the board of directors, and his son, James T. Barnes Jr., would continue as a director. He said that Mr. Pharaon would be meeting with F.D.I.C. officials, the State Banking Commissioner and the Federal Reserve immediately after signing the agreement "to discuss his plans for arranging substantial additional outside capital support for the bank and to establish an ongoing relationship."

A rebuff was also suffered by Adnan M. Khashoggi, a Saudi financier, who attempted to buy a one-third interest in the First National Bank of San Jose, Calif. He and the bank announced yesterday an agreement for the withdrawal of his offer to buy 650,000 shares of

stock for \$14.1-million amid indications that shareholders would have voted to reject the bid.

The Bank of the Commonwealth has had a stormy history. It went through a major financial crisis in 1970 and has been helped to stay afloat by a \$60-million credit extended by the Federal Deposit Insurance Corporation, and due in 1977.

Mr. Barnes said that Mr. Pharaon became interested in investing in the Bank of the Commonwealth, rather than other banks he investigated in other major United States cities, because the bank serves Detroit, the automobile capital of the world, and Midwestern hub of other industrial concerns whose products and technology are in high demand in the developing Middle East countries.

The bank is the sixth largest in Michigan, with total assets listed in 1974 at \$1-billion.

Another reason that influenced Mr. Pharaon, according to Mr. Barnes, was the bank's potential for expansion of operations to provide a base from which American business, particularly in Detroit and the Midwest, could develop relations with businesses in the Middle East.

And, Mr. Barnes added, Mr. Pharaon can more easily acquire a large block of stock since it is held by a single party, the Barnes family.

An effort by another Middle Eastern businessman, Ahmad Sarakbi, to buy control of a Michigan bank, the Community National Bank of Pontiac, failed this week when a Teamster Union pension fund withdrew a commitment to provide \$9-million for a tender offer for the bank's stock. Sources close to Mr. Sarakbi said today that he had not given up and was seeking funds from Middle Eastern countries to purchase 400,000 of the bank's 800,000 shares.

The Bank of the Commonwealth's crisis in 1970 started when a banking empire of about 19 banks worth about \$3-billion, built by Donald H. Parsons, collapsed. Mr. Parsons, then a 40-year-old financier and lawyer from the Detroit suburb of Birmingham, used the Birmingham-Bloomfield Bank as a base to build his empire.

Before the collapse, Mr. Parsons was considered an innovative, energetic financier who had pumped new blood into many of the banks he took over. His technique was to use depositors' money to buy long-term tax-exempt bonds that at the time were earning high interest rates. Large sums from the banks were also invested in real estate mortgages.

In the five years under the Parsons control, for example, the Bank of the Commonwealth's holdings of tax-exempt municipals went from \$39.8-million, or 7.4 per cent of assets, in 1964 to \$308-million, or 22.8 per cent of assets, in 1968.

Most of the bonds had a maturity of longer than 20 years. Mortgages during the same period increased from \$77-million to \$454-million.

At first the investments seemed to succeed and the bank and the others in the Parsons group grew rapidly.

Interest Rates at Peak

But then interest rates shot up to the highest levels in 100 years, and the investments in the bonds and mortgages were no longer providing a profitable return.

This became apparent to depositors, who began to withdraw funds, and Federal banking officials became concerned about the bank's liquidity.

The problem was that the bank could not convert the long-range investments readily into cash to pay the depositors.

A crisis began on March 12, 1970, when the Federal Reserve Board denied the bank's request to open a branch in the Bahamas because of concern about its liquidity and capital position.

Big depositors began to withdraw their money and the bank had to turn to the Reserve to stay afloat. But before the Reserve would commit itself, it sought the ouster of Mr. Parsons and several of his partners.

Mr. Parsons resigned from the board of directors and shortly thereafter the Chase Manhattan Bank foreclosed on a loan which he and his partners used to acquire 39 per cent of the bank's stocks.

Bought by Family

These stocks were eventually bought by the Barnes family.

The F.D.I.C. in 1972 extended a credit line for \$60-million to the bank, due in 1977. The bank has used about \$35.5 million of this credit.

While the credit is in effect the F.D.I.C. has veto power over the appointment of members to the board and the naming of the bank's top officers.

The bank has not been doing well recently. On Jan. 20 it reported a loss of \$3.25-million, partly as a result of the decision to increase the bank's loan-loss reserves.

Arthur F. Snyder, president of the bank, said then that the loan-loss reserve was sought to provide a cushion against possible losses in the bank's \$200-million commercial real estate mortgages.

N.Y. Times Feb. 1, 1975

1182/1

7/11

2/10/75

Plus

Sum

-LB

1.1.2.1

Black Southern Mayors Asking Arabs to Invest in Their Region

By MARY BREASTED

The Southern Conference of Black Mayors, a group of 70 elected officials from Southern towns and cities, has been quietly negotiating for the last few months with businessmen and officials from the oil-rich nations of the Middle East for a program of economic investment and cultural exchange.

Six mayors from the group will travel to the Middle East in March or April, Jay Cooper, Mayor of Pritchard, Ala., and president of the mayors conference, said earlier this week.

Mayor Cooper said that a negotiator for the organization had been talking with the Ambassador from Saudi Arabia to formulate plans for the trip and begin negotiations for economic exchange.

Mayor Cooper said that the dates of the projected trip had not yet been set, nor had the money yet been raised to pay for it. However, two foundations in New York, which he did not identify, have indicated they might be interested in paying for it, he said.

Two-Way Deal Sought

The goal of the mayors' group is to attract Arab investments in the industries and agriculture of Southern towns and rural areas that surround them. In exchange, the mayors hope local businessmen can market their products in Arab countries.

Initial plans for both the Middle Eastern trip and the program of economic exchange began last fall, when the Southern conference hired T. M. Alexander, a former Department of Housing and Urban Development official, as a consultant assigned to negotiate with Arab leaders and businessmen and to raise money for the trip.

The six mayors who will probably go on the trip—now projected for late March or early April—are Maynard Jackson of Atlanta; Clarence

Lightner of Raleigh, N. C.; Eristus Sams of Prairie View, Tex.; Earl Lucas of Mount Bayou, Miss.; Walter Washington of Washington, and Mayor Cooper. But that list is not final.

The group hopes to visit Kuwait, Saudi Arabia, and Iran, which, although oil-rich, is not an Arab country.

Disclosure in Texas

The negotiations were carried on without publicity until this week, when Mayor Sams disclosed them to local newsmen in Texas.

Several weeks ago, when The New York Times made inquiries about the projected Middle Eastern trip, Mayor Cooper expressed some concern over the possibility that early publicity about it might arouse concern in the Jewish community here, concern he was hoping to head off through meeting with American Jewish leaders.

Those meetings have not yet been held, and yesterday Mayor Cooper said he was "rather chagrined" that news of the trip had been released.

Both he and Mr. Alexander repeatedly said that the trip and the economic project were "in no way political."

"This is not by any means an attempt or effort on the part of the black community to get involved in any kind of political discord," Mr. Alexander said.

הארץ

אל: 2.2

349 מיליארד דולר תקציב שיא בארה"ב

יובא לארה"ב המעלה את מחורה של חבית נפט בדולר אחד, הופעל היום, כסך הכל יועלה ההיטל ב" הדרגה עד ל-3 דולרים לחבית. אך לם בקונגרס תיערך בשבוע הבא הצבעה, שמטרתה לבטל את ההיטל. קרוב לוודאי, כי הנשיא פורד יטיל ויטו, אם הקונגרס יחליט לבטל את ההיטל. הנשיא נפגש עם יו"ר ועדת החקצבות של בית הנבחרים כדי ל" גבש פשרה אולם לפי שעה לא וי" תר אף אחד מהם.

על פי תוכניתו של הנשיא פורד יוטל היטל כסך דולר אחד נוסף ב" 1 במרס ועוד דולר ב"1 באפריל. אנשי המימשל סבורים, כי ההיטל ייקר את הדלק ב"4 סנטיים לגלון, אולם אנשי קונגרס סבורים, כי כבר השלב הראשון של הפעלת ההיטל יגרים לייקור הדלק ב"3.5 סנטיים לגלון.

ואשינגטון, 1 (עיר, יומ"ע). ה" נשיא פורד הודיע בשבת, כי ב" דעתו להגיש תקציב שיא בסך כ" לל של 349 מיליארד דולר, שיכלול גרעון של 32,000 מיליון דולר, ל" שנת הכספים הבאה המתחילה ב"1 ביולי.

במסיבת עיתונאים הזהיר הנשיא פורד כי הגרעון יעלה עד ל"70,000 מיליון דולר, אם לא יסכים הקונגרס לפיצוגים שהציע ולחזית הוצאות שונות. מר פורד אמר כי אין הוא רואה בעין יפה גרעונות במימדים מעין אלה, אך הוא הוסיף כי על ממשלת ארה"ב לסייע למחוסרי הע" בודה ולעודד את הכלכלה האמרי" קאית.

הופעה הימנה דוק

השלב הראשון בתוכניתו של ה" נשיא פורד בדבר היטל על נפט טי

N.Y. Daily News Feb. 1, 1975

70 2/16

Pan Am & Iran Near Accord on Big Money Deal

By FRANK MAZZA

Pan American Airways and the Iranian government are near agreement on a financial arrangement in which oil-rich Iran will pump \$250 million into the faltering U.S. air carrier and save it from extinction, it was reported yesterday.

In another deal, Trans World Airlines announced the sale of six Boeing 747 jumbo jets to Iran for \$99 million.

TWA said that agreements had been reached for the possible sale of an additional six 747s. Delivery of the planes will start this month and be completed by the year's end, TWA said.

At the same time the Civil Aeronautics Board announced it has approved an agreement between Pan Am and Trans World Airlines to swap international routes. The exchange should significantly assist the financial stability of both airlines.

News of the imminent agreement with Iran and the action by the CAB delayed trading of Pan Am stock on the New York Exchange for two and a half hours. When it finally opened at 12:30 p.m. 264,000 shares had been traded and the stock was up five-eighths to \$3.50. It closed at 3 3/4, up 7/8, and was the most active stock on the day's trading list.

Later in the day Pan Am laid off 1,100 of its employees in a continuing drive to cut down expenses. A spokesman for the airline said that several hundred more would be laid off between now and April 1, as a result of the route merger with TWA.

Talks On for Months

Talks on a financial arrangement between Pan Am and Iran have been going on for several months. "We are about a week away from a firm announcement," one source said. The airline, which lost \$175 million between 1969 and 1973, lost \$60.1 million during the first 11 months of 1974. Recently, it was

virtually turned down on its request for a subsidy from the U.S. government.

State Department regulations limiting foreign investments in U.S. air carriers to 5% with some minor exceptions are reportedly complicating negotiations. However, an airline spokesman said the U.S. government has been kept informed throughout the negotiations and so far appears receptive.

To get around the State Department regulations, the Iranian investment might come in the form of a loan or guaranteed bank credit line up to \$250 million.

In exchange, the airline will assist Iran in developing Iran National Airlines into an international carrier of major proportions. Iran has four Concorde supersonic airliners on order.

In the approved route swapping agreement, Pan Am will drop its U.S.-to-Paris run, leaving TWA the only American carrier on the route. TWA will cease flying to Frankfurt, giving Pan Am exclusive service to that city. Many other cities are involved.

2-207
1.23.11
2.1.75
Pan Am
Iran

152